



COUNCIL OF  
THE EUROPEAN UNION



13130/05 (Presse 258)

***PROVISIONAL VERSION***

## PRESS RELEASE

2685th Council Meeting

### Agriculture and Fisheries

Luxembourg, 24-25 October 2005

President            **Ms Margaret BECKETT**, Secretary of State for the  
Environment, Food and Rural Affairs, and  
**Mr Ben BRADSHAW**, Parliamentary Under-Secretary of  
State and Minister for Local Environment, Marine and  
Animal Welfare of the United Kingdom

# P R E S S

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Rue de la Loi 175 B - 1048 BRUSSELS Tel.: +32 (0)2 285 9589 / 6319 Fax: +32 (0)2 285 8026  
[press.office@consilium.eu.int](mailto:press.office@consilium.eu.int) <http://ue.eu.int/Newsroom>

13130/05 (Presse 258)

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**EN**

## **Main Results of the Council**

*The Council reached political agreement on the licensing scheme for **imports of timber (FLEGT)** and on recovery plans for **southern hake** and **Norway lobster**.*

*The Council had an exchange of views on the reform of the **sugar sector**.*

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<sup>1</sup> • Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.  
• The documents whose references are given in the text are available on the Council's Internet site <http://ue.eu.int>.  
• Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the abovementioned Council Internet site or may be obtained from the Press Office.

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## **PARTICIPANTS**

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

**Belgium:**

Ms Sabine LAURELLE

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

Ms Geneviève TUTS

**Czech Republic:**

Mr Petr ZGARBA

Ms Jana REINIŠOVÁ

Minister for Agriculture  
Deputy Permanent Representative

**Denmark:**

Mr Hans Christian SCHMIDT

Mr Lars BARFOED

Minister for Food, Agriculture and Fisheries  
Minister for Family and Consumer Affairs

**Germany:**

Mr Jürgen TRITTIN

Federal Minister for the Environment, Nature Conservation and Reactor Safety

**Estonia:**

Ms Ester TUIKSOO

Mr Tiit NABER

Minister for Agriculture  
Deputy Permanent Representative

**Greece:**

Mr Evangelos BASIAKOS

Minister for Rural Development and Food

**Spain:**

Ms Elena ESPINOSA MANGANA

Minister for Agriculture, Fisheries and Food

**France:**

Mr Dominique BUSSEREAU

Mr Christian MASSET

Minister for Agriculture and Fisheries  
Deputy Permanent Representative

**Ireland:**

Ms Mary COUGHLAN

Mr Pat the COPE GALLAGHER

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

**Italy:**

Mr Giovanni ALEMANNI

Mr Paolo SCARPA BONAZZA BUORA

Minister for Agricultural and Forestry Policy  
State Secretary for Agricultural and Forestry Policy

**Cyprus:**

Mr Panicos KYRIACOU

Deputy Permanent Representative

**Latvia:**

Mr Mārtiņš ROZE

Minister for Agriculture

**Lithuania:**

Ms Kazimira Danutė PRUNSKIENE

Minister for Agriculture

**Luxembourg:**

Mr Fernand BODEN

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

Mr Octavie MODERT

**Hungary:**

Mr József GRÁF

Mr Egon DIENES-OEHM

Minister for Agriculture and Rural Development  
Deputy Permanent Representative

**Malta:**

Mr Francis AGIUS

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

**Netherlands:**

Mr Cornelis Pieter VEERMAN

Minister for Agriculture, Nature and Food Quality

**Austria:**

Mr Josef PRÖLL

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

**Poland:**

Mr Józef Jerzy PILARCZYK

Minister for Agriculture and Rural Development

**Portugal:**

Mr Jaime SILVA

Minister for Agriculture, Rural Development and Fisheries

**Slovenia:**

Ms Marija LUKAČIČ

Mr Franci BUT

Minister for Agriculture, Forestry and Food  
State Secretary at the Ministry of Agriculture, Forestry and  
Food

**Slovakia:**

Ms Marián RADOŠOVSKÝ

Mr Juraj NOCIAR

State Secretary at the Ministry of Agriculture  
Deputy Permanent Representative

**Finland:**

Mr Juha KORKEAOJA

Minister for Agriculture and Forestry

**Sweden:**

Ms Ann-Christin NYKVIST

Minister for Agriculture

**United Kingdom:**

Ms Margaret BECKETT

Mr Ben BRADSHAW

Mr Jim KNIGHT

Secretary of State for the Environment, Food and Rural  
Affairs

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

Parliamentary Under-Secretary of State for Rural Affairs,  
Landscape and Biodiversity

