

Opinion of the European Economic and Social Committee on the ‘Proposal for a Regulation (EU) No ... of the European Parliament and of the Council laying down specific measures in favour of agriculture in the smaller Aegean islands’

COM(2010) 767 final — 2010/0370 (COD)

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On 18 and 20 January 2011 the Council of the European Union and the European Parliament, respectively, decided to consult the European Economic and Social Committee, under Article 43 of the Treaty on the Functioning of the European Union, on the:

Proposal for a Regulation (EU) No ... of the European Parliament and of the Council laying down specific measures in favour of agriculture in the smaller Aegean islands

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The Section for Agriculture, Rural Development and the Environment, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 28 February 2011.

At its 470th plenary session, held on 15 and 16 March 2011 (meeting of 15 March), the European Economic and Social Committee adopted the following opinion by 174 votes to six with 17 abstentions.

Conclusions and recommendations

1. Conclusions

The EESC welcomes this draft proposal for a regulation recasting Regulation (EC) No 1405/2006, for the following reasons.

1.1 The previous regulation was subject to many amendments to reflect developments in Community legislation and to bring it into line with the Lisbon Treaty. The legislative text needs to be restructured so as to better highlight the central role of the support programme, focusing on:

a) the specific supply arrangements, and

b) the special measures for local production.

1.2 The recast regulation refers explicitly to the key elements of a specific scheme for agricultural products of local importance in the smaller Aegean islands, with the aim of effectively addressing the difficulties caused by these regions' isolation, remoteness, insularity, small size, mountainous terrain and climate, and their economic dependency on a small number of products.

1.3 Article 2 of the new regulation emphasises that the measures will contribute to achieving the goal of guaranteed supply to the smaller islands of products essential for human consumption or for processing and as agricultural inputs by mitigating the additional costs due to remoteness, insularity

and small size, and to that of preserving and developing agricultural activities in the smaller islands, including the production, processing and marketing of local products.

1.4 The aim is to ensure that Greece applies the programme in a uniform manner to the smaller Aegean islands in relation to other similar arrangements in order to avoid unfair competition or discrimination between operators.

1.5 Sound budgetary management is ensured by requiring Greece to indicate in its programme the list of aid constituting direct payments for local products, specifically setting out how the amount is calculated.

1.6 The ceiling for financing the specific supply arrangements is increased by 20 %.

1.7 The Commission is granted the power to implement the uniform conditions relating to introducing the system of certificates and the commitment of operators concerning supply arrangements and a general framework of checks which Greece must perform.

1.8 Under Article 11(2), the Commission may also adopt, by delegated act, the conditions for entering operators in the register of certificates and require that a security be lodged for issuing certificates, as well as adopting measures for introducing the procedure for approving amendments to the programme.

Statement of reasons

2. Introduction

2.1 In line with the objectives of the measures and the principles applying to programming, compatibility and consistency with other EU policies, also in accordance with Regulation (EC) No 1782/2003, common rules are set for the direct support scheme within the framework of the common agricultural policy.

2.2 The Commission thus adopts the necessary regulatory provisions using its implementing powers, under Article 291(2) of the Treaty, to ensure uniform application of the programme by Greece in the smaller Aegean islands in relation to other schemes, and with the aim of avoiding unfair competition and discrimination between operators.

2.3 The Commission ensures uniform conditions with respect to introduction of the certificates system and operators' commitment regarding the specific supply arrangements (Article 11(3)).

2.4 It determines the uniform conditions for implementing the programme (Articles 6(2), 15(3) and 18(3)), and a general framework of checks which Greece must perform (Articles 7, 12(2) and 14(1)).

2.5 The EESC believes that the considerations, positions and proposals set out in sections 4, 5, 6 and 7 of this opinion should be drawn on in order to flesh out the content of the regulation to be adopted and with a view to framing an integrated policy for the scattered islands of the Aegean.

3. Summary of the proposal for a regulation

3.1 The new regulation repeals and replaces the preceding one, Regulation (EC) 1405/2006, owing to the large number of amendments and to ensure conformity with the Lisbon Treaty.

3.2 In accordance with the subsidiarity principle, the content of the support programme for the smaller Aegean islands (Chapter II, Article 5) is clarified. The programme must be established by Greece and submitted to the Commission for approval. By the same token, Greece is free to amend the programme (Chapter II, Articles 3 and 6) to bring it into line with requirements.

3.3 Specific supply arrangements are established for the EU's agricultural products, which are essential in the smaller islands of the Aegean for human consumption, for the manufacture of other products or as agricultural inputs (Article 3). Greece is required to draw up a supply balance covering the supply requirements of the islands.

3.4 Support is granted for each agricultural product in the smaller islands based on the marketing costs calculated from the ports in mainland Greece that ship the products, plus any additional costs relating to insularity and small size.

