



**COUNCIL OF
THE EUROPEAN UNION**



7085/07 (Presse 47)

PRESS RELEASE

2790th Council meeting

Agriculture and Fisheries

Brussels, 19 March 2007

President **Mr Horst SEEHOFER**
German Federal Minister for Food, Agriculture and
Consumer Protection

P R E S S

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7085/07 (Presse 47)

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Main results of the Council

*The Council reached unanimously a political agreement on the **voluntary modulation**, thereby allowing the Parliament to unblock 20% of the rural development budget and Member States to meet their rural development programmes commitments for the budgetary year 2007.*

*Without debate, the Council adopted a Regulation granting a derogation on the **fat content of drinking milk** produced in Estonia, a joint action supporting organisation for the **Prohibition of Chemical Weapons** (OPCW) activities, and a common position extending for a further year **restrictive measures** against certain officials of **Belarus**.*

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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

Bulgaria:

Mr Nihat KABIL

Minister for Agriculture and Forestry

Czech Republic:

Mr Petr GANDALOVIČ

Minister for Agriculture

Denmark:

Mr Hans Christian SCHMIDT

Minister for Food, Agriculture and Fisheries

Ms Carina CHRISTENSEN

Minister for Family and Consumer Affairs

Germany:

Mr Horst SEEHOFER

Federal Minister for Food, Agriculture and Consumer Protection

Mr Gert LINDEMANN

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

Estonia:

Mr Tiit NABER

Deputy Permanent Representative

Ireland:

Ms Mary COUGHLAN

Minister for Agriculture and Food

Greece:

Mr Evangelos BASIAKOS

Minister for Rural Development and Food

Spain:

Ms Elena ESPINOSA MANGANA

Minister for Agriculture, Fisheries and Food
Minister for Rural Affairs and Fisheries of the Autonomous Community of Asturias

Ms Servanda GARCÍA

France:

Mr Dominique BUSSEREAU

Minister for Agriculture and Fisheries

Italy:

Mr Paolo DE CASTRO

Minister for Agricultural, Food and Forestry Policy

Mr Gian Paolo PATTA

State Secretary for Health

Cyprus:

Mr Fotis FOTIOU

Minister for Agriculture, Natural Resources and Environment

Latvia:

Mr Mārtiņš ROZE

Minister for Agriculture

Lithuania:

Ms Kazimira Danutė PRUNSKIENĖ

Minister for Agriculture

Luxembourg:

Mr Fernand BODEN

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

Ms Octavie MODERT

Hungary:

Mr József GRÁF

Minister for Agriculture and Rural Development

Malta:

Mr Francis AGIUS

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

Ms Gerritje VERBURG

Minister for Agriculture, Nature and Food Quality

Austria:

Mr Josef PRÖLL

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

Mr Andrzej LEPPER

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

Mr Jaime SILVA

Minister for Agriculture, Rural Development and Fisheries

Romania:

Mr Danut APETREI

Secretary of State, Ministry of Agriculture, Forests and
Rural Development**Slovenia:**

Mr Iztok JARC

Minister for Agriculture, Forestry and Food

Slovakia:

Mr Vladimír PALŠA

State Secretary at the Ministry of Agriculture

Finland:

Mr Juha KORKEAOJA

Minister for Agriculture and Forestry

Sweden:

Mr Eskil ERLANDSSON

Minister for Agriculture

United Kingdom:

Mr David MILIBAND

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

Mr Stavros DIMAS

Member

Mr Markos KYPRIANOU

Member

Ms Mariann FISCHER BOEL

Member

ITEMS DEBATED**VOLUNTARY MODULATION**

The Council reached, political agreement unanimously with the abstention of the Latvian delegation¹, on the Presidency compromise proposal² set out in document 7334/07 + COR1.

The agreed compromise text meets the three institutions' concerns equitably.

The final act will be adopted as an "A item" at a forthcoming meeting of the Council. The EP Committee on Budgets unblocked the 20% of the budget on 21 March 2007, thereby allowing Member States to meet their rural development programmes commitments.

The Presidency compromise introduces a legal basis which makes it possible for Portugal and the United Kingdom only to apply the voluntary modulation scheme. A review of the issue of modulation is provided for in the framework of the "health check" of the CAP reform, in 2008.

