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**1993-1994 report on the progress achieved in the implementation of the specific
measures for the smaller Aegean islands**

(Presented by the Commission)

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I. Introduction

The European Council in Rhodes on 2 and 3 December 1988 recognized the specific socio-economic problems that certain insular regions of the Community have.

In the spirit of the conclusions of the aforementioned European Council and in accordance with its commitments, the Commission undertook a general study of the specific problems of the Aegean islands, in partnership with the Greek authorities, which culminated in the establishment of information on the advancement of the study carried out by the Commission, as summarized in its interim report¹. This examination phase enabled the Commission to submit a final report², accompanied by suitable proposals, defining the overall strategy and the operational means to solve the problems of the Aegean islands.

This final report set out the lines of the Community's response and enabled the Commission, in the agricultural field, to submit its regulatory proposals designed to draw up a framework of agricultural measures to be financed by EAGGF "Guarantee" and "Guideline".

The proposed measures were intended to encourage the economic and social development of small islands (less than 100 000 inhabitants) which were characterized by a difficult geographical situation and structural backwardness in relation to other regions of the Community.

The difficulties that these islands have in kickstarting their economic and social development are their insularity, remoteness, small land area, difficult relief and climate.

Because of the specific problems of these islands, the Commission proposal envisaged a series of measure, of a multiannual and multisectoral nature, designed to facilitate supplies, to give financial support to production in order to improve the degree of self-sufficiency and to improve the agricultural structures of these islands and the living conditions of their inhabitants.

In adopting Regulation (EEC) N° 2019/93 the Council took action pursuant to Commission proposals.

The rapid adoption by the Commission of all the implementing regulations for the implementation of the measures provided for made for the implementation as of 1993 of a number of measures in support of local products. In 1994 all the measures were implemented except for the one on development and/or diversification of production and/or improvement of the quality of the fruit, vegetables and flowers.

On the whole, despite a number of teething difficulties, the programme is progressing satisfactorily. However, the adjustment of certain measures could improve the performance and the effectiveness of the measures and thus help to achieve the aims of

¹ DOC. ESA (93) 36 final of 10 January 1992

² COM (92) 569 final of 23 December 1992

this action, namely, population stabilization and maintenance of the specific landscape of the islands. It would be desirable for this rebalancing to be done without any increase in overall expenditure within the estimated costs of this action.

This report meets the Commission's obligation arising out of Article 15(1) of Regulation 2019/93 to submit to Parliament and to the Council an annual report on the implementation of the measures provided for and covers the implementation period of 1993-1994 .

A separate report for 1993 was not submitted because of the very short period of implementation of the measures.

II. Implementation of Regulation (EEC) No 2019/93

This Regulation instituted:

- a number of specific market-orientated measures under the responsibility of EAGGF "Guarantee" (mainly specific supply arrangements and aid for certain local products), for the financing of which specific headings were provided for in the Community budget, totalling ECU 15m in 1993 and of ECU 21m in 1994, (ECU 12 and 17m in 1993 and 1994 respectively under item B1-1833 for the crop products and ECU 3 and 4m for 1993 and 1994 respectively under item B1-2513 for livestock products).
- a series of derogations needed in the structural field, in order to facilitate EAGGF "Guideline" operations. For these derogations, however, additional budgetary amounts were not entered, the expenditure being covered by the appropriation of EAGGF "Guideline" under the CSF.

The development and adoption of the implementing regulations of Regulation 2019/93 followed very quickly on from adoption of the regulation. From July 93 to November of the same year all the implementing regulations were approved (see annex I), but the administrative procedures for actual implementation and the necessary adjustment by the economic operators to the new mechanisms set up allowed implementation in 1993 of only a small number of measures. For this reason a separate report for 1993 was not written and this assessment effectively covers the period of 1993 and 1994.

The various measures taken in support of agriculture on the islands have a common objective, namely, encouragement of the agricultural productive sector as a priority for the economic and social development of this region.

The measures provided for are as follows:

a) Specific supply arrangements

The objective of the supply arrangements is to compensate for the excess costs brought about by the geographical situation of the islands in the supply of a number of products intended for everyday consumption from the remainder of the Community in order to allow their availability under equitable conditions.

The quantities of products which benefit from these supply arrangements are determined on the basis of estimates revised periodically taking into account the needs of the markets. Special attention is paid to the economic effects brought about by these arrangements, in particular as regards actual spinoff through to the end-user.

The supply arrangements were first conceived as a response to the needs of local consumption while protecting the development of production in the agricultural sector. The sectors which benefit from these arrangements are yoghurt, sugar, wholewheat flour, feedingstuffs (cereals, alfalfa and fodder, residues and waste from the food industries and preparations of the types used for the animal feedingstuffs) for a limited period (1993 to 1997), with degressive aid, fruit and vegetables.

This measure was necessary because of the deficit on the islands and because of the imperative needs in animal and human food. This measure also implies the condition of effective repercussion of the advantages through to the end-user, as mentioned above. Such an impact is however difficult to measure owing to the free fixing of prices, but it is obvious that aid to supply allows a better supply of products and can play spur competition with as a consequence a fall in prices to the consumer.

b) Aid for agricultural production

Regulation 2019/93 stipulates that production aids are taken for certain agricultural products. This aid aims at maintenance and the consolidation or the development of the traditional activities of these regions, or diversification.

These measures concern fruit, vegetables and flowers, potatoes, olive groves, vineyards, honey and the beef and veal sector. Moreover, measures for the private storage of certain traditional cheeses and liqueur wines are envisaged.

