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THE EUROPEAN UNION**



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Agriculture and Fisheries

Luxembourg, 20 and 21 June 2005

President

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 of
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9991/05 (Presse 143)

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Main Results of the Council

*The Council came to unanimous political agreement on the compromise **Rural Development Regulation**, which establishes the legislative framework for structural and horizontal actions in agriculture for the period 2007-2013.*

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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

Mr Yves LETERME

Minister-President of the Flemish Government and Flemish Minister for Institutional Reform, Agriculture, Sea Fisheries and Rural Policy

Czech Republic:

Mr Petr ZGARBA

Minister for Agriculture

Denmark:

Mr Hans Christian SCHMIDT

Minister for Food, Agriculture and Fisheries

Germany:

Ms Renate KÜNST

Federal Minister for Consumer Protection, Food and Agriculture

Estonia:

Ms Ester TUIKSOO

Minister for Agriculture

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

Mr Pat the COPE GALLAGHER

Minister of State at the Department of Communications, Marine and Natural Resources (with special responsibility for the Marine)

Italy:

Mr Giovanni ALEMANNI

Minister for Agricultural and Forestry Policy

Mr Paolo SCARPA BONAZZA BUORA

State Secretary for Agricultural and Forestry Policy

Cyprus:

Mr Timmy EFTHYMIU

Minister for Agriculture, Natural Resources and Environment

Latvia:

Mr Mārtiņš ROZE

Minister for 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

Ms Octavie MODERT

State Secretary for Relations with Parliament, State Secretary for Agriculture, Viticulture and Rural Development, State Secretary for Culture, Higher Education and Research

Hungary:

Mr József GRÁF

Minister for Agriculture

Malta:

Mr George PULLICINO

Minister for 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 Józef Jerzy PILARCZYK

State Secretary, Ministry for Agriculture and Rural
Development

Mr Wiesław ZAPÊDOWSKI

Deputy State Secretary, Ministry of Agriculture and Rural
Development

Mr Stanisław KOWALCZYK

Deputy State Secretary, Ministry of Agriculture and Rural
Development**Portugal:**

Mr Jaime SILVA

Minister for Agriculture, Rural Development and Fisheries

Slovenia:

Ms Marija LUKAČIČ

Ministry for 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

Lord BACH

Parliamentary Under-Secretary of State

Commission:

Ms Mariann FISCHER BOEL

Member

Mr Joe BORG

Member

.....

The Governments of the acceding States were represented as follows:

Bulgaria:

Mr Roussi IVANOV

Deputy Head of Mission

Romania:

Mr Mugur CRĂCIUN

State Secretary, Ministry for Agriculture, Forestry and
Rural Development

ITEMS DEBATED**AGRICULTURE**– ***Rural development: EAFRD***

The Council reached unanimous political agreement on a new framework Regulation for the implementation of rural development policy for the period 2007 to 2013, which establishes a European Agricultural Fund for Rural Development (EAFRD) (11495/04). That political agreement was reached on the basis of a compromise (8481/1/05 REV 1) submitted to delegations by the Presidency, as amended during the meeting, to which the Commission gave its support. The agreement is accompanied by statements.

The political agreement reached at the Council meeting is without prejudice to agreement on the financial perspective for 2007-2013. Pending such agreement, therefore, the budget proposed for 2007-2013 still amounts to EUR 88,75 billion.

The main changes made to the original proposal are as follows:

- Minimum rate of financing by axis: these rates indicate the minimum Community percentage for each axis of rural development. The rate is fixed at 10% for the improvement of competitiveness and forestry (Axis 1) and for diversification measures (Axis 3), instead of 15%. The rate is maintained at 25% for Axis 2 (land management). For programmes in the French overseas departments, the rate for Axis 2 is fixed at 10%.
- The Leader axis is maintained at 5% of Community programming. For the ten new Member States, however, the percentage of the total Fund contribution is fixed at an average of 2,5%.
- The Leader reserve provided for at the end of the programming period (2011-2013), equal to 3% of the rural development budget, has been abolished.
- As regards the size of the firms eligible for aid relating to the processing and marketing of agricultural and forestry products, support is restricted to micro-enterprises in the case of forestry. Support is fixed at a maximum rate and restricted to micro-, small and medium-sized enterprises for measures with added value for agricultural and forestry products. There is no limit on support for the territories of the Azores, Madeira, the Canary Islands, the French overseas departments and the small Aegean islands. The maximum rate of aid is reduced by half for enterprises with fewer than 750 employees or with a turnover of less than EUR 200 million.

