



**COUNCIL OF  
THE EUROPEAN UNION**



**16183/07 (Presse 286)**

**PRESS RELEASE**

2842nd Council meeting

**General Affairs and External Relations**

**ENVIRONMENT**

Brussels, 20 December 2007

President **Francisco NUNES CORREIA**  
Minister for the Environment, Regional Planning and  
Regional Development of Portugal

**P R E S S**

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16183/07 (Presse 286)

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## **Main results of the Council**

The Council adopted a Directive regarding duty-free allowances on goods carried by persons entering the European Union from third countries.

The Council adopted a Regulation amending Regulation (EC) No 2100/94 as regards the entitlement to file an application for a Community plant variety right.

The Council adopted the following common positions:

on a draft directive on environmental quality standards in the field of water policy;

on a draft directive on waste;

on a draft regulation on the banning of exports and safe storage of mercury.

The Council reached political agreement on a draft directive including aviation activities in the greenhouse gas emission allowance trading scheme within the Community.

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- 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.
- Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
- 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 Council's Internet site or may be obtained from the Press Office.

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Minister for the Environment

**Sweden:**

Mr Andreas CARLGREN

Minister for the Environment

**United Kingdom:**

Mr Hilary BENN

Secretary of State for the Environment, Food and Rural Affairs

**Commission:**

Mr Stavros DIMAS

Member

## ITEMS DEBATED

### PROTECTION OF SOIL

In spite of various attempts by the Presidency to present compromise proposals in order to meet delegations' concerns, it was not possible, at this stage, to attain the qualified majority<sup>1</sup> needed to reach political agreement on a draft directive establishing a framework for the protection of soil.

#### *The draft directive*

Soil protection has not, to date, been subject to a specific legislative instrument at Community level.

The draft directive aims at filling this gap by establishing a common strategy for the protection and sustainable use of soil, based on the principles of integration of soil concerns into other policies, preservation of soil functions within the context of sustainable use, prevention of threats to soil and mitigation of their effects, as well as restoration of degraded soils.

Soil is a non-renewable resource and, at the same time, a system which performs functions and delivers services essential to human needs and ecosystem survival. The Commission assessment has shown that soil is currently in a degradation process that will further increase if no action is taken.

Human activity such as inappropriate agricultural and forestry practices, industrial activities, tourism or urban development can damage the capacity of soil to continue to perform in full its crucial functions.

Already in its 2002 Communication<sup>2</sup>, the Commission identified eight threats to soils: erosion, organic matter decline, contamination, salinisation, compaction, soil biodiversity loss, sealing, landslides and flooding.

In the same year, the Council underlined the need for appropriate Community action to protect soil and to provide for its sustainable use, as established in the 6th Environmental Action Programme<sup>3</sup>.

Legal basis proposed for the directive: Article 175 (1) of the Treaty – qualified majority required for a Council decision; codecision with the European Parliament applicable. The European Parliament delivered its opinion at first reading on 14 November<sup>4</sup>.

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<sup>1</sup> DE, FR, NL, AT, UK could not accept the text tabled.

<sup>2</sup> "Towards a thematic strategy on soil protection" (8344/02).

<sup>3</sup> See 10800/02, par. 8.

<sup>4</sup> 14979/07.



## **INCLUSION OF AVIATION ACTIVITIES IN THE EU ETS**

The Council reached political agreement on a draft directive including aviation activities in the greenhouse gas emission allowance trading scheme within the Community (EU ETS), on the basis of a new compromise text tabled by the Presidency.

Some of the issues solved at Council level concerned:

the starting date / number of phases of the scheme;

The Council agreed on 2012 as the sole date for all flights.

the earmarking of revenues;

It was agreed that revenues from auctioning should be used to tackle climate change.

method of allocation, including auctioning, the special reserve, *de minimis* clause, ultra-peripheral regions.

There was agreement on 10 % of allowances to be auctioned.

There will be a special reserve provided for certain aircraft operators.

The *de minimis* clause: exclusion from the scheme of flights performed by an operator operating for three consecutive four-month periods less than 243 flights per period.

Ultra-peripheral regions: exclusion of flights performed in the framework of Public Service Obligations on routes within outermost regions.

*The draft directive:*

The draft directive aims to improve the quality of the environment by reducing the growing climate change impact of aviation, through its inclusion in the EU emissions trading scheme (EU ETS). This purpose would not affect other means of addressing climate change through a comprehensive approach based on improved technology and utilisation of aircraft.

The intention of the draft directive is to cover flights which arrive at or depart from an aerodrome (including airports) situated in the territory of a Member State of the EU. Arriving flights would not be included where a third country has equivalent measures in place, such as an emissions trading system. From the outset, the draft directive covers aircraft operators irrespective of nationality.

