



**COUNCIL OF
THE EUROPEAN UNION**



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Agriculture and Fisheries

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President

Mr Fernand BODEN

Minister for Agriculture, Viticulture and Rural Development,
Minister for Small and Medium-Sized Businesses, the Liberal
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Main results of the Council

The Council reached political agreement on the Regulation concerning the **financing of the CAP**.

It adopted the Regulation amending Regulation (EC) No 1868/94 establishing a quota system in relation to the **production of potato starch**.

The Council also adopted:

- conclusions concerning an **EU forest action plan**;
- a Regulation extending the application of transitional measures for the prevention, control and eradication of certain transmissible **spongiform encephalopathies**;
- a common position introducing restrictive **measures** against individuals impeding the peace process in **Sudan**, in accordance with UN Security Council Resolution 1591(2005).

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- The documents whose references are given in the text are available on the Council's Internet site <http://ue.eu.int>.
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the abovementioned Council Internet site or may be obtained from the Press Office.

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PARTICIPANTS

The Governments of the Member States and the European Commission were represented as follows:

Belgium:

Ms Sabine LARUELLE

Minister for Small and Medium-sized Businesses, the Liberal Professions and the Self-Employed and Agriculture

Czech Republic:

Mr Petr ZGARBA

Minister for Agriculture

Denmark:

Mr Hans Christian SCHMIDT

Minister for Food, Agriculture and Fisheries

Germany:

Mr Alexander MÜLLER

State Secretary, Federal Ministry for Consumer Protection, Food and Agriculture

Estonia:

Mr Tiit NABER

Deputy Permanent Representative

Greece:

Mr Evangelos BASIAKOS

Minister for Rural Development and Food

Spain:

Ms Elena ESPINOSA MANGANA

Minister for Agriculture, Fisheries and Food

France:

Mr Dominique BUSSEREAU

Minister for Agriculture, Food, Fisheries and Rural Affairs

Ireland:

Ms Mary COUGHLAN

Minister for Agriculture and Food

Italy:

Mr Giovanni ALEMANNO

Minister for Agricultural and Forestry Policy

Cyprus:

Mr Timmy EFTHYMIU

Minister for Agriculture, Natural Resources and Environment

Latvia:

Ms Laimdota STRAUJUMA

State Secretary, Ministry of Agriculture

Lithuania:

Ms Kazimira PRUNSKIENE

Minister for Agriculture

Luxembourg:

Mr Fernand BODEN

Minister for Agriculture, Viticulture and Rural Development, Minister for Small and Medium-sized Businesses, the Liberal Professions and the Self-Employed, Tourism and Housing
State Secretary for Relations with Parliament, State Secretary for Agriculture, Viticulture and Rural Development, State Secretary for Culture, Higher Education and Research

Ms Octavie MODERT

Hungary:

Mr Ferenc NYUJTÓ

Deputy State Secretary, Ministry of Agriculture and Rural Development

Malta:

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Parliamentary Secretary for Agriculture and Fisheries, Ministry of Rural Affairs and the Environment

Netherlands:

Mr Cornelis Pieter VEERMAN

Minister for Agriculture, Nature and Food Quality

Austria:

Mr Josef PRÖLL

Federal Minister for Agriculture, Forestry, the
Environment and Water Management**Poland:**

Mr Wojciech OLEJNICZAK

Minister for Agriculture and Rural Development

Portugal:

Mr Jaime SILVA

Minister for Agriculture, Rural Development and Fisheries

Slovenia:

Mr Franci BUT

State Secretary, Ministry of Agriculture, Forestry and
Food**Slovakia:**

Mr Zsolt SIMON

Minister for Agriculture

Finland:

Mr Juha KORKEAOJA

Minister for Agriculture and Forestry

Sweden:

Ms Ann-Christin NYKVIST

Minister for Agriculture, with responsibility for Food and
Consumer Affairs**United Kingdom:**

Ms Margaret BECKETT

Secretary of State for Environment, Food and Rural
Affairs**Bulgaria:**

Mr Boyko BOEV

Deputy Minister for Agriculture and Forestry

Romania:

Mr Mugur CRĂCIUN

State Secretary, Ministry for Agriculture, Forestry and
Rural Development**Commission:**

Ms Mariann FISCHER BOEL

Member

Mr Markos KYPRIANOU

Member

ITEMS DEBATED

FINANCING OF THE CAP

The Council reached political agreement by a qualified majority on a compromise text on the proposal for a Regulation on the financing of the CAP, submitted by the Presidency and endorsed by the Commission. The Italian delegation stated its intention to vote against. The Regulation will be adopted once the text is finalised by the Legal/Linguistic Experts.