- Submission of annual reports by the Member States and the Commission: the frequency of these reports is once every two years, the first being required in 2010 (instead of 2008 and 2009). A final report is provided for in 2014, making a total of three reports.
- The installation premium for young farmers is raised from EUR 40 000 to EUR 55 000. The period of grace allowed for young farmers to comply with Community standards is set at 36 months.
- Value-added tax that is not recoverable is eligible for a contribution from the Fund when it is finally borne by the recipient.
- The annual division of the Fund's resources by Member State is to take account, *inter alia*, of special situations and of requirements based on objective criteria.
- The rates of support in the outermost areas and in less-favoured areas have been generally increased.
- Less-favoured areas: the Commission will submit a report and proposals concerning the future payment system and the definition of less-favoured areas in 2010. Until 2010, Regulation No 1257/1999 will continue to apply. The proposal provided for the amendment of the present criteria for less-favoured areas, on the basis of soil productivity and climatic conditions.
- The level of aid for afforestation has been raised to 70% outside less-favoured areas (+ 30%), to 80% in less-favoured areas (+ 30%) and to 85% in the outermost regions (+ 10%). In addition, the maximum amount for loss of income has been raised to EUR 700 a hectare.
- Transitional measures for the benefit of semi-subsistence farming and producer groups have been extended until the end of 2013 instead of 2008.

– *Avian influenza*

The Council took note of the technical progress made during Luxembourg's Presidency and noted that the future United Kingdom Presidency intended to press ahead with work so that a decision could be taken on the proposals for a Directive and Decision on Community measures to combat avian influenza, submitted at the beginning of May 2005, as soon as the European Parliament's opinion was received (8630/05).

The Polish delegation stressed the possible danger, in its view, of mutation of the low-pathogenic virus into a highly pathogenic virus and called for an appropriate level of financing.

The proposal includes a definition of avian influenza extended in order to combat low-pathogenic avian influenza (LPAI) viruses and specific measures to combat them, compulsory surveillance for LPAI in member countries and a system of more flexible provisions on vaccination, in particular for endangered species and domestic birds. The proposed changes to Community legislation on combating avian influenza need to be carried out in parallel with amendments to Council Decision 90/424/EEC on expenditure in the veterinary field, in order to align the latter on the proposal and ensure that the Member States have suitable financial support as required by some of the new measures envisaged.

The legal basis for this proposal is Article 37 of the Treaty. The European Parliament's opinion, expected to be adopted at its December 2005 part-session, is purely consultative. The rapporteur appointed is Neil Parish (PPE-DE). The Commission has estimated the additional annual cost of these measures to the Community budget at EUR 5,5 million. The date for the transposition of the Directive into national law has been set at 31 December 2006.

FISHERIES

– *European Fisheries Fund*

The Council asked the Permanent Representatives Committee and the Commission to continue their contacts with a view to reaching agreement on the proposal for a European Fisheries Fund Regulation during the future United Kingdom Presidency.

– *Sustainable exploitation of fishery resources in the Mediterranean*

The Council instructed the Permanent Representatives Committee to find a solution to the present technical problems regarding the proposal for a Regulation concerning management measures for the sustainable exploitation of fishery resources in the Mediterranean Sea, with a view to reaching political agreement at the earliest opportunity.

