



**COUNCIL OF  
THE EUROPEAN UNION**



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**PRESS RELEASE**

2758th Council Meeting

**Agriculture and Fisheries**

Luxembourg, 24-25 October 2006

President

**Mr Juha KORKEAOJA**

Minister for Agriculture and Forestry of Finland

**P R E S S**

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## **Main Results of the Council**

The Council reached political agreement on a Council Regulation fixing for 2007 the fishing opportunities and associated conditions for certain fish stocks in the Baltic Sea.

The Council held a policy debate on the wine sector reform and on organic production.

It also adopted conclusions on the EU Forest Action Plan 2007 - 2011.

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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://www.consilium.europa.eu>.
- 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:**

Ms Milena VICENOVÁ

Minister for Agriculture

### **Denmark:**

Mr Hans Christian SCHMIDT

Minister for Food, Agriculture and Fisheries

### **Germany:**

Mr Gerd LINDEMANN

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

### **Estonia:**

Ms Ester TUIKSOO  
Mr Olavi TAMMEMÄE

Minister for Agriculture  
Deputy Minister, Ministry of the Environment

### **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 and Fisheries

### **Ireland:**

Mr John BROWNE

Minister of State at the Department of Agriculture and Food with special responsibility for Forestry

Mr Brendan SMITH

Minister of State at the Department of Agriculture and Food with special responsibility for Food and Horticulture

### **Italy:**

Mr Paolo DE CASTRO

Minister for Agricultural and Forestry Policy

### **Cyprus:**

Mr Photis PHOTIOU

Minister for Agriculture, Natural Resources and Environment

### **Latvia:**

Mr Mārtiņš ROZE

Minister for Agriculture

### **Lithuania:**

Ms Kazimira Danutė PRUNSKIENĖ

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

### **Hungary:**

Mr József GRÁF

Minister for Agriculture and Rural Development

### **Malta:**

Mr George PULLICINO

Minister for Rural Affairs and the Environment

### **Netherlands:**

Mr Cees VEERMAN

Minister for Agriculture, Nature and Food Quality

**Austria:**

Mr Josef PRÖLL

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

Mr Andrzej LEPPER

Deputy Prime Minister, Minister for Agriculture and Rural  
Development**Portugal:**

Mr Jaime SILVA

Minister for Agriculture, Rural Development and Fisheries

**Slovenia:**

Mr Gvido MRAVLJAK

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

Mr Miroslav JUREŇA

Minister for Agriculture

**Finland:**

Mr Juha KORKEAOJA

Minister for Agriculture and Forestry

**Sweden:**

Mr Eskil ERLANDSSON

Minister for Agriculture

**United Kingdom:**

Mr Ben BRADSHAW

Parliamentary Under-Secretary of State for Local  
Environment, Marine and Animal Welfare

.....

**Commission:**

Mr Joe BORG

Member

Ms Mariann FISCHER BOEL

Member

.....

The Governments of the Acceding States were represented as follows:

**Bulgaria:**

Mr Nihat KABIL

Minister for Agriculture and Forestry

**Romania:**

Mr Nicolae Flaviu LAZIN

Secretary of State, Ministry of Agriculture, Forests and  
Rural Development

**ITEMS DEBATED****TACs AND QUOTAS 2007 - BALTIC SEA\***

The Council reached, by qualified majority, political agreement on a Council Regulation fixing for 2007 the fishing opportunities and associated conditions for certain fish stocks in the Baltic Sea. The Polish delegation indicated its intention to vote against.

