

# COUNCIL OF THE EUROPEAN UNION



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### PRESS RELEASE

3155th Council meeting

# **Agriculture and Fisheries**

Brussels, 19 and 20 March 2012

President Ms Mette GJERSKOV

Minister for Food, Agriculture and Fisheries of Denmark

# PRESS

#### Main results of the Council

Concerning fisheries, the ministers held a public debate on a proposal for a **regulation on the common fisheries policy (CFP)**, on a proposal on a **common organisation of markets in fisheries and aquaculture products** and on the **European maritime and fisheries fund (EMFF)** within the framework of the CFP reform package.

Still on fisheries issues, ministers adopted Council conclusions on the external dimension of the CFP.

As regards Agriculture, ministers had an exchange of views on the **simplification of the common agricultural policy (CAP)** within the framework of the CAP reform package.

Lastly, the Council was briefed on the stock of mackerel in the North East Atlantic. the European innovation partnership, the consequences of drought in the Iberian peninsula and the Russian import ban on EU livestock.

The Council also adopted a general approach positioning itself **against the removal of fins of sharks on board vessels**.

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**Commission:** 

Member Mr Dacian CIOLOŞ Ms Maria DAMANAKI Member

The government of the acceding state was represented as follows:

Croatia:

Mr Tihomir JAKOVINA Minister for Agriculture

#### **ITEMS DEBATED**

#### REFORM OF THE COMMON FISHERIES POLICY

The Council held a public debate on the three main proposals for regulations in the common fisheries policy (CFP) reform "package":

- Proposal for a regulation on the CFP (12514/11) replacing the basic provisions of the CFP;
- Proposal for a regulation on the common organisation (CMO) of the markets in fishery and aquaculture products (12516/11), focusing on market policy issues;
- Proposal for a regulation on the European Maritime and Fisheries Fund (EMFF) (<u>17870/11</u>) replacing the existing European Fisheries Fund.

#### Basic provisions of the CFP

The debate on the proposal for a regulation on the CFP was focused on the issue of a discard ban as suggested by the Presidency. The orientation debate planned for April 2012 will focus on regionalisation and transferable fishing concessions.

Member states broadly welcomed the objective of having a ban on discards and many of them praised the practical approach outlined in the Presidency's non-paper. They clearly considered that discards represent avoidable waste, although such a ban should not apply to species with a good survival rate.

However, views differed concerning the modalities for the implementation of a discard ban. Whilst some delegations supported the landing obligation for all catches, or at least of all commercial species, several others preferred a cautious step-by-step approach. They pointed out for example, that this obligation was not practical in mixed fisheries. Most of the member states considered that such a ban should be led by a fisheries-based approach instead of a species-based approach. Modalities should then be introduced preferably through multiannual management plans, in close cooperation with fishermen and scientists; Member States were divided on whether the roll-out should depend on the pace of the plans, or whether general target dates should be made obligatory; in any case, the Commission's timing was considered overambitious.

Most member states thought that the setting of minimum conservation reference sizes in the context of the landing obligation should be based on a more scientific approach, based on the principle that fish caught should have had the chance to reproduce beforehand at least once. Moreover many delegations felt that improving selectivity, for which research and innovation was indispensable, was the best way to avoid unwanted catches in the first place. As regards the best way to deal with the residual unwanted catches that are inevitable, several delegations with fishing interests in the Mediterranean Sea raised concerns about the risk of developing a parallel market for juvenile fish the landing of which is currently prohibited. They considered an obligation to transfer such landings to fishmeal plants (instead of human consumption markets) to be impractical, because such plants have limited capacity and it would be economically inefficient.

Most member states maintained that the CMO and the EMFF should strongly support the discards policy by giving incentives to selectivity measures, and fostering the role of producer organisations, which should be more active in joint quota management, selectivity measures and the marketing of fish that would otherwise have been discarded.