OTHER BUSINESS– *Management of blue whiting fisheries*

Under this item, the Commission raised Norway's unilateral decision to close its blue whiting fisheries, following the stock's diminution by 25% in relation to the preceding year. That move came against the background of the difficult negotiations between the coastal states on the Community's, Iceland's and Russia's quotas, whereas Norway and the Faeroe Islands had decided not to set quotas for their fleets.

The Commission proposed a solution that took account of the Member States' quotas that had not yet been allocated with a view to the coastal states' meeting on 27 June 2005. The closing of the blue whiting fisheries in western waters was also envisaged.

The Commission took the opportunity to note the Member States' positions on this matter with a view to the negotiations to be held on 27 June 2005.

– *Fuel crisis and the future of fishing*

The Council took note of the request by the Belgian delegation (10118/05), supported by the Estonian, Greek, Spanish, French, Irish, Italian, Cypriot, Latvian, Lithuanian, and Polish delegations, concerning the problems caused by the increases in fuel prices, in particular for trawlers using large amounts of fuel, and their consequences for the fishing industry.

The Belgian delegation very much wanted a Community initiative to be launched, under the Commission's leadership, in order to offset the adverse effects of the increase in fuel prices. Among the solutions proposed were a loan guaranteed by public funds and Community investment that would make energy savings possible, such as the replacement of an existing engine with one that was less harmful to the environment. The Spanish delegation suggested reviewing the *de minimis* clause thresholds.

The German delegation expressed understanding for the above delegations, but pointed out that the Commission had taken no action when this matter was raised at the Council meeting on 18 October 2004 (13129/04), on the grounds that national aid measures could cause distortion of competition between Member States and the fisheries sector already benefited from zero duty on mineral oil products. The German delegation suggested seeking an appropriate solution with the oil-producing countries.

Commissioner Borg took note of the delegations' views and of the adverse effects of the abrupt increase in the price of fuel, particularly for trawlers. He pointed to the advantageous fuel-taxation system from which the fishing industry benefited. He said that when a working party chaired by the Commission and bringing together fishing-industry professionals had concluded its proceedings the Commission would consider what practical measures could be envisaged. In that context he undertook to keep the Council informed of any developments.

– *World Organisation for Animal Health (OIE)*

The Council took note of the details given by the Commission in its information note on the outcome of the 73rd general session of the World Organisation for Animal Health (OIE), from 22 to 27 May 2005, in particular the adoption of guidelines similar to Community legislation in the field of animal welfare (transport by land and sea and the slaughter of animals for human consumption and disease-control purposes) (10163/05).

– *Agricultural research*

The Council took note of an oral progress report by the Commission, following the meeting of the Standing Committee on Agricultural Research (SCAR). Commissioner Fischer-Boel pointed out that the Commission was in the process of drawing up its seventh framework research programme. She stressed that, at its meeting on 22 November 2004, the Council had given broad support to the report by the Netherlands Presidency on agricultural research. That report concluded that there was a need for greater scientific cooperation in the Community, with a high-level platform represented by the SCAR. She pointed out that the countries associated with the SCAR (Israel, Norway, Iceland and Switzerland) had indicated their interest in the work undertaken and that there were 32 European countries involved. The first initiatives launched by the SCAR were the creation of a research cooperation group and the drafting of a document on agricultural research infrastructure, in particular by means of networking. The document would be submitted to the European Strategy Forum at its meeting on 1 and 2 December 2005 under the United Kingdom's Presidency. A report on the coordination of agricultural research, based on the SCAR's proceedings, would shortly be submitted to the European Parliament and the Council.

The Netherlands delegation thanked the Presidency and the Commission for having put this item on the agenda and noted that agriculture would occupy an important position in the seventh framework research programme.

The Presidency said that a further meeting on this subject would be held during the United Kingdom Presidency.

– *Forestry*

The Council took note of a Presidency progress report on the FLEGT Agreement on trade in timber (10084/05).

The Belgian delegation voiced its concern at illegal logging and the associated unlawful trading. It thanked the Luxembourg Presidency for its efforts in preparing a negotiating brief and hoped that significant progress would be made on this matter during the forthcoming United Kingdom Presidency, so that the first partnership agreements could be implemented. Finally, the Belgian delegation pointed to the need to supplement those agreements by means of mandatory legislation on illegal timber trading in the Community.

