



**COUNCIL OF
THE EUROPEAN UNION**



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2599th Council Meeting

Agriculture and Fisheries

Brussels, 19 July 2004

President

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Netherlands

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11234/04 (Presse 221)

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Main Results of the Council

*Under "B" items (for discussion) the Council launched two important debates on the envisaged reform of the **sugar sector** and on the reform of **rural development**. The presentation of a proposal on rural development and of a Communication on the sugar sector by the Commission enabled all delegations to give a first assessment of the texts submitted.*

*The Council adopted three important decisions on **rice import tariffs**, which will allow the Community to have a new tariff system by 1 September 2004 when the reform of the rice Common Market Organisation, decided by the CAP reform in June 2003, will be implemented.*

*The Council took note of updated information from the Commission concerning the **veterinary negotiations** between the EU and Russia.*

*At the end of the meeting and in restricted session, the Council also took note of an update by the Commission concerning the **World Trade Organisation (WTO) negotiations** and of the latest discussions with the **Five Interested Parties** (EU, United States, India, Brazil, Australia).*

*Under "A" items, the Council adopted at first reading a common position on a Regulation setting the maximum Community level for **pesticides** and two conclusions **on eel fisheries** and on **fisheries partnership agreements**.*

CONTENTS¹

PARTICIPANTS.....	5
--------------------------	----------

ITEMS DEBATED

PRESIDENCY WORK PROGRAMME.....	7
--------------------------------	---

AGRICULTURE.....	8
------------------	---

– AGRICULTURE RELATED RESEARCH.....	8
-------------------------------------	---

– EU/RUSSIA VETERINARY NEGOTIATIONS.....	9
--	---

– GENETICALLY MODIFIED FOOD NK 603.....	10
---	----

– RURAL DEVELOPMENT.....	11
--------------------------	----

– SUGAR.....	12
--------------	----

– RICE.....	14
-------------	----

FISHERIES.....	16
----------------	----

– EUROPEAN FISHERIES FUND 2007-2013.....	16
--	----

OTHER BUSINESS.....	17
---------------------	----

– Forestry.....	17
-----------------	----

OTHER ITEMS APPROVED*AGRICULTURE*

– Reallocation of SAPARD financial resources to Romania and Bulgaria.....	18
---	----

– International Plant Protection Convention*.....	18
---	----

– Pesticides*.....	18
--------------------	----

¹

- 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.

FISHERIES

- Regional Advisory Councils* 19
- Implementing the Western Waters Regulation* 19
- Community structural assistance in the fisheries sector* 20
- Eel - *Council conclusions* * 20
- Fisheries partnership agreements with third countries - *Council conclusions* 22

TRADE POLICY

- Tariff quotas for certain agricultural and industrial products 27

RESEARCH

- 5th framework programme for research and technological development - *Council conclusions* 27

COMPETITIVENESS

- Ending the Joint European Venture Programme 29

PARTICIPANTS

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

Belgium:

Ms Sabine LARUELLE

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

Czech Republic:

Mr Jaroslav PALAS

Minister for Agriculture

Denmark:

Ms Mariann FISCHER BOEL

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 Savvas TSITOURIDIS

Minister for Rural Development and Food

Spain:

Ms Elena ESPINOSA MANGANA

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Mr Hervé GAYMARD

Minister for Agriculture, Food, Fisheries and Rural Affairs

Ireland:

Mr Joe WALSH

Minister for Agriculture and Food

Italy:

Mr Giovanni ALEMANNI

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Latvia:

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State Secretary at the Ministry of Agriculture

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Deputy Permanent Representative

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Federal Minister for Agriculture, Forestry, the Environment and Water Management

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Minister for Agriculture and Rural Development

Portugal:

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Minister for Agriculture, Rural Development and Fisheries

Slovenia:

Mr Milan POGAČNIK

Minister 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

United Kingdom:

Ms Margaret BECKETT

Secretary of State for the Environment, Food and Rural Affairs

Commission:

Mr Franz FISCHLER

Member

Mr Philippe BUSQUIN

Member

Mr David BYRNE

Member

Ms Sandra KALNIETE

Member

Mr Pavel TELIČKA

Member

ITEMS DEBATED**PRESIDENCY WORK PROGRAMME**

The Netherlands Presidency briefly presented its programme for agriculture, food safety and fisheries¹.

