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I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 1911/91

of 26 June 1991

on the application of the provisions of Community law to the Canary Islands

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Act of Accession of Spain and Portugal, and in particular the first subparagraph of Article 25 (4) thereof,

Having regard to the amended proposal from the Commission ⁽¹⁾,

Having regard to the opinion of the European Parliament ⁽²⁾,

Having regard to the opinion of the Economic and Social Committee ⁽³⁾,

Whereas, by virtue of Article 25 of the Act of Accession, the Treaties and the acts of the institutions of the European Communities apply to the Canary Islands, subject to the derogations set out in that Article, in Article 155 and in Protocol 2 to the said Act;

Whereas these arrangements exclude the Canary Islands in particular from the Community's customs territory and from application of the common commercial policy, the common agricultural policy and the common fisheries policy; whereas experience has however shown that the development of the Canary Islands would be better served by their full integration into the common policies and the process of completing the internal market; whereas the arrangements laid down in the Act of Accession should therefore be amended and the Canary Islands integrated into the Community's customs territory;

Whereas, pursuant to the first subparagraph of Article 25 (4) of the Act of Accession, the Council, at Spain's request, acting on a proposal from the Commission and after consulting the European Parliament, may decide unanimously to include the Canary Islands in the

customs territory of the Community and to define the appropriate measures aimed at extending to the Canary Islands the provisions of Community law in force; whereas Spain made such a request on 7 March 1990 pursuant to the aforementioned Article;

Whereas integration of the Canary Islands into all Community policies requires a gradual process over an appropriate transitional period, without prejudice to any special measures designed to take account of the specific constraints deriving from the remoteness of the Canary Islands, their island location and their historical economic and tax arrangements; whereas such measures will have to be the subject of a special programme of options specific to the remote and insular nature of the Canary Islands, to be adopted pursuant to this Regulation;

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

Whereas it is necessary to apply the common fisheries policy to the Canary Islands on the entry into force of this Regulation on the conditions applicable to mainland

⁽¹⁾ OJ No C 67, 15. 3. 1991, p. 8.

⁽²⁾ OJ No C 158, 17. 6. 1991.

⁽³⁾ Opinion delivered on 30 May 1991 (not yet published in the Official Journal).

Spain (end of the transitional period : 31 December 1995), subject to specific measures to be determined under existing legislation ;

Whereas historical recognition of the Canaries' island status has been reflected in successive special economic and tax arrangements designed to compensate for the disadvantages deriving from the archipelago's geographical isolation ;

Whereas, in this context, the strengthening of the Canary Islands' integration into the Community is not incompatible with the maintenance of indirect taxation specific to these islands, especially the exclusion of the Canary Islands from the territorial field of application of the common VAT system pursuant to Article 26 in conjunction with Annex I, V, 2 to the Act of Accession, amending Article 3 (2) of the Sixth Directive 77/388/EEC⁽¹⁾ and the continuing exclusion of the Canary Islands from the territorial field of application of the Directives concerning manufactured tobacco pursuant to Article 26 in conjunction with Annex I, V, 3 and 4 to the Act of Accession ;

Whereas the Community takes favourable note of the aims of the reform initiated by Spain in respect of the tax aspects of the economic and tax arrangements for the Canary Islands ; whereas this reform provides for the gradual introduction of up-to-date indirect taxation as an instrument of economic and social development and the financing of local budgets, creating the conditions for total integration into the Community at the end of a transitional period not exceeding 10 years ;

Whereas, until 31 December 2000 at the latest, in two five-year stages as part of a dynamic process in conjunction with the gradual entry of the Canary Islands into the customs union, it is desirable to authorize a number of total or partial exemptions for local products from application of the new so-called 'arbitrio sur la production et sur les importations (APIM)' (tax on production and imports) tax, provided that these exemptions contribute to promotion of local activities ; whereas, however, application of this charge should be suspended for products coming under the common agricultural policy until the application of that policy, it being understood that, when these products are imported from non-member countries, the provisions in force in the Canary Islands in respect of trade with such countries shall be maintained until the same date ;

Whereas the dismantling of this charge will have to be accompanied by the gradual adoption of the common customs tariff as from the entry into force of this Regulation and for the same transitional period, so as to ensure

the complete integration of the Canary Islands into the customs union by 31 December 2000 ;

Whereas, however, as regards products coming under the common agricultural policy, application of the Common Customs Tariff and other import duties is dependent on the entry into force of the specific measures to supply the Canary Islands with essential agricultural products ; whereas at all events the gradual application of the Common Customs Tariff to the Canary Islands may be accompanied, where appropriate, by specific tariff measures or derogations from the common commercial policy for certain sensitive products ; whereas such measures may also be taken in respect of the arrangements applicable to free zones ;

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

Whereas provision should be made for the possibility of applying safeguard measures until 31 December 1999 at the latest,

HAS ADOPTED THIS REGULATION :

Article 1

The provisions of the Treaties and the acts of the institutions of the European Communities in respect of which the Act of Accession provided for derogations shall apply to the Canary Islands on the terms set out in this Regulation.

Article 2

1. On the entry into force of the specific arrangements referred to in paragraph 2, the common agricultural policy shall apply to the Canary Islands on the terms laid down for mainland Spain. However :

- the supplementary trade mechanism provided for in the Act of Accession shall not apply to the entry into the Canary Islands of the products in question,
- the rules in force for mainland Spain shall apply to products originating in the Canary Islands and sent to other parts of the Community upon entry into force of this Regulation.

⁽¹⁾ OJ No L 145, 13. 6. 1977, p. 1.