The specific measure adopted for the development of production, as well as for the improvement of quality in the sector of fruit, vegetables plants and flowers, was not implemented until the end of 1994.

On the animal front, supplements to the premium for fattening male cattle and to the premium for suckler cows were set up to complete the mechanism for developing of stockfarming and the "meat" sector.

c) Derogations applicable to structural measures

Mention must be made of the amendments to the implementation of Regulation (EEC) N° 2328/91 concerning the improvement of the efficiency of agricultural structures.³ Following the opinion of the STAR Committee and the favourable Commission Decision,⁴ the following measures were adopted while ensuring their compatibility with the requirements of animal well-being and of environmental protection: the conditions for granting aid were made more flexible for investments in real estate on holdings and to encourage development of pig and poultry rearing. Moreover, the compensatory allowance was extended to all the vegetable crops. As regards processing / marketing measures for agricultural products, the opportunity of increasing the rate of Community participation beyond 50% was provided.

III. State of progress of the measures

I. Aid for supply

All the implementing regulations were approved by the Commission before the end of 1993.

The classification of the islands in two groups A and B according to their distance from the continent and the determination of aid on the basis of the marketing costs calculated from the ports of mainland Greece from which supplies are usually ferried were carried out. The supply estimates by product were fixed.

The islands and prefectures belonging to group A (islands close to the continent) are: Thassos, Samothrace, Sporades, Kythira, Antikythira, Amoliani, islands of the prefecture of Evia, excluding the island of Evia, and of the prefecture of the Cyclades islands: Kéa, Kythnos, Giaros, Andros, Tinos, Syros, Mykonos, Dilos and Rinia.

The islands and prefectures belonging to group B (distant islands) are: Prefectures of Dodecanese, Chios, Lesbos and Samos and the islands of the prefecture of the Cyclades, excluding those in group A.

The Community participation accounts for 90% of the total cost of the measures, the remaining 10% being the responsibility of the Member State.

Aid for supplies was fixed at 15 and 30 ECU/t for the groups A and B respectively. In addition an increase in aid of 50% was planned for 1993 in order to encourage the operators to implement the measure rapidly.

³ OJ L 218 of 6.8.1991, p. 1

⁴ C (94) 813 of 04.05.1994 notified on 05.05.1994

The implementation of the measure started only in 1994 owing to the need for approval of the respective administrative acts and adjustment by the Greek administration and the operators to the new procedure.

For the supply of fruit and vegetables temporary (1993 up to 1997), degressive implementation was envisaged. For 1994, 1995, 1996 and 1997 aid is fixed at 80%, 60%, 40% and 20% of the amount applicable during 1993.

The situation regarding the development of supply by product is as follows:

a. Yoghurt:

group of islands	unit aid ECU/t	1993			1994		
		fixed assessment	realization		fixed assessment	realization	
			quantity t	total cost thousand ECU		quantity t	total cost thousand ECU
A	15 *	500	0	0	2 000	0	0
B	30 *	1 250	0	0	5 000	2.3	0.07
Total		1 750	0	0	7 000	2.3	0.07

(*) for 1993 an increase of 50% was envisaged

The poor implementation of the measure is due to the very high cost of special labelling on each pot provided for by the administrative act showing that the product was subsidized by the Community.

b. Sugar:

group of islands	unit aid ECU/t	1993			1994		
		fixed assessment	realization		fixed assessment	realization	
			quantity t	total cost thousand ECU		quantity t	total cost thousand ECU
A	15 *	2 250	0	0	3 000	265	4
B	30 *	6 750	0	0	9 000	7 866	236
Total		9 000	0	0	12 000	8 131	240

(*) For 1993 an increase of 50% was envisaged.

The measure is advancing relatively well, especially for the islands of group B

c. Wholewheat flour:

group of islands	unit aid ECU/t	1 9 9 3			1 9 9 4		
		fixed assessment t	realization		fixed assessment t	realization	
			quantity t	total cost thousand ECU		quantity t	total cost thousand ECU
A	15 *	2 500	0	0	10 000	7 268	109
B	30 *	7 500	0	0	30 750	30 750 (1)	923
Total		9 000	0	0	40 750	38 018	1 032

(*) for 1993 an increase of 50% was envisaged

(1) For the islands of group B the quantities required in 1994 were 48 500 t, but could not be satisfied since they exceeded the fixed assessment.

d. Feedingstuffs:

group of islands	product	unit aid ECU/t	1993			1994		
			fixed assessment t	realization		fixed assessment t	realization	
				quantity t	total cost thousand ECU		quantity t	total cost thousand ECU
A	- cereals in grains	15 *	2 500	0	0	10 000	5 319.5	80
	- residues and waste from food industry		250	0	0	1 000	680.5	10
	- preparations used for animal food.		250	0	0	1 000	699.1	11
	- alfalfa and fodder		1 000	0	0	4 000	781.8	12
	TOTAL			4 000	0	0	16 000	7 480.9	113
B	- cereals in grains	30 *	7 700	0	0	30 750	29 391.8	882
	- residues and waste from food industry		4 150	0	0	16 500	17 336.7 ⁽¹⁾	495
	- preparations used for animal food.		1 600	0	0	6 500	4 756.7	143
	- alfalfa and fodder		0	0	0	250	282 ⁽²⁾	8
	TOTAL			13 450	0	0	54 000	51	1 528
SUM TOTAL			17 450	0	0	70 000	59 248,1	1 641