The United Kingdom delegation stated that the four regions of the United Kingdom are planning to use voluntary modulation over the period 2007-2013 at less than 20% and that, in England, 80% of the modulation would be devoted to Axis 2 (protection of environment) to be co-financed at a significant level.

¹ The Latvian delegation submitted the statements contained in doc 7334/07 ADD1.

² The European Parliament opinion was adopted on 14 February 2007 (Consultation procedure - Article 37)

"SINGLE CMO" (Common Market Organisation) (16715/06)

The Council held a policy debate on the "Single CMO", on the basis of a questionnaire (7330/07) seeking guidance on the inclusion of fruit and vegetables and wine in the "Single CMO", the transfer of certain powers to the Commission and the possibility to abolish pigmeat intervention scheme.

Following a first examination of the proposal at expert level, and with a view to allowing a further examination at the same level, the Council noted the general support of delegations' for the objective of simplification.

With regard to the inclusion of the fruit and vegetables and wine sectors, although there was agreement on their inclusion in the "Single CMO", the question of the Commission's proposed two-step approach (certain provisions to be introduced now and the remainder after the reform is completed) remained open.

On transfer of certain competences, a clear majority of delegations, whilst underlining that some issues were too political to be transferred to the Commission, considered the examination could be conducted on a case by case approach.

As regards the omission of the possibility of pigmeat intervention, a majority of the delegations considered it would be better to keep that option at that stage.

The Council gave the Council preparatory bodies a mandate to pursue the examination of the proposal intensively, with a view to reaching a conclusion during Germany's Presidency.

Commissioner Fischer Boel welcomed the wide support for the objective of the proposal and indicated that the Commission would cooperate with the Presidency in order to comply with that timetable.

The Parliament is expected to be adopt its opinion at the plenary session on 21 May.

EMPLOYMENT IN RURAL AREAS: CLOSING THE JOBS GAP - Council Conclusions

The Council adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN UNION,

Whereas

In the European Union, rural areas account for over 90 % of the territory where around 60 % of the population live. 53 % of jobs are located in rural areas. They generate 45 % of the gross value added in the EU,

Rural areas in Europe are shaped by wide variations in population structures and traditions as well as by different economic and social structures and labour markets,

In view of the large number of jobs that will, according to Commission estimates, disappear in rural areas within the next seven years (around 4-6 million) and given the estimated disguised unemployment of around 5 million people on agricultural holdings, employment and job creation are very important,

With the 2003 CAP reform the foundations were created for successfully meeting the challenges of globalisation and liberalisation of markets. The direct payments play a central role in helping European agriculture to fulfil its manifold tasks for society. But uncertainty still remains about the effects of CAP reform on agricultural employment and structure, as well as the landscape. It appears to be evident, however, that with intensified competition there will be further differentiation of production and utilisation of existing agricultural land. Renewable resources will at the same time provide new production opportunities for agriculture and forestry. Together, these trends will have effects on employment in agriculture and forestry. Today there are numerous jobs on agricultural holdings as well as in the whole value-added chain, notably in processing, e.g. in the dairy sector. Against the background of further trade liberalisation, agricultural policy must assist the required structural development of these fields especially,

In future agriculture and forestry will be more than production of food and raw materials. Agriculture and forestry continue to maintain and preserve the countryside and provide multiple additional functions – in tourism, nature, and the environment – in line with the requirements of society. Here also, employment opportunities exist,

The second pillar of agricultural policy must accompany the CAP reform in rural areas. The challenge now is to enhance the competitiveness of the agricultural economy in the face of future structural changes and, in doing so, to work towards sustainable production. In addition, the second pillar of the CAP must continue to devote major attention to preserving attractive cultural landscapes and an attractive environment – for which there is no market – and provide effective and efficient support instruments to this end,

In future it will be more important than ever to offer specific regional solutions for rural development by means of a reinforced policy of integrated rural development, inter alia to create off-farm jobs and open up alternative occupations in synergy with other policies,

Rural development is not only in the specific interest of rural areas themselves, but constitutes an overall policy concern. Only a successful further development of rural areas can meet the objectives of Lisbon and Gothenburg and achieve a profitable partnership between different sub-areas for the population for the mutual benefit of metropolitan regions and rural areas,

Town and country depend on each other in economic and political terms in an age marked by globalisation and European assimilation. We must continue, both now and in the future, to adhere to the principle of equivalence of living conditions and maintain an adequate infrastructure in rural areas,