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**Commission:**

Mr Joe BORG

Mr Markos KYPRIANOU

Ms Mariann FISCHER BOEL

Member

Member

Member

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The Governments of the Acceding States were represented as follows:

**Bulgaria:**

Mr Nihat KABIL

Mr Roussi IVANOV

Minister for Agriculture and Forestry  
Deputy Permanent Representative

**Romania:**

Mr Mugur CRACIUN

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

**ITEMS DEBATED**

**FISHERIES**

– ***NORWAY LOBSTER AND SOUTHERN HAKE- RECOVERY PLANS***

The Council has reached a unanimous political agreement on the draft Regulation for the recovery of Southern hake and Norway lobster, on the basis of a compromise text supported by the Commission which amends the proposal (5202/04). Once the text will have been made available in all official languages by the Legal/linguistic experts, the Regulation will be adopted under "A" items at a forthcoming meeting.

The main changes to the proposal are the following:

- Seasonal closures for Norway lobster fishing reducing ban to the high season (3 months in box 1 from 1 June to 31 August and four months in box 2 from 1 May to 31 August) and to 65% of the catches, instead of permanent closures to prohibit fishing with trawls operating in contact with the bottom of the sea with creels; a derogation is introduced for fishing vessels with bottom trawls or similar towed nets when the Member States ensure that the fishing effort levels do not exceed those exerted during the equivalent periods and the in the same areas
- Closed areas for Norway lobster fishing; two boxes remained, but the size of one of them has been reduced.
- Objective of the recovery plan (Article 2): the amended proposal now includes the target to reach for Southern hake: the stocks must be reaching spawning stock biomass of 35000 tonnes of hake during two consecutive years or reach this target within 10 years.
- Constraints on variation of TACs: +/-15% instead of +/-25%
- Fishing effort limitation: deletion of the kilowatt day system, replaced by the fishing effort limitation decided by Regulation 27/2005 on TACs and quotas 2005, Annex IV B based on the number of days at sea (maximum 22 days per month). This system is less complicated.

- Margin of tolerance: where the initial proposal authorised 5% of the catches in kilos of the logbook figures, the changes agreed authorise 8%.

This proposal has been on the table of the ministers since January 2004. The initial draft foresaw a recovery plan for Southern Hake and Norway lobster. The aim was to rebuild the stocks concerned to within safe biological limits, on the basis of scientific advice provided by the Scientific Technical and Economic Committee for Fisheries (STECF) and ICES, then by establishing an appropriate method for the establishment of the level of Total Allowable Catches (TACs) of the stocks concerned through a maximum authorised mortality rate and constraints on the variation of TACs each year and a system including a fishing ban on Norway lobster for bottom-trawlers and creels in certain fishing areas, and limitations on kilowatt-days.

The parties most concerned by this proposal are Spain and Portugal. Fishing areas where fishing restrictions would apply are ICES VIII C and IX A, i.e. all the fishing grounds in the Bay of Biscay and the Portuguese Coast. The European Parliament delivered its opinion on 14 April 2005.

– ***EU/NORWAY***

The Council held an exchange of views on the preparation of the annual consultations for 2006 between the Community and Norway. Several delegations responded to three questions on the basis of a Commission's background document.

- As regard the key issues in the consultations, namely agreement on exchanges of fishing possibilities, technical, control and other measures in fisheries of mutual interest and detailed management arrangements for seven shared fish stocks (North Sea cod, haddock, plaice, whiting, herring and mackerel and Northern shelf saithe) many delegations insisted on the importance of reaching an agreement before the end of the year.
- Concerning the balance in the exchange of fishing possibilities between the Community and Norway; delegations insisted on finding an agreement on blue whiting and to fishing possibilities, some of them insisting on a deal which would not be at the expense of specific species.
- Concerning the possible joint management approach for each of the four shared stocks<sup>1</sup> that are not yet jointly managed, some delegations expressed reservations as regard a joint management on the four species in the near future, while others were happy for discussions to continue.

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<sup>1</sup> Sandeel, Norway pout, anglerfish, horse mackerel.

**AGRICULTURE**

– ***GMOs***

**MON 810**

In the absence of a qualified majority, the Council was unable to act on the Commission's proposal concerning the provisional prohibition in Greece of the marketing of seeds of maize hybrids with the genetic modification MON 810 (11834/05), inscribed in the common catalogue of varieties of agricultural plant species, pursuant to Directive 2002/53/EC.

