



**COUNCIL OF  
THE EUROPEAN UNION**



11933/1/05 REV 1 (en) (Presse 222)

## **PRESS RELEASE**

2677th Council meeting

### **Agriculture and Fisheries**

Brussels, 19-20 September 2005

President

**Ms Margaret BECKETT**

Secretary of State for the Environment, Food and Rural  
Affairs of the United Kingdom

# **P R E S S**

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11933/1/05 REV 1 (en) (Presse 222)

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**EN**

## **Main Results of the Council**

In the margins of the Council, an informal meeting with Ministers of the sugar-producing African Caribbean and Pacific countries (ACP) and the Least Developed Countries (LDCs) was held on the sugar sector. The issues discussed during this meeting concerned the legal and political aspects of the Commission proposals for reform of the Common Market Organisation (CMO) of the sugar sector, the proposed price cuts, the socio-economic impact of the reform on these countries and the ACP Action plan and Accompanying measures.

Under the "A" items, the Council adopted the Regulation on rural development for the period 2007-2013. The Council also adopted a Decision on the excessive deficit in Portugal, a Directive on money laundering and terrorist financing and a Directive on cross-border mergers.

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- 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:**

Mr Alexander MÜLLER

State Secretary, Federal Ministry of 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 and Fisheries

### **Ireland:**

Ms Mary COUGHLAN

Minister for Agriculture and Food

M. Pat the COPE GALLAGHER

Ministre adjoint ("Minister of State") au ministère des communications, des ressources marines et naturelles, chargé des affaires maritimes

### **Italy:**

Mr Giovanni ALEMANNI

Minister for Agricultural and Forestry Policy

Mr Paolo SCARPA BONAZZA BUORA

State Secretary for Agricultural and Forestry Policy

### **Cyprus:**

Mr. Efthymios EFTHYMIOU

Minister for Agriculture, Natural Resources and Environment

### **Latvia:**

Mr Mārtiņš ROZE

Minister for Agriculture

### **Lithuania:**

Ms Kazimira Danutė 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 and Rural Development

**Malta:**

Mr George PULLICINO  
Mr Martin BUGELLI

Minister for Rural Affairs and the Environment  
Agricultural and Fishery Unit, Permanent Representation

**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

Minister for Agriculture and Rural Development

**Portugal:**

Mr Jaime SILVA

Minister for Agriculture, Rural Development and Fisheries

**Slovenia:**

Ms Marija LUKAČIČ

Minister for Agriculture, Forestry and Food

**Slovakia:**

Mr Marián RADOŠOVSKÝ

State Secretary at the Ministry of Agriculture

**Finland:**

Mr Juha KORKEAOJA

Minister for Agriculture and Forestry

**Sweden:**

Ms Ann-Christin NYKVIST

Minister for Agriculture

**United Kingdom:**

Ms Margaret BECKETT

Secretary of State for the Environment, Food and Rural  
Affairs

Mr Ben BRADSHAW

Parliamentary Under-Secretary of State, Department of the  
Environment, Food and Rural Affairs

**Commission:**

Ms Mariann FISCHER BOEL

Member

Mr Louis MICHEL

Member

Mr Joe BORG

Member

The Governments of the Acceding States were represented as follows:

**Bulgaria:**

Mr Dimitar PEITCHEV

Deputy Minister for Agriculture

**Romania:**

Mr Mugur CRACIUN

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

**ITEMS DEBATED****GM 1507**

In the absence of a qualified majority in the Council, the Council was unable to act on the Commission's proposal on maize line 1507 (10785/05).

A notification concerning the placing on the market of a genetically modified maize product (*Zea mays* L., line 1507) was submitted by Pioneer Hi-Bred International, INC and Mycogen Seeds to the competent authority of the Netherlands (ref C/NL/00/10) earlier this year.

The notification covers importation and use as for any other maize grains including feed, with the exception of cultivation and uses as or in food, in the Community, of varieties derived from the 1507 transformation event.