Public debates are scheduled at the Council in July on the proposal on support for rural development from the European Agricultural Fund of Rural Development on agriculture, at the Council of 18/19 October on the establishment of the fisheries control agency and in December on the outcome of the Conference on animal health policy. The informal meeting of ministers will be held on 5-7 September 2004 in Noordwijk (Lisse) and will focus on "Sustainable agriculture in the public eye", particularly on the division of responsibilities between the public and private sectors in the field of agriculture and food in relation to a socially more acceptable agriculture.

The Presidency will focus extra attention on sustainable agriculture in relation to social constraints and will put high on the agenda, in this regard, the question of simplification and reduction of the administrative burden on farmers and agriculture-related businesses.

¹ This programme will be found on the Netherlands Presidency website under the heading "priorities of the Presidency", pp. 16-18: http://www.eu2004.nl/default.asp?CMS_TCP=tcpAsset&id=B8C7CFC83E384538A7019152FAF60B9A

AGRICULTURE**– AGRICULTURE RELATED RESEARCH**

The Council heard a presentation by the Presidency of an initiative (*11209/04 and 11476/04*) concerning cooperation in the field of agriculture related research and agreed to have a further discussion on this matter at a meeting in November.

Commissioners Busquin and Fischler also provided additional information on the existing legislative framework for agriculture-related research and on the various sectors of cooperation between Member States and stressed that research in that field was aimed in particular at ensuring sustainable development of agriculture and improving the quality and safety of food products.

The Presidency indicated its intention to send out rapidly a questionnaire to delegations, the results of which would be used at the November meeting, mostly concerning the analysis of the situation in agriculture-related research, the need for cooperation and the definition of areas of agricultural research to be targeted by such cooperation.

– *EU/RUSSIA VETERINARY NEGOTIATIONS*

On the basis of a report provided by Commissioner Byrne, the Council made an assessment of the outcome of the technical discussions with the Russian authorities on the issue of certification and on the guarantees to be given to those authorities to ensure compliance with Russian sanitary requirements.

The Council confirmed its willingness to find a positive outcome to the negotiations before 30 September 2004 and to continue to work on technical questions.

The Council supports the Commission approach as transmitted to the Russian authorities following the recent technical meeting in Moscow and welcomes the agreement reached at Chief Veterinary Officers' level on the answer to be given as regards draft certificates.

The Council instructs the Commission, together with the experts making up the Potsdam Group, to actively continue the discussions with the Russian authorities in order to provide an assessment of the situation before the informal meeting of agriculture ministers scheduled for 7 September 2004.

On the basis of this assessment, the Presidency, together with the Commission, will take political initiative necessary to give an impetus to this dossier.

– **GENETICALLY MODIFIED FOOD NK 603**

The Council concluded that the positions adopted by delegations at the level of the Standing Committee have not changed sufficiently to allow for a decision to be reached on the Commission's proposal authorising the placing on the market of foods and food ingredients derived from genetically modified maize line NK 603 as novel foods or novel food ingredients (11068/04).

On 24 April 2001, Monsanto submitted, under Article 4 of the Novel Food Regulation (EC) No 258/97 (as amended by Article 38 of Regulation 1829/2003 on GM food and feed), a request to the competent authorities of the Netherlands for the placing on the market of foods and food ingredients derived from genetically modified maize line NK 603 as novel foods or as novel food ingredients. The opinion of the European Food Safety Authority, requested by the Commission, was delivered on 25 November 2003 and concluded that NK 603 maize is as safe as conventional maize.

On 30 April 2004 and before the enlargement of the EU by 10 new Member States, the Commission submitted to the Standing Committee on the Food Chain and Animal Health (SCFCAH) established by Regulation 178/2002 a draft decision for a vote authorising the placing on the Community market of food and food ingredients derived from genetically modified maize line NK 603. The SCFCAH was unable to give an opinion since no qualified majority was reached.

It is recalled that the Council (Environment) on 28 June examined the Commission proposal for a Decision authorising the placing on the market of a maize product genetically modified for *feed use* under Directive 2001/18 on dissemination. There was no qualified majority to adopt or to reject the proposal.

– ***RURAL DEVELOPMENT***

The Council held a public debate on the essential elements of the proposal on support for rural development from the European Agricultural Fund for Rural Development (EAFRD). The Council took note of the information provided by the Commission and of the first exchange of views by the Member States (11495/04).

The Council instructed the Special Committee on Agriculture to organise the examination of the proposal with a view to having an in-depth discussion at a forthcoming meeting.