The Commission was open to having a fishery- rather than a species-based approach, but within a strict timeframe to be set in the Regulation; multiannual plans should be the preferred implementation tool, but not a precondition for the ban. It undertook to seek scientific advice on by-catches that have a good chance of survival, and on better gear selectivity. The Commission agreed that there was a need to involve producer organisations fully in this policy. With regard to "regulatory discarding", it said that it would screen existing legislation for its impact on discards, and asked the Council to look at whether some flexibility could be built into the system of relative stability. On the Mediterranean Sea, the Commission acknowledged the problem of juvenile fish and suggested looking at options such as the development of protected areas.

As regards the regulation on the basic provisions of the CFP, the Commission proposal considers that conservation of marine biological resources is key to achieving the objectives of the CFP; it envisages the reinforcement of multi-annual management plans to manage resources at levels that are capable of producing MSY, and the ending of the practice of discards. To regulate access to resources better it also introduces a system of transferable fishing concessions, which could constitute a major driver for fleet capacity adjustment. It points out that reliable and full data, both for scientific advice and for implementation and control purposes, is central to well-functioning fisheries management. The proposal establishes that CFP should support the development of the aquaculture industry through strategic planning, alongside the new focus on aquaculture contained in the proposal on a European maritime and fisheries fund.

#### Common organisation of the markets in fisheries and aquaculture

During this debate, most member states asserted that the role and responsibilities of producer organisations should be strengthened, as should their organisations and access to EU funding.

While better information for consumers was generally considered a key element of the proposal, many member states insisted that this should not interfere with horizontal provisions on both food labelling and fisheries control. Some member states expressed support for a voluntary EU label identifying sustainable fisheries.

With regard to market measures, differing views were expressed. Some member states strongly defended the storage mechanism as the best measure to apply in the event of a crisis, whilst others countries opposed this mechanism, which they thought could create distortion.

The need to maintain a level playing field as regards trade standards and sustainability objectives between imports from third countries and EU products was an important point raised by several delegations.

According to this proposal, the regulation on the CMO in fishery and aquaculture products should help to contribute to the achievement of the objectives of the CFP, to enable the industry to apply the CFP at the appropriate level, and to strengthen competitiveness, particularly of producers. The current proposal supports:

- the empowerment of producer organisations and their co-management of access rights as well as production and marketing activities;
- market measures that increase the bargaining power of producers, improve the prediction, prevention and management of market crises and foster market transparency and efficiency;
- market incentives and premiums for sustainable practices; partnerships for sustainable production, sourcing and consumption; certification (eco labels), promotion and information to consumers;
- additional market measures on discards.

#### European maritime and fisheries fund

As regards the EMFF, many delegations mentioned aquaculture as a key EU priority with a view to meeting the objectives and obligations of the reformed CFP. Moreover, during this session, 16 member states presented a joint declaration on enhanced support for aquaculture enterprises from the EMFF (Austria, Bulgaria, Czech Republic, Estonia, Finland, France, Germany, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia, Slovenia and Spain).

Research and innovation were also mentioned as key priorities of the EMFF.

Concerning measures financed by the EMFF, some member states insisted that this fund should continue to offer financial support for fleet renewal and aid for fishermen choosing to stop working in this area, whilst others argued that this fund needed to focus on innovation, growth and creation of jobs.

The debate established that the EMFF should be used to foster innovation and selectivity, environmental protection, data collection, scientific research and advice, and control of fishing operations.

Finally several member states noted that whilst the use of the resources of the EMFF could be optimised for growth, creation of jobs and social cohesion in coastal and rural areas, there was a risk of increasing the administrative burden. Simplification was emphatically requested by many member states.

The EMFF proposal must be seen in the context of the Commission's proposal for a multiannual financial framework for 2014-2020, as well as the package for the reform of the CFP.