(*) for 1993 an increase of 50% was envisaged

(1) aid grant limited to 16 500 t

(2) aid grant limited to 250 t

The quantities required in 1994 exceeded the assessments provided for although, in certain cases, they could not be reached owing to technical difficulties. For certain cases where an overshooting of the assessment was noted, aid was limited to the quantity provided for by the assessment.

e. Fruit and vegetables

group of islands	product	unit aid ECU/t	1993			1994		
			fixed assessment t	realization		fixed assessment t	realization	
				quantity t	total cost thousand ECU		quantity t	total cost thousand ECU
A	- potatoes	15 *	500	0	0	3 000		
	- vegetables		613	0	0	3 679		
	- fruit		1 598	0	0	9 590		
	TOTAL		2 711	0	0	16 269	148	18
B	- potatoes	30 *	1 667	0	0	10 000		
	- vegetables		11 311	0	0	67 864		
	- fruit		5 145	0	0	30 867		
	TOTAL		18 123	0	0	108.731	975	23.4
SUM TOTAL			20 834	0	0	125.000	1 123	25.2

(*) Aid increased by 50% in 1993. For 1994 aid is limited to 12 ECU/t for the islands of group A and to 24 ECU/t for the islands of group B

In the estimates for group A mentioned in the table above, the following quantities are included: 1 000 t of Khios mandarins, 4 000 t of Naxos potatoes, 2 000 t of tomatoes and 300 t of Syros courgettes for transport to the other islands.

The measure did not advance as it might due to bureaucracy and the low rate in relation to the value of the products that aid for supplies represents.

2. Measures to support local products

a) Stockfarming

For the support of this sector the following aid is granted:

- aid for the fattening of male cattle, which constitutes a supplement of ECU 40 / head on the special premium provided for in Article 4(b) of Regulation (EEC) No 805/68 on the common organization of the markets in beef and veal,⁵
- a supplement on the premium to maintain the suckler herd provided for in Article 4(d) of R. 805/68/EEC which is paid to beef and veal producers. The amount of this supplement is ECU 40 / suckler cow held by the producer on the day of submission of the request and up to a limit of 40 cows per holding.

State of progress of the measure:

	unit aid ECU / head	1 9 9 3		1 9 9 4	
		number of animals	total cost thousand ECU	number of animals	total cost thousand ECU
- aid for the fattening of male cattle	40	6 355	254	10 710 ¹	423
- suckler cow premium	40	8 735	349	8 060	322
TOTAL		15 090	603	18 770	750

(1) of which 996 are cattle which in 1994 benefitted from the second payment of the aid granted in 1993

b) Milk products

Aid of 2.28 ECU/t / day is granted for the private storage of certain local cheeses (feta, graviera, ladotyri and kefalograviera).

The maximum quantity is fixed at 5 000 t/year and the minimum duration of storage is 60 days. The amount of aid must not exceed the amount which corresponds to the conventional 150-day storage.

For 1994 a quantity of 10t of ladotyri cheese and 200t of feta cheese benefitted from the measure. The storage period was 3 151 t x d.

⁵ OJ No L 148 of 28.06.1968, p. 24, as last amended by Regulation (EEC) No 984/96 (OJ No L 125 of 23.05.1996, p. 1)

State of progress of the measure:

product	unit aid ECU/t / d	1993			1994		
		quantity t	month duration	total cost thousan d ECU	quantit y t	duratio n t x d	total cost thousan d ECU
- ladotyri cheese		0	0	0	10		
- feta cheese		0	0	0	200		
Total	2.28	0	0	0	210	3 151	7.2

Corresponding aid was not paid in 1994.

c) Fruit, vegetables and flowers

Aid per hectare is granted to producers and recognized groupings or organizations who carry out an initiative programme approved by the competent authorities, aimed at the development and/or diversification of production and/or improvement of the quality of the fruit, vegetables and flowers. The initiatives supported have to tend in particular to develop production and the quality of the products, in particular by varietal conversion and farming improvements. They have to form part of programmes over a minimum three-year period covering a minimum land area of 0.3 h

The programme must not concern tomatoes. The amount of aid which is paid each year for a maximum of three years is a maximum of ECU 500 / ha, where public financing of the Member State amounts to at least 300 ECU/ha and if the individual or grouped producers' contribution is at least 200 ECU/ha. If the participation of the Member State and/or the producers' contribution are lower than the amounts indicated above, the amount of Community aid is reduced proportionally.

Aid is raised by 100 ECU/ha when the initiative programme is presented and carried out by a grouping or an organization of producers and provides for technical assistance for implementation and covers a minimum land area of 2 hectares.

The measure was not implemented in 1993 and 1994 owing to staff shortages at the local administration responsible for publicizing the measure and the small size of holdings which does not make it possible to ensure the minimum land area for its implementation.

d) Potatoes

Aid of 500 ECU/ha is granted each year for the growing of seed and food potatoes in plots of 0.2 ha at least and a cultivated and harvested maximum land area of 3 200 ha/year.

State of progress of the measure:

	1 9 9 3		1 9 9 4	
	land area (ha)	total cost thousand ECU	land area (ha)	total cost thousand ECU
potatoes	0	0	1 202	601

The measure could not achieve the objective because of the minimum limit of 0.2 ha.

e. Wine sector

- Vineyards

A fixed-rate aid of 394.83 ECU/ha is granted for the growing of vines geared towards QUALITY WINE PSR wine production

State of progress of the measure :

product	unit aid ECU/ha	1 9 9 3		1 9 9 4	
		land area (ha)	total cost thousand ECU	land area (ha)	total cost thousand ECU
vineyards	394.83	4 887.3	1 930	4 993.52	1 972

- Private storage of liqueur wines

Aid is granted for the ageing of locally produced quality liqueur wines, made by traditional method and aged for not less than two years. It is paid during the second year of ageing up to a maximum of 40 000 hl/year.