The aim of this proposal is to simplify the existing system of allocating funds by creating for the 2007-2013 period a single fund (EAFRD) for applications, programming and monitoring and also to integrate objective 1 areas into this single fund. Member States would have to respect the minimum programme funding for each of the three axes: improving competitiveness and forestry (15%), environment and land management (25%) and diversification measures (15%). LEADER will also remain an axis of the rural development scheme (7%). Community co financing rates would vary from 50% to 80% depending on the axis and on the regions.

Total funding for rural development from 2007 to 2013 will amount to EUR 96 billion (2004 prices), including guarantee funding (EUR 56 billion), guidance funding (EUR 33 billion) and modulation (EUR 7 billion).

Together with this proposal, the Commission also submitted a proposal for a regulation on CAP financing, including the financing of rural development.

Taking into consideration the parallel discussion on financial perspectives, Commissioner Fischler asked for close coordination between the Ministers responsible for Economic Affairs and for Agriculture.

– **SUGAR**

The Council took note of the presentation by Commissioner Fischler of the communication on sugar sector reform and of preliminary comments from a large majority of delegations (*11491/04*). The Council agreed that a meeting with the ACP countries on the impact of this communication could be envisaged, possibly in the margin of a meeting at a future stage. The Council instructed the Special Committee on Agriculture to conduct a thorough examination of all the issues and to prepare a report which the Council will examine at a future meeting.

A majority of delegations acknowledged the need for reform of the sugar sector. However, most of the delegations focused their criticisms on the schedule of the envisaged reform, the level and the stages proposed for reducing the intervention price for sugar and the minimum price for beet and quotas. Several delegations also expressed concern as regards the envisaged merging of A and B quotas, the transfer of quotas between Member States, and the level of compensation for price cuts by the introduction of a decoupled payment.

In September 2003, the Commission presented a first communication (*12965/03*) on the reform of four sectors - 3 "Mediterranean products" (olive oil, cotton, tobacco) and hops - including a working paper on sugar (*12965/03 ADD 1*). Three key options in the framework of a reform of the existing CMO on sugar, created in 1968 and last amended in 2001, were then discussed at Council level and in the technical working groups: either keeping the status quo (option 1) , liberalising the sugar market (option 3) or reducing the internal prices for sugar and replacing the existing system by a single decoupled payment in order to compensate for this reduction.

The Council discussed these various options on 17 November 2003 and the Special Committee on Agriculture examined the content of the communication in October 2003, March and June 2004.

This new communication foresees a substantial 33% cut in two steps of the intervention price for white sugar over the next three years (2005/2006 to 2007/2008, from the present EUR 632/tonne to EUR 421/tonne), and a 37% cut in the minimum price for beet in two steps over three years (from EUR 43,6/tonne to EUR 27,4/tonne), integration of sugar in the decoupled payment on a per hectare basis to partly compensate for the reduction in prices, reduction of the sugar production quotas (2,8 million tonnes in four steps), quotas transferable between operators in different Member States, introduction of private storage to replace public intervention, conversion scheme of EUR 250/tonne for factories leaving the sector.

– **RICE**

The Council adopted by qualified majority, with the Danish, Swedish and United-Kingdom delegations voting against and the Lithuanian, Czech, Slovak and Polish delegations abstaining, three Council Decisions on rice : two Decisions on the conclusion of an Agreement between the EC and India and Pakistan concerning the modification of concessions on rice under the GATT agreement and one Decision modifying the Community import regime with respect to rice (11471/04 and 11294/04 to 11298/04).

The Council decided, unanimously and on an exceptional basis, to adopt these three Decisions in the language versions that were currently available.

The Council decided, unanimously, to use the written procedure to adopt the three Council Decisions in the remaining language versions when they are available before 1 September 2004.

The two agreements with India and Pakistan, each having a substantial supplier interest in products of husked rice will be implemented from 1 September 2004. The tariff rate for husked rice will be EUR 65/tonne, and there will be zero duty for two Basmati rice varieties except if market disturbance occurs during a transitional period from 1 September 2004 until the date of entry into force of a Community control system on the rice varieties in order to avoid fraud on rice varieties but not later than 30 June 2005. These Decisions enable the Commission to derogate during a transitional period from Council Regulation (EC) No 1785/2003 on the CMO for rice where the duty rate will be set at zero on 1 September 2004.

The Decision modifying the Community import regime establishes a new tariff rate for husked rice (EUR 65/tonne) and milled rice (EUR 175/tonne).