**END-OF-LIFE VEHICLES**

The Council adopted the Decision amending Annex II to Directive 2000/53/EC of the European Parliament and of the Council on end-of-life vehicles, as set out in *11299/05 + REV 1 (de)*, by a qualified majority, with the Danish and Finnish delegations voting against and the Spanish and Swedish delegations abstaining. The Council also agreed to enter the statement set out in *11756/1/05 REV 1 ADD 1* in its minutes. The Directive prohibits the use of lead mercury cadmium or hexavalent chromium in vehicle materials and components. Annex II to Directive provides for exemption from this general prohibition. The Decision would end the prolongation of some exemptions because in these cases, the use of lead mercury cadmium or hexavalent chromium has become avoidable. The Decision also reviews the expiry date of some exemptions in order to assess whether the use of prohibited substances is still unavoidable in the future.

**MEDITERRANEAN SEA (13406/03)**

The Council agreed to return to this issue at a forthcoming meeting.

## **STOCK RECOVERY MEASURES**

Ministers held an exchange of views on the Presidency discussion paper concerning the options and principles for enhancing stock recovery measures.

In a "frontloading" exercise and with a view to the future discussion during the Council in December on Total Allowable Catches (TACS) and Quotas for 2006, the Presidency suggested several options to the delegations.

Commissioner Borg initially recalled the heavily depleted state of the cod stocks and indicated that further measures to restore these stocks, including the reduction of days at sea across the board, the introduction of closed areas and administrative sanctions might be needed.

Three questions were put to delegations at the Council meeting:

- If the 2005 scientific advice were that further cuts in fish mortality are needed for key stocks, would the Council want to agree tighter constraints on fishing in 2006?

Most of the delegations emphasised the importance of working on updated and sound scientific data before taking any measures. Several delegations insisted on implementing and assessing the impact of the existing legislative instruments rather than adopting any additional measures.

- If the answer to question 1 is "yes", which would be the most appropriate measure, or combination of measures, to take?

Some of the delegations expressed their concerns regarding the closure of fishing areas, warning against the possible transfer of the fishing pressure to other fishing areas and other species. Some delegations asked for an overall review of the days at sea scheme. A few delegations suggested giving incentives to fishermen using more selective fishing gears.

- Should additional control measures be introduced, including more general use of administrative sanctions?

Many delegations, while expressing their interest in possible administrative sanctions, underlined, however, the importance of preserving Member States' competences. Several delegations insisted on the proper and full implementation of existing sanctions and on reliable controls, in particular on fish landings and fish trading.

## **OTHER BUSINESS**

### ***– Economic difficulties in the fishery sector***

The Council took note of the Commissioner's speech on the economic difficulties in the fisheries sector and of the reactions from many delegations.

Commissioner Borg indicated that short term assistance within the existing financial framework of the Financial Instrument for Fisheries Guidance (FIFG) could be provided through existing instruments, such as the aid for temporary cessation of fishing activities in order to reduce operating costs for a certain period of time, and the financing of new fishing gears. For the medium and long term, he supported structural changes such as the use of less fuel-intensive fishing techniques and further research on fuel efficiency and alternative energy sources. He also indicated that the level of the *de minimis* aid to the fisheries sector - EUR 3 000 over three years for a given firm -, granted by the Member States, was not sufficient. Finally he pointed out that a proposal including a set of structural measures would be presented to the college of Commissioners before the end of this year.

In the long term perspective, many delegations supported an environmentally-friendly approach based on less fuel intensive engines and fishing gears as well as the use of renewable energy. Some delegations underlined the need for a reduction of the fleet capacity. A certain number of delegations supported the review of the *de minimis* aid while others stressed the need for equal treatment in order to avoid distortion of competition among Member States.

The issue of the consequences for the fishing industry of the rises in fuel prices had been brought up several times, most recently in October 2004 by France and in June 2005 by Belgium. The Commission has been reluctant to intervene in relation to operational costs and has reminded Member States that national measures must comply with the rules on state aid.