The Regulation aims to establish a single legal framework for financing the common agricultural policy, by means of two Funds, the EAFRD (for rural development which is currently the subject of discussion in the context of a proposal for a separate Regulation (see 11495/04) and the EAGF.

The period stipulated for financial corrections under the clearance of accounts procedure for EAFRD expenditure has been fixed at 24 months. This provision would enable the Commission to step back 24 months in order to refuse to co-finance a kind of expenditure which it deemed not to be in conformity.

The Commission and the Member States will bear equal responsibility for the amounts paid under the EAFRD and the funds which should be recovered following the detection of irregularities and cases of negligence. In the case of amounts exceeding the sum of EUR 1 million, assumption of financial responsibility will be analysed in each individual case.

As regards the power of action in the event of a budget overrun, the Regulation adopted stipulates that, should the planned annual financial ceiling risk be exceeded, the Commission may and should take the appropriate measures at its disposal to adjust expenditure. If these measures proved inadequate, the Commission should propose additional measures to the Council as soon as possible.

Each of the two Funds will also maintain specific features, including the fact that the EAGF has non-differentiated appropriations while the EAFRD has differentiated appropriations, regarding which the N+2 rule followed by automatic decommitment is maintained. The rate of payment is also different for the two Funds (monthly and quarterly respectively), as is the treatment of amounts recovered following irregularities. Under the EAFRD, these amounts may in fact be reused by the Member States in the context of the same rural development programme.

This Regulation also includes rules on budget discipline which take account of the reform of the CAP as provided for by Regulation (EC) No 1782/2003. Those rules cover in particular the fixing of the amounts available annually for EAGF expenditure, forecasts relating to the payment deadlines imposed on the Member States and any reductions and suspensions of monthly or quarterly amounts.

RISK MANAGEMENT

The Council held an exchange of views on the communication from the Commission on risk and crisis management in agriculture (7177/05).

In the course of the discussion, delegations expressed their view in particular on the safety nets in the common market organisations (CMOs) in the event of market crises, possible public financing of risk-management measures and the three new options proposed by the Commission as management tools for crisis and risk-management measures.

Finally, the Presidency noted a broad consensus with regard to the conditions essential to the implementation of any new instruments:

- The introduction of new tools, and the related financing rules, must not undermine the often excellent operation of the instruments already existing now at national level, e.g. as regards insurance against disasters.
- The new measures must fully comply with the "green box" criteria as defined by the World Trade Organisation (WTO).
- Although public financing may be essential, especially for the establishment and smooth start-up of new tools, joint responsibility and therefore financial assistance from agricultural producers is also essential.

Following this examination, the Presidency concluded that the Council's consideration of the matter had provided the Commission with sufficient indications to guide it in its consideration and its future proceedings in such a way that they could be taken into account in the proposals to be submitted to the Council in the near future.

POTATO STARCH

The Council adopted, by qualified majority, the Council Regulation amending Regulation (EC) No 1868/94 establishing a quota system in relation to the production of potato starch (5494/05 + *ADD 1*). The Italian, Polish and Lithuanian delegations voted against.

The purpose of the Regulation is to renew the existing potato starch quotas for a period limited to two years (2005/2006 and 2006/2007 marketing years), including for the six new producing Member States (Poland, Czech Republic, Latvia, Lithuania, Estonia and Slovakia). The current potato starch quotas, fixed by Council Regulation (EC) No 1868/94 and since amended, expire in June 2005, at the end of the 2004/2005 marketing year. The Council must allocate the quota, which up till now has been for three years, between the Member States as from July 2005.

Following the CAP reform in June 2003, 40% of the current payment is disbursed in the form of a payment to the holding, with the remaining 60% maintained as aid to farmers who produce starch potatoes.

OTHER BUSINESS

– Ill-treatment of animals, mainly dogs and cats, from Asia

The Swedish delegation, backed by a number of delegations, drew the attention of the Council and the Commission to possible measures which could be taken at Community level to combat the import of animals destined for fur and pelt production and subjected to cruel treatment (8974/05). This delegation called on the Commission to make proposals to the Council as soon as possible with a view to prohibiting the import of such products into the Community¹.