The main features of the Presidency compromise endorsed by the Commission are:

- The TAC for cod in the Eastern Baltic (40 805 tonnes) will be reduced by 10% compared to its current level in 2006 (45 339 tonnes); the cod TAC in the Western Baltic will be 26 696 tonnes, i.e. a reduction of 6% compared to its current level in 2006 (28 400 tonnes). A comparative table on TACs is annexed. A 15% reduction in the cod TAC will be applied in 2007 if the proposal for a Regulation on a multi-annual plan for cod stocks in the Baltic Sea is not adopted before 30 June 2007.
- The sprat TAC will be 8% higher in 2007 than in 2006. For Atlantic salmon in the main fishing zone, the TAC for 2007 will be only cut by 5% instead of the 10% reduction initially proposed by the Commission.
- As regards provisions on fishing effort limitation, the compromise ensures that there is a further 10% reduction in days at sea as compared to 2006. This effort limitation would be divided into periods of closure over the year, the longest closure periods concerning the summer (East) and the spring (West). An additional fishing effort limitation outside these periods, left to the appreciation of the Member States, of 77 days in the Western Baltic and 67 days in subareas 25-27 will be applied. The total fishing day ban amounts to 117 days in the Western Baltic and 138 days in subareas 25-27. Vessels with an overall length of less than 12 metres fishing with specified type of gears can fish up to 12 nautical miles from shore provided that their by-catch of cod does not exceed 20 kg or 10% whichever is the higher.
- A joint Council/Commission statement addresses the issue of illegal and unreported cod fisheries which are considered to be a major problem in the Baltic Sea.

2006 Baltic Sea TACs, Commission proposals for 2007 Baltic Sea TACs and Council Decision for 2007								
Species (common name)	Species (Latin name)	ICES fishing zone	EC TAC 2006 in tonnes	Commission proposals for EC TAC 2007 in tonnes	% difference from EC TAC 2006	Council Decision for EC TAC 2007 in tonnes	% difference from TAC 2006	% difference from Commission proposal
Herring	<i>Clupea harengus</i>	Baltic Sea subdivisions 30-31	91 600	88 100	- 3.82	91 600	0	3.82
Herring	<i>Clupea harengus</i>	Baltic Sea subdivisions 22-24	47 500	52 500	10.52	49 500	4.00	- 6.00
Herring	<i>Clupea harengus</i>	Baltic Sea subdivisions 25-27, 28.2, 29, 32	115 842	133 218	15.00	132 718	14.00	- 0.5
Herring	<i>Clupea harengus</i>	Baltic Sea subdivisions 28-1	40 000	34 000	-15.00	37 500	- 6.25	10.00
Cod	<i>Gadus morhua</i>	Baltic Sea subdivisions 25-32	45 339	38 522	-15.00	40 805	- 10.0	6.0
Cod	<i>Gadus morhua</i>	Baltic Sea subdivisions 22-24	28 400	24 140	-15.00	26 696	- 6.0	10.5
Plaice	<i>Pleuronectes platessa</i>	III b, c,d	3 766	3 766	0	3 766	0	0
Atlantic salmon	<i>Salmo salar</i>	III b, c,d	451 260	361 001	-20.00	406 134	- 10.0	12.5
Atlantic salmon	<i>Salmo salar</i>	Baltic Sea subdivision 32	15 419	15 419	0	15 419	0	0
Sprat	<i>Sprattus sprattus</i>	III b, c,d	420 826	428 918	1.92	454 492	8.0	6.0
Note: figures for Atlantic salmon are expressed in numbers of individual fish								



## **EU/NORWAY ANNUAL CONSULTATIONS**

The Council held an exchange of views on preparation of the annual consultations for 2007 between the Community and Norway, on the basis of a Presidency questionnaire.

As regard the key issues in the consultations, many delegations insisted on the importance of reaching an agreement before the end of the year.

Concerning a balance in the exchange of fishing possibilities between the Community and Norway, delegations insisted on reaching an agreement, some of them pressing for a deal which would not be at the expense of specific species.

## TACs AND QUOTAS 2007

The Council held an exchange of views in what is now called the "frontloading exercise" on the preparation of the setting of TACs and quotas for 2007 in Community waters, on the basis of a questionnaire from the Presidency (13366/06). The Council took note of the positions expressed by delegations.