State of progress of the measure:

product	duration	unit aid ECU/hl/d	Countryside			
			1993/1994		1994/1995	
			hl quantity	total cost thousa nd ECU	hl quantity	total cost thousand ECU
liqueur wines		0.0197	0	0	2 000 ⁽¹⁾	0.12

(1) Storage began on 01.12.1994.

f. Olive groves

Fixed-rate aid of 120/ECU/ha/year is granted for the maintenance of the olive groves in the traditional areas of olive-tree cultivation, provided that olive groves are kept under good conditions of production. The minimum density was fixed at 50 trees / ha.

State of progress of the measure:

product	unit aid ECU/ha	1993		1994	
		land area (ha)	total cost thousand ECU	land area (ha)	total cost thousand ECU
olive groves	120	93 020.4	11 620	100 390	12 047

In order to control expenditure, the minimum density was increased as from 1995 to 80 trees/ha.

g. Honey

Aid per hive in production is granted to recognized honey-producer groups for the production of quality honey with a high thyme honey content, who undertake to carry out annual initiative programmes aimed at better conditions of marketing and promotion of quality honey. The amount of aid is ECU 10 / hives / year and is limited to a maximum 50 000 hives.

For a transitional period of up to two years maximum while groups are established and recognized, aid of ECU 7 / hive is granted to any bee-keeper with at least ten hives and a maximum of 100 000 hives.

711 bee-keepers benefitted from aid: 444 in the prefecture of Cyclades, 45 on Limnos and 222 in the prefecture of Samos.

State of progress of the measure :

product	unit aid ECU / hive	1993		1994	
		number of hives	total cost thousand ECU	number of hives	total cost thousan d ECU
hives	7	85 304	597	105 074 (1)	701

(1) A proportional reduction in aid was applied in order to keep to the total number of 100 000 hives provided for

IV EAGGF Guarantee Section expenditure for implementation of the measures

The costs shown in Chapter III, as set out in the tables in Annexes 1 and 2, are calculated per calendar year on the basis of the figures provided by the Greek authorities. Taking account of the time needed to check expenditure and the declaration of expenditure, on the one hand, and the time span between the calendar year and the financial year for the EAGGF guarantee (16 October in year n to 15 October in year n + 1), on the other, the expenditure declared and attributed to EAGGF guarantee in 1993 and 1994 is as follows:

in MECU

products	declared and attributed expenditure	
	1993	1994
- plants	0	16.770
- animals	0	0.665
TOTAL	0	17.435

V. Derogation applicable to structural measures

- a) Notwithstanding Articles 5, 6, 7, 10 and 19 of Regulation (EEC) No 2328/91¹ on improving the efficiency of agricultural structures, investment aid for agricultural holdings located on the smaller islands is granted under the following conditions:
- the aid scheme for investments can be applied to farmers who, on the one hand, do not farm as a principal activity but draw at least 25% of their overall income from agricultural activity on the holding and, on the other, do not require more than the equivalent of one manpower unit (MPU) as long as the investments provided for do not exceed ECU 25 000. Except for local specialities, all food production must be limited to local consumption;
 - maintenance of simplified accountancy;
 - for pig production in family holdings, the limits fixed by the R. 2328/91 are not necessary. However, on completion of the plan, at least the equivalent of 10% of the quantity of food consumed by pigs must be produced by the holding;
 - for egg and poultry production investments in family holdings are permitted;
 - the maximum aid eligible for investments is 55% for any type of investment;
 - possibility of increasing the compensatory allowance to ECU 180.5 / LU up to a maximum amount of ECU 3 540 / holding in 1993 and of granting it for all vegetable crops, as long as it is compatible with the requirements of environmental protection;
 - possibility of including in the calculation of the compensatory allowance in all the less-favoured areas of this region cows whose milk is intended for the internal market of this region.
- b) Notwithstanding Article 17 (3), second indent, of R. 4253/88, the possibility of increasing Community participation beyond the limit of 50% for investments concerning certain processing/marketing sectors agricultural products intended to improve the quality of life of locals.

¹ **OF No L 218 of 06.08.1991, p. 1, Regulation as last amended by R. 870/93 (OJ No. L 91 of 15.04.1993, p. 10)**

State of progress:

	1993		1994	
	number	estimate of the additional cost to the EAGGF GUIDANCE SECTION thousand ECU	number	estimate of the additional cost to the EAGGF GUIDANCE SECTION thousand ECU
- improvement plans for non-farmers	-	-	77	163
- improvement plans for farmers with 55% aid	-	-	357	65
- improvement plans for the production of poultry	-	-	1	39
- improvement plans for pig production	-	-	-	-
- installation of young farmers with 0.5 MPU	-	-	4	-
- compensatory allowance	15 000	2 800	15 000	2 900
- processing / marketing	-	-	-	-
T O T A L	-	2 800		3 167

VI. National control system

1. In order to ensure the effective control of the aid allocated for supplies, an interministerial Decision (No 443790/22.12.1993) which determines the supporting documents which have to accompany the products has been published. It designates the services responsible for controls, it lays down the method of payment and the ways of monitoring the effective repercussion of the aid granted on the end-user. This procedure is always used as regards the supporting documents. Random checks are carried out by the regional services of the Ministry of Agriculture.
2. For measures to support local products specific administrative Acts for each activity have been published for the implementation of measures and for the procedure of granting aid. Controls are carried out in the form of general administrative controls and on the spot checks.
3. The same procedure applies to structural measures as the one provided for normal implementation of the measures.