Commissioner Fischer-Boel hoped that the negotiating directives would be completed during the forthcoming United Kingdom Presidency. She stressed that EUR 3 million had been spent to assist dialogue on forestry governance and the Community had spent a further EUR 15 million on technical assistance. She reminded the Council that the informal negotiations currently in progress with several non-member countries (Ghana, Cameroon, Malaysia, etc.) should result in negotiating directives in due course.

In May 2003 the Commission submitted to the Council a communication on forest law enforcement, governance and trade (FLEGT). The Working Party on Forestry prepared conclusions that the Council endorsed in October 2003. Further to that communication, in July 2004 the Commission submitted a proposal for a Regulation and a recommendation for the authorisation of the Commission to initiate negotiations on partnership agreements with a view to the implementation of the EU action plan for forest law enforcement, governance and trade (FLEGT). During the Netherlands' Presidency, the Working Party on Forestry concentrated on the proposal for a Regulation and, with a view to obtaining political guidance, submitted two questions on the problem of circumvention and products that ought to be covered by the licensing system to the Agriculture and Fisheries Council meeting in December 2004. During Luxembourg's Presidency, the Working Party concentrated on the text of the negotiating directives.

– *Cereals*

The Austrian delegation, supported by the Czech, German, Greek, Spanish, French, Italian, Latvian, Lithuanian, Hungarian, Polish and Slovak delegations, drew the Council's and the Commission's attention to the situation on the Community cereals market and the emergency measures needing to be taken (10098/05).

The Austrian delegation stressed, in particular, the extremely strained situation on the cereals market. It felt that the measures taken since the 2004-2005 harvest had proved to be inadequate. It pointed out that, with the very high level of Community cereals stocks, the reduced storage capacity and the low level of exports, the measures taken by the Commission had not proved decisive. With the prospect of another record harvest in 2005-2006, which was likely to aggravate the situation, the Austrian delegation asked the Commission to submit an integrated set of measures to reduce cereals surpluses.

The French delegation wanted tendering from the free market, without intervention, to be opened as from 1 July 2005, so that private enterprise could take the initiative and reduce the surplus cereals stock.

The Polish delegation stressed its special difficulties, in particular its geographical distance from the principal cereals-buying markets, and the problems of transporting cereals to those regions of Europe with cereals shortages. It hoped that the Commission would take measures before the beginning of the 2005-2006 harvest.

Referring to the serious drought from which Spain was suffering and the concomitant requirement for animal fodder, the Spanish delegation wanted supplies from intervention stocks to supplement private initiative. That was supported by the Hungarian and German delegations. The Spanish delegation also indicated that it was awaiting the forthcoming decision by the Management Committee for Cereals on tendering for intervention stocks.

The Hungarian delegation pointed to the very large stocks of cereals held in Hungary, particularly in view of its landlocked situation and its inadequate storage capacity. The Hungarian delegation thus wanted to extend intervention sales by a month for the 2004-2005 harvest. Its concern was shared by the Latvian, Lithuanian and Slovak delegations.

The German delegation wanted a more active export policy to be adopted, in order to run down intervention stocks. It wondered whether it would not be possible to finance the transport of cereals from Hungary to Spain, in order to relieve the cereals market and the Community budget. The Greek delegation called on the Commission to consider the consequences of market instability for every Member State during the new 2005-2006 marketing year.

The Swedish delegation said it was prepared to try out new measures, but stressed that this crisis should be seen in a broader context and that the impact of those measures on competition would have to be considered.