Although the proposal from the Commission is not yet available, the aim of the discussion was to provide the Council and the Commission with a clear view of the positions of Member States on fishing effort and on the TAC level for next year.

Many delegations welcomed the policy statement from the Commission as well as the opportunity to hold an exchange of views at this stage as it increased transparency and predictability of fishing opportunities.

A majority of delegations supported the Commission's gradual approach based on an inter-annual limitation of TAC variations of 15%, while other delegations stressed the need to take into account extraordinary circumstances.

Concerns were expressed by several delegations on possible TAC reductions for deep sea species and on further reduction of the current TAC for cod.

As it is the first year that the Commission has presented such a policy statement as part of the "frontloading" exercise, some delegations suggested that consultation of RAC (Regional Advisory Councils) should take place earlier in order to take duly into account their views. It was also indicated by some delegations that the International Council for the Exploitation of the Sea (ICES) should prepare its scientific opinions in time to allow the Commission to present its policy statement in April.

**SPIRIT DRINKS - *Public deliberation***

The Presidency noted that a broad majority within the Council could support the general approach on the proposal for a Regulation on the definition, description, presentation and labelling of spirit drinks, as a preliminary basis for discussions with the European Parliament (13867/06+ADD1).

The Council noted the views expressed by delegations and the intention of the Presidency to keep the Special Committee on Agriculture fully informed and updated on its discussions with the European Parliament, as well as to return to the legal and WTO aspects of this file.

The proposal presented by the Commission on 15 December 2005 (15902/05) under the codecision procedure is aimed at consolidating and updating current internal market legislation on spirit drinks with a view to making it clearer to read and easier to apply.

The aim of the Finnish Presidency is to make as much progress as possible on this proposal towards reaching a political agreement with the European Parliament at first reading.

## **WINE REFORM**

The Council held a policy debate, based on the Presidency questionnaire (13993/06), on certain aspects of the Commission's communication on the reform of the wine sector in the EU (10851/06+ADD1).

With this detailed and constructive discussion the Council completed its full examination of the Commission's communication.

All delegations recognised that there was a need to reform the wine sector in order to increase the competitiveness of EU wine production. In general, delegations share the Commission's views and analysis of the situation in the sector. Delegations also agree with the general objectives of the reform as set out in the communication and specifically that of improving the sector's competitiveness.

Most delegations supported the reform option 2 ("profound reform"). Some delegations suggested that aspects of the decoupled payment scheme could usefully be attached to option 2.

On individual measures outlined by the Commission views diverged more widely:

- many delegations stressed the need to apply the measures proposed by the Commission in a balanced manner with appropriate phasing in arrangements in order to allow the sector to adjust to the changes in the support arrangements.
- most delegations were in favour of abolishing the present market instruments and supported the idea of setting up national envelopes with options for measures to implement from a given menu.
- many delegations expressed concerns about the proposed grubbing up scheme, which according to them might lead an untoward environmental impact in certain wine producing areas of the Community. Some delegations pointed out that the grubbing up scheme should be regionally and qualitatively selective. However, most delegations were in favour of curtailing surplus production in order to improve market balance.

- in order to strengthen the reputation and quality of EU wines, an enhanced marketing effort for EU wine is necessary as well as more clear and simple labelling rules; most delegations also welcomed the proposal to make available oenological practices approved by the OIV giving European producers the same possibilities as enjoyed by third country producers.

On the basis of the discussion in the Council, in the SCA and in the expert working party, on which there are concise reports, the Commission now has a full picture of the views of the various delegations. On the basis of this discussion and the forthcoming opinion of the European Parliament, the Commission has a solid basis on which it can start reflecting on the concrete reform proposals for the sector.

The Council invited the Commission to submit the proposal for the reform of the wine sector to the Council during the first half of 2007.

## **ORGANIC FOODSTUFFS**

The Council held a policy debate on a new draft Regulation on organic production and labelling of organic products<sup>1</sup>.