To be more precise:

- a) for the improvement plans, controls apply to all investments;
- b) for young farmers, each individual case is examined to see whether the recipient meets all the requirements, and
- c) for the compensatory allowance, both the general administrative control and on the spot checks apply.

VII. Proposals for adjustment of the measures

The difficulties noted at the time of implementation of the measures led the Greek authorities to submit a request for a number of adjustments of the measures provided for. The Commission is examining them.

These requests are as follows:

1. Measures requiring an amendment of the R. 2019/93 by the Council:

- a) **Maintenance of aid for supplies for fruit, vegetables and potatoes at 80% of the ECU 30 and 15 planned for 1993.**
- b) **Increase in aid for supplies for the yoghurt.**
- c) **For honey the proposal is to increase the total number of subsidized hives and to extend the concept "honey of specific quality" in order to include honey other than thyme honey.**
- d) **Inclusion of a technical assistance measure. For the recruitment of temporary personnel needed for better implementation of the measures and controls provided for, as well as for the drawing-up of the general report on the economic situation of the islands showing the impact of the measures carried out under Regulation 2019/93.**
- e) **Reduction of the minimum limit of 0.3 hectares for implementation of the programmes for the development and/or diversification of the production of fruit, vegetables and flowers.**
- f) **Allocation of the second payment of supplementary aid for calves, together with the first payment and application of the regional ceiling for 1 000 animals instead of the individual limit and suppression of the density coefficient.**
- g) **Implementation for the cows suckler of the regional limit for 10 000 animals, by analogy with that implemented for the calves, instead of the individual limit and suppression of the density coefficient.**
- h) **Inclusion of straw (c.o. 121300) in the list of products benefitting from the dried fodder supply arrangements.**

2. Measures requiring an amendment to Commission Regulations:

- a) **Increase in the assessment of feedingstuff and flour supply in order to meet the needs of the islands. Increase of 25% of the aid for the islands in group A.**
- b) **Inclusion of the island of Gavdos in the south-west of Crete in the measure for fruit and vegetable, wheat and feedingstuff supplies.**
- c) **Suppression of the minimum area limit for the granting of aid for potatoes.**

VIII. Other agricultural and rural development measures in favour of the Aegean islands

Special, one-off Community aid of ECU 14m financed under B2-24 chapter of the Community budget for the carrying out of a number of structural measures for the Greek islands in the Aegean was decided by the Commission on 21.12.1993. Of this amount ECU 0.875m is for the financing of agricultural measures.

In addition, efforts to develop the productive sectors of these islands have been supported by the Union mainly through aid from the Structural Funds. Both under the first CSF for Greece (period 1989-1993) and the second (period 1994-1999), apart from the measures included in the national operational programmes, which are and will be implemented on the islands, specific MGPs for the islands of the North and South Aegean were implemented for the same periods, amounting for the period 1994-1999 to ECU 454.5m for the three Structural Funds, including ECU 24.4m for the EAGGF GUIDANCE SECTION.

Finally, the islands have also benefitted from the Community initiatives INTERREG and LEADER.

IX. GENERAL CONCLUSIONS

Regulation 2019/93 was adopted by the Council on 18.07.1993 and up to November 1993 all the implementing regulations for the implementation of the measures provided for had been adopted by the Commission. This enabled the Greek authorities to implement as from 1993 a number of the measures in support of local products, in particular measures to support stockfarming, grow and maintain vines and olive groves and produce honey. Implementation of these measures 1993 was achieved at a rate of 97.18% in relation to the initial forecasts.

The measures for supplies could not be implemented in 1993 despite an increase of 50% in the aid provided for to encourage rapid implementation.

The publication and distribution of the administrative acts, the introduction of a reliable control system and adjustment by operators are the reasons for the delay in implementing the supply measure.

The measure for supplies achieved an average implementation rate of 45.8% in 1994 in relation to forecasts, but implementation varies considerably from one product to another. The highest implementation rates were reached for flour (96.2%) and feedingstuffs (80.5%), which are even higher for the islands in group B (94.3%). The lowest rates were for fruit, vegetables and potatoes (0.9%) and for yoghurt (0.1%).

For feedingstuffs needs far exceed the assessments provided for.

Of the measures to support local products only the measure on the maintenance of olive groves far exceeded the forecast. In order to control the costs, an increase in the minimum density provided for is made (from 50 trees / ha to 80) as from 1995.

In 1994 measures reached overall an achievement rate of 79.4% in relation to the forecasts. All the measures were implemented except for the measure on the development and/or diversification of the production and/or improvement of the quality of fruit, vegetables and flowers, despite its great importance to the islands, owing to the lack of administration personnel to promote the measure. The measure is expected to be implemented in 1996.

As regards derogations applicable to structural measures, the provisions on the derogations from Regulation 2328/91 on greater efficiency in agricultural structures were adopted in 1993 and that year 15 000 farmers have benefitted from the derogation concerning the compensatory allowance. The first improvement plans started in 1994. The only measure which had not advance by the end of 1994 was the one concerning the processing / marketing of agricultural products.

All in all, the programme as a whole, despite its teething difficulties, is progressing satisfactorily.

The Commission is examining to modify certain measures the Greek proposals at present. This examination requires further study together with the Greek authorities and more relevant documentation on the matter for certain aspects .