Placing rural areas in a position to seize the opportunities that present themselves through innovation, research and modern technologies e. g. in the field of renewable resources, in energy recovery and the production of materials will continue to be indispensable. The development of science, research and innovations will play a major role in the process,

People are the most valuable asset of rural areas. In this context it is very important to encourage young women and families to remain in rural areas. This means that there must be adequate family-friendly infrastructure within a reasonable distance of people's homes (pre-schools, schools, shopping facilities and cultural institutions),

This also entails rural areas having adequate access to modern information and communication technologies. These are crucial for agricultural holdings as well as for rural communities. They constitute a vital factor in maintaining and expanding rural areas as locations for business, trade and service providers as well as for sustainable jobs that are viable for the future,

- UNDERLINES the importance of the European model of agriculture for rural employment and the preservation of the beauty and the diversity of landscapes;
- STRESSES the need to develop the second CAP pillar further as a key instrument to accompany the CAP reform, the accelerated restructuring of agriculture as well as to implement the Lisbon and Gothenburg strategies in the light of the new region-specific challenges in regions with different structures, thus laying the foundations for an overall improvement in rural living conditions;
- IS AWARE OF the need for improving the competitiveness of the agricultural sector to safeguard and to attract skilled employment in rural areas in the face of increasing liberalisation and, in relation to this, UNDERLINES the contribution of the first pillar to this end;
- CONSIDERS that in order to encourage women and young people to remain in rural areas adequate family-friendly infrastructure within reasonable distance of the place of residence and work is also required (pre-schools, schools, shopping facilities and cultural institutions);
- STRESSES the need to maintain an adequate level of infrastructure in structurally weak rural areas and create jobs and growth, within the meaning of the Lisbon strategy, inside and outside agriculture, wherever it is possible;

- HIGHLIGHTS the importance of coordinated cooperation actions in the fields of education, research, transport, infrastructure, health and family, to do justice to the shared responsibility for rural areas, and UNDERLINES the need to conceptually underpin and raise public awareness of the importance of rural development policy, as distinct from, and in connection with other spatial policies such as urban development policy, and CALLS FOR synergy between structural funds and EAFRD in rural areas to reach the employment objectives;
- REQUESTS the Commission to further examine the employment situation in rural areas and to deliver an updated report on employment in rural areas focusing specifically on youth employment, women, and the situation in rural areas as a whole;
- REQUESTS the Commission to study the question of better access for rural areas to modern information and communication technologies, with particular reference to access to fast Internet connections;
- UNDERLINES that the creation and preservation of jobs and employment has to be one of the priority objectives in the rural development programmes."

CONTROLS IN THE FOOD CHAIN

A short follow-up was given to the Council concerning the exchange of views on controls in the food chains over lunch.

The Presidency pointed to the high level of consumer protection achieved within the Community. It invited Member States to maintain the control pressure with the same care on the placing on the market and on exports to third countries and, if appropriate, to improve it, without creating any unnecessary administrative burden.

OTHER BUSINESS**(a) Thematic strategy for soil protection (13401/06)**

The Council took note of the concern - raised on several occasions by the Austrian delegation (5453/07) supported by the German, French, Luxembourg, Netherlands, Portuguese, Polish and Finnish delegations, pointing out the importance of soil protection to agriculture and forestry and the need to grant Member States sufficient subsidiarity on that issue. The Estonian, Latvian, Lithuanian, Polish and Finnish delegations took that opportunity to propose the inclusion of soil acidification in the impact assessment as the eighth “threat to soil”.

The Presidency drew the Commission's attention to the need for further discussion of proportionality and subsidiarity.

Commissioner Dimas took note of the remarks made by those delegations. He reminded them that the proposed directive provided Member States with the necessary subsidiarity with regard to targets, implementing measures and timetable respectively. He indicated that he would carry out an in-depth analysis of the documentation provided by those Member States concerned by soil acidity in order to determine whether such criteria should be included in the impact assessment provided for in the directive.

(b) Avian Influenza

The Council took note of written information on avian influenza provided by Commissioner Kyprianou at the meeting. Commissioner Kyprianou invited Ministers to remain vigilant.