The debate focused on labelling matters concerning organic products on the basis of a questionnaire prepared by the Presidency<sup>2</sup>. A large majority of delegations considered that the approach of the Presidency based on three categories, namely 95% "golden standard", 70% "emphasised labelling" and below 70% "ingredients labelling" with the EU logo being reserved only for products in the first category, was going in the right direction in order to find a compromise solution.

The Commission could endorse these suggestions if they were supported by a majority of delegations.

Delegations' comments on certain aspects will be taken into account at the level of the Special Committee on Agriculture which will prepare an overall compromise text to be submitted to the Council in December.

A policy debate on the main issues of this file was also held by the Council on 22 May 2006 (9170/06 (*Presse 132*)).

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<sup>1</sup> Doc. 5101/06

<sup>2</sup> Doc. 13830/1/06 REV 1

## **Other business**

### – *Centralised management of expenditure in the fishery sector*

The Council took note of the comments made by the French delegation, supported by the Belgian and Spanish delegations, and the response by Mr Joe Borg, Commissioner for Fisheries.

### – *Avian influenza (H5N1)*

The Council took note of the written information on developments in the situation regarding avian influenza in Europe and in third countries from Commissioner Markos Kyprianou.

### – *CAP simplification*

The Council took note of the information provided by Ms Mariann Fischer-Boel, Commissioner for Agriculture, on the state of play concerning CAP simplification, and notably on the outcome of the Simplification Conference held in Brussels on 3 and 4 October, and on the "action plan" for simplification published by DG AGRI ([http://ec.europa.eu/agriculture/simplification/actionplan\\_en.pdf](http://ec.europa.eu/agriculture/simplification/actionplan_en.pdf)).

Commissioner Fischer-Boel indicated that on the technical front the Commission will propose:

- combining the 21 existing CMOs into a single CMO;
- an action plan of 20 proposals.

On the policy front, the Commission intends simplification to be a guiding principle for:

- the current or forthcoming reforms in the CMOs for wine, bananas and fruit and vegetables;
- the "health check" of the CAP.

– ***Conference of Directors of EU Paying Agencies***

The Presidency briefed the Council on the outcome of the 20th Conference of Directors of EU Paying Agencies, which was held in Rovaniemi, Finland, in July 2006 (13914/06).

– ***State aid***

The Council took note of a request from the French delegation asking for more flexibility in state aids in the context of the new guidelines for state aid in the agriculture sector. A number of delegations (CZ/DE/ES/IE/IT/LT/HU/PL) took the floor in support of the French delegation.

Both the Community Guidelines for State Aid in the Agricultural sector (2000/C 232/10) and the block exemption Regulation (No 1 /2004) expire at the end of this year. The Commission has consequently put forward proposals for revised rules.

Following closer examination of the proposals and the discussion thereof at expert level, concern was raised among Member States that the set of rules proposed would cause problems in the operation of state aid established in the context of agriculture and rural development.

Commissioner Fischer-Boel took note of the concerns expressed by delegations. She indicated that this matter had been discussed by the Council at its meetings in July and September 2006 and that, responding to concerns raised, the latest version of the proposed new rules for Community guidelines on state aids in agriculture resolved many of the problems. She also confirmed that an expert meeting (Commission Advisory Committee) would take place on 25 October 2006 in order to meet Member States' concerns.

– ***Future work***

The next meeting of the Agriculture and Fisheries Council will be held in Brussels on 20 and 21 November 2006.