2. Application of the common agricultural policy shall be accompanied by specific supply arrangements.

3. Application of the common agricultural policy shall take account of the special features of Canary Islands production.

Article 3

The common fisheries policy shall apply to the Canary Islands on the terms laid down for mainland Spain, as from the entry into force of this Regulation. Application of the common fisheries policy shall be accompanied by specific measures designed to take account, where necessary, of the special features of Canary Islands production.

Article 4

1. Pursuant to Article 26 in conjunction with Annex I, V, 2 to the Act of Accession amending Article 3(2) of the Sixth Directive 77/388/EEC, the territory of the Canary Islands shall remain outside the field of application of the common VAT system.

2. Pursuant to Article 26 in conjunction with Annex I, V, 3 and 4 to the Act of Accession, Spain may refrain from applying the provisions of Directives 72/464/EEC⁽¹⁾ and 79/32/EEC⁽²⁾ to the Canary Islands.

Article 5

1. For a transitional period which shall not extend beyond 31 December 2000, the Spanish authorities are hereby authorized to impose a tax on production and imports (APIM) on all products entering or produced in the Canary Islands. However, in respect of products coming under the common agricultural policy this possibility may not be implemented until the entry into force of the specific supply arrangements referred to in Article 2(2).

2. By 31 December 1995, the rates for the tax shall be set in conformity with paragraph 3. As from 1 January 1996, these rates shall be reduced by 20 % each year so that the tax will disappear by the end of the period laid down in paragraph 1.

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

be such as to give rise to discrimination against products of Community origin.

4. During the transitional period referred to in paragraph 1, in view of the specific situation of the Canary Islands and the prospect of their full integration into the customs union, exemptions from the tax, partial or total, depending on economic requirements, may be authorized for local products up to 31 December 1995. Such exemptions must form part of the strategy for the economic and social development of the Canary Islands, taking account of the Community support framework, and help to promote local activities, though they must not be such as to change trading conditions to an extent contrary to the common interest.

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

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

Article 6

1. For a transitional period, which shall not extend beyond 31 December 2000, the Common Customs Tariff (CCT) shall be progressively introduced in accordance with the following timetable;

— up to 31 December 1992, the rates of duty applicable shall be equal to 30 % of the CCT rates; from 1 January 1993, these rates shall be equal to 35 % of the CCT rates, and shall rise to 40 % of the CCT rates from 1 January 1994 and to 50 % thereof from 1 January 1995;

— from 1 January 1996 onwards, these rates shall be increased by 10 % per year so that the CCT shall apply in full to the Canary Islands at the end of the transitional period.

2. However, application of the CCT and other import duties applicable under the common agricultural policy shall be suspended until the entry into force of the specific supply arrangements referred to in Article 2(2).

⁽¹⁾ OJ No L 303, 31. 12. 1972, p. 1.

⁽²⁾ OJ No L 10, 16. 1. 1979, p. 8.

3. Application of the CCT to the Canary Islands shall be without prejudice to any specific tariff measures or derogations from the common commercial policy, should the need arise, in respect of certain sensitive products. Customs measures may also be taken in respect of the arrangements applicable to free zones.

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

5. Where it is found that application of the first paragraph leads to a deflection of trade, the Commission may decide that the difference in import duties shall be levied on goods in free circulation in the Canary Islands when these are introduced into the other parts of the Community's customs territory.

Article 7

The common commercial policy shall apply to the Canary Islands on the terms laid down for Spain in the Act of Accession without prejudice to the specific measures referred to in Articles 2(2), 6(3) and 10(3) of this Regulation.

Article 8

The Commission shall adopt appropriate measures to prevent any speculative movement or deflection of trade

resulting from the amendment of the trade arrangements applicable to the Canary Islands.

Article 9

The Council, on a proposal from the Commission and after consulting the European Parliament and the Economic and Social Committee, shall adopt a programme of options specific to the remote and insular nature of the Canary Islands. This programme shall include the specific measures referred to in Article 2(2) and (3), Article 3 and Article 6(3). This multi-sector programme of operations comprising legislative measures and financial commitments relating to the application of the common policies to reflect constraints specific to the Canary Islands, shall be given effect before 31 December 1992 by the adoption by the Council or the Commission, as the case may be, of the necessary legal acts, in accordance with the provisions of the Treaty.

Article 10

1. This Regulation shall enter into force on 1 July 1991.

2. The provisions of this Regulation concerning the application of the common agricultural policy shall apply from the entry into force of the specific supply arrangements provided for in Article 2(2). Those arrangements shall enter into force no later than 1 January 1992. However, the provisions of Protocol 2 to the Act of Accession on access for products originating in the Canary Islands to the rest of the Community shall expire on the entry into force of this Regulation, subject to paragraph 3.

3. The provisions of Protocol 2 to the Act of Accession relating to bananas shall continue to apply.

Article 11

The safeguard measures provided for in Article 379 of the Act of Accession shall apply, in the eventualities provided for in that Article, to any sector affected by the new arrangements integrating the Canary Islands into the Community, but only until 31 December 1999.

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

Done at Luxembourg, 26 June 1991.