Commissioner Kyprianou stated that he had given instructions to the Commission to carry out a detailed examination of the legal basis on which any Community arrangements could be proposed, either on the basis of compliance with animal welfare rules or, in order to ensure consumer protection, on the basis of compliance with labelling rules. In this connection, he hopes to be able to inform the Council rapidly of the outcome of his work.

The information gathered reveals that these animals imported from certain Asian countries are sometimes skinned alive or maltreated. Public opinion in Sweden has reacted strongly to such abuse and has called for a preventive measure. Several Member States have introduced national measures prohibiting the import of furs and pelts, primarily from dogs and cats.

– Biofuels

The French and German delegations, backed by a number of delegations, reiterated and reaffirmed their recommendations to the Commission and to the other Member States, in order to accelerate the development of biofuels and the elaboration of a European Action Plan on Biomass before the end of 2005 (9293/05).

On 21 June 2004, the Council had held a debate on the question of renewable resources on the basis of a joint memorandum (10250/04) presented by the German, Austrian, French and Polish delegations. The memorandum had also been supported by the Czech, Hungarian, Luxembourg and Spanish delegations. The abovementioned delegations had called on the Commission to adapt the legal framework to allow for increased support of the production of innovative non-food products. This request was also in line with the Communication on Renewable Energy in the EU adopted by the Commission on 26 May 2004, the objective of which was to secure a 12% share of renewable energy in overall EU energy consumption by 2010.

¹ For further information, see <http://www.efbanet.com/index.htm>

– ***Genetically modified organisms – authorisation procedures for new GMOs***

The Italian delegation, supported by several delegations, drew the Council's attention to the fact that when the European Food Safety Authority (EFSA) is entrusted with the evaluation of an application to market a genetically modified product (on the basis of Regulation No 1829/2003 or Directive 20012/18/EC), it confines itself to examining only the scientific data supplied by the applicant (9253/05). However, this delegation takes the view that the EFSA should itself be able to perform the analysis required for independent assessment of the safety of products for which marketing is sought.

Commissioner Kyprianou took note of this request. However, he pointed out that Regulation No 1829/2003 already contained a detailed list of information which the applicant was required to supply and that the EFSA could require additional information if it considered the data provided insufficient. He also stressed that all tests submitted to the EFSA were carried out by approved laboratories and that, in view of existing practice in other sectors where an authorisation procedure was mandatory, the introduction of cross verification whereby the EFSA would have to produce its own data would be incompatible.

Nevertheless, he stated that the Commission could possibly examine this question in the context of the drafting of the report provided for in the Regulation establishing the European Food Safety Authority three years after establishment.

– ***Milk-market support measures***

The Irish delegation, supported by several delegations, drew the attention of the Council and the Commission to the difficulties currently experienced by the milk market (9458/05). This delegation took the view that, in entering the next phase of institutional price cuts, it was essential that operators be guaranteed a period of stability to enable the industry to consolidate its market shares, especially by way of measures taken by the management committee with regard to export refunds.

Commissioner Fischer Boel took note of this request but expressed her opposition to any intervention by the Commission along the lines requested by this delegation.

– ***Oral briefing by the French delegation on measures to monitor BSE in small ruminants***

The Council took note of an oral briefing from the French delegation on national measures taken to monitor BSE in small ruminants, following confirmation of a case of BSE in a goat, born in 2000 (see 6574/05), and pending the opinion of the European Food Safety Authority on the matter.

OTHER ITEMS APPROVED**AGRICULTURE****EU Forest Action Plan* – Council conclusions**

The Council adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN UNION,

1. Recalling the Council Resolution of 15 December 1998 on a forestry strategy for the European Union;
2. Having taken note of the report presented by the Commission on the implementation of the EU Forestry Strategy in the period 1999-2004;
3. Recognizing that the experiences gained in the past implementation period of the EU Forestry Strategy show that forests play an important role in overall sustainable development, in particular in rural areas, and that at the same time forests are crucial for the fulfilment of the EU's commitment to halt the loss of biodiversity, to mitigate climate change and to combat desertification;
4. Acknowledging the economic, ecological and social relevance of the forest sector in the EU and the contribution that forests and forestry can provide to the Lisbon objectives of sustainable economic growth and competitiveness, as well as to the Gothenburg objectives of safeguarding the quantity and quality of the natural resource base;
5. Noting that the basic principles and elements identified in the Forestry Strategy for the European Union are still valid, but that its implementation needs to be adapted to the newly emerging policy context;
6. Recognizing the limited visibility of the forest sector and the need for greater coherence of forest-related policies, as well as changes in the global, regional and national policy context, which suggest that the EU Forestry Strategy needs to be updated as a basis for the EU Forest Action Plan to take a proactive approach allowing the forest sector to enhance its competitiveness and economic viability, and to address the growing needs and expectations of society and the challenges of globalisation;