**OTHER ITEMS APPROVED****AGRICULTURE****EU Forest Action Plan 2007-2011 - Council conclusions**

The Council adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN UNION,

RECALLING the Council Resolution of 15 December 1998 on a forestry strategy for the European Union and the Conclusions on the EU Forest Action Plan adopted by the Council on 30 May 2005;

MINDFUL of the multifunctional role of forests and the importance of a balanced approach with regard to further developing the economic, social, environmental and cultural dimensions of forests, in order to foster sustainable forest management;

BEARING IN MIND that conditions and challenges with regard to forests and forest coverage are widely divergent throughout the EU and that Community-level actions affecting the forest sector should be complementary in nature and in line with the principle of subsidiarity;

RECOGNISING that many Community policies have a direct or indirect impact on Member States' forest policies and acknowledging, in this respect, the continued need for coordination, communication and cooperation within the Commission, between the Commission and Member States, as well as between the Member States;

UNDERLINES the important contribution forests and forestry can make to achieving the objectives of both the renewed Lisbon Strategy for growth and jobs, in particular in rural areas, and the renewed Sustainable Development Strategy;

EMPHASISES that forestry measures which can cause market distortion should be avoided;

STRESSES, as regards the economic dimension of forests, that the forest sector is an important sector in the EU contributing to the security of raw material supply in the EU, as well as providing a source of income for many forest owners and an important source of employment, especially in rural areas;

RECOGNISES, in this respect, the importance of enhancing long-term competitiveness of the forest sector and the forest-based industries in Europe, in particular against the background of globalisation;

STRESSES, as regards the environmental and ecological dimension of forests, the important contribution forests can make to the fulfilment of the EU's environmental objectives and international commitments, particularly with regard to preserving biodiversity, mitigating climate change, preserving water resources, and combating erosion and desertification;

UNDERLINES the importance of enhancing the protection of forests against biotic and abiotic agents, including forest fires;

RECOGNISES, as regards the social and cultural dimensions of forests, the influence of trees and woodlands on people and quality of life, as well as their significance as cultural heritage;

EMPHASISES the importance of supporting and fulfilling EU commitments made at global and regional level, and a strengthened role of the EU in forest-related international processes through a coordinated approach and in particular underlines the importance of the linkages between the EU Forest Action Plan and global and regional forest related commitments<sup>1</sup>;

WELCOMES the cross-sectoral approach taken by all relevant Commission services to cooperate in the preparation of the EU Forest Action Plan, recognising the important links to other EU policies and strategies;

WELCOMES the Communication on the EU Forest Action Plan submitted by the Commission on 15 June 2006, which complements and builds upon the EU Forestry Strategy of 1998 and consists of a set of key actions to be implemented jointly by the Commission and the Member States using existing means, with the overall objective of supporting the multifunctional role of forests and enhancing sustainable forest management in the Member States, and enabling the EU to fulfil its international commitments relating to forests;

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<sup>1</sup> In particular the Millenium Development Goals (MDGs), United Nations Forum on Forests (UNFF), United Nations Convention on Biological Diversity (UNCBD), United Nations Framework Convention on Climate Change (UNFCCC), United Nations Convention to Combat Desertification (UNCCD), Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), International Tropical Timber Agreement (ITTA) and the Ministerial Conference on the Protection of Forests in Europe (MCPFE).

## INVITES THE COMMISSION AND MEMBER STATES:

- a) to ensure jointly the effective and balanced implementation of the key actions set out in the EU Forest Action Plan, *inter alia*, by preparing a work programme, which specifies the actions and their respective time frames, and by establishing coherence and synergy with other relevant Community initiatives, in particular the Biomass Action Plan, the EU FLEGT Action Plan, the Biodiversity Action Plan to 2010 and beyond, the Community strategic guidelines for rural development, the 7<sup>th</sup> Research Framework Programme and the Commission's forthcoming Communication on the competitiveness of the forest-based industries;
- b) to pay particular attention to the following actions while implementing the Action Plan:
- strengthening forest-related research and innovation under the 7th Research Framework Programme and supporting the implementation of the Forest-Based Sector Technology Platform, *inter alia*, by providing adequate resources to that effect, with a view to developing new and innovative concepts and technologies for the forest sector;
  - examining the ongoing activities regarding the valuation of and compensation for provision of non-wood forest goods and services, which are not already marketed and taking stock of the existing information with special focus on developing innovative mechanisms for compensating or marketing such goods and services and on the identification of possible constraints;
  - making the best use of the contribution of forests and forest products in the mitigation of climate change and promoting the adaptation of forests to climate change, also with a view to successfully fulfilling the EU's commitments under international agreements, including the UN Framework Convention on Climate Change and the Kyoto Protocol;
  - working towards achieving the EU biodiversity objectives outlined in the Commission Communication on Halting the Loss of Biodiversity by 2010 and beyond;
  - promoting wood as a renewable raw material, *inter alia*, by information exchange, by evaluating the main constraints in this field and by linking to relevant Community industry sector policies and actions to support a widespread, efficient and cost-effective use of wood and other forest products;
  - further developing and increasing the use of forest biomass and wood residues in energy production, based on the principles of sustainable forest management and with particular attention to developing sustainable production patterns, information gathering and use of data concerning the availability, appropriate mobilisation of forest biomass and the raw material needs of the forest-based industries;