For the Council

The President

R. STEICHEN

II

(Acts whose publication is not obligatory)

COUNCIL

COUNCIL DECISION

of 26 June 1991

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

(91/314/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No 1911/91 of 26 June 1991 on the application of the provisions of Community law to the Canary Islands⁽¹⁾, and in particular Article 9 thereof,

Having regard to the amended proposal from the Commission⁽²⁾,

Having regard to the opinion of the European Parliament⁽³⁾,

Having regard to the opinion of the Economic and Social Committee⁽⁴⁾,

Whereas the Canary Islands suffer from a serious structural lack of development aggravated by a number of constraints (insular nature, remoteness, small size, difficult terrain and climate) whose unchanging nature and combined impact have serious effects on their economic and social development; whereas these special constraints make it necessary to step up Community support in order to ensure that the Canary Islands are fully involved in the dynamic of the internal market; whereas this Community support takes the form of operations under the reformed Structural Funds (enjoying the priority given to the Objective 1 regions), but must also ensure that the special

constraints affecting the Canary Islands are taken into account in the application of common policies, in accordance with the Community approach to the remoter regions, of which the adoption and implementation of the Poseidon programme for the French overseas departments is the first practical example;

Whereas to achieve this, the Council, pursuant to Article 9 of Regulation (EEC) No 1911/91, must adopt a multi-sector programme of operations involving legislative measures and financial commitments to allow for the special constraints on the Canary Islands in the application of common policies;

Whereas, for the purposes of implementing this programme, the necessary legal acts will be adopted either by the Council or by the Commission, as appropriate, before 31 December 1992; whereas the duration of the application of the measures to be adopted could, in certain cases, be linked to the process of strengthening the integration of the Canary Islands into common policies, or extend beyond this process, given the permanent constraints which are a particular feature of the Canary Islands;

Whereas this programme must be based on the twofold principle that the Canary Islands form an integral part of the Community and that the regional reality deriving from their particular geographical situation and their historical economic and fiscal system must be recognized;

Whereas, for this reason, the special measures laid down by the programme of operations must be part of the process of including the Canary Islands in the customs territory of the Community and extending to these Islands other provisions of Community law as stipulated

⁽¹⁾ See page 1 of this Official Journal.

⁽²⁾ OJ No C 67, 15. 3. 1991, p. 12.

⁽³⁾ OJ No C 158, 17. 6. 1991.

⁽⁴⁾ Opinion delivered on 30 May 1991 (not yet published in the Official Journal).

in Regulation (EEC) No 1911/91 ; whereas these measures must accordingly take into account the special characteristics and constraints of the Canary Islands without undermining the integrity and coherence of the Community legal order ; whereas the economic effects of specific measures must remain limited to the territory of the Canary Islands without affecting directly the functioning of the common market ;

Whereas Community rules must take account of the specific nature of the Canary Islands and permit their economic and social development, particularly in those areas where the fragile nature of island territories is particularly acute, such as transport, taxation, the social sector, research and development, or the protection of the environment in view of the vulnerability of the Canary Islands to the increasing pressures of tourism ;

Whereas the exceptional geographical situation of the Canary Islands in relation to sources of supply for products used as inputs in certain food sectors, which are essential for current consumption or processing in the archipelago, entails costs that are a severe handicap for this area ; whereas there is a need, in this connection, to make special arrangements for the supply of these products within the limits of local market needs and taking account of local production and traditional trade flows ;

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

Whereas the special production conditions in the Canary Islands require that particular attention be paid to applying the common agricultural policy to this region ; whereas appropriate measures are needed to assist the development of the fruit and vegetable and flowers and live plant sectors ; whereas these measures will have to promote the growing of tropical products in particular ; whereas it will also be necessary to introduce other measures to support domestic production intended for local consumption ;

Whereas certain flanking measures are required to accompany the application of the common fisheries policy to the Canary Islands in order to take account of the particular features of local production ;

Whereas the preparation, implementation, monitoring and evaluation of the measures provided for by its programme require a partnership between the Commis-

sion and the competent national and regional authorities ; whereas this partnership must permit complementarity between the measures laid down in the programme and those applied at national and regional level ;

Whereas the competent national and regional authorities must take account of the measures and operations under this programme in drafting future regional development plans ; whereas the Commission, within the scope of its powers, will take steps to ensure that this programme is consistent with the operations of the Structural Funds and other Community financial instruments,

HAS DECIDED AS FOLLOWS :

Article 1

1. Pursuant to Article 9 of Regulation (EEC) No 1911/91, an action programme for the Canary Islands (Programme of options specific to the remote and insular nature of the Canary Islands), hereinafter referred to as the 'Poseican programme' and set out in the Annex, is hereby established. This programme shall cover legislative measures and financial commitments.

2. Within the context of the powers conferred upon it by the Treaty, the Council shall adopt the provisions necessary for the execution of this programme and invite the Commission to submit the relevant proposals as soon as possible.

Article 2

The financial resources required to implement the measures relating to agricultural structures appearing in this programme shall be determined in the annual budgetary procedures.

Article 3

This Decision shall take effect on 1 July 1991.

Article 4

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

Done at Luxembourg, 26 June 1991.

For the Council

The President

R. STEICHEN

ANNEX

PROGRAMME OF OPTIONS SPECIFIC TO THE REMOTE AND INSULAR NATURE OF THE CANARY ISLANDS (POSEICAN)