Annex 1

List of the regulations adopted as at 31.12.1994

1. Framework regulation

Council Regulation (EEC) No. 2019/93 of 19 July 1993 introducing specific measures for the smaller Aegean islands concerning certain agricultural products

(1) OJ No. L 184 of 27.07.1993, p. 1

2. Detailed rules

2.1. Specific supply procedure:

- Commission Regulation (EEC) No. 2958/93 of 27 October 1993 laying down detailed rules for the application of Council Regulation 2019/93 as regards the specific arrangements for the supply of certain agricultural products
(1) OJ No. L 267 of 28.10.1993, p. 4
- Commission Regulation (EC) No. 3163/93 of 17 November 1993⁽¹⁾ as amended by Commission Regulation 3004/94 of 09.12.94⁽²⁾ establishing the forecast supply balance as part of the specific arrangements for the supply of milk products procedure to the smaller Aegean islands
(1) OJ No. L 283 of 18.11.1993, p. 18
(2) OJ No. L 317 of 10.12.1994, p. 6
- Commission Regulation (EC) No. 3065/93 of 5 November 1993⁽¹⁾ as amended by Commission Regulation (EC) No. 1445/94 of 23 June 1994⁽²⁾ laying down detailed rules of application for the specific arrangements for the supply of sugar to the smaller Aegean islands and establishing the forecast supply balance for 1993-1994.
(1) OJ No. L 274 of 06.11.1993, p. 10
(2) OJ No. L 157 of 24.06.1994, p. 7
- Commission Regulation (EC) No. 3254/93 of 26 November 1993⁽¹⁾ amended by the Commission Regulation (EC) No. 2747/94⁽²⁾ and 3128/94⁽³⁾ laying down detailed rules for the application of the Council Regulation (EEC) No. 2019/93 as regards the specific supply arrangements for certain fruits and vegetables for the benefit of the smaller Aegean islands.
(1) OJ No. L 293 of 27.11.1993, p. 34
(2) OJ No. L 290 of 11.11.1994, p. 8
(3) OJ No. L 330 of 21.12.1994, p. 45
- Commission Regulation (EC) No. 822/94/CE⁽¹⁾ of 13 April 1994 adjusting the CN codes for apples listed in the Annex to Council Regulation (EEC) No. 2019/93 introducing specific measures for the smaller Aegean islands concerning certain agricultural products.
(1) OJ No. L 95 of 14.04.1994, p. 1

- Commission Regulation (EC) No. 825/94 of 13 April 1994⁽¹⁾ adjusting the CN codes for apples listed in annexes to Regulation (EC) No. 3254/93 laying down detailed rules for the application of Council Regulation (EEC) No. 2019/93
(1) OJ No. L 95 of 14.04.1994, p. 7
- Commission Regulation (EC) No. 3066/93 of 5 November 1993⁽¹⁾ amended by Regulation (EC) No. 3175/94⁽²⁾ laying down detailed rules for application of the specific arrangements for the supply of cereal products to the smaller Aegean islands and establishing the forecast supply balance.
(1) OJ No. L 274 of 06.11.1993, p. 12
(2) OJ No. L 335 of 23.12.1994, p. 54
- Commission Regulation (EEC) No. 3021/93 of 29 October 1993⁽¹⁾ amended by the Regulation (CE) No. 3173/94⁽²⁾ laying down detailed rules of application for the specific measures for the smaller Aegean islands with regard to the special arrangement for the supply of dried fodder
(1) OJ No. L 270 of 30.10.1993, p. 62
(2) OJ No. L 335 of 23.12.1994, p. 51

2.2. Measures to support local products:

- Commission Regulation (EEC) No. 2889/93 of 21 October 1993⁽¹⁾ laying down certain detailed rules as regards the supplements to the special premium for producers of beef and veal and to the premium for maintaining suckler cows
(1) OJ No. L 263 of 22.10.1993, p. 8
- Commission Regulation (EC) No. 3393/93 of 10 December 1993⁽¹⁾ laying down detailed rules governing the granting of private storage aid for certain cheeses manufactured on the smaller Aegean islands
(1) OJ No. L 306 of 11.12.1993, p. 32
- Commission Regulation (EC) No. 3253/93 of 26 November 1993⁽¹⁾ laying down detailed rules for the application of Council Regulation 2019/93 as regards the support measures for local products for the smaller Aegean islands, in the fruit, vegetable and flower sectors.
(1) OJ No. L 293 of 27.11.1993, p. 28
- Commission Regulation (EC) No. 3404/93 of 10 December 1993⁽¹⁾ on rules for the application of the Council Regulation 2019/93 introducing specific measures for the smaller Aegean islands, as regards the growing of potatoes for human consumption and seed potatoes
(1) OJ No. L 310 of 14.12.1993, p. 7
- Commission Regulation (EC) No. 3112/93 of 10 November 1993⁽¹⁾ laying down detailed rules for the application of the specific aid arrangements for the smaller Aegean islands in respect of vineyards and the private storage of liqueur wines
(1) OJ No. L 278 of 11.11.1993, p. 52
- Commission Regulation (EEC) No. 2837/93 of 18 October 1993⁽¹⁾ amended by the Regulation No. 3499/93/CE of 20 December 1993⁽²⁾ and No. 2813/ of 18.11.1994⁽³⁾

laying down detailed rules for the application of the Council Regulation No. 2019/93 with regard to the maintenance of olive groves in traditional olive-growing areas.

(1) OJ No. L 260 of 19.10.1993, p. 5

(2) OJ No. L 319 of 21.12.1993, p. 22

(3) OJ No. L 298 of 19.11.1994, p. 24

- Commission Regulation (EC) No. 3063/93 of 5 November 1993 laying down detailed rules for the application of the Council Regulation No. 2019/93 with regard to the aid scheme for the production of honey of specific quality.