- making the best use of the contribution of forests to combat desertification, preserving water resources and protecting soils, taking into account the EU Water Framework Directive and the Convention to Combat Desertification;
  - improving the quality of life in urbanised areas;
  - further elaborating a European forest monitoring system which would provide, on a comprehensive basis policy-relevant information on forests, making the best use of the indicators for sustainable forest management endorsed by the 4th Ministerial Conference on the Protection of Forests in Europe, taking into consideration the existing work and structures;
  - continuing, within the framework of the FLEGT Action Plan and the St Petersburg Ministerial Declaration (ENA-FLEG), the efforts to combat trade in illegally logged timber and the problems associated with illegal logging;
  - exchanging ideas and experiences on the national public procurement criteria for legal and sustainable timber, as well as considering the possibility of achieving better compatibility with each other;
  - strengthening the EU profile in international forest-related processes by intensifying coordination and cooperation on activities and instruments that aim to achieve sustainable forest management worldwide, as well as by better integrating forest policy concerns into the EU's international development policies.
- c) to implement the EU Forest Action Plan in an open and transparent way, collaborating closely with stakeholders, exchanging experience and information, and communicating actively to the general public.

INVITES THE COMMISSION:

- a) to further improve coordination and cooperation between the various fields of Community policy that are relevant to forests, and to continue a cross-sectoral approach, supported by the envisaged appointment of coordinators for forest-related policies in the Commission departments concerned;

- b) to strengthen the role of the Standing Forestry Committee, by assigning it a general coordinating role in the implementation of the EU Forest Action Plan, including ongoing work on forest monitoring, by improving its working methods, by enhancing its advisory role in all forest-related issues at EU level, and by continuing close collaboration with the Advisory Group on Forestry and Cork, the Advisory Committee on Community Policy regarding Forestry and Forest-based Industries and other relevant expert groups;
- c) to provide, within existing resources and instruments, adequate support to the implementation of the EU Forest Action Plan;
- d) to carry out a mid-term evaluation of the Action Plan in 2009 and to report to the Council on the implementation of the Action Plan by 2012.

INVITES THE MEMBER STATES:

- a) to make the best use of the range of forestry measures available within the framework of the Community's rural development policy for the period 2007 – 2013, including afforestation, forest restoration and agro-forestry, for implementing the key actions set out in the EU Forest Action Plan;
- b) to make full use of the new financial instrument for the environment - LIFE+ - in order to improve forest monitoring, enhance the protection of forests and sustain the protective functions and biodiversity of forests;
- c) to make use of the wide range of opportunities provided by other Community instruments, such as the 7th Research Framework Programme, European Regional Development Fund, Intelligent Energy-Europe Programme in the Competitiveness and Innovation Framework Programme, and Community programmes in the field of education;
- d) to incorporate the key actions set out in the Action Plan, as appropriate, into their national and regional strategies (e.g. National Forest Programme, National Climate Change Strategy, National Energy Strategy, National Biodiversity Strategy, National Strategy for Sustainable Development);
- e) to foster cooperation of forest owners and their associations and enhance education and training in the forest sector in order to enhance efficient and sustainable management of forest resources and strengthen the competitiveness and economic viability of the forest sector;

- f) to continue to seek areas for cooperation in implementing actions under the Action Plan and to promote the exchange of ideas and experiences with the aim of increasing their positive impacts."