The general objective of the EMFF is to support the objectives of the CFP and to further develop the EU's integrated maritime policy (IMP). The common procedural provisions are laid down in this proposal for a horizontal regulation. With proposals for reforming the CFP currently being discussed in the Council and with the launch of the IMP, it has become necessary to adopt a long-term instrument for specific financial support. The Commission proposes that most of the current CFP and IMP instruments be integrated in a single fund, with the exception of fisheries partnership agreements and the compulsory contribution to regional fisheries management organisations (RFMOs).

The EMFF is to be structured around four pillars:

- smart green fisheries (shared management);
- smart green aquaculture (shared management);
- sustainable and inclusive territorial development (shared management); and
- integrated maritime policy (direct centralised management).

In addition to these four pillars, the EMFF will include accompanying measures in the areas of data collection and scientific advice, control, governance, fisheries markets (including outermost regions), voluntary payments to RFMOs and technical assistance.

In addition to the orientation debates on the three proposals for the reform of the CFP, the Council adopted conclusions on the communication from the Commission on the external dimension of the CFP, which was presented in July 2011 in the CFP reform package (see below).

#### **CAP REFORM - SIMPLIFICATION**

Ministers held an exchange of views on simplification in the framework of the common agricultural policy (CAP) reform.

Many delegations expressed regret that the six principles outlined in March 2011, were not taken sufficiently into account in the CAP reform package presented by the Commission. Delegations highlighted that the principles of proportionality and risk-based approach should have been applied more comprehensively, especially for controls and sanctions in the framework of the financing of the CAP.

As regards direct payments, most delegations expressed concern over the introduction of a definition of active farmer, since it could significantly increase the administrative burden. Many member states suggested that that should be left to member states, in line with the principle of subsidiarity. The issues of greening, and the new payment model were discussed, as they would all represent an increase in administrative costs. Some delegations questioned the benefits of the greening measures, such as permanent grassland, crop diversification and ecological focus areas. Given the significant administrative costs involved, delegations stressed the need for added value analysis.

Concerning rural development, many delegations found that programming has become much more complex in the new proposals. At the same time, evaluation and monitoring requirements have been extended resulting in a very complex and burdensome system for the authorities and the beneficiaries. The performance reserve in particular has no added value in terms of simplification or of the objectives of the CAP.

In March 2011, several member states presented a note to the Agriculture Council outlining six key principles for simplification of the CAP after 2013 (7477/1/11):

- The CAP should be simpler and cheaper for national authorities and entail reduced administrative costs for recipients,
- A risk-based approach should be applied to controls on administrations and recipients,
- Member states should be accorded discretion and flexibility in programming, defining detailed controls, monitoring and evaluation of schemes,

- Controls and penalties should be more proportional,
- Consideration should be given to full transparency and clarity of roles and responsibilities,
- Better use of technology should be encouraged.

These principles received almost unanimous support in the Council and confirmed the priority accorded by member states to actively integrating simplification in the design of the future CAP so as to secure the simplest possible regulatory framework at the lowest cost consistent with specific policy objectives.

The CAP reform package was presented by the Commission at the Agriculture Council meeting in October 2011. The proposals were accompanied by a detailed impact assessment which also addresses simplification and the reduction of administrative burden of the CAP. In response to requests from Member States, Commissioner Cioloş sent out a letter to ministers in November 2011 explaining in great detail how simplification is accounted for in the reform proposals.

Concerning the CAP reform, the Council had already held policy debates on the proposals on direct payments, rural development and on single common market organisation during the three last Agriculture Council meetings in November and December last year and January this year. In the coming months, the Danish Presidency intends to organise further policy debates on thematic issues such as the greening of the CAP, the concept of "active farmer" and innovation.

# $\frac{\text{EXTERNAL DIMENSION OF THE COMMON FISHERIES POLICY} - COUNCIL}{CONCLUSIONS}$

The Council adopted <u>conclusions</u> on a communication from the Commission on the external dimension of the common fisheries policy (CFP).