(1) OJ No. L 274 of 06.11.1993, p. 5

3. Derogations applicable to structural measures

Commission Decision of 4.05.94 concerning greater efficiency in agricultural structures in Greece (smaller Aegean islands) in accordance with Regulation (EEC) No. 2328/91

Annex 2

List of administrative Acts adopted to implement the measures provided for

1. Specific supply arrangements

- a) Ministerial Decision No. 443790/22.12.1993 "concerning the supporting documents for the payment of aid to supply for the small Aegean islands in certain agricultural products (published in the Official Journal section B No. 927 of 23.12.1993).
- b) Administrative Act No. 2/94 amended and supplemented by administrative acts 4/94 and 8/94 laying down strict rules on the transport and normal marketing of subsidized products concerning indication of the purchase price on the shipping document (OJ No. 244 of 07.04.1994).
- c) Administrative Act No. 4/94 concerning indication on the packing of yoghurt benefitting from aid for consumption on the Aegean islands
- d) Ministerial Decision No. A2-1292 of 22.03.1994 concerning the marketing of food and feedingstuffs, benefitting from aid to supply on the Aegean islands (Official Journal No. 244 of 07.04.1994).
- e) Ministerial Decision No. A2-2201 of 15.04.1994 concerning the marketing in bulk of the feedingstuffs on the Aegean islands (Official Journal No. 313 of 25.04.1994).

2. Measures to support local products

A) Support for stockfarming:

Ministerial Decision No. 190019/01.07.1994 concerning supplementary aid for the fattening of male cattle and the supplement to the premium for the maintenance of suckler cows (OJ No. 536 of 07.07.1994).

b) Private storage of certain locally manufactured cheeses:

Ministerial Decision No. 190080/01.07.1994 concerning the supporting documents for entry, exit, control and complementary procedures relating to aid for the private storage of certain locally manufactured cheeses, in accordance with Regulations 2019/93 and 3393/93.

c) Potatoes for human consumption and seed potatoes:

Circular No. 166309/26.02.1994 concerning procedures for the granting of aid per hectare to potato producer on the Aegean islands

- d) Maintenance and growing of vines for quality wine (PSR) production in the traditional production areas:

Circulars No. 444236/1.012.1993 and No. 326567/16.03.1994 concerning the implementation of the specific aid scheme for QUALITY WINE PSR vineyards on the small Aegean islands within the framework of the Council R. 2019/93

- e) Ageing of locally produced liqueur wines:

Ministerial Decision No. 189304 of 28.06.1994 concerning procedures for the granting of aid for the ageing of liqueur wines on the small Aegean islands

- f) Maintenance of olive groves:

Circular No. 207977 of 29.10.1993 concerning the procedure for the granting of the flat-rate aid for the maintenance of olive groves on the small Aegean islands

- g) Honey:

- Circular No. 212538/07.12.1993 concerning procedures for the granting of aid per hive for the production of honey of specific quality (OJ section B No. 215 of 01.04.1994).
- Decision No. 329361/23.03.1994 concerning the authority responsible, the procedure, the supporting documents and controls for implementation of the specific procedure for granting aid for the production of honey of specific quality (thyme) on the small Aegean islands (OJ section B No. 215 of 01.04.1994).

3. Derogations applicable to structural measures

- Ministerial decree No. 112 of 27.12.1993 for the implementation of the R. 2019/93 introducing specific measures for the smaller Aegean islands for certain agricultural products - derogation applicable to structural measures - improvement plans - compensatory allowance.
- Ministerial decree No. 149 of 30.11.1994 concerning the programme of aid for the mountain areas and for the less-favoured areas in 1994 (compensatory allowance) in implementation Council R. (EEC) No. 2328/91 on greater efficiency in agricultural structures.
- Ministerial Decision No. 415312/6255/29.09.1994 concerning procedures for the inclusion of investment plans in Council Regulation (EEC) No 866/90 of 29.03.1991 for better conditions in the processing and marketing of these agricultural products, as amended by Council Regulation (EC) No 3669/93 of 22.12.1993 and the procedure for allocation to the recipients of national and Community aid
- Circular No. 432922/7249 of 12.12.1994 concerning the implementation of the regulation (EEC) No 866/90 for the period 1994-1999