The German delegation issued a statement which welcomed the agreements reached with India and Pakistan and called upon the Commission to carry out negotiations with Thailand and the United-States in order to reach a satisfactory outcome for all the parties concerned. This statement was also supported by the Irish, Finnish, Luxembourg, Netherlands, Austrian, Belgian, Slovenian, Latvian, Hungarian and Cyprus delegations.

The United Kingdom, Sweden and Denmark also issued a joint statement. This statement welcomed the agreements reached with India and Pakistan on basmati rice, underlined the concerns of these delegations as regards the calculation and the level of the new tariff rates and urged the Commission to negotiate with the United-States and Thailand with a view to finding a mutually acceptable outcome. This statement was also supported by the Czech Republic.

FISHERIES**– EUROPEAN FISHERIES FUND 2007-2013**

The Council took note of the presentation of the proposal on a European Fisheries Fund for the period 2007 to 2013 by Commissioner Fischler (11493/04). The Council instructed the Permanent Representatives Committee to examine the proposal in detail.

This proposal represents a new approach in that the new fund for 2007-2013 will no longer be a structural fund in the strict sense but its foundations remain the same and it will retain the same principles of multiannual programming and monitoring, partnership, co-financing, subsidiarity and consultation in favour of the least favoured regions and those where the impact of stock rebuilding measures is the most severe.

The main emphasis will henceforth be on the following measures:

- elimination of over-capacity and, as a first priority, economically effective and socially equitable measures to accompany stock rebuilding or management plans and other emergency measures;
- development of fishing techniques and spread of fishing practices more respectful of the marine environment and fishery resources;
- development of aquaculture;
- optimisation of catches and production;
- development of clearly defined coastal zones, or the Community must be able to provide support measures for the conversion of such zones affected by the restructuring of the fisheries sector.

OTHER BUSINESS– *Forestry*

The Council took note of a report from the Commission on the implementation of the Action Plan on Forest Law Enforcement, Governance and Trade (FLEGT) adopted in October 2003. This plan addresses the problem of illegal logging and trading of timber. The Council welcomed the Commission's aim to approve by the end of July the proposal for a Regulation to implement the voluntary licensing scheme for timber.

Commissioner Fischler stressed the Commission's resolve to tackle illegal logging through a voluntary system of authorisation and licences for wood imports between the European Community and developing wood-producing countries. He indicated that the proposal would be adopted by the Commission on 20 July and that discussions with timber producing countries had already begun, with Ghana, Congo, Malaysia and Indonesia. A draft negotiation remit would also be submitted to the Council for concluding voluntary partnership agreements.

He reminded delegations that EUR 30 million was already available under the existing legislative framework for the Action Plan and that additional funds could be granted for this action through regional and national programmes.

OTHER ITEMS APPROVED**AGRICULTURE****Reallocation of SAPARD financial resources to Romania and Bulgaria**

The Council adopted a Decision outlining a general approach for the reallocation of the available financial resources for agricultural and rural development (SAPARD instrument) between the remaining beneficiary countries, namely Romania and Bulgaria (*10319/04 and 10359/04*).

For the period 2004 to 2006, the division between Romania and Bulgaria of resources available by virtue of the commitments entered into under Regulation (EC) No 1268/1999 will be established at a rate of 70 % for Romania and 30 % for Bulgaria.

International Plant Protection Convention*

The Council adopted a Decision approving the accession of the European Community to the International Plant Protection Convention, as revised and approved by Resolution 12/1997 of the Twenty-ninth session of the Food and Agriculture Organisation (FAO) Conference in November 1997 (*9609/04 and 10186/04 ADD 1*).

The European Community will submit a request for accession to the International Plant Protection Convention with regard to matters within its competence.

The primary objective of the Convention is to secure "common and effective action to prevent the spread and introduction of pests of plants and plant products, and to provide appropriate measures for their control".

Pesticides*

The Council adopted a Common Position on a Regulation of the European Parliament and of the Council on the maximum residue levels of pesticides in products of plant and animal origin, with a view to forwarding it to the European Parliament for second reading (*9262/04 and 9994/04 ADD 1*).

The purpose of the Regulation is to introduce a system establishing a Community maximum level (varying in the light of the toxicity of the pesticide) for pesticides in products of animal and plant origin. The proposal would simplify the current system by replacing the existing system of national authorisation, after a period of transition, by a Community procedure of authorisation by the European Food Safety Authority (EFSA) on the basis of risk assessment. The Regulation will facilitate trade between Member States and replace four Directives with a single Regulation in the pesticide residue sector. The Regulation also fixes a maximum "default" limit for unauthorised use of pesticides (e.g. inadvertent use).