### ***– Anchovy stock in ICES sub area VIII***

The Council took note of the French, Spanish, and Commissioner's comments in the light of the latest scientific advice and agreed to return to this topic in December.

The French delegation expressed its concerns as regard the extension from 3 October until 31 December 2005 of the closure of the anchovy fishery in the Bay of Biscay and reminded the Commission that it had presented alternative proposals to the closure of fishing, including, in particular, a closure of a limited spawning area in the Bay of Biscay. This delegation urged the Commission to take into account the side effects provoked by this closure on other stocks and on the market. Furthermore, this delegation also asked for a more important Community financial contribution to the storage costs for white tuna - from 18% of the total costs to 40% - due to the increasing number of anchovy fishermen who shifted their activities to white tuna following the closure of anchovy fishery.

The Spanish delegation, while acknowledging the economic losses caused by the closure of anchovy fishing, supported a cautious approach based on sound scientific data. This delegation mentioned that a joint scientific research mission would be carried out with France this autumn, in order to check which adequate measures had to be taken before an eventual official reopening of the area.

Commissioner Borg justified the extension until the end of the year of the initial three month closure of the anchovy fishery -from July to the end of September - with regard to the very poor state of anchovy stocks in the Bay of Biscay and rejected the alternative of a closed spawning area as proposed by the French delegation.

Following the decision by the Commission on 1 July 2005 to prohibit for three months the fishing for anchovy in ICES sub-area VIII and the scientific advice by the Scientific, Technical and Economic Committee for Fisheries (STEFC), the Commission announced, on 13 September, its intention to extend the current ban until the end of December 2005. According to STEFC, the closure of the fishery should last until July 2006.

#### – *Avian influenza*

The Council took note of the information (12290/05) provided by the Commission on the situation of avian influenza as well as on the US initiative 'International Partnership on Avian and Pandemic Influenza'. The Presidency intends to return to the issue at one of its forthcoming sessions, in particular in the light of the discussions within the Council's preparatory bodies on the Commission proposal for a Council Directive on Community measures for the control of avian influenza. It recalls its aim to reach an agreement on the Commission proposal as soon as the European Parliament delivers its opinion (at the latest in December).

#### – *Cereals*

The Polish delegation requested from the Commission the quick removal of surpluses from the markets of Central Europe, through the use of free market tenders rather than buying-in for intervention stocks (12257/05 and 12291/05). The French, Czech, Slovak and Hungarian delegations supported the Polish delegation.

The Swedish delegation, while having agreed to the need for a change, suggested to abolishing the intervention system.

The Austrian delegation requested that the intervention criteria for grain be adjusted, with regard to the bad climatic conditions this year and the consequently poor quality of the grain harvest. This delegation urged that these adjustments to be made as early as possible. The Czech, Slovak and Hungarian delegations supported the Austrian delegation.

As regards the Polish request, Commissioner Fischer-Boel indicated that her Institution was well-aware of the sensitive situation in Poland and Central Europe concerning the state of grain stocks. She reminded the Council that, following last year's bumper harvest, the total quantity of cereals at intervention amounted to 15,9 million tonnes, including 885 000 tonnes of cereals from Poland. However, she stressed that the existing Common Market Organisation for cereals worked with two complementary instruments, each one playing its role, namely putting surpluses of cereals into intervention and storing them, as well as selling grain on the free market with export refunds. This dynamic and combined approach using both of these instruments was, according to the Commissioner, the only one to ensure smooth organisation of the market as well as reducing the pressure on cereals suppliers. Concerning the Austrian request, Commissioner Fischer-Boel made clear that intervention standards would not be made more flexible in order to avoid any additional stocks in intervention.