3.5 The particular geographical situation, the extra costs of transporting products and the additional burden of isolation create disadvantages for these regions that can only be countered by reducing the prices of the products in question, which calls for special supply arrangements. The products covered by these supply arrangements will be quality, marketable products in order to avoid any speculation.

3.6 So as to maintain the competitiveness of EU products, support must be granted for the supply of EU products to the smaller Aegean islands, taking the extra costs of transport into account.

3.7 The products in question may not be dispatched or exported in the case of economic advantage resulting from the specific supply arrangements. Products may nevertheless be exported to third countries, provided the economic advantage is reimbursed. They are also subject to administrative checks (Article 14).

3.8 To benefit from support, operators must present a certificate stating that they are entered in the relevant registers.

3.9 The proposal aims to encourage trade in processed products between the smaller Aegean islands and exports of those products to the rest of the European Union and non-EU countries.

3.10 Support for local production is furthered through the support programme first established by Regulation (EC) 1405/2006. That regulation promoted the production, marketing and processing of a wide range of products, and the measures it provided for proved positive for agricultural activity.

3.11 Measures are introduced for funding studies, demonstration projects, and training and technical assistance (Article 15).

3.12 Agricultural production and marketing of quality products are encouraged.

3.13 The proposal fixes Commission's powers to adopt delegated acts, which must be notified to the European Parliament and the Council.

4. Recommendations

The EESC believes that the following measures should be prioritised and adopted:

4.1 The issue of agricultural products should be addressed in conjunction with setting up an appropriate development framework for island tourism; in particular, the islands should draw consumers from Europe and beyond who appreciate the particular value of the Mediterranean diet and local organic products.

4.2 Similarly, the necessary steps should be taken to exploit more effectively traditional farm products for which demand has also increased in other sectors, partly because of their therapeutic properties (mastic gum from Chios, olive oil, honey, various types of herbs, etc.), specifically in the pharmaceuticals, cosmetics and homeopathic sectors.

4.3 The local island population must be made aware of the dietary and economic value of their products. The EESC recommends that an interregional school be set up in a strategically placed island based on the idea of an Erasmus programme for students and workers in the tourism sector.

4.4 Measures should be envisaged to organise educational programmes involving national and external universities in projects to draw up studies and conduct academic research on highlighting the economic value of island products and capitalising on them.

4.5 The vulnerable population of the islands, especially in inaccessible areas, should be approached with great sensitivity with a view to maintaining that population and providing incentives – chiefly economic and aimed at young people – by setting up programmes, without repayment of surpluses, to subsidise business activity in remote regions; these efforts would focus on highlighting ways to harness the economic potential of the islands based on their unique and special features, and in accordance with their geographical and geological profile.

4.6 The importance of improving quality must be stressed, along with reducing the production costs of agricultural products.

4.7 Various criteria must be introduced to reflect the particular morphology of a territory and its geological composition.

5. General comments

The EESC recognises the particular factors that determine the development of agriculture in the Aegean islands, and therefore believes that it would be useful if the regulation under discussion also took the following factors into account.

5.1 Because basic resources such as water, energy and raw materials are in short supply, resources in the Aegean islands must be managed rationally. This applies in particular during the summer months, when the increased number of tourists and summer visitors in the islands create problems with access to water reserves, energy, etc. These issues must be taken into account so that they can be addressed by ensuring improved management of resources and a well-balanced natural environment. Here the regulation could provide for supporting policies that address these specific serious problems.

5.2 **Changes in land use in the islands:** The amount of agricultural land in the islands is steadily decreasing through conversion to other uses, e.g. construction, or because land is left fallow, or is infertile and uncultivated (now regarded as permanent 'set-aside'). Land use should therefore be improved through the support programmes for agricultural production, and the regulation could establish the framework for this.

5.3 The decline and abandonment of agricultural holdings, and the accumulation of dead biomatter (dead branches and plants) in deserted woods and olive groves, encourage the occurrence of forest fires, which prevent land being used for a long period of time.

5.4 It is also necessary to restore the balance between land allocated to tourism development and agricultural land. The two spheres of activity must complement each other.

5.5 Particular attention must be paid to the primary sector, where unemployment is very high, in contrast to the tertiary sector where employment is rising.

6. Specific comments

6.1 Crete and Evia should be included in the scope of this regulation.

6.2 Twelve-month initiatives should be implemented with the aim of improving the production, marketing and promotion of agricultural products. The aim of such measures would be specifically to increase production, while enhancing quality.

6.3 An area payment should be introduced for land regeneration and redistribution with a view to maintaining traditional olive groves and citrus orchards in the smaller Aegean islands.