TITLE I

General principles

1. The Poseican programme will be based on the twofold principle that the Canary Islands form an integral part of the Community and that the regional reality, characterized by the special features and constraints specific to the region concerned as distinct from the Community as a whole, must be recognized.
2. Implementation of the measures and operations set out in the Poseican programme will in principle be carried out before 31 December 1992, through the adoption either by the Council or by the Commission, as appropriate, of the necessary legal acts, in accordance with the provisions and procedures laid down in the Treaty.
- 3.1. The Poseican programme will help attain the general aims of the Treaty by contributing to the achievement of the following specific objectives :
 - the realistic integration of the Canary Islands into the Community by establishing an appropriate framework for the application of common policies in this area,
 - the full involvement of the Canary Islands in the dynamic of the internal market by making optimum use of existing Community regulations and instruments,
 - assisting the Canary Islands to catch up economically and socially, principally through Community financing of the specific measures contained in the Poseican programme.
- 3.2. The competent national and regional authorities will take into account the specific measures and operations contained in the Poseican programme when drawing up future regional development plans. Within the scope of its powers, the Commission, for its part, will take steps to ensure that the operations conducted under the Poseican programme are consistent with the operations of the Structural Funds and other Community financial instruments.
- 3.3. The drafting, implementation, monitoring and evaluation of the operations and measures contained in the Poseican programme will be carried out in partnership by the Commission and the national and regional authorities concerned. Efforts will be made to ensure that the Poseican programme operations and those conducted at national and regional levels complement each other as far as possible.
4. The measures and operations contained in the Poseican programme fall within the framework of the inclusion of the Canary Islands in the customs territory of the Community and the extension to these Islands of Community law in force and should enable the specific nature and constraints of the Canary Islands to be taken into account without undermining the integrity and coherence of the Community legal order.

TITLE II

Application of common policies in the Canary Islands

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

TITLE III

Specific measures to mitigate the effects of the exceptional geographical situation

- 6.1. Within six months from the date on which this Decision takes effect, the Council or the Commission, as appropriate, will adopt the measures laid down in paragraphs 6.2 to 6.7 which are intended to alleviate the impact of the additional costs involved in maintaining supplies of agricultural products resulting from the remote and insular nature of the Canary Islands.
- 6.2. In the case of essential agricultural products for consumption or processing in the archipelago, this Community action will consist, within the limits of local market requirements, taking into account local production and traditional trade flows and ensuring that the proportion of products supplied by the Community is preserved, in :
 - exempting from levies and/or customs duties products originating in non-member countries ; in this connection special attention will be paid to supplying the Canary Islands from nearby developing countries,
 - permitting, on equivalent terms, the supply of Community products taken into intervention storage or available on the Community market.

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

- (a) with regard to the supply of inputs needed to sustain certain processing and/or packaging industries making products for the local market, this system should allow these industries to obtain supplies direct from markets in non-Community or Community countries, up to the amounts stipulated in forecast supply balances, so that the goods produced can meet the requisite specifications, notably as regards quality. In the case of sugar in particular, the system must allow traditional trade flows to be maintained ;

(b) in the case of supplies of other essential products, in order to ensure that these measures have an impact on the level of production costs and consumer prices, a system will be set up to monitor this impact up to the end-user stage. Should the impact be judged inadequate, the supply of unprocessed cereals may be replaced, in quantities to be determined at the appropriate time, by the equivalent in flour form;

(c) in view of the complexity and diversity of supply circuits in the Canary Islands, the Commission will be required to review the operation of the provisions adopted on the basis of the principles set out above with a view to making any adjustments needed. The first review will be carried out at the end of the first year of application of these provisions.

To help maintain local cereal production, no co-responsibility levy will be charged.

- 6.3. Temporary restrictions may be applied, at sensitive times, on a phasing-out basis, to potatoes delivered to the Canary Islands for a period of 10 marketing years.
- 6.4. Community aid to olive oil consumption will apply to the Canary Islands on the terms in force in the Community as constituted on 31 December 1985.
- 6.5. To avoid any deflection of trade, products covered by the measures referred to in paragraph 6.2 may not be re-dispatched in an unaltered state to other parts of the Community. Where the products in question are processed in the Canary Islands, this ban shall not apply to the traditional export of Canary Island products to the rest of the Community.
- 6.6. Imports of raw or other tobaccos for use in the manufacture of tobacco and originating in non-member countries will be exempt from customs duty up to the amount required by the tobacco industry in the Canary Islands to cater for local consumption and existing trade flows in manufactured tobacco and with due account for supply possibilities offered by Community producers and the ACP States.
- 6.7. To promote the development of stockfarming to meet local market needs, a system of aid for the purchase of breeding animals originating in the Community will be set up. Until such time as local production has developed to a satisfactory level, this system may be accompanied by temporary measures, with a phased reduction in quantities, to facilitate the purchase of animals for fattening (cattle and pigs) and the procurement of certain processed meat-based products (pigmeat, beef/veal or poultry). These measures will combine exemption from levies for the products in question originating in non-member countries and aid for the procurement of such products from other parts of the Community, to give such products access on equivalent terms. The situation will need to be reviewed after the system has been in operation for four years.
- 7.1. At the request, with supporting documents, of the competent Spanish authorities, specific tariff measures or derogations from the common commercial policy will be considered regarding quantitative restrictions in particular, on a case-by-case basis, for certain sensitive products, as follows:

- measures to take account of particular problems in a given sector of local production intended for local consumption or tourism, with a view to maintaining an exemption equivalent to that applied prior to the entry into force of Regulation (EEC) No 1911/91,
- measures to allow access for consumer goods such as textiles, clothes, optical and electronic equipment or means of transport.

- 7.2. The measures referred to in paragraph 7.1 must be carefully tailored to the Canary Islands' domestic market to avoid any deflection of trade. The application of such measures must, in principle, be limited to the transitional period provided for under Article 6 of Regulation (EEC) No 1911/91 for the gradual adoption of the Common Customs Tariff to the Canary Islands. In the year preceding the expiry of this period the Commission will evaluate the measures adopted and review the situation.

8. Inward processing operations carried out in the Canary Islands' free zones will not be subject to the economic conditions attaching to these arrangements.