On 14 July 2011 the Commission submitted to the Council its communication on the external dimension of the CFP (12517/11). It contains policy guidelines for the pursuit of fisheries management at the multinational, regional and bilateral levels. The intention was to accompany the programmatic articles on an external dimension in its proposal on a reformed CFP with a more operational policy document, which should trigger an update of the Council conclusions on this subject dating back to 2000 and 2004 (partnership agreements).

The Council held a policy debate on this issue in November 2011, during which ministers considered the priorities to be taken on board. On this occasion a number of ministers supported the Presidency suggestion to adopt new Council conclusions reinforcing the existing ones.

The conclusions adopted today stress the need to promote fisheries policy that is more sustainable in both its external and internal dimensions. The fight against illegal, unreported and unregulated (IUU) fishing needs to be reinforced by building partnerships with other main fishing nations. Compliance with management measures at the level of regional fisheries management organisations needs more follow-up, governance within these organisations needs to be strengthened, and overcapacity problems need to be addressed at a global level. Sustainable exploitation levels through access agreements with third countries require transparency regarding the activity of all fleets given access, as well as scientific assessments of stock surpluses, involving assessments at the regional level where stocks migrate across borders. Payments for access need to provide for adequate economic returns, and financial development assistance needs to be closely monitored in terms of delivering on objectives, including benefits to local populations, and decoupled from the provisions on access.

The conclusions also contain a chapter on fisheries agreements on jointly managed stocks and international exchanges of fishing opportunities. The Council underlines the mutual benefit and adequate economic returns that these agreements must provide, and recalls the obligation of all fishing nations involved to cooperate in order to find common ground for sustainable management of stocks which are of common interest.

#### **ANY OTHER BUSINESS**

#### North East Atlantic mackerel

The Council was briefed by the Irish and UK delegations on the consequences of the failure of negotiations with Iceland and the Faeroe Islands on the management of the mackerel stock in the North East Atlantic.

Several member states shared the concerns of Ireland and the United Kingdom about the sustainability of this stock, which was being threatened by the unilateral fishing policy implemented by Iceland and the Faroe Islands. They also supported the request of Ireland and the United Kingdom to speed up the adoption of the proposal against unsustainable fishing practices by third countries and to use it to implement the necessary trade measures in this context.

The failure of the negotiations on the mackerel stock in the North East Atlantic means that the 2011 fishing practices whereby huge unilateral total allowable catches (TACs) were generally exceeding the scientifically advised TACs would continue into 2012.

In June 2011, Ireland had already informed the Council that the refusal of Iceland and the Faeroe Islands to enter into an appropriate management framework and their overexploitation of the mackerel stock in the North East Atlantic was endangering the long-term sustainability of the stock and the viability of the EU industry dependent on it.

In December 2011, the Commission proposed to the Council the development of a specific instrument to tackle situations like the one that is currently threatening the stock of North-East Atlantic mackerel (18545/11). This instrument was aimed at protecting fish stocks under EU responsibility from the unsustainable fishing practices of countries that were resisting any joint management of those stocks. Several member states supported this initiative, whilst stressing that the EU should always prefer negotiations.

The North-East Atlantic stock of mackerel has a wide distribution area, from waters off the north coast of Spain to waters around the Faeroe Islands and Norway. Lately it is also to be found in Icelandic waters.

#### **European Innovation Partnership**

Ministers were briefed by the Commission on its communication on the European innovation partnership (EIP) on agricultural productivity and sustainability (7278/12).

Several member states supported the initiative, which aims to strengthen the link between agriculture and research to improve sustainability and the challenges agriculture will face in the future.