6.4 There should be increased economic support for products such as potatoes (for eating and sowing), Tinos artichokes, Skopelos plums, Santorini cherry tomatoes, citrus fruits, edible pulses (fava) of the *Lathyrus* species, beans, barley from Lemnos, lines of traditional cheeses (e.g. Graviera from Naxos, Kalathaki cheese from Lemnos (PDO), lemon liqueur, rakomelo from Amorgos, almond biscuits from Sifnos and Lesvos, and Kalloni sardines).

Honey and olive oil are two superior products that exemplify the identity and quality of agricultural production in the smaller islands.

6.5 There is reason to highlight the traditional cultivation of mastic trees on Chios, as well as vineyards for the production of wines with protected geographical indication in areas of traditional cultivation in the smaller Aegean islands.

6.5.1 Financial support should be provided for land that is leased.

6.5.2 It is necessary to provide more support for protecting geographical indications and designations of origin for agricultural products and foodstuffs.

6.5.3 Funding should be provided to support ways of improving the basis for wine-growing, storage, standardisation and distribution of wines and olive oil produced.

Requirements

6.5.4 Cultivation, exploitation and production per hectare should not exceed a fixed profit ceiling.

6.5.5 Cultivation techniques should be implemented as provided for under national law.

6.5.6 Products should carry a designation of origin, or superior quality.

6.5.7 The provisions of national and Community law must be respected.

7. Recommendations

7.1 The EESC thinks that the regulation should facilitate interconnection with other sectors of the local economy – tourism, biotechnology, commerce – while emphasising the change of approach in tourism.

7.2 The EESC believes there should be a focus on learning about cultivation methods and harvesting processes, discovering places of geological interest, familiarisation with animal species living in agricultural ecosystems, the Mediterranean diet, healthy eating and organic products.

7.3 In the EESC's view, enjoying the experience offered by the shade and peace of olive and orange groves, contact with the earth, tranquillity and absence of noise, visiting an authentic rural location while the combined economic potential of these things is being harnessed, represents a mix of specialised and alternative forms of tourism (cultural and ecological, agritourism, health tourism, sightseeing, gastronomy, etc.).

This would be a way of creating a different tourism product that is directly linked to agricultural products, which themselves are directly linked and relevant to high-quality tourism – featuring gastronomy (the Mediterranean diet), organic products and agritourism - which allow people to avoid the standard mass tourism formula of sun, sea and sand. **The regulation will help to support these options.**

7.4 The EESC believes that a service or agency for continuing training programmes on promoting the healthy Mediterranean diet and gastronomy could operate on one of the Aegean islands within the framework of EU policies relating for example to organic products, parapharmaceuticals and cosmetics, with a view to developing Mediterranean products.

7.5 The EESC proposes that Chios's Association of Mastic Producers, a cooperative society, could be used as a model of technical expertise for a pilot project with the principal aim of developing a network of shops ('mastihashops') in Greece and across Europe to publicise and promote mastic, and its different uses and properties, through mastic products made in Chios, Greece and the European Union.

7.6 In its previous opinions ECO/213 (10.7.2008) and ECO/262 (15.7.2010), the EESC advocated prioritising the promotion of agritourism in conjunction with providing support for employment.

7.6.1 It therefore considers that the regulation should encourage part-time employment of islanders in agriculture through practical support in the form of rights to invest and profit from agritourism. Safeguarding the dual role of land as an agricultural (or forestry) and agritourism asset is key when it comes to supporting to both activities. However, such rights should not attach to farming plots but to farming operations.

7.6.2 Favourable provisions should be introduced for agritourism, i.e. the right to erect and operate small-scale agritourism units on a farm, a right which should be granted and renewed on condition that production be maintained and continued (olive-growing, wine-growing, cultivation of oranges, mandarins, mastic, honey, figs, etc.).

7.6.3 In disadvantaged island regions which are depopulated and where farmland has been abandoned, developing part-time farming is the most effective and reliable way of maintaining the population and protecting the environment of the islands.

The regulation could contribute here by serving as a catalyst in preserving the life, character and environmental wealth of these island regions for the benefit of all the people that visit them and, of course, their residents.

7.7 Finally, the EESC believes that the main pillars of island development are agriculture and tourism. The islands also have economic activities such as stock-rearing, fishing, shipping and

culture. These sectors can be used concurrently to promote and publicise local agricultural products on the market. This can be achieved by supporting research efforts, as well as setting up agricultural colleges, in a strategic development drive based on knowledge, research and innovation, to release new positive competitive forces by drawing on the educational and research resources of the Aegean islands. Thus an integrated strategic framework would emerge for all economic sectors, to create a new, modern development model for agriculture, and for the smaller Aegean islands more generally. This would go beyond the familiar island-central government model, epitomised by Malta and Cyprus, or that of islands that are powerful regions in their own right, such as Sardinia and Corsica.

Brussels, 15 March 2011.

The President
of the European Economic and Social Committee
Staffan NILSSON