The outbreak of highly pathogenic H5N1 on a turkey farm in Suffolk (United-Kingdom) was confirmed on 3 February, following notification of H5N1 in a Hungarian goose flock in Csongrad county on 24 January. Since then, the outbreak seemed to have been brought under control in both Member States, following the implementation of the measures provided for in Community legislation.

Hungary and the United-Kingdom were cooperating on investigations. Although a close relationship had been established between the two virus strains found in the Hungarian and British outbreaks their origins remained unclear at that stage.

(c) Veterinary negotiations with Russia

The Commission brought the Council up to date on the outcome of a meeting between the Commission and Russian and Polish experts which took place in Moscow on 12 and 13 March. The ban on Polish agricultural products was the main subject of the discussion. Russian authorities had addressed written questions to the Commission and to the Polish authorities following Russian inspections in Poland. The Commission and the Polish authorities were expected to provide appropriate answers in the coming weeks.

In addition, the Russian veterinary authorities had asked for a detailed report on the food chain residues monitoring carried out by Member States. The Commission would provide the relevant information as soon as it was available and pursue the discussion at technical level.

The Council again stated its support for the Commission in those arduous negotiations.

(d) Conference on renewable resources (7379/07)

The Council took note of the outcome of the conference entitled "Fuelling the Future – Renewable Resources Show the Way Forward for Rural Areas in Europe" ("Nuremberg declaration"). The conference identified five fields of action which needed to be tackled in the short to medium term, namely:

- ambitious targets for the promotion of renewable energies and resources need to be set;
- the unexploited potential of renewable resources needs to be tapped into;
- the sustainable production of renewable resources needs to be assured;
- innovative technologies must be promoted more effectively;
- the industrial utilisation of renewable resources needs to be expanded.

(e) Conference on health, nutrition, and physical activity

The Council was briefed by the Presidency on the outcome of a conference devoted to the promotion of healthy lifestyles in the EU that was held last February in Badenweiler, Germany.

The conference discussions concentrated on ways of countering the increasing incidence of chronic diseases caused by unhealthy lifestyles.

The conference is part of a larger project entitled "Presidency Baton-disease prevention and health promotion in the area of physical activity and nutrition", which will be pursued by future presidencies. It is also related to other political initiatives such as the Commission's white paper on Nutrition, Physical Activity and Health¹, the EU Platform for Diet, Physical Activity and Health, and the WHO conference on counteracting obesity.

¹ The white paper will be submitted in the coming weeks.

(f) World Trade Organisation (WTO)-Doha Development Agenda (DDA) negotiations

The Council received an update from Commissioner Fischer-Boel on the latest state of play in the negotiations on agricultural issues at the WTO. She mentioned in particular that:

- Several informal bilateral contacts have been made place in Geneva and London early in March with certain WTO partners in order to seek for possible convergence on certain issues (Brazil, India, Japan, USA).
- The position of the Commission remained that it would not table any new offer on agriculture in the absence of improved offers from WTO partners and that it would continue to work for an agreement that was balanced both within the agriculture chapter and between agriculture and other chapters.

The Presidency concluded that regular and comprehensive updating of the Council on WTO negotiation was vital and indicated that the Commission's negotiating mandate was still as defined by the Council in its conclusions of 18 October 2005 and 12 June 2006.

(g) Future proceedings

The next meeting of the Council Agriculture and Fisheries will be held in Luxembourg on 16 and 17 April.

The informal meeting will be held in Mainz on 22 and 23 May.

OTHER ITEMS APPROVED**AGRICULTURE****Drinking milk produced in Estonia**

The Council adopted a regulation derogating from Regulation (EC) No 2597/97 as regards drinking milk produced in Estonia (6511/07).

The regulation extends until 30 April 2009 the derogation allowing the delivery and sale in Estonia of drinking milk produced in Estonia with a fat content of 2,5%.

COMMON FOREIGN AND SECURITY POLICY**Belarus - Extension of restrictive measures**

The Council adopted a common position extending for a further year, until 10 April 2008, the travel restrictions and freezing of financial assets imposed last year against on certain Belarus officials of , in view of the situation in the country.

The measures, building on initial measures introduced in 2004, were introduced against persons responsible for violations of international electoral standards in the March 2006 elections and the crackdown on civil society and the democratic opposition. The list of persons affected by the restrictive measures remains unchanged. The list may be reviewed at any time on the basis of its review criteria and in the light of events on the ground.