TITLE IV

Specific measures to support Canary Island products

9. In view of the economic and social importance of bananas for the Canary Islands and the objective of a fair standard of living for producers, the Commission will, without waiting for the adoption of common rules, decide on structural action to assist this sector. With a view to improving the conditions of production and competition, such action will include measures concerning research, harvesting, presentation and processing, transport, storage, marketing and commercial promotion.
- 10.1. Within six months of the date on which this Decision takes effect, the Council or the Commission, as appropriate, will adopt the measures referred to in points 10.2 to 10.6.
- 10.2. Measures for the fruit and vegetable and flowers and live plants sectors may take the form of:
 - temporary aid per hectare for programmes carried out by producers and producer groups or organizations to diversify production and/or improve product quality; these programmes, from which tomato growing would be excluded, should serve to develop tropical products in particular. Additional aid may be granted in cases where these programmes include technical assistance measures,
 - aid for the marketing of tropical products where the volume of trade does not exceed 10 000 tonnes for each product, under marketing season contracts between Canary Island producers and operators in other parts of the Community,
 - the funding of an economic analysis and forward planning study of the processed fruit and vegetable sector (particularly tropical fruit and vegetables).

- 10.3. Other measures to help support domestic product for local consumption may take the form of:
- specific aid per hectare for potato-growing, within the limits of the present areas under cultivation,
 - to satisfy the consumer habits for wines produced in the archipelago, exemption from compulsory distillation and non-application of voluntary distillation laid down by Community legislation and non-application of the grubbing premium,
 - in the dairy sector, the setting of the quota at a level which will allow reasonable development of production in the Canary Islands without, however, disrupting traditional trade flows,
 - in the case of animal products for the local market, specific aid for producers' groups or organizations for training and technical assistance programmes,
 - specific aid to support products of traditional Canary Island stockfarming and intended for local consumption.
- 10.4. To encourage farmers in the Canary Islands to supply high quality products and to promote the marketing of these products, the Community may finance the design and promotion of a logo.
- 10.5. Council Directive 77/93/EEC of 21 December 1976 on protective measures against the introduction into the Member States of organisms harmful to plants or plant products⁽¹⁾, as last amended by Directive 90/506/EEC⁽²⁾, will be adapted to accommodate the specific plant health situation in the Canary Islands.
- 10.6. Special exceptions may be made, on the basis of duly substantiated requests from the Spanish authorities, to provisions restricting or preventing the granting of certain types of structural aid to reflect the special characteristics of agriculture in the Canary Islands.
- 11.1. In the case of fishery products, a reinforced system of aid will be established in favour of producers' organizations, which must be set up within five years of the date on which Council Regulation (EEC) No 1911/91 enters into force; this aid will apply for five years following the date on which these organizations are recognized.
- 11.2. In view of the special situation of the sardine market and the problem of the price of this product in the Canary Islands, a conversion factor specific to sardines marketed within the Canary Islands will be applied in accordance with Article 12 (2) of Council Regulation (EEC) No 3796/81 of 29 December 1981 on the common organization of the market in fishery products⁽³⁾, as last amended by Regulation (EEC) No 2886/89⁽⁴⁾. Within two years of the introduction of the market organization in the Canary Islands, the Commission will investigate the possibility of applying arrangements to bring prices into line. As the Community price system can only apply if the products put on sale are accessible to all the operators concerned, Spain and the Community will take the necessary steps to ensure that the sardine marketing structures in the Canary Islands are adapted to meet this condition.
- 11.3. The Community will endeavour, within the scope of its powers in international trade, to obtain improvements from its partners in order to facilitate Community exports of cephalopods to the countries concerned.

TITLE V

Final provision

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

⁽¹⁾ OJ No L 26, 31. 1. 1977, p. 20.
⁽²⁾ OJ No L 16, 22. 1. 1991, p. 29.

⁽³⁾ OJ No L 379, 31. 12. 1981, p. 1.
⁽⁴⁾ OJ No L 282, 2. 10. 1989, p. 1.

COUNCIL DECISION

of 26 June 1991

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

(91/315/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

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

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

Having regard to the proposal from the Commission ⁽¹⁾,

Having regard to the opinion of the European Parliament ⁽²⁾,

Having regard to the opinion of the Economic and Social Committee ⁽³⁾,

Whereas the autonomous Portuguese regions of the Azores and Madeira belong politically and economically to the Community by virtue of the Act of Accession, which did, however, recognize some of their specific characteristics by allowing various isolated exceptions in the application of the common policies;

Whereas the Member States, in a joint declaration annexed to the Act of Accession, called on the Community institutions to devote special attention to the development policies of the two archipelagos, 'the object of which is to overcome the handicaps of these regions, which arise from their geographical situation, far away from the mainland of Europe, their physical geographical features, the serious deficiency of infrastructures and their economic backwardness';

Whereas the European Parliament, in its resolution of 14 April 1989 on Community programmes to help the Portuguese autonomous island regions ⁽⁴⁾, considered that in view of their island status and highly peripheral situation the Azores and Madeira deserve special treatment from the Community;

Whereas the Azores and Madeira suffer from a serious structural lack of development aggravated by a number of constraints (remoteness, isolation, small size, difficult terrain and climate) whose unchanging nature and combined impact have serious effects on their economic and social development and place these two archipelagos among the least-favoured regions of the Community; whereas these special constraints make it necessary to step up Community support in order to ensure that the Azores and Madeira are fully involved in the dynamic of the internal market; whereas this Community support takes the form of operations under the reformed Structural Funds (enjoying the priority given to the Objective 1 regions), but must also ensure that the special constraints affecting the Azores and Madeira are taken into account in the application of common policies, in accordance with the Community approach to the remoter regions, of which the adoption and implementation of the Poseidom programme for the French overseas departments is the first practical example;