Commissioner Fischer-Boel recognised the occurrence of regular malfunctionings and blockages in the Community cereals market. She pointed out, however, that the 2004 Community harvest had been exceptional (285 million tonnes) and that the situation had been aggravated by exchange rates and by difficulties in operating national intervention systems. She stressed that the stocks of cereals currently in storage amounted to 16 million tonnes, half of that quantity being held in the new Member States. While she wished to help landlocked countries by means of appropriate measures, such as the sale of intervention stocks of wheat, she repeated her concern that such stocks be sold at the best price, in order not to disrupt the market. She reminded delegations that it was for the Member States to dispose of their stocks before 31 July 2005. Commissioner Fischer-Boel pointed out that the quantities expected from the forthcoming harvest should turn out to be lower (at 260 million tonnes) than in 2004-2005. As regards the measures to be taken, she said that the Commission would open tendering for export at the beginning of the marketing year for wheat, barley, rye and oats. In reply to the question put by the German delegation, she said that the Commission was examining the possibility of transfers from surplus to deficit areas.

This request was the fourth since the beginning of the year. It was a consequence of the large quantities of cereals in intervention storage in the Community since the record harvest of 2004, particularly in landlocked countries with no sea outlets to facilitate the rapid disposal of their production. At the same time it should be noted that some Member States wanted to have access to intervention stocks, because of the serious drought affecting them and their sizeable requirements for animal fodder.

– *Fair trade*

The German delegation, supported by the Austrian delegation, wanted to draw the Council's and the Commission's attention to the negotiations in progress on the agricultural section of the World Trade Organisation (WTO) Doha Round (10097/05).

The German delegation stressed the importance of trade in agricultural products to developing countries. It asked the Commission to use the agriculture negotiations in progress at the WTO to ensure account was taken of the European Union's concern that a fair international trading system be established.

Realising the efforts Germany had made on this matter, Commissioner Fischer-Boel said that the establishment of standards that improved transparency and made consumers more aware would have a greater effect than official standards. She pointed out that there were no longer any Community customs duties on imports of products such as cotton, coffee and cocoa. In view of the danger of non-compliance with WTO rules, however, she refused to grant preference to those products in market access, because of the possibility of distorting competition with other products. As regards bananas more particularly, she pointed out that the Commission was working on the introduction of an exclusively tariff-based system to apply from 1 January 2006. By way of conclusion, she stressed that the decision to buy fair-trade products was, in the last resort, a matter for the consumer.

OTHER ITEMS APPROVED

AGRICULTURE

Financing of the common agricultural policy*

The Council adopted a Regulation intended to establish a single legal framework for the financing of the Common Agricultural Policy (CAP) by means of two funds, the EAFRD, for rural development, and the EAGF (European Agricultural Guarantee Fund) (*8686/05 and 10134/05 + ADD 1*).

The Regulation fixes the period laid down for financial corrections within the framework of the clearance of accounts for EAFRD expenditure at twenty-four months. The purpose of this provision is to enable the Commission to go back twenty-four months in order to refuse to co-finance any type of expenditure that it considers irregular.

The Commission and the Member States will bear equal parts of the amounts paid under the EAFRD and the funds that have to be recovered following the identification of irregularities. In the case of amounts exceeding EUR 1 million, the question of financial responsibility will be examined on a case-by-case basis.

As regards the competence to act in the event of budgetary excess, the Regulation adopted provides that where there is a danger that the annual financial ceiling will be exceeded, the Commission must take steps to adjust expenditure. If those measures are not sufficient, the Commission must submit proposals for additional action to the Council.

Each of the two funds will retain its specific characteristics, in particular the fact that the EAGF has non-differentiated appropriations and the EAFRD has differentiated appropriations. The frequency of payment, too, is different for each fund (monthly and quarterly, respectively), as is the treatment of sums recovered following irregularities. Under the EAFRD such sums can be re-used by the Member States within the same rural development programme.

This Regulation also includes rules pertaining to budgetary discipline that take account of the reform of the CAP as provided for in Regulation (EC) No 1782/2003. Those rules concern, in particular, the fixing of the amounts available each year to cover EAGF expenditure, forecasts concerning compliance with the deadlines for payment imposed on the Member States, and rules concerning any reductions and suspensions in monthly or quarterly payments.