– *Fruit and vegetables*

The Italian delegation, supported by the French, Greek, Spanish, Polish, Portuguese, Hungarian and Cypriot delegations, drew the attention of the Commission and the Council to the crisis in the sectors of wine and fruit and vegetables, in particular concerning tomatoes and peaches and eating grapes, after several demonstrations had taken place in Italy recently (12255/05). Increasing production, growing imports from third countries and a reduction in consumption of fruit and vegetables had led to low prices in this sector. The Italian delegation also asked for further authorisation for crisis distillation measures in the wine sector to be adopted. The Italian delegation asked for presentation of the draft Regulation on crisis management in agriculture - different options had been discussed under the Luxembourg Presidency- as soon as possible. The measures envisaged by this delegation would include, among others, withdrawal from the market of the excess production and promotional campaigns.

Commissioner Fischer-Boel, recalled that she had already presented a communication from the Commission on risk and crisis management in agriculture (see 7177/05) on which the Council had held an exchange of views (see 9197/05) as a first step towards launching a comprehensive debate within the Council. She underlined that extending the safety nets in the common market organisations (CMOs) in the event of market crises such as the one existing in the beef sector was not envisaged. She stressed the need for a case-by-case approach in each sector. She also stated that, with regard to the extremely varied positions expressed by delegations in the Council, no legislative proposal had yet been submitted. She also indicated that the Commission had launched a management instrument for risk and crisis management, as requested by the European Parliament, and was awaiting a report from the European Parliament and other European bodies on this issue. Concerning the reform of the Common Market Organisation (CMO) on fruit and vegetables (Regulations (EC) Nos 2200/1996 and 2201/1996), she mentioned that, in order to have a coherent and complete overview of the sector, legislative proposals for both of the Regulations on fresh and processed fruits and vegetables would be presented to the Council in the second half of 2006. She also insisted on a more market-oriented sector. Finally, as regards the Italian request on wine, she indicated that the management committee on wine agreed on 6 September 2005<sup>1</sup> on a Commission Regulation opening crisis distillation for table wines in Italy for a volume of 2 million hectolitres. On this particular issue, she also pointed out that under the current Regulation (EC) No 1493/1999 on the CMO in wine, producing Member States also enjoyed the possibility of a specific scheme for the permanent grubbing-up of vineyards. She finally hinted that under the future draft legislation amending the current CMO in the wine sector, further incentive would be given to this specific scheme.

– ***Single Area Payment Scheme (SAPS)***

The Czech delegation, supported by the Polish, Lithuanian, Latvian, Cypriot and Slovak delegations, drew the attention of the Council and the Commission to its request for a derogation from Article 28 (2) of Council Regulation (EC) No 1782/2003 so as to allow for an earlier deadline for paying the single area payment (SAPS) in the Czech Republic. This delegation asked for such a derogation in the letter from Minister Petr Zgarba to Commissioner Mariann Fischer-Boel of 1 September 2005. This request is motivated in particular by the significant decrease in incomes of farmers caused by a decline in prices for the main commodities (cereals, oil crops), and a surplus of cereals of lower quality.

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<sup>1</sup> See: <http://europa.eu.int/comm/agriculture/minco/manco/wine/871.pdf>

Commissioner Fischer-Boel underlined that one could not derogate, under the existing Council Regulation (EC) No 1782/2003, from the rule according to which, the SAPS payments are to be made by 1 December of each year, except in case of emergency. In this regard the Czech delegation did not meet this criterion. However, with regard to exceptionally poor climatic conditions and the important economic losses of income for farmers that occurred in Poland, Latvia and Lithuania - EUR 80 million according to this delegation -, Commissioner Fischer-Boel indicated that her Institution would present a proposal to allow for an advance payment in order to meet the request of the abovementioned delegations.

– ***World Trade Organisation (WTO)***

Commissioner Fischer Boel provided an oral information to the Council on her latest visit to the United-States of America and an update on the state of play of the WTO negotiations. She indicated that she had met the United-States Trade Representative Mr Portman, and the Secretary for Agriculture Mr Johanns, the US Deputy Secretary of State Mr Zoellick as well as several members of the Congress on the CAP reform. She reiterated the EU commitment to succeed at the WTO ministerial meeting in Hong-Kong on 13-18 December, as well as the importance of tackling the issue of domestic support. She stated that the Commission had not made any concessions to the US at this stage, would stick to the EU Council mandate, and pointed out that some progress had been made on sectors other than agriculture, such as services. In her answer to the more specific question of one delegation on geographical indications and the need for further protection for Community products, she confirmed that this issue had been raised in bilateral meetings with the US representatives.