The EIP on agricultural productivity and sustainability for the period from 2014 to 2020 aims to address two fundamental challenges faced by European agriculture in the early 21st century: how to increase production and productivity with fewer resources in order to respond to the significant growth in global food demand; and how to improve sustainability and resource efficiency and address environmental issues

This EIP aims to provide a working interface between agriculture, bio-economy, science, advisors, and other stakeholders at EU, national and regional level through two EU policies:

- Future rural development policy (based on the proposals for the post-2013 CAP) should provide joint funding for innovative actions by "operational groups" involving farmers, advisors, researchers, enterprises, and other actors.
- EU research and innovation policy ('Horizon 2020') will provide a knowledge base for actions on the ground. Possible key actions feeding into the EIP could include applied research projects, cross-border and cluster initiatives, multi-actor approaches, pilot or demonstration projects, as well as support for innovation brokers and innovation centres.

An EIP network facility should be set up to act as a mediator enhancing communication between science and practice and to foster cooperation. It will encourage the establishment of operational groups and support their work through seminars, databases, and help desk functions.

#### Russian ban on EU livestock

The Council was briefed by the Latvian and Estonian delegations on the Russian ban on EU livestock and the serious impact it would have on trade in live pigs (7603/12). According to an announcement made by the Russian authorities, it is to enter into force on 20 March.

The ban would block the exports of livestock (cattle, small ruminants and pigs), except for breeding animals under certain conditions from the EU. The Russian authorities have explained it on the basis of non-compliance with Russians import/export requirements detected in EU exports and the spread of the new Schmallenberg virus in Europe.

The Commission said that these restrictions were disproportionate and unjustified, and that there was no indication that pigs could be affected by the Schmallenberg virus. The Commission further considered that this import ban was not in line with international standards nor with Russia's formal WTO commitments

A ban on live pig imports would have significant economic impact on the exporting Member States.

#### **Drought in Portugal and Spain**

The Portuguese and Spanish delegations briefed the ministers about the current drought situation in the Iberian Peninsula (7090/12).

Several delegations, some of whom were also affected by extreme weather conditions, supported the Portuguese and Spanish request and indicated they might also need to request activation of specific measures.

The Commission recalled the existing mechanisms which could be activated:

- advances of direct payments, provided that the relevant checks have been carried out;
- specific measures for producers belonging to an organisation of the fruit and vegetable sector;
- possible national aid with *de minimis* limits, as well as the rules applying to state aid;
- possible adjustment to the relevant rural development programmes.

Applications will be examined in the coming weeks by the Commission.

The Commission further recalled that one of the objectives of the current CAP reform proposals was to provide effective ways to help addressing these kind of situations in the future.

The current drought, the worst in many years, is having a direct impact on the agriculture and forestry sector in both countries. The animal sector has been specifically affected and feeding reserves normally kept for summer have been already used. In the horticultural sector in Portugal it has been necessary to use irrigation, with the higher costs of production that entails. In Spain, the drought is affecting almond production. In the forest sector, forest fires have already begun.

Pointing out that according to development scenarios, severe drought is likely to continue, Portugal and Spain requested measures to compensate farmers for increased costs caused by drought.

This point was also raised by Portugal during the Environment Council meeting on 9 March 2012 (7232/12), at whichCyprus, Greece, Spain and France supported the Portuguese delegation.

#### OTHER ITEMS APPROVED

#### **FISHERIES**

### Removal of fins of sharks on board vessels - Council general approach

The Council adopted a general approach supporting the landing of all sharks with their fins attached, as proposed by the Commission (6719/2/12).

The controversial practice of "shark finning" (whereby the fins are removed from sharks, with the remainder of the shark being discarded at sea) has been forbidden on EU fishing vessels since 2003. However, a derogation remains allowing for processing on board to be carried out subject to special fishing permits, whereby shark fins can be removed from the carcasses (landing of fins and the remainder of the shark together or separately). The Commission proposal aims to remove this derogation, so that sharks could only be landed with their fins attached.

The Council will now await the European Parliament's position at first reading before formalising its own position.

#### Partnership agreement between the EU and Kiribati - Negotiations on renewal

The Council adopted a decision authorising the Commission to open negotiations on behalf of the EU for a new protocol to the fisheries partnership agreement with the Republic of Kiribati.