The proposal is now being sent back to the Commission which shall adopt it on expiry of the three months deadline set to the Council.

The aim of the above proposal is to deny authorisation to Greece to *ban* the marketing of the maize hybrids.

The competent authorities of Greece had notified to the Commission in April 2005 a Ministerial Order prohibiting for the growing seasons of 2005 and 2006 the marketing of seeds of the seventeen above-mentioned varieties and had asked the Commission to authorise this national measure in accordance with Article 18 of Directive 2002/53/EC.

**GA 21/MON 863**

In the absence of a qualified majority, the Council was unable to act on the Commission's proposals on maize line GA 21 (11928/05) and MON 863 (12197/05).

The proposals are now being sent back to the Commission which will adopt them on the expiry of the three months deadline set to the Council.

Notifications concerning the placing on the market of foods and food ingredients derived from genetically modified Roundup Ready maize line GA 21 and maize line MON 863 as novel foods or novel food ingredients under Regulation (EC) No 258/97 had been submitted by Monsanto to the competent authorities of the Netherlands in the former (July 1998) and of Germany in latter case (July 2002).

– ***FOREST LAW ENFORCEMENT, GOVERNANCE AND TRADE***

The Council unanimously reached political agreement on a Council Regulation concerning the establishment of a FLEGT licensing scheme for imports of timber into the European Community and a Council Decision authorising the Commission to open negotiations for partnership agreements to implement the EU Action Plan for Forest Law Enforcement, Governance and Trade (16646/04 + *add1*). The texts will be adopted as "A" items once the Legal/linguistic experts will have made them available in all the official languages of the European Union.

The Belgian, Danish, Spanish and Portuguese delegations indicated they would issue statements when adopting the Regulation.

The process of adoption, started under the Dutch Presidency and finished under the British Presidency, paves the way for a new licensing scheme under which specified timber products exported from a partner country and arriving in the EC at any customs point designated for release for free circulation, must be covered by a FLEGT licence issued by the partner country, stating that the timber products have been produced from domestic timber that was legally harvested or from timber that was legally imported into a Partner Country in accordance with national laws as laid down in the respective Partnership Agreement.

The proposal establishes a legal framework necessary for the introduction of a timber licensing scheme. This scheme would be implemented on a voluntary basis.

– ***SUGAR SECTOR***

The Council had a very useful exchange of views on the proposals (10514/05 + add 1) for a reform of the Common Market Organisation (CMO) of the sugar sector, on the basis of a questionnaire giving the opportunity to delegations to clarify their positions on the key elements of the reform and providing excellent guidance for further work to be done.

The Council also announced on this occasion that a High Level Working Party will be convened for intensive discussions on the file on 8 and 11 November in order to prepare the Agriculture and Fisheries Council on 22-24 November where it is expected to adopt a "general approach" on the reform.

Delegations acknowledged the need for sugar reform, several of them urging for a political decision to be taken by Council at its next meeting on 22-24 November. A few delegations stated however that the proposal needed to be strongly rebalanced.

As regards the questionnaire submitted by the Presidency:

1. Concerning the key improvements to the proposal needed to ensure market balance and the maintenance of a competitive EU sugar sector:
  - Delegations expressed concerns about the effectiveness of the market management tools proposed to ensure the market stability;
  - Diverging opinions were taken on the price cut with some delegations considering 39% as a minimum and others considering that the aim of production reduction could be attained by a less radical price cut ;
  - Some delegations considered that it would be more appropriate first to cut surplus production (ie the current "B quota" and "C" sugar production);
  - Some delegations considered that there should be a possibility of flexibility for the Member States so as to allow for the possibility of targeted partial coupling;
  - A few delegations underlined the priority of ensuring the budget neutrality of the proposal;
  - The question of EBA imports and especially their effective control was a main issue for many delegations in the context of the SWAPs effect with effective measures to combat fraud, respect for rules of origin and the need for safeguard measures to be taken quickly and effectively called for.

2. Concerning the restructuring fund, it was generally agreed this was an important tool in the reform proposal. Delegations welcomed the possibility of further definition of the role of the Member State in how the restructuring plans should be drawn up, in particular to include conditions on environmental and social requirements, and in controlling the effective implementation of these plans. A large number of delegations considered that the decision to close a factory should ultimately be taken by the industry. Most delegations welcomed the possibility to have the restructuring payment extended to cases of partial dismantling of a factory in certain circumstances. The interests of the sugar beet growers in particular were considered important in the context of the restructuring scheme and the possibility of extending a specific restructuring payment to the growers was discussed.