Several delegations, however, expressed their concern as regards the on-going negotiations and urged strengthening the EU's position with regard to the CAP reform undertaken in 2003 on domestic support as well as the EU's commitment on export credits. These delegations stressed the need for an offensive approach at the WTO.



## **OTHER ITEMS APPROVED**

### **AGRICULTURE**

#### **Fund for rural development\***

The Council adopted a Regulation for the implementation of rural development policy for the period 2007 to 2013, which establishes a European Agricultural Fund for Rural Development (EAFRD) (8688/05, 12188/05 ADD1 REV1 and 12188/05 ADD2). The Portuguese delegation abstained from voting.

The EAFRD mission is to contribute to the promotion of sustainable rural development throughout the EU by improving:

- the competitiveness of agriculture and forestry by supporting restructuring, development and innovation;
- the environment and the countryside by supporting land management;
- the quality of life in rural areas and encouraging diversification of economic activity.

The Regulation:

- lays down the general rules governing Community support for rural development, financed by the EAFRD, established by Regulation No 1290/2005;
- defines the objectives to which rural development policy is to contribute;
- defines the strategic context for rural development policy, including the method for fixing the Community strategic guidelines for rural development policy and the national strategy plans;
- defines the priorities and measures for rural development;
- lays down rules on partnership, programming, evaluation, financial management, monitoring and control on the basis of responsibilities shared between the Member States and the Commission.

The resources allocated will be consistent with the financial perspective for the period 2007 to 2013.

The main changes in relation 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.

### **Organic production of agricultural products**

The Council unanimously adopted a Regulation amending Regulation No 2092/91 extending until 31 December 2006 the derogation for organic products from third countries not included in the list referred to in the Regulation No 2092/91 (*I2003/05*).

### **FISHERIES**

#### **EU/Comoros - Provisional application of the protocol on fishing opportunities\***

The Council adopted by a qualified majority a Decision approving the conclusion of an Agreement concerning the provisional application of the Protocol setting out the fishing opportunities and financial contribution provided for in the Agreement between the EU and the Comoros on fishing off the Comoros for the years 2005 to 2010 (*11445/05+COR 1, 11449/05 ADD 1+REV 1*).

The French, Spanish and Portuguese delegations abstained.

The new Protocol was initialled in November 2004 in order to ensure uninterrupted fishing activities by Community vessels in the Comoran fishing zone. It will be applicable retroactively from 1 January 2005.

The fishing opportunities set out in the Protocol are allocated for tuna seiners (40 vessels from Spain, France and Italy) and surface longliners (17 vessels from Spain and Portugal).

The EU will pay a financial contribution of EUR 2 340 000 for the whole six year period.

The Agreement will cover an annual catch of 6 000 tonnes of tuna in Comoran waters.

### **Protection of deep-water coral reefs\***

The Council unanimously adopted a Regulation amending Regulation no 850/98 as regards the protection of deep-water coral reefs from the effects of fishing in certain areas of the Atlantic Ocean (*12014/05, 12013/05 ADD1*).

The Regulation prohibits vessels from using any gillnet, entangling net or trammel net at depths greater than 200 metres and any bottom trawl or similar towed nets operating in contact with the bottom of the sea in the areas around the Azores, Madeira and the Canary Islands.

### **EXTERNAL RELATIONS**

#### **Belarus - Restrictive measures**

The Council adopted a common position extending for a year restrictive measures against certain officials of Belarus (*11714/05*).

The decision renewing the restrictive measures, adopted for the first time in September 2004, has been taken in the light of the recent political developments resulting from heightened repression in Belarus.