It is also an objective of the proposal to provide a model for aviation emissions trading that can be a point of reference in the EU's contacts with key international partners and to promote the development of similar systems worldwide.

Legal basis proposed: Article 175 of the Treaty – qualified majority required for a Council decision; codecision with the European Parliament applicable. The European Parliament delivered its opinion at first reading on 13 November 2007<sup>1</sup>.

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<sup>1</sup> 14980/07.

**ENVIRONMENT AND HEALTH - Council conclusions**

Following the Commission communication on the Mid-term Review of the European Environment and Health Action Plan 2004-2010, the Council adopted the conclusions set out in document [16154/07](#), which are intended to pursue the strengthening of the integration of Environment and Health concerns in all relevant EU policies.

**OTHER BUSINESS**

## a) Proposal for a Directive on fuels

Presentation of a progress report by the Presidency (16217/07)

*The proposal for a directive to amend Directive 98/70/EC was adopted by the Commission in January 2007 with the view to reducing pollution and greenhouse gas emissions (GHG) and enable the increased use of biofuels.*

*The Council debate on 30 October 2007 showed that the majority of delegations favour the principle of setting a target for life-cycle GHG emissions, in particular citing the need for the development for sustainability criteria, a methodology for calculating life-cycle emissions, and a clarification of the relationship with the ETS.*

*Other outstanding issues under examination include: rules concerning blending of fossil fuels with biofuels; the sulphur content of gas oils for non-road mobile machinery, tractors and inland waterway vessels; and the limit value for polycyclic aromatic hydrocarbons (PAHs).*

## b) Business and biodiversity

Information from the Presidency (16224/07)

*The Business and Biodiversity High Level Conference was held in Lisbon on 12-13 November 2007, providing guidance for the future development of the EU Business and Biodiversity Initiative. The meeting paved the way for the 2010 agenda on the topic, noting the need to continue to raise awareness on competitive advantages; to promote further use of the market, corporate responsibility and regulatory schemes; to support business with operational tools and to encourage new incentives to develop public-private partnerships.*

*The commitment by the EU Commission to establish a technical facility to support the Initiative in the context of the EU objective to halt biodiversity loss by 2010 is also welcomed. The outcome of this conference will aid the future Slovenian and French Presidencies in promoting the Initiative and contribute to the upcoming CBD COP9 in Germany, and the IUCN 5th World Conservation Congress in Barcelona.*

- c) Outcome of the 13th Conference of the Parties (COP 13) to the UN Framework Convention on Climate Change (UNFCCC) and the 3rd Meeting of the Parties to the Kyoto Protocol (CMP 3) (Bali, 3-14 December 2007)

Information from the Presidency

*The UNFCCC and the 192 Parties to the Convention met in Bali from 3-15 December 2007. Participants agreed to launch negotiations with a view to a crucial and strengthened international climate change framework for the post-Kyoto period. The IPCC and its Fourth Assessment Report was recognised as the most comprehensive and authoritative assessment on the climate change process, while an agreement was made on a Bali Roadmap. The Bali Roadmap agrees on an agenda for the key issues to be negotiated up to 2009. Issues discussed included: adaptation, technology, REDD (reducing emissions from deforestation in developing countries), CDM (clean development mechanism), carbon capture and storage, and funding mechanisms. The mandates of the Least Developed Countries Expert Group and the Expert Group on Technology Transfer were also extended.*

- d) Proposal for a Directive on the protection of the environment through criminal law

Information from the Presidency/Commission (16624/07)

*A proposal for a Directive on environmental protection through criminal law was submitted by the Commission on 9 February 2007. The proposal is intended to fill a gap in the area of environmental protection through criminal law, with a more uniform level of protection throughout Europe.*

*Significant progress has been achieved on the issue, with a great deal of consensus on a majority of the Articles. Some outstanding issues should still be examined.*

- e) Proposal for a Regulation on the reduction of CO<sub>2</sub> emissions from passenger cars

Oral presentation by the Commission

*The Commission presented the proposal which it adopted on 19 December 2007.*

## f) Pesticides:

- Proposal for a Directive establishing a framework for Community action to achieve sustainable use of pesticides
- Proposal for a Regulation concerning the placing of plant protection products on the market

## Information from the Presidency

*During the second half of the year, work progressed well on these dossiers. On 17 to 19 December, the Council was able to reach political agreement on the draft directive and considered the draft regulation as the appropriate basis for the final phase of discussions.*