FISHERIES

Regional Advisory Councils*

The Council adopted a Decision establishing seven Regional Advisory Councils under the Common Fisheries Policy (*10825/04 and 10939/04 ADD 1*).

The reform of the CFP adopted in December 2002 provided for RACs in order to improve governance within the CFP and specified that the Council would decide on the establishment of a RAC. RACs offer the opportunity for stakeholders to be more closely involved in the development of the CFP.

The Decision will enter into force on the seventh day following that of its publication in the Official Journal of the European Union.

Implementing the Western Waters Regulation*

The Council adopted a Regulation fixing the maximum annual fishing effort for certain fishing areas and fisheries (*10785/04 and 11019/04 ADD 1 REV 1*).

This Regulation was intended to implement Regulation (EC) No 1954/2003 of 4 November 2003 on the management of the fishing effort relating to certain Community fishing areas and resources ("western waters").

The Regulation revises and updates effort ceilings by Member States (9 Member States are listed), groups of species (demersal species, scallops, edible crab and spider crab), and fishing area. The fishing effort would be allocated on the basis of kilowatt/days and the activity of a vessel in a particular area is defined as the number of days at sea by trip in the area rounded to the nearest whole number.

The Council reached political agreement on this issue on 21 June 2004 (*9999/04*).

Community structural assistance in the fisheries sector*

The Council adopted a Regulation amending the Financial Instrument for Fisheries Guidances Regulation as set out in Council Regulation (EC) 2792/1999 (*10548/04 ADD 1+ 2 and 10549/04*).

The Regulation stemmed from a communication to the European Parliament and the Council on a strategy for the sustainable development of European aquaculture. The proposal aimed at modifying Council Regulation 2792/99/EC in order to allow the FIGG to better contribute to the implementation of the Strategy for the sustainable development of European aquaculture.

The Regulation contains the following measures, among others:

- Suspension of shellfish harvesting: the compromise provides for financial support for temporary suspension of shellfish harvesting due to the growth of toxic algae.
- Replacement of fishing gear in the event of a recovery plan: fishing gear expenditure is now considered eligible if the vessel is subject to a recovery plan and is required to end its participation in the fishery concerned and fish for other species with different fishing gear.
- Community vessels may be required to use acoustic deterrent devices in certain fisheries to reduce incidental capture and killing of cetaceans. The cost of complying with such an obligation should be eligible for vessel modernisation aid.

Eel - Council conclusions *

The Council adopted the following conclusions:

"The Council:

1. WELCOMES the Commission's Communication on a Community Action Plan for the Management of European Eel.
2. ACKNOWLEDGES the importance of the eel for European fisheries, re-stocking and aquaculture, and that these activities vary throughout Europe due to regional differences in the distribution of the life stages of the eel.
3. CONSIDERS that there is a need for Community as well as international action to ensure adequate conservation of this species given both the scientific (ICES/EIFAC) assessment that eel stocks are outside safe biological limits and taking into account the fundamental trans-boundary migration pattern of the European eel as well as the long time (of the order of a decade) taken for glass eels to develop to a spawning state.

4. RECOGNISES also that the conservation of eels depends, inter alia, upon managing commercial exploitation, restocking and trade, as well as the preservation of, and access to, its natural habitat.
5. UNDERLINES that the Community should establish conservation and data collection targets, and provide technical and scientific support for local management and the international dimension of eel conservation. The Community should establish monitoring standards to ensure these conservation targets are being achieved. However, the responsibility for the attainment of local eel management targets, as well as the choice of management instruments to reach these targets remain with Member States.
6. ATTACHES great importance to an integrated and balanced approach that will allow for common management targets for the different life stages of the eel, to be met through the application of measures tailored to local conditions.
7. RECOGNISES that this management approach requires substantial acquisition of new scientific data before it can be fully implemented, assessing, in particular, all factors having an impact on the eel's natural habitats. However, this should not hinder the application of the effective short-term measures that are needed in view of the state of this stock and its biological vulnerability.
8. UNDERLINES the importance in this context of the establishment of a set of precautionary measures that can be implemented immediately while the overall management plan is being developed and improved scientific information, based on ICES/EIFAC advice, is being obtained, taking into account relevant local and regional economic and social aspects.
9. NOTES that these short term actions should focus on a balanced reduction of the exploitation level of eel throughout the European Community and that the Commission will seek advice from science and stakeholders, and through the Regional Advisory Councils where appropriate, for the type of measures to be applied.
10. ATTACHES great importance to a balanced contribution of all stakeholders with respect to the implementation of the short term measures, and that those contributions should be quantified and equitably distributed.
11. RECALLS the importance of the implementation of Community environmental policy and, in particular, of Water Framework Directive (EC) No 2000/60 regarding the improvement of the eel habitat and the removal of eel migration obstacles.
12. UNDERLINES the importance of foreseeing a process for regular evaluation of the progress regarding all aspects of the Community Action Plan.