Whereas an overall, multi-sector approach is necessary to allow for the special constraints on the Azores and Madeira in the application of common policies; whereas a coherent line must be taken as part of an overall action programme involving legislative measures and financial commitments;

Whereas, for the purposes of implementing this programme, the necessary legal acts will be adopted either by the Council or by the Commission, as appropriate, before 31 December 1992; whereas the application of certain measures in this programme could extend beyond the process of completing the internal market, given the permanent constraints which are a particular feature of the Azores and Madeira;

Whereas this programme must be based on the twofold principle that the Azores and Madeira form an integral part of the Community and that the regional reality deriving from their particular geographical situation must be recognized;

Whereas the measures contained in the programme must accordingly take into account the special characteristics and constraints of the Azores and Madeira without undermining the integrity and coherence of the Community

⁽¹⁾ OJ No C 81, 26. 3. 1991, p. 8.

⁽²⁾ OJ No C 158, 17. 6. 1991.

⁽³⁾ Opinion delivered on 30 May 1991, (not yet published in the Official Journal).

⁽⁴⁾ OJ No C 120, 16. 5. 1989, p. 321.

legal order; whereas the economic effects of specific measures must therefore remain limited to the territory of the Azores and Madeira without affecting directly the functioning of the common market;

Whereas Community policies already provide many instruments and programmes which could deal with some of the specific problems and constraints of the Azores and Madeira, notably concerning fisheries, energy, environment, the craft industry and research and development; whereas steps should be taken to put these instruments and programmes to best use in the Azores and Madeira, especially by ensuring that they reach these remote regions and by developing appropriate technical assistance measures;

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

Whereas, with respect to taxation, the special characteristics of the Azores and Madeira can be catered for by allowing special indirect taxation arrangements compatible with the rules of the Treaty and capable of promoting their economic and social development;

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

Whereas the exceptional geographical situation of the Azores and Madeira in relation to sources of supply for products used as inputs in certain food sectors, which are essential for current consumption or processing in the two archipelagos, entails costs that are a severe handicap for these sectors; whereas there is a need, in this connection, to make special arrangements for the supply of these products within the limits of market needs for the two archipelagos in question and taking account of local production and traditional trade flows;

Whereas the extreme remoteness of the Azores and Madeira in relation to sources of supply of refined petroleum products, coupled with the heavy reliance on these products to meet energy needs and the compartmentalization of the market, means that supply costs in the Azores

and Madeira are much higher than in mainland Portugal; whereas these costs are at present borne by the regional budgets, which limits correspondingly their capability for action to promote economic and social development; whereas these higher costs should be offset by temporary Community aid tied to the application by the two regions of incentive programmes to promote investment in energy saving and the development of local, renewable energy sources to improve the energy supply and demand situation on these islands;

Whereas free zones can be an appreciable instrument of economic development in the remote island regions of the Azores and Madeira; whereas customs measures may be appropriate regarding the arrangements applicable to the free zones in the Azores and Madeira, in view of their special geographical situation;

Whereas the dependence of the Azores and Madeira on the outside world for supplies of steel products justifies special attention being paid to ensure that fair prices may be maintained for the products in question in the two archipelagos;

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

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

Whereas, in view of the considerable social importance of maintaining craft activities in the two regions, specific Community measures should be taken to fit in with those already planned under the Community support framework; whereas these measures should aim at promoting vocational training, access to new technology and the use of such technology, and access to new markets;

Whereas the preparation, implementation, monitoring and evaluation of the measures provided for in this programme require a partnership between the Commission and the competent national and regional authorities;

whereas this partnership must permit complementarity between the measures laid down in the programme and those applied at national and regional level;

Whereas Portugal and the regions concerned must take account of the measures and operations under this programme in drafting future regional development plans; whereas the Commission, within the scope of its powers, will take steps to ensure that this programme is consistent with the operations of the Structural Funds and other Community financial instruments,

HAS DECIDED AS FOLLOWS:

Article 1

1. An action programme for Madeira and the Azores, known as Poseima (Programme of options specific to the remote and insular nature of Madeira and the Azores) and set out in the Annex, is hereby established. This programme shall cover regulatory measures and financial commitments.

2. Within the context of the powers conferred upon it by the Treaty, the Council shall adopt the provisions

necessary for the execution of this programme and invite the Commission to submit the relevant proposals as soon as possible.

Article 2

The financial resources required to implement the measures relating to agricultural structures, energy and the craft industry appearing in this programme shall be determined in the annual budgetary procedures.

Article 3

This Decision shall take effect on 1 July 1991.

Article 4

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

Done at Luxembourg, 26 June 1991.