These measures consist of a ban on entry into, or transit through, EU territory by certain persons who are responsible for, but failed to start, the independent investigation and prosecution of the alleged crimes and those who are considered by the Pourgourides Report to be key actors in the disappearances of four well-known persons in Belarus in 1999/2000 and the following cover-up, in view of their apparent obstruction of justice.

#### **Egypt, Jordan, Morocco and Tunisia - Association Agreements**

The Council approved the conclusion of Protocols to the Euro-Mediterranean Agreements with Egypt, Jordan, Morocco and Tunisia to take account of the accession of the ten new Member States to the EU in May 2004 (*5100/05, 5092/05, 9649/05 and 9648/05*).

The Council also adopted a Decision on the position to be adopted within the EU-Morocco Association Council with regard to the adoption of a recommendation on the implementation of the EU-Morocco Action Plan (*2702/1/05*).

## **ECONOMIC AND FINANCIAL AFFAIRS**

### **Portugal - Excessive deficit**

The Council adopted a Decision on the existence of an excessive government deficit in Portugal and on a recommendation on action to be taken for its correction (*12069/05 and 12070/05*).

According to the June 2005 update of the Portuguese stability programme, the planned general government deficit is 6,2% of gross domestic product (GDP) for 2005. The deficit is in excess of the 3% of GDP reference value laid down by the EU Treaty. The excess does not result from an unusual event outside the control of the Portuguese authorities, nor is it the result of a severe economic downturn.

In accordance with the new provisions of the Stability and Growth Pact, the recommendation establishes a deadline of six months for Portugal to present corrective action and until 2008, at the latest, to bring its excessive deficit to an end. It nevertheless recommends a reduction of 1,5% of GDP in 2006 from 2005, followed by a further decrease of, at least,  $\frac{3}{4}$ % of GDP in each of the two subsequent years.

### **Money laundering and terrorist financing\***

The Council adopted a Directive on the prevention of the use of the financial system for the purpose of money laundering, and terrorist financing (*3631/05 + COR1, 11443/05 ADD1*).

The Directive is aimed at preventing money launderers and terrorist financiers from taking advantage of the freedom movement of capital and the freedom to supply financial services in the EU.

The Directive will apply to natural or legal persons selling goods for payments in cash of EUR 15 000 or more, whether the transaction is carried out in a single operation or involves several operations.

The Member States will have to implement the Directive by 2007.

For further information, please see press release (*12500/05*).

## **JUSTICE AND HOME AFFAIRS**

### **Exchange of information on terrorist offences**

The Council adopted a Decision on the exchange of information and cooperation concerning terrorist offences (*11259/05+COR 1*).

In accordance with the Decision, each Member State will designate a specialised service within its law enforcement authorities which will have access to and collect all relevant information concerning and resulting from criminal investigations conducted by its law enforcement authorities with respect to terrorist offences, and send it to Europol.

Each Member State will also have to designate one or more Eurojust national correspondents for terrorism matters which will have access to and can collect all relevant information concerning prosecutions and convictions for terrorist offences, and send it to Eurojust.

### **European Police College\***

The Council decided that the European Police College (Cepol) will be financed from the general budget of the European Union. The Staff Regulations of officials of the European Communities and the Conditions of Employment of other servants of the European Communities will apply to the director and the staff of the Cepol Secretariat (*10040/1/05, 10534/1/05*).

Cepol will continue to function as a network, linking national training institutes whose tasks include the training of senior police officers of the Member States. The seat of Cepol is in Bramshill, United Kingdom.

### **Denmark - Cooperation in civil and commercial matters**

The Council approved the signing of two agreements between the EU and Denmark extending to Denmark the provisions of the Regulation No 1348/2000 on the service of judicial and extrajudicial documents in civil or commercial matters (*10723/05*) and the provisions of the Regulation No 44/2001 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (*10725/05*).

## **EUROPEAN ECONOMIC AREA**

### **EU/Norway - Liberalisation of bilateral trade in agricultural products**

The Council authorised the Commission to enter into negotiations with Norway with a view to achieving greater liberalisation of bilateral trade in agricultural products, in the framework of the Agreement on the European Economic Area.