7. Considering that the EU Forestry Strategy has provided a reference framework for forest-related EU policies and initiatives, but that there is a need to strengthen coherence between these policies and initiatives, and to enhance coordination within the Commission and between the Commission and the Member States;
8. Welcomes the proposal put forward by the Commission to develop an EU Forest Action Plan, which should provide a coherent framework for the implementation of forest-related actions at Community and Member States level and serve as an instrument of coordination between different Community actions as well as between Community actions and forest policies of the Member States;
9. Invites the Commission , in close cooperation with the Member States and in consultation with stakeholders, to elaborate a proposal for this Action Plan and to present it to the Council by mid 2006;
10. Considers that the Action Plan should in a balanced way address economic, ecological and social dimensions of sustainable forest management, including within the international context;
11. Recommends that the Action Plan should provide a coherent set of actions, in line with the Lisbon and the Göteborg strategies, based on clear objectives which should interact with and provide guidance to the objectives of other Community policies, as well as to the implementation of forest-related international commitments;
12. Also recommends that the Commission, in close cooperation with the Member States, should present the existing instruments at EU level which could be used to realise the proposed actions;
13. Considers that the Action Plan should encompass both Community forest-related actions and forest-related actions in Member States, including national forest programmes;
14. Invites the Commission to enhance the existing Community means and practices to facilitate coordination, communication and cooperation between different policy sectors that have an influence on forestry, and the role of the relevant committees at Community level, in particular the role envisaged for the Standing Forestry Committee."

Accession of the EU to the International Convention for the Protection of New Varieties of Plants*

The Council adopted a Decision approving the accession of the EU to the International Convention for the Protection of New Varieties of Plants (UPOV Convention), concerning international recognition of the intellectual property rights of plant variety breeders, discoverers or developers (8824/05).

The UPOV Convention, adopted in Geneva on 19 March 1991, makes available to breeders of new plant varieties an exclusive property right, on the basis of a set of uniform and clearly defined principles.

The Community will pay, on a voluntary basis, five contribution units to the annual UPOV budget, with effect from the 2005 budgetary period.

Spongiform encephalopathies – Extension of transitional measures

The Council adopted a Regulation extending the application of transitional measures for the prevention, control and eradication of certain transmissible spongiform encephalopathies (TSEs) until 1 July 2007 (*PE-CONS 3620/05*).

These transitional measures, provided for in Regulation No 999/2001¹, are extended pending the revision of permanent measures and the creation of an overall strategy on TSEs. They apply to the entire chain of production and placing on the market of live animals and products of animal origin.

¹ OJ L 147, 31.5.2001, p. 1. Regulation last amended by Regulation No 260/2005 (OJ L 46, 17.2.2005, p. 31).

FISHERIES**Technical changes to catches and quotas and deep-water species***

The Council adopted a Regulation amending Regulation (EC) No 27/2005, as concerns fishing opportunities in Greenland, Faroese and Icelandic waters and fishing for cod in the North Sea, and amending Regulation (EC) No 2270/2004, as concerns fishing opportunities for deep-sea sharks and roundnose grenadier (*8877/05 and 8684/05 ADD 1*).

This new Regulation incorporates into Regulation (EC) No 27/2005, establishing fishing opportunities for 2005 in Community waters¹, the following details:

- During 2005 the EU will have access to 1000 tonnes of the snow-crab stock in Greenland waters, of which 875 tonnes will be attributed to Spain and 125 tonnes to Ireland. In addition, it has been agreed with the Greenland authorities that the entire redfish quota in zones V and XIV may be fished by pelagic trawl.
- The number of days of fishing per month of vessels operating in the North Sea with towed gears with square-mesh windows is fixed at 9, instead of 12 at present, so as not to jeopardise the recovery of cod.