Commissioner Fischer Boel reiterated the urgent need for a 39% price cut, as an essential element for the whole balance of the proposal, bearing in mind the large volume of surplus sugar to be taken out of the EU market and ensured the Council that this reform had been proposed for the long term without mid term review with a view to providing security for farmers. She justified the 60% rate of compensation on the grounds that this rate was the same in past CAP reforms in 2003 and 2004 and respects budgetary limits. Concerning the restructuring fund, she made clear that the Member States would be authorising and controlling the restructuring plans. However she made clear that the decision to close is for the industry itself. She acknowledged the need for financial compensation in the case of a partial dismantling of a factory.

– ***WORLD TRADE ORGANISATION - AGRICULTURAL NEGOTIATIONS***

The Council had an exchange of views concerning the ongoing negotiations at the World Trade Organisation, prior to the Hong Kong Ministerial Meeting (13-18 December 2005). The Council reiterated its support to the Commission for negotiating within its mandate. The Council reaffirmed the importance of being regularly, clearly and fully informed by the Commission during the course of the negotiations.

**OTHER BUSINESS**

– *Regional Advisory Committee*

Commissioner Borg informed the Council on the progress in the setting up of Regional Advisory Councils established last year by Council Decision 2004/585/EC, on the basis of written information. So far, out of the seven RACs to be created, three - North Sea, Pelagic Rac and North Western waters - are in place, and two of them - South Western Rac and Baltic Sea Rac - are soon to be operating. Commissioner Borg also stressed the need to progress in the setting up of two RACs - Mediterranean and Long distance fleet - as regards the composition of their management board, in order to be operating as soon as possible. Commissioner Borg also informed the Council on the possibility to continue the financing of the RACs after the initial period of five years and indicated his Institution would come back on this issue to inform the Council.

The Presidency supported Commissioner Borg concerning the need to make progress on the remaining RACs, having pointed out that the three working RACs had already showed their usefulness and their constructive role in the discussions with the stakeholders. The Presidency also recalled that it was up to the Member States to keep on the pressure to establish the RACs.

– *Animal by-products*

The Council took note of a presentation by Commissioner Kyprianou of a report on animal by-products to the European Parliament and the Council on the measures taken by Member States to ensure compliance with Regulation (EC) N 1774/2002 laying down health rules concerning animal by-products not intended for human consumption.

The Slovenian delegation drew the attention of the Council at this occasion to the need to solve the issue of feeding wild animals with by-products, stressing that roughly 600 bears currently live in Slovenia.

– *Avian flu*

The Council took note of the information provided by the Commission and the remarks from several delegations on the situation of Avian Influenza.

Commissioner Kyprianou stressed that Avian influenza had spread in Europe, including Russia, Romania and Turkey, that suspicions were raising in Croatia and that a suspicious case was currently under examination in Greece. Indicating that this disease was mostly spread by migrant birds, he insisted on the need to tackle rapidly this issue in order to avoid any possible risks. He also announced the presentation by the Commission at the Standing Committee on the Food Chain and Animal Health (SCFCAH) of a temporary ban on imports of captive birds and pet birds. He reiterated his reluctant approach as regards the vaccination as a tool to combat the outbreak.

Several delegations welcomed the swift reaction of the Commission and stressed the need for each Member States to take immediate action at the source of the problem and to better communicate in order to avoid massive fear reactions from consumers. Some of these delegations indicated that consumption of poultry had severely declined in their countries.

In the follow-up of the information provided on avian influenza, France supported by Italy and Hungary submitted a document to stress the need to take into account the economic damages of Avian Influenza. These delegations asked in particular to use all possible tools including the existing export refunds in the Common Market Organisation for poultry in order to alleviate the economic impact of the avian flu outbreak on poultry producers.

Commissioner Fischer-Boel acknowledged the influence of the media on the decreasing consumption of poultry. She emphasised the use of export refunds being the main market instrument, and stressed that the market would be closely monitored. She also indicated that, in the case the situation would change into a massive outbreak of avian influenza, a co-financing of the expenditures was possible and financial compensation for the lack of possibility for the producers to deliver the poultry was foreseen, under Article 14 of the Regulation (EEC) 2777/75 on CMO for poultry meat.