For the Council

The President

R. STEICHEN

ANNEX

PROGRAMME OF OPTIONS SPECIFIC TO THE REMOTE AND INSULAR NATURE OF
MADEIRA AND THE AZORES (POSEIMA)

TITLE I

General principles

1. Poseima will be based on the twofold principle that Madeira and the Azores form an integral part of the Community and that the regional reality, characterized by the special features and constraints specific to the regions concerned as distinct from the Community as a whole, must be recognized.
2. Implementation of the measures and operations set out in Poseima will in principle be carried out before 31 December 1992, through the adoption either by the Council or by the Commission, as appropriate, of the necessary legal acts, in accordance with the provisions and procedures laid down in the Treaty.
- 3.1. Poseima will help attain the general aims of the Treaty by contributing to the achievement of the following specific objectives:
 - better integration of Madeira and the Azores into the Community by establishing an appropriate framework for the application of common policies in these regions,
 - the full involvement of the Azores and Madeira in the dynamic of the internal market by making optimum use of existing Community regulations and instruments,
 - assisting the Azores and Madeira to catch up economically and socially, principally through Community financing of the specific measures contained in Poseima.
- 3.2. Portugal and the regions concerned will take into account the specific measures and operations contained in Poseima when drawing up future regional development plans. Within the scope of its powers, the Commission, for its part, will take steps to ensure that the operations conducted under Poseima are consistent with the operations of the Structural Funds and other Community financial instruments.
- 3.3. The drafting, implementation, monitoring and evaluation of the operations and measures contained in Poseima will be carried out in partnership by the Commission and the competent national and regional authorities. Efforts will be made to ensure that Poseima operations and those conducted at national and regional levels complement each other as far as possible.
4. The measures and operations contained in Poseima should enable the specific nature and constraints of the Azores and Madeira to be taken into account without undermining the integrity and coherence of the Community legal order.

TITLE II

Optimum use of existing policies and instruments

5. The Commission, in partnership with Portugal and the two regions concerned, and within the framework of the existing regulations, will endeavour to ensure that optimum use is made of existing Community instruments and programmes in the Azores and Madeira, in particular by developing appropriate technical assistance measures.

TITLE III

Application of common policies in the Azores and
Madeira

6. Directives or other measures adopted in connection with the internal market and other common policies will have to take account of the special characteristics of the Azores and Madeira and their economic and social development possible, particularly in the fields of transport, fisheries and taxation, social matters, research and technological development (without prejudice to the Community framework programme on this topic), and protection of the environment.
- 7.1. Due allowance will be made in the Community tax regulations for the special characteristics of the Azores and Madeira to admit an indirect taxation system specific to these regions, compatible with the rules of the Treaty and capable of promoting their economic and social development.
- 7.2. As regards VAT this means maintaining special arrangements for the Azores and Madeira in accordance with the Act of Accession.
- 7.3. An adequate arrangement for excise duties on manufactured tobacco, spirits and other alcoholic beverages and petroleum products after 31 December 1992 taking account of the problems of extreme remoteness will have to be incorporated into the general framework of the Commission's proposals on excise duties.
8. Within the framework of Community transport policy guidelines, the Community and Portugal will as far as possible introduce schemes designed to enable the many different Community airlines, particularly regional airlines, to serve the Azores and Madeira in the interests of their development.

TITLE IV

Specific measures to mitigate the effects of the exceptional geographical situation

9.1. Within six months of the date on which this Decision takes effect, the Council or the Commission, as appropriate, will adopt the measures laid down in sections 9.2 to 9.5 which are intended to alleviate the impact of the additional costs involved in maintaining supplies of agricultural products resulting from the remote and insular nature of the Azores and Madeira.

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

- existing from levies and/or customs duties and the amounts specified in Article 240 of the Act of Accession products originating in third countries,
- permitting, on equivalent terms, without application of the amounts laid down in the aforementioned Article 240, the supply of Community products taken into intervention storage or available on the Community market.

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

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

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

9.4. In Madeira, specific measures will be necessary to develop livestock farming for local market need.

— aid for the purchase of breeding animals (cattle, pigs, chicks and hatching eggs) originating in the Community,

— on a temporary basis, limited to decreasing quantities pending the development of local production, exempt in form levies and/or customs duties for the purchase of cattle for fattening originating in third countries; aid for the supply of Community products will be granted to facilitate the access of these products on equivalent conditions. After four years of application of the system, the situation will be reviewed.

9.5. For the production of liqueur wines in Madeira solely to satisfy local market needs, aid will be provided for the purchase in the Community of rectified concentrated musts and, pending the result of a feasibility study on the construction of a distillery, of wine alcohol.

10.1. In the course of 1991, specific Community aid to compensate for the extra cost of supplying oil to the Azores and Madeira will be introduced for a three-year period on the terms laid down in sections 10.2 to 10.5.

10.2. The extra costs to be offset by this aid are those related to the transport by sea of petroleum products between the mainland and the main depots on islands of the Azores and Madeira, and between the main depots and the secondary depots on the other islands of the two archipelagos.

10.3. The reference year for the calculation of Community aid will be 1989. Account will be taken only of the costs of sea transport and not of the cost of storage and distribution on the islands on the basis of the quantities of petroleum products actually transported in 1989, the average transport costs by category of product in 1989 and the average ecu/escudo exchange rate in that year.

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

10.5. Community aid will be granted subject to the condition that over same period the beneficiary regions devote at least 50 % of the amount of Community aid to incentive programmes to promote investment in energy saving and the development of local, renewable energy sources to improve the situation of energy supply and demand on the islands. The regional authorities will present an annual report to the Commission to enable it to monitor observance of this condition.

11. Inward processing operations carried out in the Azores and Madeira free zones will not be subject to the economic conditions attaching to these arrangements.

12. Within the framework of its powers, the Commission will ensure that supplies of steel products to the Azores and Madeira can be kept at reasonable prices.

TITLE V

Specific measures to support products of Madeira and the Azores

13. In view of the economic and social importance of bananas for Madeira and the objective of a fair standard of living for producers, the Commission will, without waiting for the adoption of common rules, decide on structural action to assist this sector. With a view to improving the conditions of production and competition, such action will include measures concerning research, harvesting, presentation and processing, transport, storage, marketing and commercial promotion.