EC-United States Agreement on rice

The Council adopted a Decision on the conclusion of an Agreement in the form of an exchange of letters between the European Community and the United States of America relating to the method of calculation of applied duties for husked rice and (9249/05). The Italian and Danish delegations voted against the adoption and the Greek delegation abstained.

This Decision formalises the Agreement of March 2005 between the European Community and the United States providing for a customs duty (EUR 65/t, EUR 42,5/t or EUR 30/t) varying according to the quantities imported. The Decision enters into force on 1 March 2005 and applies until 30 June 2006 pending reform of the common organisation of the market in rice (Regulation (EC) No 1785/2003). The agreements with India and Pakistan will be maintained until 30 June 2006 with a rate of customs duty of EUR 65/t for husked rice and EUR 175/t for milled rice.

Eggs – marketing standards

The Council unanimously adopted a Regulation on certain marketing standards for eggs (9646/05). Regulation (EC) No 2052/2003 introduced compulsory marking of eggs with a code indicating the producer and permitting the farming method to be identified. This system was compulsorily introduced with effect from 1 January 2004 for all eggs except for those sold at local public markets, for which the obligation enters into force on 1 July 2005. In order to avoid penalising smaller producers with an excessive administrative burden, the Regulation provides for amendment of the Regulation on the compulsory marking of eggs for the table within the Community by authorising those Member States which so wish to exempt small producers having 50 laying hens or fewer from the marking requirement for eggs sold at a local public market within the region of production in the Member State concerned, provided that the name and address of the farm are displayed at the place of sale.

Bilateral veterinary agreements – Council conclusions

The Council adopted the following conclusions:

"The Council:

- welcomes the smooth functioning over the last ten years of the procedure known as the "Potsdam Group" whereby, without prejudice to participation by all Member States, a restricted group of representatives of the Member States plays an active role in assisting the Commission and providing it with technical support during the negotiation of veterinary agreements with certain third countries, as well as for their implementation, in particular as regards the preparation of meetings of the joint committees set up under those agreements;
- confirms the principles which have underpinned such negotiations, and in particular transparency and coordination of Potsdam Group members at all stages of the negotiating process so as to safeguard the Community's interests;
- invites all Member States to take part, in a balanced manner, in the proceedings of the various configurations of the Potsdam Group so as to achieve proportional and fair burden-sharing in terms of financial and human resources. With this in mind, the Group should henceforth comprise the Member States designated in the Annex, as well as the Presidency and a representative of the General Secretariat of the Council, and it should be possible to update the Annex with the agreement of the Member States involved;
- invites the Presidency to ensure the continuity of proceedings. With this in mind, a work schedule should be established periodically in consultation with the relevant Presidencies and the Commission;
- reiterates the need for the General Secretariat of the Council and the Commission to inform all Member States and the relevant Council bodies, on a regular basis, about progress in ongoing negotiations."

EU-Andorra: Protocol on veterinary matters

The Council approved a Decision on a number of veterinary matters, containing an additional list of Community provisions on veterinary matters to be applied by Andorra, with a view to adoption thereof by the EC-Andorra Joint Committee (9690/05). The Polish delegation abstained.

Andorra undertakes in the Protocol to apply certain Community veterinary rules and the EC-Andorra Joint Committee will draw up a list of Community provisions to be applied (e.g. the rule establishing a system of identification and registration of animals of the ovine and caprine species).

The transposition and application by Andorra of the Community veterinary legislation set out in that list should take place within 18 months from the date of adoption of this Decision.

International Convention for the protection of new varieties of plant

The Council gave its approval to the transmission of a letter which will be submitted to the Secretary-General of the International Convention for the protection of new varieties of plant (UPOV) (9901/1/05 REV 1).

The letter will be transmitted when the EC's instrument of accession is deposited with UPOV and will give notification of EU legislation governing breeders' rights, together with a list of plant genera and species to which the EU will apply the provisions of the Convention.

The EU's accession to UPOV will be approved at the meeting of the Council on 30 May 2005.