The Presidency intends to return to the issue at one of its forthcoming sessions in particular in the light of the discussions within the Council preparatory bodies on the Commission proposal for a Council Directive on Community measures for the control of Avian Influenza. It recalls its aim to reach an agreement on the Commission proposal as soon as the European Parliament delivers its opinion (in December). On 18 October, the General Affairs and External relations Council adopted conclusions on the issue (see Annex I). Health Ministers discussed pandemic preparedness at their informal meeting on 20-21 October 2005.

– ***Shallots***

The French delegation drew the attention of the Council and the Commission to the importance it attaches to the marketing of quality products which are clearly defined for regulatory purposes and not liable to mislead consumers (13443/05).

This delegation denies the shallot labelling of marketed product originated from seeds, arguing that this product must come from a bulb. This delegation while stressing that there is a legal vacuum at Community level concerning the definition of shallots, invited the Council and the Commission to examine this question.

Commissioner Kyprianou, acknowledging the existence of a legal gap, indicated that his Institution was currently working on technical and legal solutions with the most concerned Member States on the competitive species. He recalled that a protocol had been adopted on 14 June, to amend the existing legislations - Council Directive 70/458/EEC of 29 September 1970 on the marketing of vegetable seed and Council Directive 92/33/EEC of 28 April 1992 on the marketing of vegetable propagating and planting material, other than seed - in order to clarify this issue.

Legal aspects of this issue have already been dealt in Case C-147/04.<sup>1</sup>

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<sup>1</sup> OJ C 106, 30.04.2004 p 44

– ***CAP Simplification***

The Council took note of a presentation by Commissioner Fischer-Boel of a Communication (13494/05) on simplification and better Regulation for the Common Agricultural Policy. One of the key element of this text adopted on 19 October consists of the setting of a single Common Market Organisation which will replace the existing CMOs. The aim is to provide a single set of harmonised rules in the classical areas of market policy such as intervention, private storage, import tariff quotas, export refunds. Legislative proposals are expected to be presented to the Council before the end of 2006.

– ***Olive oil***

The Greek delegation, supported by the Spanish, Italian, Cypriot and Slovenian delegations, drew the attention of the Council and the Commission to the market situation in the olive oil sector (13495/05).

This delegation considers that since the expected entry of new production of olive oil on the EU market will force the prices down, the opening of an olive oil import quota with either zero or decreased tax rating, as envisaged by the Commission, will seriously harm the sector and decrease producers' revenue, especially in the context of the implementation of the new CMO Regulation for olive oil. Italy also raised the issue of the growing Community production - more than 2 million tonnes are expected this year-, while Spain pointed out the climatic conditions as a key factor in the increasing level of production.

Commissioner Fischer-Boel underlined that the extremely dry weather in early 2005 had severe consequences on the production and on olive oil prices, and also noted the growing demand from the market on olive oil whereas the product availability is limited. She indicated that an advisory group on olive oil would meet on 7 November with a view to take stocks of the concerns expressed by socio-economic actors and see what steps could be taken afterwards.

**OTHER ITEMS APPROVED**

**AGRICULTURE**

**Protection of animals - Farmed fish \***

The Council adopted a decision establishing the EU's position on a proposal for a recommendation on farmed fish to be adopted within the meeting of the standing committee of the European convention for the protection of animals kept for farming purposes (*12692/05 and 12696/05*).

The meeting will take place in Strasbourg in December.

**Sausages/rye bread with added phytosterols/phytostanols\***

The Council rejected a decision authorising the placing on the market of sausages with added phytosterols/phytostanols as novel foods or novel food ingredients (*12136/05 and 13390/05*), while it was unable to act on two proposed decisions authorising the placing on the market of rye bread with added phytosterols/phytostanols as novel foods or food ingredients (*12127/05, 13393/05, 12135/05 and 13391/05*).

The Commission, in its proposals for authorisation of placing on the market of the above-mentioned products, made the authorisation conditional upon their presentation in a manner that they can easily be divided into portions that contain either a maximum of 3g (in case of 1 portion per day) or a maximum of 1g (in case of 3 portions per day) of added phytosterols/phytostanols due to assumed risks connected to consumption at higher levels.

Phytosterols, when consumed beyond 1g per day, decrease the absorption of cholesterol and thus contribute to fighting elevated cholesterol. Given that European alimentation normally does not provide a level of phytosterols going beyond 1g, only artificial concentration of phytosterol in food can make use of the decreasing effect.