### **Derogation on egg washing**

The Council adopted a Regulation amending Regulation (EEC) No 1907/90 on certain marketing standards for eggs, extending until 1 July 2007 the temporary derogation for egg washing (13515/06).

Regulation (EEC) No 1907/90 is amended pending the application of the new Council Regulation No 1028/2006 on marketing standards for eggs replacing it, which was adopted by the Council in June 2006 and enters into force on 1 July 2007.

### **Cooperation with Chile - amendment to the Association Agreement**

The Council adopted a Decision approving draft Decision No 1/2006 of the Joint Management Committee, set up by the Agreement establishing an Association with Chile, amending Annex IV to the Agreement, which lays down the Agreement on Sanitary and Phytosanitary (SPS) measures applicable to trade in animals and animal products, plants, plant products and other goods and animal welfare (12704/06).

The SPS Agreement is amended to take account of the progress made under the consultations and procedures provided for under that Agreement.

**Animal health requirements\***

The Council adopted a Directive on animal health requirements for aquaculture animals and products thereof, and on the prevention and control of certain diseases in aquatic animals (11870/06).

This Directive lays down the animal health requirements to be applied for the placing on the market, the importation and the transit of aquaculture animals and products specified in the text, minimum preventive measures aimed at increasing the awareness and preparedness of the competent authorities, aquaculture production business operators and others related to this industry, for diseases in aquaculture animals and minimum control measures to be applied in the event of a suspicion of, or an outbreak of certain diseases in aquatic animals.

**Expenditure in the veterinary field**

The Council adopted a Decision amending Council Decision 90/424/EEC on expenditure in the veterinary field (11871/06).

This Decision is aimed at updating Council Decision 90/424/EEC in the light of the Council Directive on animal health requirements for aquaculture animals and products thereof, and on the prevention and control of certain diseases in aquatic animals so that Community financial contributions can also be granted for eradication measures carried out by the Member States to combat other diseases in aquaculture animals, subject to Community control provisions.

## **FISHERIES**

### **Illegal fisheries in the North East Atlantic**

The Council adopted a Regulation amending Regulation 51/2006 as regards provisions on vessels engaged in illegal, unreported and unregulated fisheries in the North-East Atlantic. (13729/06)

This Regulation aims at implementing in Community law a recommendation from the North-East Atlantic Fisheries Commission (NEAFC) of May 2006 confirming that vessels engaged in illegal, unreported and unregulated fisheries in the North-East Atlantic will not be allowed to enter a Community port.

## **TRADE POLICY**

### **System of pan-Euro-Mediterranean cumulation of origin**

The Council adopted a Regulation as regards the consequences of the introduction of the system of pan-Euro-Mediterranean cumulation of origin by amending Regulation (EC) No 1207/2001 (11463/06).

The application of the system of diagonal cumulation of origin and of variable geometry implies using new types of proof of preferential origin, movement certificates EUR-MED and invoice declarations EUR-MED, showing whether diagonal cumulation has been applied and with what countries of the zone.

For the application of the pan-Euro-Mediterranean cumulation, a flexible approach (referred to as "variable geometry") was agreed, meaning that the system can be applied between three countries as soon as the condition with regard to the free trade agreements containing identical rules of origin is fulfilled between the countries concerned.



Under Regulation (EC) 1207/2001, Community suppliers provide Community exporters with declarations informing them about the status of products with regard to the rules of origin laid down in preferential arrangements.