EU support for the prohibition of chemical weapons

The Council adopted a joint action on support for Organisation for the Prohibition of Chemical Weapons (OPCW) activities. It is the third Council Joint Action in support of OPCW since the adoption of the EU WMD Strategy in December 2003 (5557/07).

Under this joint action, the EU will support the activities of the OPCW by funding seven projects up to a total of EUR 1,7 million. The projects will be aimed in particular at:

- promotion of the universality of the Chemical Weapons Convention (CWC);
- support for full implementation of the CWC by States Parties;
- international cooperation in the field of chemical activities, as accompanying measures to the implementation of the CWC;
- support for the creation of a collaborative framework among the chemical industry, OPCW and National Authorities in the context of the tenth anniversary of the OPCW.

EU-Russia cooperation against the proliferation of chemical weapons

The Council adopted a Joint Action in support of chemical weapons destruction in Russia in the framework of the EU strategy against proliferation of WMD (6698/07).

Under this joint action, the EU will assist Russia to comply with the deadline for the complete destruction of all its chemical weapons stockpiles as provided for by the Chemical Weapons Convention by providing equipment essential for the completion of the electricity supply system for the Shchuch'ye destruction facility in Russia.

With this project, the EU will contribute with more than EUR 3 million to the ongoing multi-donor project led by the United Kingdom.

A first project in providing for the infrastructure building relating to the destruction of nerve gases stored in Shchuch'ye was finalised in January 2005 under the EU cooperation programme for non-proliferation and disarmament in the Russian Federation established in 1999 (Council Joint Action 1999/878/CFSP).

EU code of conduct on arms exports

The Council adopted an updated version of the common list of military equipment covered by the EU code of conduct on arms exports (6781/07).

DEVELOPMENT COOPERATION

European Development Fund - Amendment of the financial rules

The Council adopted a regulation amending the financial rules applicable to the 9th European development fund in order to facilitate its implementation, taking into account the revision of the financial regulation applicable to the EU's general budget (5532/1/07).

European Development Funds - Discharge for the 2005 budget

The Council adopted recommendations regarding the discharges to be given to the Commission by the European Parliament in respect of the implementation of the operations of the 6th, 7th, 8th and 9th European development funds for the financial year 2005 (6061/07, 6062/07, 6063/07 and 6064/07).

The Council also adopted a statement in response to the Court of Auditors' statement of assurance relating to the activities of the 6th, 7th, 8th and 9th EDFs as to the reliability of the accounts and the legality and regularity of the underlying transactions for the financial year 2005. The statement will be forwarded to the European Parliament (6288/07).¹

EU overseas countries and territories

The Council adopted a decision amending decision 2001/822/EC on the association of the overseas countries and territories (OCT) with the Community (6104/07).

The decision was amended for two main reasons:

- in order to coincide with the duration of the 10th European development fund (2008-2013) and the EU's multiannual financial framework (2007-2013). Thus, the decision will be applicable until 31 December 2013 instead of until the end of 2011;
- in order to allocate between the various instruments the overall amount of Community financial assistance fixed for the 10th EDF for the six-year period (EUR 286 million).

Decision 2001/822/EC establishes the legal framework for the promotion of the economic and social development of the OCTs and for the enhancement economic relations between them and the Community.

Economic partnership agreements with ACP countries - Southern Africa

The Council adopted an addendum to its directives for the negotiation of economic partnership agreements (EPA) with ACP countries and regions with a view to including South Africa in the ACP group of states in southern Africa negotiating an EPA .

¹ the examination of the statement of assurance does not form part of the discharge procedure.

COUNTER-TERRORISM

Terrorist list

The Council has decided to send a letter to the lawyer of Mr Sofiane Fahas regarding the Council's intention to maintain Mr Fahas on the list of persons, groups and entities involved in terrorist acts to which the asset freeze in Council Regulation No 2580/2001 applies. This letter rejects Mr. Fahas's claim (made in a letter dated 21 December 2006) that he was not the person listed under that name. It also provides Mr Fahas with a statement of reasons for his being kept on the list and invites him to present his observations (together with any supporting documentation) within one month.

The Council will consider any reaction by Mr Fahas received within that period before taking a final decision on whether to maintain him on the list or not.