## **Cooperation in specific fields**

The Council approved two draft Decisions of the European Economic Area (EEA) Joint Committee amending the EEA Agreement concerning cooperation in specific fields outside the four freedoms:

- a Decision extending cooperation in the field of the information society by establishing a multiannual Community programme to make digital content in Europe more accessible, usable and exploitable (eContentplus) (10923/05);
- Decision extending cooperation in the field of interoperable delivery of pan-European eGovernment services to public administrations, businesses and citizens (IDABC) (10851/05).

The EEA Joint Committee must integrate all Community legislation relevant to the EEA Agreement in order to ensure the necessary legal certainty and homogeneity of the internal market.

## **TRADE POLICY**

### **EU/Belarus - Textile products**

The Council authorised the Commission to open negotiations on a new agreement on trade in textile products between the EU and Belarus.

### **Soluble coffee - Tariff quotas**

The Council adopted a Regulation abolishing tariff quotas for imports of soluble coffee (11114/05).

The tariff quota for imports of soluble coffee of CN code 2101 11 11 will be closed and Regulation 2165/2001 will be repealed from 1 January 2006.

## **DEVELOPMENT COOPERATION**

### **Timor-Leste - European Development Fund - ACP countries**

The Council adopted a Decision in order to cover the financing of the national indicative programme of Timor-Leste for the period 2006-2007 (10752/05).

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<sup>2</sup> OJ L 79, 24.3.2005, p. 1.

The Council agreed to release EUR 18 million from the conditional EUR 1 billion under the 9th European Development Fund for development assistance in Timor-Leste.

## **ENLARGEMENT**

### **Romania - Customs union - Movement of goods**

The Council adopted Decisions on three Community positions to be adopted within the EU-EFTA Joint Committee on simplification of formalities in trade in goods and the EU-EFTA Joint Committee on common transit, aimed at facilitating the movement of goods between Romania, the EU and the EFTA countries (*11654/05, 11656/05 and 11658/05*).

Both EU-EFTA Committees have to address an invitation to Romania to accede to the Convention on the simplification of formalities in trade in goods and to the Convention on a common transit procedure, in order to facilitate the exchange of goods between this country, the EU and the EFTA countries (Iceland, Norway and Switzerland).

## **INTERNAL MARKET**

### **Cross-border mergers of limited liability companies\***

The Council adopted a Directive on cross-border mergers of companies with share capital aiming at facilitating the carrying-out of cross-border mergers between various types of limited liability companies governed by the laws of different Member States (*3632/05, 11444/05 and 11444 ADD1*). The Directive was adopted at first reading under the co-decision procedure, with the Italian delegation voting against.

*For further information, please see press release (12482/05).*

### **Measures against the emission of gaseous and particulate pollutants\***

The Council adopted a Directive on the approximation of the laws of the Member States relating to the measures to be taken against the emission of gaseous and particulate pollutants from compression-ignition engines for use in vehicles, and the emission of gaseous pollutants from positive-ignition engines fuelled with natural gas or liquefied petroleum gas for use in vehicles (*3617/05+11468/05 ADD1*).

The objective of this Directive is the realisation of the internal market through the introduction of common technical requirements concerning gaseous and particulate emissions for all types of vehicles by strengthening Community requirements aimed at limiting polluting emissions from new heavy-duty engines for use in vehicles through the introduction of:



- new technical requirements and procedures for assessing the durability of heavy-duty engine emission control systems over periods of defined useful life;
- new technical requirements and procedures for assessing the in-service conformity of heavy-duty engine emission control systems over defined useful life period appropriate for the vehicle in which the engine is installed, and
- new technical requirements for on-board diagnostic systems for new heavy-duty vehicles and engines.

These requirements are presently governed by Directive 88/77/EEC, as last amended by Commission Directive 2001/27/EC, which are repealed with effect from 12 months after the entry into force of this Directive.

### **Restrictions on the marketing and use of certain dangerous substances**

The Council adopted a Directive relating to restrictions on the marketing and use of toluene and trichlorobenzene (*3626/05 REVI*).