Aegean Islands - Aid to supply

PRODUCT	group of islands	unit aid ECU/t	initial forecast t	1993					1994					
				Participation EAGGF-G initial forec..(1)	Bal. pr. for		Actual		Participation EAGGF-G initial forec..(1) MECU	Bal. pr. for		Actual		
					Quantity t	Total cost MECU (2)	Quantity	Total cost MECU (2)		Quantity t	Total cost MECU (2)	Quantity requested	Quantity achieved	Total cost (2) MECU
I. Permanent supplies														
- yoghurt	A	15	2.000	0,027	500	0,011	-	-	0,027	2.000	0,030		0	
	B	30	5.000	0,135	1.250	0,056	-	-	0,135	5.000	0,150		2,3	0,000
	total		7.000	0,162	1.750	0,067	0	0	0,162	7.000	0,180		2,3	0,000
- sugar	A	15	3.000	0,041	(3)2.250	0,051	-	-	0,041	3.000	0,045		265	0,004
	B	30	9.000	0,143	(3)6.750	0,304	-	-	0,243	9.000	0,270		7.866	0,236
	total		12.000	0,284	9.000	0,355	0	0	0,284	12.000	0,315		8.131	0,240
- Wheat flour	A	15	10.000	0,135	2.500	0,056	-	-	0,135	10.000	0,150		7.268	0,109
	B	30	30.000	0,810	7.500	0,338	-	-	0,81	30.750	0,923		(4)30.750	0,923
	total		40.000	0,945	10.000	0,394	0	0	0,945	40.750	1,073		38.018	1,032
- feeding-stuffs incl	A		16.000	0,216					0,216					
- fodder	B		54.000	1,458					1,458					
	A	15			1.000	0,023				4.000	0,060		781,80	0,012
	B	30			0	0				250	0,008		282,00	0,008
- grains	A	15			2.500	0,056				22.000	0,33		5.319,50	0,080
	B	30			7.700	0,347				30.750	0,923		29.391,80	0,882
- other	A	15			500	0,011				2.000	0,030		1.379,60	0,021
	B	30			5.750	0,259				23.000	0,690		22.093,40	0,638
	total		40.000	1,674	17.450	0,696			1,674	82.000	2,041		59.248,10	1,644
II. Temporary supplies	A	15 (5)	32.000	0,432					0,346				148	0,002
	B	30 (5)	93.000	2,511					2,009				975	0,023
- potatoes	A	15 (5)			500	0,011				(6)3.000	0,036			
	B	30 (5)			1.667	0,075				(6)10.000	0,240			
- fruits	A	15 (5)			1.598	0,036				(7)9.590	0,115			
	B	30 (7)			5.145	0,232				30.867	0,741			
- vegetables	A	15 (5)			613	0,014				(8)3.679	0,044			
	B	30 (5)			11.311	0,509				67.864	1,629			
	total		125.000	2,943	20.834	0,877			2,355	125.000	2,805		1123	0,025
TOTAL GENERAL			254.000	6,008	59.034	2,389	0	0	5,420	266.750	6,414		106.524	2,938

1. EAGGF-G participation accounts for 90% of the total cost. The forecast was made on an annual basis of application of the measure
2. Aid increased by 50% during 1993
3. November '93 - June '94
4. For group B islands, demand exceeded the forecast by 17.750 t.
5. The quantities requested exceeded the annual balances despite the fact that some requests were not met
6. Aid on a diminishing scale for 1994-1995-1996 et 1997, aid being set at 80%, 60%, 40% and 20% of the amount applicable in 1993
7. Incl 4.000 t of potatoes from Naxos
8. Incl 1.000 t of mandarines from Chios
9. Incl 2.000 t of tomatoes and 300 t of courgettes from Syros

Aegean islands - Specific aid for local products

PRODUCT	Initial forecast			1993			1994		
	unit aid ECU/head, ha or hl	Quantity (head,ha, hl,hive)	Total cost MECU	EAGGF-G expenditure prov. for (1)	Actual		EAGGF-G expenditure prov. for (1)	Actual	
					Quantity (head, ha, hive)	Total cost MECU		Quantity (head, ha, hive)	Total cost MECU
I. Animal production									
a) cattle (ECU/head)									
- fattening premium	40	6 500	0,26		6 355	0,254		(2)10 710	0,428
- suckler cow premiums	40	8 000	0,32		8 735	0,349		8 060	0,322
TOTAL			0,58	0,47		0,603	0,700		0,750
II. Crop production									
- aid to production (ha)))))		
- fruit and vegetables	500	)4.700	)2,35	)1,890	0	0	)2,830	0	0
- potatoes		)	)	)	0	0	)	1 202	0,601
- wine-growing sector									
- aid per hectare (ECU/ha)	400	8 300	3,320	2,670	4887,3	1,955	4 000	4993,52	1,992
- ageing of wines PSR (4) (ECU/h/d)	0,0197	40 000	0,072	0	--	--	0,060	2 000	0,001
- olive-growing sector									
- flat-rate aid (ECU/ha)	120	50 000	6,000	4,820	93 020,4	11,162	7 230	100 390,2	12 047
- honey (ECU/hive)	(5)7	(5)100 000	0,700	0,560	85 304	0,597	0,840	(6)105 074	0,70
TOTAL			14,732	11,780		14,317	17 720		16,091

(1) Calendar year expenditure is divided into 2/3 in the financial year of the same year and 1/3 in the financial year of the following year

(2) Including calves which benefited from the second payment of the premium

(3) Aid was paid for 3.151 t x d

(4) The ageing process must not be less than two years. Aid is paid during the second year

(5) Amount of aid during the transitional period of two years limited to 100 000 hives. The permanent arrangement provides for 10 ECU/hive for 50 000 hives

(6) Aid limited to 100 000 hives. A proportional reduction in aid was applied so as to keep to the amount corresponding to 100 000 hives

(7) Five groups of producers benefited from aid. Unit aid 12 08 ECU/hive in 1995

Summary table 3

Aegean Islands - Aid R. 2019/93

I. EAGGF - Guarantee

in MILLION ECU

AID	1993		1994	
	forecast	EAGGF particip. in expenditure	forecast	EAGGF particip. in expenditure
- aid for supplies 1	3.27	0	6.760	2.938
- specific aid for local products	11.780	14.317	17.720	16.091
Grand total	15.05	14.317	24.480	19.029

(1) The participation of the EAGGF Guarantee Section accounts for the 90% of the total cost

II. EAGGF Guidance Section (estimate of additional expenditure due to the derogations) in MECU

AID	1993		1994	
	forecast	EAGGF particip. in expenditure	forecast	EAGGF particip. in expenditure
Derogations in structural measures	0	2.801	2.3	3.1672

(1) The participation of the EAGGF Guidance Section is reimbursed in 1994

(2) Reimbursement was made in 1995

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