FISHERIES**EU/Faroe Islands – Fish diseases**

The Council adopted a Decision determining the position to be adopted by the Community within the EC-Faroe Islands Joint Committee with regard to approval of the contingency plan for fish diseases and the inclusion of the Faroe Islands in the Animal Disease Notification System (9240/05).

The Faroe Island contingency plan for fish diseases, which includes the use of a vaccine and a withdrawal scheme for fish infected with infectious salmon anaemia, implies ensuring that information on disease outbreaks is passed to the Commission by means of the Animal Disease Notification System in the same manner as for Member States of the EU.

EU/Côte d'Ivoire – Protocol to the fisheries agreement

The Council adopted a Regulation approving the conclusion of a Protocol setting out, until 30 June 2005, the fishing opportunities and financial contribution provided for in the fisheries agreement with Côte d'Ivoire (14510/04).

The Protocol provides for the issuing of licences for demersal fishing and tuna fishing off the coast of Côte d'Ivoire to Spain, France and Portugal. If licence applications from these Member States do not exhaust the fishing opportunities, other Member States may request licences.

The financial contribution to support Côte d'Ivoire's sectoral fishing policy is set at EUR 1 065 000 per annum. This financial contribution, for tuna fishing, covers a catch amount of 9 000 tonnes per annum in Ivorian waters. If the total catch effected by Community ships in the Côte d'Ivoire fishing zone exceeds that amount, the sum will be increased in proportion. However, the total amount of the financial contribution made by the EU may not exceed twice the stated amount.

EXTERNAL RELATIONS

European Good Neighbour policy – EU-Tunisia action plan

The Council took note of the text of the EU-Tunisia action plan amended at Tunisia's request with a view to its adoption by the EU-Tunisia Association Council (2603/1/05 REV 1).

The action plan will permit a more targeted use of the instruments made available by the Association Agreement concluded between the EU and Tunisia with a view to greater integration of Tunisian economic, social and scientific structures with those of the Union. The action plan will also encourage the development and implementation of policies to promote economic growth, employment and social cohesion, reduce poverty and protect the environment.

ACP Countries – Review of the Cotonou Agreement

The Council adopted a Decision approving the signing of the Agreement amending the Partnership Agreement with the African, Caribbean and Pacific States (9621/1/05 REV 1 and 8851/05).

The revised agreement will be open for signing in Luxembourg on 25 June 2005.

Among the principal amendments made to the Agreement are:

- the commitment by the Parties to the fight against terrorism;
- the insertion of a clause on cooperation in combating the spread of weapons of mass destruction;
- the inclusion of a reference to the Millennium Development Goals adopted by the General Assembly of the United Nations;
- simplification of regional financing procedures;
- the possibility of allocating resources for promoting peace in conflict situations.

The Partnership Agreement with the ACP countries, signed in Cotonou (Benin) in June 2000, was concluded for a period of twenty years commencing on 1 March 2000 and provided for a review of the Agreement on the expiry of each five-year period.

The aims of the Agreement are to promote and speed up the economic, cultural and social development of the ACP countries, to contribute to peace and security and to promote a stable and democratic political environment. Above all, its central aim is the reduction and eradication of poverty, consistent with the aims of durable development and progressive integration of these countries into the world economy.

78 countries are at present signatories of the Agreement.

ECONOMIC AND FINANCIAL AFFAIRS

Stability Pact – Budgetary surveillance and coordination of economic policies

The Council adopted a common position on one of the two draft Regulations intended to implement the reform of the EU Stability and Growth Pact decided on in March 2005 (9817/05 + ADD 1).

In amending Regulation (EC) No 1466/97, this Regulation is intended to improve budgetary surveillance and coordination of the Member States' economic policies.

On 13 June, the Council reached political agreement on the text of the common position on which the European Parliament will give its opinion at second reading, and on the second draft Regulation governing the excessive deficit procedure.