13. INVITES the Commission:

- to come forward as soon as practicable, bearing in mind the need to protect eel, with a proposal for short-term measures to improve the conservation of the eel resource taking into account the factors that relate to eel mortality, available scientific advice and socio-economic aspects, as well as preventing illegal fishing;
- to take the necessary steps, both at Community and international level, and in particular at FAO, taking into account the responsibility of Member States, for the further development and implementation of the eel management plan, assessing, in particular, all factors having an impact on the eel's natural habitats, so that eel remains as an important natural asset in the marine biodiversity as well as an important economic resource for the European fisheries and aquaculture sectors;
- to consider, as appropriate, the possibility of support measures aimed at recovery of European eel population;
- to report on a regular basis to the Council and the European Parliament on the progress regarding all aspects of the Community Action Plan, with especial emphasis on emergency actions, scientific information and national actions."

Fisheries partnership agreements with third countries - *Council conclusions*

The Council adopted the following conclusions:

1. "Following the exchanges of views and taking note of the Communication from the Commission ², and recalling its Resolution of 3 November 1976, its Resolution of 10 November 2001 ³ and its Conclusions of 30 October 1997 ⁴ as well as all of the Community's international undertakings and especially at the World Summit on Sustainable Development (Johannesburg 2002), the Council held a discussion on the future of the bilateral fisheries relations between the Community and certain third coastal States which involve financial compensation from the Community.

² Communication from the Commission on an integrated framework for fisheries partnership agreements with third countries (15243/02 PECHE 224).

³ Council conclusions of 10 November 2001 on fisheries and poverty reduction (13076/01 DEVGEN 156 PECHE 212).

⁴ Council conclusions of 4 November 1997 on European Community Fisheries Agreements with Third Countries (11784/97).

2. Recalling the political, economic, ecological and social importance of this part of the Common Fisheries Policy (CFP) at both Community and international level, THE COUNCIL REAFFIRMS ITS WILLINGNESS :
- to maintain fisheries agreements as a means of protecting this activity and the employment linked to the fleets operating within these agreements because of their special nature and their connection to regions which are highly dependant on fisheries;
 - to guarantee and step up its action to establish sustainable fisheries outside Community waters, in accordance with the general principles as defined for the conservation and sustainable management of fisheries resources under the CFP ⁵;

AGAINST THIS BACKGROUND and in the present situation, THE COUNCIL CONSIDERS that public agreements encompassing all fishing activities by Community fishermen operating in waters under the sovereignty and/or jurisdiction of third coastal States provide the best means of ensuring the sustainable exploitation of surpluses and a greater coherence between the political initiatives of the Community, notably with the cooperation and development policy.

3. Considering that the policy to promote European distant-water fishing in waters under the sovereignty and/or jurisdiction of third coastal States must respect the various commitments entered into by the European Community under its external policy and the principles which must govern its common fisheries policy, notably the precautionary principle, such as those laid down in Council Regulation no. (EC) No 2371/2002, the Council recalls that the Community must:
- contribute towards rational and sustainable exploitation of the surplus of coastal States' marine resources, in particular by preventing the overfishing of stocks which are of interest for local people; in this context due account will be taken of the coastal State's priorities in favour of its private national sector;
 - improve scientific and technical knowledge of the fisheries in question, taking into account the existing and necessary work in the field carried out at the appropriate regional level and taking into consideration the likely impact of fishing on the environment;

⁵ Council Regulation (EC) No 2371/2002 of 20 December 2002 on the conservation and sustainable exploitation of fisheries resources under the Common Fisheries Policy.