## g) Outcome of the meeting of the IMoSEB International Steering Committee (Montpellier, 15-17 November 2007)

## Information from the French delegation (16626/07)

*An international mechanism of scientific expertise on biodiversity (IMoSEB) was launched, similar to that for climate change, to alert and inform world opinion and decision-makers about the loss of global biological diversity.*

*The meeting of the Steering Committee for IMoSEB was held in Montpellier on 15-17 November. The Committee discussed issues surrounding the need for a better interface between the supply of scientific information and its dissemination to policymakers at global and regional levels through independent scientific expertise, increased scientific capacity, and improved communication.*

*Recommendations were made to strengthen the science-policy interface, and for the urgent consideration of establishment of a means of enhancement of existing institutions.*

*The need for convergence between the Millennium Assessment, a collective evaluation of the state of ecosystems and the IMoSEB process was recognised.*

*The Committee proposed an intergovernmental meeting of relevant stakeholders with UNEP with a view to implementing the recommendations of the meeting in Montpellier.*

h) The role of the EU in the protection of whales

Requested by the Italian delegation (16474/07)

*Italy drew attention to the issue of the moratorium on commercial whaling under the Japanese whale research programme and to other concerns expressed by Italy, other nations and worldwide organisations. The Japanese whaling fleet will continue its hunt in Antarctic waters of various whale species, one of which, the blue whale, is considered particularly endangered and protected under CITES. Italy would like to emphasize the urgent need for collaboration in urging Japan to comply with international conventions and cease the lethal aspects of its research programme, as well as encouraging nations that are not yet members of the International Whaling Commission to join it.*

i) Informal Ministerial Meeting on Territorial Cohesion and Regional Policy.  
(Ponta Delgada, Azores, 23-24 November 2007)

Information from the Presidency (16587/07)

*On 23-24 November the Ministers responsible for spatial planning and development in the European Union met to discuss and reach a common view on the issues related to territorial cohesion. The crucial role of territorial cohesion in sustainable development was recognised with spatial planning and development providing a basis for better coordination and framework. The Meeting stressed the particular importance of better integration of spatial and urban development and adopting a territorially-based approach with regard to adapting to climate change.*

*The Ministers agreed on the First Action Programme for the implementation of the Territorial Agenda of the European Union and on the process for its implementation. By agreeing on the Action Programme, they undertook:*

to cooperate on particular lines of action,

to jointly focus attention on key EU dossiers mentioned in the Territorial Agenda, and

to immediately begin the implementation of particular aspects of the Programme.

**OTHER ITEMS APPROVED****ENVIRONMENT****Water\***

The Council adopted a common position with a view to the adoption of a Directive on environmental quality standards in the field of water policy and amending Directives 82/176/EEC, 83/513/EEC, 84/156/EEC, 84/491/EEC, 86/280/EEC and 2000/60/EC (11486/07 + 15964/07 ADD 1). In the context of the co-decision procedure, the text will be sent to the European Parliament, with a view to a second reading.

Chemical pollution of surface water presents a threat to the aquatic environment with effects such as acute and chronic toxicity to aquatic organisms, accumulation in the ecosystem and losses of habitats and biodiversity, as well as threats to human health. As a matter of priority, causes of pollution should be identified and emissions should be dealt with at source, in the most economically and environmentally effective manner.

Directive 2000/60/EC<sup>1</sup> (the "water framework directive") lays down a strategy against pollution of water and requires further specific measures for pollution control and environmental quality standards (EQS). The draft Directive lays down EQS in accordance with the provisions and objectives of Directive 2000/60/EC.

**Waste\***

The Council adopted a common position on a draft directive on waste and repealing certain directives. In the context of the co-decision procedure, the text will be sent to the European Parliament, with a view to the second reading (11406/07 + 15747/07 ADD 1).

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<sup>1</sup> Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (OJ L 327, 22.12.2000, p. 1.), as amended by Decision No 2455/2001/EC (OJ L 331, 15.12.2001, p. 1).



The draft directive aims to:

- simplify and modernise the current legislation,
- implement a more ambitious and more effective waste-prevention policy,
- encourage the re-use and recycling of waste.

It provides for:

- the introduction of an environmental objective,
- clarification of the notions of recovery and disposal,
- clarification of the conditions for mixing hazardous waste,
- the introduction of a procedure for selected categories of waste to clarify when waste ceases to be waste,
- a procedure to establish technical minimum standards for a number of waste management operations,
- a new requirement to develop national waste prevention programmes.

The draft directive revises the current waste framework Directive (2006/12/EC) and integrates the Directive on hazardous waste (91/689/EEC) and the relevant obligations of the Directive on waste oils (75/439/EEC). These Directives will thus be repealed.