Regulation (EC) No 2270/2004 fixing for 2005 and 2006 the fishing opportunities for deep-sea fish² is amended as follows:

- The black-scabbard fisheries around the Azores take a by-catch of deep-sea sharks. To avoid unnecessary discarding, it is therefore appropriate to provide for a by-catch quota for these species. It is estimated that the total black-scabbard catch in the waters of the Azores will amount to 700 tonnes generating by-catches of deep-sea sharks of approximately 120 tonnes instead of the 14 tonnes initially specified. No direct fisheries for deep-sea sharks will be allowed.
- The fishing opportunities for roundnose grenadier in ICES division Vb and sub-areas VI and VII (Community waters and international waters) have been amended following an error of calculation.

¹ OJ L 12, 14.1.2005.

² OJ L 396, 31.12.2004.

EXTERNAL RELATIONS

Turkey – Pre-accession financial assistance for Turkey

The Council adopted a Regulation making a number of amendments to the instrument of pre-accession financial aid for Turkey in order to bring it into line with the provisions of the EU Financial Regulation (7110/05).

These amendments to Regulation No 2500/2001 are necessary for Turkey to continue to benefit from the operations of, in particular, the EU Office for Technical Assistance and Information Exchange, as part of the centralised indirect management arrangements set out in the Financial Regulation applied to the Community budget since 1 January 2003.

Sudan – Restrictive measures

The Council adopted a common position introducing restrictive measures (restriction of movements and freezing of assets) against those individuals who impede the peace process, in accordance with UN Security Council Resolution 1591(2005) (8383/05).

This common position also confirms the arms embargo imposed by common position 2004/31/CFSP.

Security Council Resolution 1556(2004), adopted in July 2004, imposes an arms embargo on all non-governmental entities and individuals operating in the States of North Darfur, South Darfur and West Darfur. Resolution 1591(2005), adopted in March 2005, extends the scope of this embargo to all belligerents in Darfur. Furthermore, it imposes measures to prevent entry into or transit through Member States' territories of certain persons accused of serious violations of human rights and humanitarian law, violation of the ceasefire or of impeding the peace process. This Resolution also provides for the freezing of financial assets – as required by Resolution 1591 and adopted in a separate Regulation – of those persons designated by the UN Sanctions Committee. These measures entered into force on 28 April 2005.

The measures imposed by common position 2004/31/CFSP remain in force.

The Council also adopted a Regulation amending Regulation (EC) No 131/2004 in order to authorise financial assistance and technical assistance primarily for humanitarian or protective use or for programmes of the United Nations, the African Union or the EU, by way of derogation from the rules of the embargo in force (8368/05).

EUROPEAN ECONOMIC AREA

Education – Civil protection – European Railway Agency

The Council approved draft Decisions by the European Economic Area (EEA) Joint Committee amending the EEA Agreement as regards:

- a Decision aiming to extend cooperation in the education sector, which sets out a framework for cooperation and arrangements for the participation of European Free Trade Association (EFTA) and EEA Member States in Community programmes and actions, as from 1 January 2005, incorporating into the EEA Agreement Decision 2241/2004/EC on a single Community framework for the transparency of qualifications and competences (Europass) (8091/05);
- a Decision aiming to extend cooperation in the field of civil protection between the Contracting Parties to the EEA Agreement, incorporating into the Agreement Decision 2005/12/EC as regards the extension of the Community action programme in the field of civil protection (8094/05);
- a Decision setting out the framework for participation of EFTA and EEA States in the European Railway Agency (8320/05).

In order to ensure the requisite legal security and homogeneity of the internal market, the EEA Joint Committee is to integrate all the relevant Community legislation into the EEA Agreement as soon as possible after its adoption.

DEVELOPMENT COOPERATION

ACP countries – European Development Fund

The Representatives of the Governments of the Member States meeting within the Council adopted a Decision fixing the deadline for the commitment of the funds of the 9th European Development Fund at 31 December 2007 (7226/05).

The amount allocated to finance the Investment Facility as a revolving fund, and managed by the EIB, is not affected by this Decision.

APPOINTMENTS**Committee of the Regions**

The Council adopted a Decision appointing Ms Johanna MIKL-LEITNER, "Landesrätin", member of the government of the Federate State of Lower Austria, as an alternate member of the Committee of the Regions in place of Mr Edmund FREIBAUER for the remainder of his term of office, which runs until 25 January 2006.