The existing protocol with Kiribati has been applied with effect from 16 September 2006 and will expire on 15 September 2012. The Commission services would therefore like to open new negotiations in April 2012.

#### **AGRICULTURE**

#### **Council conclusions - International plant protection convention**

The Council adopted conclusions on an EU strategy regarding the International plant protection convention (IPPC).

Decision 2004/597 of 19 July 2004 approved the accession of the EU to the IPPC. This international organisation operates in the framework of the sanitary and phytosanitary agreements under the World Trade Organisation (SPS-WTO).

Since then, the Commission on Phytosanitary Measures, the main governing body of the IPPC, has held in-depth discussions leading to the development of its strategic objectives. In their capacity as contracting parties to the IPPC, the EU and its member states have been closely involved in this work.

For further details, see Council conclusions.

#### Council conclusions on a Court of Auditors report - Effectiveness of geographical indications

The Council adopted conclusions on European Court of Auditors special report No 11/2011 entitled "Do the design and management of the geographical indications scheme allow it to be effective?" (17245/11).

The Council noted that the geographical indications (GI) scheme has the potential to attract further producers, but that owing to lengthy procedures and lack of awareness in the majority of member states, consumer recognition of the GI scheme is still low. Appropriate measures should be taken by the Commission to develop a unified strategy addressing the lack of awareness of the GI scheme among both producers and consumers.

The Council took note of the Court's remarks concerning shortcomings in regulatory provisions and the weaknesses in the Commission's supervision of member states' checks related to the GI scheme. It also acknowledged the need for clarification concerning the control system related to this scheme and specific periodic checks carried out by member states in a limited number of cases.

The Council encouraged the Commission to pursue the promotion of European quality schemes and continue to improve the effectiveness of the geographical indications scheme.

#### **FOREIGN AFFAIRS**

#### **Egypt - restrictive measures**

The Council extended by 12 months the EU's restrictive measures in view of the situation in Egypt. The sanctions consist of an EU-wide freeze on the assets of persons responsible for the misappropriation of Egyptian state funds, and persons or entities associated with them. The measures were intended to support the peaceful and orderly transition to a civilian and democratic government in Egypt.

#### Bosnia and Herzegovina - restrictive measures

The Council prolonged for 12 months the validity of Council decision 2011/173/CFSP concerning restrictive measures in view of the situation in Bosnia and Herzegovina. The decision makes it possible to impose asset freezes and travel bans on those undermining the sovereignty, territorial integrity and constitutional order of Bosnia and Herzegovina or seriously threatening its security situation.

#### **ECONOMIC AND FINANCIAL AFFAIRS**

#### KPMG-appointed auditors for the Bank of Greece

The Council adopted a decision approving the appointment of KPMG-certified auditors as external auditors of the Bank of Greece for the financial years 2012 to 2016.

#### INTERNAL MARKET

#### Motor vehicles - Type-approval - Eco-innovation technologies and emission limits

The Council decided not to oppose the adoption by the Commission of draft regulations updating type-approval requirements for motor vehicles as regards:

- eco-innovation technologies (<u>5448/1/12</u>);
- emissions of vehicles fuelled by hydrogen and mixtures of hydrogen and natural gas, as well as the inclusion of specific information regarding vehicles fitted with an electric power train (5445/1/12); and
- emissions from light passenger and commercial vehicles (<u>5446/12</u>).

The draft regulations are subject to the regulatory procedure with scrutiny. Now that the Council has given its consent the Commission may adopt them unless the European Parliament objects.

#### **GENERAL AFFAIRS**

#### Adjustment of remuneration - Request to apply the exception clause

The Council requested the Commission to apply the provisions of the exception clause defined in article 10 of annex XI to the staff regulations with regard to the 2012 annual adjustment of the remuneration of EU officials (7421/12).