The aim of this Directive is to introduce harmonising measures with regard to toluene and trichlorobenzene, which have as their object the proper functioning of the internal market whilst ensuring a high level of protection of human health and of the environment.

The Directive amends a Directive 76/769/EEC on the approximation of the laws, regulations and administrative provisions of the Member States relating to restrictions on the marketing and use of certain dangerous substances and preparations.

Following entry into force of the Directive, Member States will have 12 months in which to comply with its provisions.

### **STATISTICS**

#### **Classification of territorial units for statistics\***

The Council adopted a Regulation amending Regulation No 1059/2003 on the establishment of a common classification of territorial units for statistics by reason of the accession of ten new countries to the EU (*3622/05 +11462/05 ADD1*).

**APPOINTMENTS****Committee of the Regions**

The Council adopted Decisions appointing:

– as members:

Ms Maria CORRIGAN, Member of Dun Laoghaire-Rathdown Council in place of Ms Annette McNAMARA (10456/05),

Mr Paul O'DONOGHUE, Member of Kerry County Council, in place of Mr Royston BRADY(10456/05),

Mr Piero MARRAZZO, Presidente della Regione Lazio (President of the Region of Latium), to replace Mr Francesco STORACE (10479/05),

Mr Gian Mario SPACCA, Presidente della Regione Marche (President of the Marches Region) to replace Mr Vito d'AMBROSIO (10479/05),

Mr Nichi VENDOLA, Presidente della Regione Puglia (President of the Region of Apulia), to replace Mr Raffaele FITTO (10479/05),

Mr Väino HALLIKMÄGI, Member of the Council of Pärnu, in place of Mr Andrus ANSIP (10709/05),

Mr Tõnis PALTS, Mayor of Tallinn, in place of Mr Edgar SAVISAAR (10709/05),

Ms Claudette ABELA BALDACCHINO, (Deputy Mayor, Qrendi Local Council),

– as alternate members:

Ms Mary FREEHILL, Member of Dublin City Council, in place of Ms Angela LUPTON (10456/05),

Ms Michelle MULHERIN, Member of Mayo County Council, in place of Ms Catherine MURPHY(10456/05) ,

Mr Terry SHANNON, Member of Cork City Council, in place of Mr P.J. COGHILL (10456/05),

Mr Barney STEELE, Member of Longford County Council, in place of Ms Vivian O'CALLAGHAN (10456/05),

Ms Mercedes BRESSO, Presidente della Regione Piemonte (President of the Region of Piedmont), to replace Mr Enzo GHIGO (10479/05),

Mr Claudio BURLANDO, Presidente della Regione Liguria (President of the Region of Liguria), to replace Mr Giandomenico BARCI (10479/05),

Mr Vito DE FILIPPO, Presidente della Regione Basilicata (President of the Region of Basilicata), to replace Mr Filippo BUBBICO (10479/05),

Mr Ottaviano DEL TURCO, Presidente della Regione Abruzzo (President of the Region of Abruzzo), to replace Mr Giovanni PACE (10479/05),

Mr Agazio LOIERO, Presidente della Regione Calabria (President of the Region of Calabria), to replace Mr Giuseppe CHIARAVALLI (10479/05),

Ms Laine JÄNES, Mayor of Tartu, in place of Mr Väino HALLIKMÄGI (10709/05),

Mr Joe CORDINA, (Member, Xaghra Local Council) (11057/05),

Ms Irena MAJČEN, (Mayor of Slovensko Bistrica) (10540/05),

for the remainder of the current term of office, which runs until 25 January 2006.

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

The Council adopted a Decision appointing Mr Hervé COUPEAU as a member of the European Economic and Social Committee in place of Mr Thierry UHLMANN for the remainder of his term of office, namely until 20 September 2006 (10637/05).

### **TRANSPARENCY**

#### **Public access to Council documents**

The Council adopted the reply to confirmatory application 33/c/03/05 (11623/05).