**EXTERNAL RELATIONS**

**Relations with Azerbaijan - EU Enlargement**

The Council adopted a decision approving the conclusion of a protocol to the EU-Azerbaijan partnership and cooperation agreement to take account of the accession of 10 new member states in May 2004 (*5783/05*).

The partnership and cooperation agreement between the EU and Azerbaijan was signed in 1996 and entered into force in 1999.

**ECONOMIC AND FINANCIAL AFFAIRS**

**Fight against fraud - Council conclusions**

The Council adopted the following conclusions:

"The Council:

1. WELCOMES the annual Commission report pursuant to Article 280 of the EC Treaty on the protection of the financial interests of the European Union; underlines the improvements over a number of years in this report. These improvements have been consistent, of good quality and provide a useful overview of the current situation in the field of the protection of the financial interests of the European Union – in particular, the fight against fraud.
2. CONSIDERS that future annual reports should remain focused on the concrete activities, measures adopted by Member States and the Commission, and results achieved in the period covered by the report.
3. INVITES the Commission to pursue improvements of this type of report by providing more information on the development of investigations, in particular internal ones."

**Taxation to motor fuels in France \***

The Council adopted a decision authorising France to apply differentiated levels of taxation to motor fuels (*12627/05 and 12770/05 ADD1*).

The decision allows France to apply reduced levels of taxation to unleaded petrol and gas oil used as fuel, provided that the reductions:

- are no greater than EUR 35,4 per 1 000 litres of unleaded petrol or EUR 23,0 per 1 000 litres of gas oil;
- are no greater than the difference between the levels of taxation of gas oil for non-commercial use and gas oil for commercial use;

- are linked to the objective socio-economic conditions of the regions in which they are applied;
- do not have the effect of granting a region a competitive advantage in intra-Community trade.

The decision has been taken in accordance with article 19 of directive 2003/96/EC, which allows the Council to derogate to common rules on taxation of energy products and electricity for specific policy considerations.

The derogation does not lead:

- for unleaded petrol, to a level of taxation below EUR 571,5 per 1 000 litres, taking into account the regional differentiation of a maximum amount of EUR 35,4 per 1 000 litres;
- for non-commercial gas oil, to a level of taxation below EUR 405,4 per 1 000 litres, taking into account the regional differentiation of a maximum amount of EUR 23,0 per 1 000 litres.

France requested in June 2004 authorisation to apply differentiated levels of taxation to gas oil and unleaded petrol for the purposes of an administrative reform involving the decentralisation of certain powers currently exercised by central government.

### **DEVELOPMENT POLICY**

#### **ACP - Budget of the Centre for the development of enterprise**

The Council agreed on a draft decision, to be forwarded to the ACP-EC committee of ambassadors for adoption, on the budget of the Centre for the development of enterprise for 2006 (2140/05).

The draft budget for 2006 amounts to € 20 300 000.

#### **Co-financing of operations with non-governmental organisations in 2006 \***

The Council adopted a decision extending the application of the strategic guidelines and priorities for interventions to be financed under regulation 1658/1998 until 31 December 2006 (13279/05 and 13357/05).

Regulation 1658/1998, on the basis of which funding is currently provided for the 2004-2005 period, provides that the EU co-finances operations to meet the basic needs of disadvantaged people in developing countries. These operations, proposed by European non-governmental organisations and conducted in cooperation with their partners in developing countries, are aimed at poverty alleviation as well as at enhancing the target group's quality of life and own-development capacity.

**EDUCATION**

**Agreements with USA, Canada - Cooperation in the field of higher education**

The Council authorised the Commission to negotiate two agreements renewing cooperation programmes with the USA in higher education and vocational training and with Canada in the field of higher education, training and youth, to cover the period 2006-2013.

**AUDIOVISUAL**

**Film heritage and the competitiveness of the European film industry \***

In agreement with the European Parliament the Council adopted a recommendation addressed to the member states on film heritage and the competitiveness of related industrial activities (*3625/05 and 13104/05 ADD1*).

The objective of the recommendation is to improve conditions of conservation, restoration and exploitation of film heritage and to remove obstacles to the development and competitiveness of the European film industry.

The recommendation covers all aspects of film heritage: collection, cataloguing, creation of databases, preservation, restoration, and use for educational, cultural, research or other non-commercial purposes of similar nature, and cooperation between the bodies responsible at national and European levels.

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