- contribute towards combating illegal, unregulated and unreported fishing, in particular by stepping up in a non-discriminatory fashion the management, control and follow-up measures for fishing operations;
- contribute towards strategies for the sustainable management of fisheries as defined by the coastal State, in particular by taking account of the development programmes elaborated at national and/or regional level with Community assistance in accordance with cooperation or association agreements;
- facilitate the integration of developing coastal States into the global economy, inter alia by promoting fair conditions of employment between the employees of the sector and by encouraging the creation of an environment that is favourable to private investment and to the development of a dynamic, viable and competitive private sector, notably by a framework supporting European investments and the transfer of technology and vessels;
- foster better global governance of fisheries at financial and political level, in particular by strengthening the capacity building of coastal States and by the fight against corruption.

Furthermore, in order to strengthen the consistency of Community action and to ensure that Community action complements action by its Member States, the Council recalls the need to take account of the various Community instruments and policies and Member States' initiatives, in particular in the context of development cooperation and scientific and technical cooperation, which are likely to contribute to the sustainable development of the fisheries policies of the coastal States concerned.

4. Convinced that the Community should contribute to responsible fishing on a rational, fair, balanced and sustainable basis, the Council sees a need for progressive development of a policy dialogue at national and/or regional level with coastal States, offering Community vessels access to the surplus fishing stocks in the waters under their sovereignty and/or their jurisdiction.

Considering that this dialogue should apply to all agreements involving Community financial compensation THE COUNCIL CONSIDERS accordingly that this dialogue must be consolidated by a binding instrument which lays down the rights and obligations of the Parties and of stakeholders on both sides in the form of a Fisheries Partnership Agreement hereinafter referred to as « FPA » notably by defining:

- the fishing possibilities accessible to European operators, inter alia by establishing:
 - (a) conditions related to fishing activities applicable to all Community vessels;
 - (b) terms and detailed arrangements for the granting of fishing licences, notably by ensuring that the level of fees payable by Community shipowners for their fishing activities is fair, balanced and non-discriminatory;
 - (c) detailed arrangements governing the control and monitoring of fishing activities;
 - (d) other arrangements for activities linked to processing and marketing of fishery products;
 - action to ensure that an adequate contribution is made to the funding, equipping and scientific, technical, financial and institutional development of fisheries in the coastal State in question, including regular supervision and follow-up;
 - the business environment which the authorities of the coastal State(s) in question intend to develop for the fisheries sector and related activities as a whole, including the measures and instruments to promote the transfer of capital, technology and know-how;
 - procedures for implementing, monitoring and reviewing the FPA.
5. Anxious to ensure that the Community financial contribution under the CFP effectively and adequately supports the establishment of responsible and sustainable fishing in the interests of the Parties, the Council considers that it should be determined by:
- all fishing opportunities accessible to Community fishing vessels in the light of the best scientific opinion available and better knowledge of the state of the fisheries and of the fishing effort deployed by both national and foreign fleets;
 - pinpointing action to promote the sustainable development of fisheries, in particular action to improve the scientific and technical evaluation of the fisheries concerned,
 - monitoring and supervision of fishing activities, hygiene requirements and the business environment of the sector;

- the impact of the partnership agreement as well as the participation of European interests on the partner coastal State's fisheries sector as a whole, with regard to its aspirations towards development under rational and sustainable economic and social conditions and to its commitment to implementing a sustainable fisheries policy in the interest of both Parties.

This single financial contribution will be deployed according to the budgetary procedures of the partner State and according to the results of the negotiations.

6. In order to establish the regulatory and financial framework which will govern fisheries relations between the Community and one or more coastal States and to ensure that it is properly implemented, the Council asks the Commission, for each agreement, to:
 - carry out ex-ante and ex-post evaluation so that an assessment can take place not only of the environmental, economic and social impact of a partnership agreement, but also the opportunities which sustainable development of the fisheries sector provides and of the requirements of establishing responsible fishing for the concerned coastal state, for the concerned European distant-water fishing fleets and for Community employment;
 - propose to its partners the setting up of a bilateral scientific committee to advise on sustainable fishing possibilities prior to the conclusion or renewal of partnership agreements;
 - implement initiatives that will promote responsible fishing, in particular in order to improve the scientific and technical evaluation of fishing⁶, to step up action to combat illegal, unregulated and unreported fishing and to carry out exploratory fishing voyages;
 - ensure that the FPA is permanently monitored and report periodically on its implementation in the light of predefined performance indicators;
 - to commit, in cooperation with Member States, to promoting the optimal use of fishing possibilities in the context of Article 274 of the Treaty.