TRADE POLICY

Anti-dumping - Pentaerythritol - China, Russia, Turkey, Ukraine and USA

The Council agreed to the Commission's adopting a decision terminating the anti-dumping proceeding concerning imports of pentaerythritol originating in China, Russia, Turkey, Ukraine and the United States of America (7110/07 ADD 2).

TAXATION

VAT - Derogation for the UK for electronic goods - Reverse charge mechanism

The Council reached political agreement on a draft decision authorising the United Kingdom to derogate from article 21(1)(a) of Directive 77/388/EEC in order to use a temporary reverse system for the charging of value-added tax on supplies of mobile telephones and integrated electronic circuit devices (7383/07).

The proposal comes in response to a request by the UK for a three-year derogation aimed at tackling VAT fraud in sales of a number of electronic goods. Whereas under normal VAT rules the taxable person that supplies goods is also liable to pay VAT, the UK requested that it may make liable the taxable person to whom the goods are supplied. Article 27 of Directive 77/388/EEC allows member states to request such derogations if the measures are aimed at combating fraud.

The Council agreed on a text that would limit authorisation until 31 March 2009 of the UK's reverse charge mechanism, which will apply to two categories of products (mobile telephones and integrated circuit devices) and to supplies of those products of more than GBP 5 000 in value.

ENVIRONMENT

SEVENTH SESSION OF THE UNITED NATIONS FORUM ON FORESTS (UNFF7) - *Council conclusions*

The Council adopted the following conclusions:

"THE COUNCIL OF THE EUROPEAN UNION,

1. RECALLING its earlier conclusions on the international forest policy dialogue, including the Council Conclusions adopted on 26 April 2005 on the future of the International Arrangement on Forests (IAF), consisting of the United Nations Forum on Forests (UNFF) and the Collaborative Partnership on Forests (CPF);
2. REAFFIRMING its strong commitment to sustainable forest management (SFM) and RECOGNISING the important contribution it can make to sustainable development, poverty eradication and the achievement of internationally agreed development goals, including the Millennium Development Goals, as well as to combating climate change, desertification and biodiversity loss;

3. EMPHASISING the continued need to strengthen international cooperation and action at all levels to combat continuing global deforestation and forest degradation, *inter alia* by taking advantage of synergies and facilitating active cooperation and coordination with other forest-related conventions, agreements and processes;
4. REITERATING its conviction that an international legal instrument would be the most suitable means of ensuring a coherent global approach to sustainable forest management;
5. ACKNOWLEDGING the outcome of the sixth session of the United Nations Forum on Forests 2006 (UNFF6) set out in ECOSOC Resolution 2006/49 and in particular its decisions to work towards the achievement by 2015 of four global objectives on forests, to conclude and adopt at its next session (UNFF7) a non-legally binding instrument (NLBI) on all types of forests aimed at achieving those objectives and strengthening political commitment to that end, and to review the International Arrangement on Forests in 2015, including the option of a legally binding instrument;
6. RECOGNISING the need for UNFF7 to adopt a multi-year programme of work (MYPOW) to guide the Forum's activities until 2015 and those of the wider IAF in addressing the four global objectives on forests and in the implementation of the NLBI;
7. AFFIRMS that the NLBI should provide real added value to existing agreements and ECOSOC resolutions, in promoting and implementing sustainable forest management in a coherent way, in particular through:
 - clear and credible commitments at both national and international level to the achievement of the four global objectives on forests;
 - a process of facilitation and dialogue at a UNFF member's request to enhance its national implementation of the NLBI;

- further refining the conceptual framework for SFM at global level;
 - better promoting the formulation and implementation of national forest programmes or other forest strategies;
 - strengthening the science-policy interface;
8. Recognising the universal membership of UNFF and the adoption of the NLBI by the UN General Assembly, TAKES THE VIEW that, in order to enhance political commitment at both national and international level, an appropriate mechanism to demonstrate the commitment to achieving the objectives of the NLBI should be incorporated into the NLBI;
- 9 STRESSES that the EU is committed to the principle of ownership of development strategies and programmes by partner countries;
10. ACKNOWLEDGES the continued need to strengthen and adapt existing financing sources in support of SFM and STRESSES in this regard that creating an enabling environment for financing of SFM and incorporating SFM among the priorities under Poverty Reduction Strategies and similar cross-cutting strategies are indispensable for achieving SFM;
11. RECOGNISES that a value-added NLBI, as described above, will also require the development of new mechanisms and innovative ways of efficient SFM financing from all sources;
12. CONSIDERS that further coordination of international and public forest-related funding is needed and that UNFF7 should invite the Global Environment Facility (GEF), the World Bank and other financing institutions and mechanisms to come forward with proposals to that effect;