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

14.2. Measures for the fruit and vegetable and live plants and flowers sectors in the Azores and Madeira may take the form of:

- temporary aid per hectare for programmes of measures carried out by producers and producer groups or organizations to diversify production and/or improve product quality; these programmes should serve to develop tropical products in particular. The aid may be increased in cases where the implementation of these programmes involves technical assistance measures,
- aid for the marketing of tropical products where the volume of trade does not exceed 3 000 tonnes for each product and for each of the two regions, under seasonal marketing contracts between producers in these regions and operators in other parts of the Community,
- the funding of an economic analysis and forward planning study of the processed fruit and vegetable sector (particularly tropical fruit and vegetables).

14.3. Other measures to help support and develop local production on Madeira may take the form of:

- specific aid per hectare for potato growing, within the limits of the present areas under cultivation,
- as regards sugar cane:
 - = specific aid per hectare for producers and producer groups or organizations growing sugar cane under a restructuring plan to be submitted by the Portuguese authorities. After five years this aid may be granted solely to producer groups or organizations;
 - = aid for the direct processing of sugar cane into sugar syrup ('Mel de cana') or farm rum, where a minimum price is paid to the cane-grower,
- specific aid for grapes to be used in the making of quality wines psr, to be granted to producers and producer groups or organizations, subject to appropriate limits on the yield per hectare. Quantities delivered for distillation may not be taken into account. After five years this aid may be granted solely to producer groups or organizations,

- specific aid to support products of traditional stockfarming on Madeira intended for local consumption (fresh milk and fresh meat).

14.4. Other measures to help support local production in the Azores may take the form of:

- in the case of sugar beet:
 - = flat-rate aid per hectare for the development of local production, subject to a limit on quantities corresponding to production of 10 000 tonnes of sugar;
 - = specific aid for the processing of locally grown beet into white sugar, with a view to stabilizing supply costs;
- specific aid per hectare for the growing of seed potatoes (subject to a maximum of 200 hectares) and for the growing of chicory (subject to a maximum of 400 hectares),
- specific aid for the collection of tobacco and for the traditional local production of leaf tobacco, subject to maximum guaranteed quantities,
- temporary aid per hectare for the growing of vines to produce quality wines psr, to be granted to producers and producer groups or organizations pending the results of restructuring and subject to a maximum of 1 700 hectares,
- specific aid designed to ensure the survival of traditional economic activities in the milk sector,
- specific aid designed to ensure the survival of traditional economic activities in the milk sector,
- specific additional aid for the fattening of adult male cattle, within the limits of traditional levels of production.

14.5. As regards animal and plant health, appropriate measures will be taken to safeguard Madeira and the Azores from certain harmful diseases and organisms against which they are not yet protected. A Community financial contribution may also be made towards prevention or eradication programmes.

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

14.7. Special exceptions may be made, on the basis of duly substantiated applications from the Portuguese authorities, to provisions restricting or preventing the granting of certain types of structural aid, so as to reflect the special characteristics of agriculture in the Azores and Madeira, with due account being taken of the measures already adopted to assist Portugal.

- 14.8. New forms of structural assistance may also be envisaged within the framework of programmes to be submitted by the Portuguese authorities, and in particular:
- (a) for Madeira:
 - aids to improve and diversify production and to improve product quality, particularly in the case of wine, fruit and vegetables, flowers and plants, animal products, forestry products, and the fisheries sector;
 - (b) for the Azores:
 - aids to improve and diversify production and to improve product quality, particularly in the case of milk, animal products, fruit and vegetables, flowers and plants, wine, forestry products and the fisheries sector,
 - aid to offset the additional cost of agricultural investments because of the need for protection against natural disasters and, where production has been diversified, aid for the establishment of a solidarity fund for the restoration of production potential damaged by natural disasters.
- 14.9. Apart from the specific study referred to in section 14.2, at the request of the Portuguese authorities studies will be carried out in the agricultural sector, particularly on Madeira wine and the fisheries sector. As regards the latter, the study will be carried out pursuant to Regulation (EEC) No 4028/86⁽¹⁾, as last amended by Regulation (EEC) No 3944/90⁽²⁾ and (CEE) No 4042/89⁽³⁾.
15. For fishery products from the Azores, an increased aid scheme will be introduced, over a period of five years following the date of their recognition with regard to producer organizations to be set up in the five years following the date of entry into force of Poseima.
- 16.1. Community measures will be introduced to assist small craft businesses in the Azores and Madeira with regard to occupational training, access to new technology and the use of such technology, and access to new markets.
- 16.2. Such projects must be selected, on the one hand, on a partnership basis in close collaboration with the regional and local authorities concerned and, on the other hand, be consistent with the schemes being implemented in the two regions concerned within the Community support framework and as Community initiatives and also with the schemes being implemented by the Commission in other regions of the Community.
- 16.3. The Commission and the Member State will introduce all necessary measures to improve the dissemination and accessibility of the programmes and networks available under the Community's enterprise policy, with a view to increasing the productivity of the craft sector in the Azores and Madeira and increasing their outlets on the Community market.
- TITLE VI**
- Final provision**
17. The Commission will report annually to the European Parliament and the Council on progress in the implementation of Poseima, and if appropriate, propose any adjustment measures deemed necessary to attain the objectives set out in Title I.

⁽¹⁾ OJ No L 376, 31. 12. 1986, p. 7.

⁽²⁾ OJ No L 380, 31. 12. 1990, p. 1.

⁽³⁾ OJ No L 388, 30. 12. 1989, p. 1.