JUSTICE AND HOME AFFAIRS

Budget of the Schengen Information System

The Member States, meeting within the Council, adopted the multi-annual table of authorised installation expenditure for technical support of the Schengen Information System (C.SIS) and the C.SIS installation and exploitation budget for 2006 (8997/05).

TRADE POLICY**Antidumping – Russia and Ukraine – ammonium nitrate**

The Council adopted a Regulation amending Regulation (EC) No 658/2002 imposing a definitive anti-dumping duty on imports of ammonium nitrate originating in Russia and Regulation (EC) No 132/2001 imposing a definitive anti-dumping duty on imports of ammonium nitrate originating in, inter alia, Ukraine, following a partial interim review pursuant to Regulation (EC) No 384/96 (9284/05).

DEVELOPMENT**Combating desertification**

The Council authorised the Presidency to send a letter to the World Bank concerning the "TerrAfrica" initiative in the context of the United Nations Convention to Combat Desertification (UNCCD) (9986/1/05 REV 1).

The TerrAfrica concept was conceived in 2004 by the World Bank, in cooperation with the Secretariat and the Global Mechanism of the UNCCD. Several stakeholders, including the EU, have been invited to take part in shaping the initiative, and its rationale is to address the environmental and socio-economic effects of land degradation in Africa.

INTERNAL MARKET**Approval of vehicles – protection of occupants**

The Council agreed on a common approach with a view to the adoption of a Decision on the accession of the EU to Regulations of the United Nations Economic Commission for Europe (UNECE) on the approval of vehicles with regard to the protection of the occupants (7590/05). That Decision will be forwarded to the European Parliament for its assent.

The Regulations of the UNECE on the approval of vehicles with regard to the protection of occupants in the event of a frontal collision (Regulation 94) and in the event of a lateral collision (Regulation 95) are intended to remove technical barriers to trade in motor vehicles and ensure a high level of safety and protection for vehicle occupants.

The Regulations are due to be incorporated into the Community system for the type approval of motor vehicles.

The EU became a Contracting Party to the UNECE Agreement in 1998 and has acceded to 78 Regulations annexed to that Agreement.

ENVIRONMENT

Fluorinated greenhouse gases*

By qualified majority, the Council adopted a *common position* on a draft Regulation on reducing emissions of certain fluorinated greenhouse gases (16056/04 and 9209/05 ADD 1). The common position will be forwarded to the European Parliament for its second reading.

Denmark and Austria voted against, while Belgium, Portugal and Sweden abstained.

The draft Regulation addresses the containment, use, recovery and destruction of the fluorinated greenhouse gases listed in Annex A to the Kyoto Protocol to the United Nations Framework Convention on climate change¹. The proposal also addresses the labelling and disposal of products and equipment containing those gases, the reporting of information on those gases, the use of sulphur hexafluoride, the placing on the market of the products and equipment containing, or whose functioning relies upon, fluorinated greenhouse gases and the training and certification of personnel involved in the activities to which this Regulation refers.

By introducing cost-effective measures aimed at reducing emissions of fluorinated greenhouse gases, this draft Regulation would help the European Union meet its Kyoto Protocol targets, while preventing distortion of the internal market.

¹ <http://unfccc.int/resource/docs/convkp/kpfrench.pdf>.

Emissions of fluorinated greenhouse gas emissions from air conditioning systems in motor vehicles*

The Council unanimously adopted a *common position* on a draft Directive relating to fluorinated greenhouse gas emissions from air conditioning systems in motor vehicles and amending Directive 70/156/EEC² (16182/04 and 9210/05 ADD 1). The common position will be forwarded to the European Parliament for its second reading.

Belgium and Portugal abstained.

The draft Directive aims to reduce the use of fluorinated greenhouse gases in air conditioning systems in motor vehicles. The Directive is based on the existing EU vehicle type-approval system (Directive 70/156/EEC). It establishes a gradual system of elimination of air conditioning equipment with a global warming potential higher than 150.

² OJ L 42, 23.2.1970, p. 1. Directive as last amended by Commission Directive 2004/104/EC (OJ L 337, 13.11.2004, p. 13).