13. In this regard, NOTES with appreciation the ongoing assessment of SFM-related funding in the review of the GEF focal area strategies;
14. NOTES that the NLBI should clearly identify the role and functions of the UNFF acting as the intergovernmental forum for the NLBI;
15. STRESSES that UNFF's MYPOW until 2015 should, on the basis of the main objective and the principal functions of the existing IAF, address the four global objectives on forests and the implementation of the NLBI;
16. RECOMMENDS that the MYPOW should address a limited number of issues as politically important contributions to the ongoing forest dialogue inside and outside the forests sector, strengthen the interface between the UNFF on the one hand and regions, major groups and the science community on the other, and at the same time keep the necessary flexibility to take up emerging issues;
17. STRESSES in this regard that the MYPOW should take advantage of synergies and facilitate active cooperation and coordination with other forest-related conventions, agreements and processes."

TRANSPORT

Agreement on air services with Malaysia

The Council adopted a revised decision approving the signing and provisional application of the agreement between the EU and Malaysia on certain aspects of air services.

Further to the accession of Bulgaria and Romania to the EU, on 1 January 2007, the draft agreement was amended in order to include references to the relevant bilateral agreements between Malaysia and two new Member States.

The agreement is the result of negotiations under a mandate under which the Commission can negotiate with any third country with a view to bringing Member States' existing bilateral aviation agreements with that country into line with Community law.

The signing of the agreement will take place on 22 March in the wings of the Transport, Telecommunications and Energy Council.

CUSTOMS UNION

Video monitors - Suspension of duties

The Council adopted a regulation extending for two years the duty suspension for certain types of video monitors (6215/07).

The regulation, which is applicable retroactively as from 1 January 2007, is aimed at continuing to ensure the rational development of production and an expansion of consumption within the Community of certain types of monitors, and at promoting trade in them between the EU and third countries.

RESEARCH

ITER project on fusion energy - European joint undertaking

The Council adopted conclusions taking stock of the agreement reached with the Parliament and the Commission concerning financial management measures applicable to the future joint undertaking for ITER (7155/07).

Under the agreement, the European Parliament will be given responsibility for the discharge of the implementation of the budget of the ITER joint undertaking.

The Parliament and the Council acknowledged the Community contribution to ITER stemming from the 7th Research Framework Programme for Euratom (EUR 986 million¹ for the period 2007-2011 as a maximum) as proposed by the Commission. While noting that the ITER project was planned to continue well beyond 2011, and the need to continue till 2041, corresponding amounts for the years 2012 and 2013 are provided for in the financial programming. The future financing will be part of the next EU's financial framework negotiations.

The joint undertaking, which will be based in Barcelona (Spain), will manage the EU's financial contribution to the ITER international organisation.

TRANSPARENCY

Public access to documents

The Council adopted:

- the reply to confirmatory application 01/c/01/07 made by Mr Aurel SARI (5032/07);
- the reply to confirmatory application 05/c/01/07 made by Ms Ellen GEVERS; the Danish and Swedish delegations voted against (5958/07 + *COR 1 (da)*);
- the reply to confirmatory application 06/c/01/07; the Belgian, Danish, Finnish and Swedish delegations voted against (6025/07).

¹ Out of an indicative total EU budget contribution to the joint undertaking for ITER and the development of fusion energy of EUR 1 290 million.

APPOINTMENTS**Committee of the Regions**

The Council adopted decisions appointing to the Committee of the Regions (6544/2/07, 6549/07) for the remainder of the current term of office, which ends on 25 January 2010 :

(a) as a member:

Mr Guido MILANA, Consigliere comunale di Olevano Romano, in place of Mr Guido MILANA, Consiglio provinciale di Roma;

(b) as alternate members:

Mr Francesco SCOMA, Consigliere dell'Assemblea regionale siciliana, in place of Mr Salvatore CUFFARO,

Mr Graziano MILIA, Presidente della Provincia di Cagliari, in place of Mr Giovanni MASTROCINQUE,

Mr Bas VERKERK, burgemeester van Delft in place of Ms Pauline KRIKKE.