7. In line with the foregoing, the Council feels that this approach should be promoted and progressively implemented and asks the Commission to ensure that, as of 2004, impact assessments, the essentials of which shall be made available to the Member States in good time, are carried out in preparation for the negotiation of fisheries partnership agreements, both in respect of the fisheries agreements and protocols in force and for the coastal States with which opportunities are identified."

⁶ The Communication on the reform of the Common Fisheries Policy ("Roadmap", 9371/02 COM(2002) 181 final of 28 May 2002) stated that the Commission will at a later stage present an Action Plan to improve stock evaluation in non-Community waters.

TRADE POLICY

Tariff quotas for certain agricultural and industrial products

The Council adopted a Regulation amending Regulation (EC) No 2505/96 opening and providing for the administration of autonomous Community tariff quotas for certain agricultural and industrial products (10953/04).

RESEARCH

5th framework programme for research and technological development - *Council conclusions*

The Council adopted the following conclusions:

"THE COUNCIL, having considered the Court of Auditors' Special Report No 1/2004 and the Commission's response to it⁷:

1. WELCOMES the report which examined the organisational, administrative and financial aspects of the implementation of the Fifth Framework Programme and the rigour of its analysis;
2. ACKNOWLEDGES the overall conclusions of the report which pointed to the complexity of the rules applicable to the Fifth Framework Programme intervention mechanisms, as well as to shortcomings in the Commission's organisational, coordinating and management structures across five Directorates General, and insufficient human resources and support tools;
3. WELCOMES, in the context of the preparation and implementation of the Sixth Framework Programme, the Commission's achievements in following up and implementing the Court of Auditors' recommendations in such areas as internal co-ordination and management instruments, ex-post control of projects, staffing and the use of information technology;

⁷ 8595/04 FIN 208 RECH 75 + ADD 1-3.

4. RECALLS with satisfaction the expeditious manner in which the legislative Decisions on the Sixth Framework Programme⁸ were taken, in codecision with the European Parliament, which contributed to the effective launch of the programme;
5. ACKNOWLEDGES that work is necessary to further streamline the management and the procedures applied to project proposers and promoters in the Sixth Framework Programme in order to achieve high quality participation in Community RTD programmes and to avoid unnecessary administrative burdens, while ensuring that the financial interests of the Community are safeguarded in accordance with the Financial Regulation;
6. NOTES that:
 - the choice of cost systems offered to the participants should take into account the various accounting approaches in the Member States and the RTD organisations concerned, so as to allow for the widest possible participation;
 - there is an ongoing need to build on best practice to reduce considerably the average time in approving and funding of projects, whilst ensuring the transparency of the procedures;
 - the quality of the scientific assessment and of the selection procedures of the proposals for funding should be ensured, including through the full involvement of the programme committees;
 - it is in the nature of ambitious and innovative RTD projects that they carry a certain risk as to the results achieved;
7. CALLS ON the Commission to continue its efforts, in response to the Special Report, to improve its organisational and management approaches to the implementation of the Sixth Framework Programme and to report on this before the end of 2004, based wherever possible on quantitative indicators and on the practical input of participants. This should be carried out in the context of the assessments and reports foreseen under Articles 4 and 6 of the Sixth Framework Programme Decision before the Commission submits its proposal for the next framework programme which should aim at simplifying the implementation process to make it more user friendly, in particular for small and medium-sized enterprises and start-ups, and in compliance with the Financial Regulation.
8. UNDERTAKES, together with the Commission in their respective competencies, to ensure that the implementing regulations and accompanying guidance documents are adopted in time for the launch of the Seventh Framework Programme."

⁸ Decision 1513/2002/EC of the European Parliament and of the Council of 27 June 2002 concerning the Sixth Framework Programme (OJ L 232, 29.8.2002, p. 1).
Regulation 2321/2002 of the European Parliament and of the Council of 16 December 2002 concerning the rules for participation in FP6 (OJ L 355, 30.12.2002, p. 23).

COMPETITIVENESS**Ending the Joint European Venture Programme**

The Council adopted a Decision amending Decision 2000/819/EC on a multiannual programme for enterprise and entrepreneurship, and in particular for small and medium-sized enterprises (SMEs) (2001-2005) with the aim of phasing out the Joint European Venture programme (3675/04). The Decision was taken together with the European Parliament under the codecision procedure.

The multiannual programme set up by Decision 2000/819/EC was aimed at improving the financial environment for business. After careful analysis, it has been concluded that the take-up of the JEV programme by the market is low, the job creation effect limited and the administrative cost very high and that JEV should be phased out as soon as possible.