### **DEVELOPMENT COOPERATION**

#### **Special Report No 6/2006 concerning the environmental aspects of the Commission's development cooperation - *Council conclusions***

The Council adopted the following conclusions:

"THE COUNCIL

WELCOMING the Court of Auditors' Special Report No 6/2006 concerning the environmental aspects of the Commission's development cooperation,

1. RECOGNISES the Commission's intention to review and update the 2001 Environment Integration Strategy, and UNDERLINES that the "European Consensus", the new development policy signed in December 2005 by the European Parliament, the Commission and the Council, provides a clear basis for developing a more comprehensive environment strategy for the Community's development cooperation;
2. WELCOMES the Commission's statement that it will publish the environmental integration manual in the end of 2006 which will outline procedures to support environmental integration;
3. NOTES nevertheless, that – as the Court's Report underlines – the implementation of the 2001 environmental strategy has been slow and the environmental aspects have yet to be effectively implemented and mainstreamed in the Community's development cooperation policies and programmes;
4. APPROVES the Court's recommendations to the Commission that is invited to:
  - develop a comprehensive strategy outlining how it intends to take forward the environmental aspects of development co-operation, based on the 2005 European Consensus for Development;
  - review its internal financial reporting system to improve the recording of environment-related expenditure within the framework of projects which do not have environment as their primary objective;

- improve effective environmental mainstreaming, in particular through a better integration of the analysis and results in the Country Environmental Profiles into the Country Strategy Papers; mainstream environment into direct budget support; establish specific procedures for the appropriate environmental screening of all projects, and ensure the Environmental Impact Assessments (EIAs) are undertaken when appropriate, including major infrastructure projects, and that their recommendations are implemented;
  - increase the effectiveness, impact and sustainability of environmental projects through improved appraisal and procurement procedures; greater involvement and support to local communities in sustainable management of natural resources; and by extending the implementation of projects over longer time periods and use a variety of other aid modalities, which could include sectoral programme-based approaches;
  - ensure that adequate capacity is in place to allow effective implementation of the strategy; and that key staff, in particular in country delegations, are provided with training on environmental issues in development cooperation;
  - ensure that a comprehensive performance assessment system is put in place, including monitoring and evaluation processes that allow for continual improvement of the systems in place and ensure that procedures are being adequately followed;
5. WELCOMES the fact that the Commission accepts the Court's recommendations in general and that it has already begun to take some measures to act on them, and WELCOMES the emphasis that the Commission in its response puts on an approach that is based on ownership by the partner countries.

In conclusion the Council

6. RECOGNISES that the Commission is not alone in facing challenges in addressing the environmental elements of development cooperation and therefore ENCOURAGES the Commission to work together with Member States in addressing these challenges and taking forward appropriate recommendations.
7. INVITES the Commission to present an operational follow-up plan which addresses the recommendations summarised above and sets concrete goals and timetables and to report, on an annual basis, to the Council on the implementation."

## **Financial contribution to the European Development Fund**

The Council adopted a Decision fixing the third instalment of financial contributions for 2006 to the European Development Fund (EDF) (13950/06).

A total amount of EUR 200 million will be paid by the 15 Member States prior to the EU's enlargement to finance EDF operations managed by the Commission for aid projects in African, Caribbean and Pacific countries and EU Member State overseas countries and territories.

## **DECISIONS TAKEN BY WRITTEN PROCEDURE**

### **Development cooperation instrument**

The Council adopted a Common Position on a draft Regulation aimed at establishing a financing instrument for development cooperation for the period 2007-2013 (11944/06 + ADD1). The Common Position will be forwarded to the European Parliament for a second reading under the Parliament-Council codecision procedure.

Creation of the development cooperation instrument will allow renewal of one of the EU's most important tools for funding its development cooperation activities, with almost EUR 17 billion for the seven-year period.

The Council reached political agreement on the content of the draft Regulation on 17 October (*see press release 14086/06*).

### **European Economic and Social Committee**

The Council adopted a Decision appointing Mr Staffan Nilsson as a Swedish member of the European Economic and Social Committee until 20 September 2010 (14001/06).