### **Export ban and safe storage of mercury\***

The Council adopted a common position on a draft regulation on the banning of exports and safe storage of mercury. In the context of the co-decision procedure, the text will be sent to the European Parliament with a view to a second reading (11488/07 + 15746/07 ADD 1)

The aim of the draft regulation is to contribute to the reduction of mercury levels in the environment by reducing the global supply of metallic mercury and to provide a legal framework for a sustainable solution for its surpluses.

Its key objectives are:

- to ban the export of metallic mercury from the Community;
- to ensure that the surplus of metallic mercury from main sources does not re-enter the market and is safely disposed of;
- to provide for the specific possibility of disposing of metallic mercury in dedicated facilities.

### **EXTERNAL RELATIONS**

#### **Efficiency, coherence and visibility of the European Union's external policies**

The Council took note of a report on progress made and recommendations on future work in improving the efficiency, coherence and visibility of the Union's external policies (16467/07).

#### **East Asia policy guidelines**

The Council approved guidelines on the EU's foreign and security policy in East Asia (16468/07).

The guidelines are based on the assessment that East Asia is a region of especially dynamic change in which the EU has substantial interests. They analyse the opportunities and risks for EU interests resulting from these changes. These guidelines provide a broad orientation for the EU's approach to East Asia, across the full range of its activities and, as such, are a contribution to the framework of the Common Foreign and Security Policy (CFSP) and the European Security and Defence Policy (ESDP) in the region.

**Cooperation with West Africa in the field of drugs - *Council conclusions***

The Council adopted the following conclusions:

**"The Council of the European Union,**

- EU should engage in raising higher, in the political agenda of the relationship with West Africa, the issue of drugs. For that purpose, it must work closely with the competent political organisations from the African side, namely ECOWAS and the African Union. Raising the profile of drug issues in the Council working groups on Africa could be a first step in this direction.
- EU could envisage the establishment of a matrix of possible cooperation activities with the region, in coordination with the competent bodies of ECOWAS. This should be done starting by an identification of the main cooperation priorities and major capacity deficits of the African partners.
- Coordination at EU level should be strengthened, in order to optimize the efforts of the Member States active in the region, avoid undesirable duplication and generate new synergies. For this purpose, there is a need for effective mechanisms to exchange information on who is doing what.
- EU and Member States assistance should be articulated with the action of other international organisations, such as UNODC.
- EU should engage in the drawing of a joint intelligence and law enforcement picture for the region, in order to make the most of consolidated mechanisms and frameworks (such as Europol and Frontex) and new instruments and initiatives (such as MAOC-N and the Initiative of law enforcement and intelligence cooperation between Latin America and West Africa).

- In order to achieve an effective impact, drug policies need to be closely linked to wider development programmes in the region, including good governance and security sector reform initiatives. Building credible partners (reliability pockets) is an important aspect of this integrated process.
- To ensure a balanced approach and due to the fact that drug transit countries tend to become countries of consumption, a demand reduction focus should also be developed."

### **JUSTICE AND HOME AFFAIRS**

#### **Schengen Information System - Budget**

The representatives of the Member States, meeting within the Council, adopted the multiannual table of authorised C.SIS installation expenditure (situation at 31 December 2006), the C.SIS installation and amended operating budget for 2007 and the C.SIS installation and operating budget for 2008 (14686/07+COR 1).

#### **External Borders Fund - Agreement with Norway, Iceland, Switzerland and Liechtenstein**

The Council adopted a decision authorising the Commission to open negotiations with Norway, Iceland, Switzerland and Liechtenstein with a view to concluding an agreement between the Community and those countries on supplementary rules in relation to the External Borders Fund for the period 2007-2013 as part of the general programme "Solidarity and Management of Migration Flows".

**ECONOMIC AND FINANCIAL AFFAIRS****External auditors of national central banks – Cyprus and Malta**

The Council adopted Decisions approving the appointment of PricewaterhouseCoopers Limited as the external auditor of the Central Bank of Cyprus for the financial years 2008 to 2012 (*16186/07*); and the appointment of PricewaterhouseCoopers and Ernst & Young as the joint external auditors of the Central Bank of Malta for the financial year 2008 (*16187/07 +COR 1*).

**VAT - United Kingdom - Hire of motor cars not exclusively used for business purposes**

The Council adopted a Decision authorising the United Kingdom to continue to apply a restriction (to 50 %) of the right to deduct input VAT incurred on the hire or lease of motor cars not exclusively used for business purposes (*16446/07*).

Where the right to deduct has been limited the taxable person is exempted from accounting for VAT on the private use of the vehicle.

The authorisation will expire on the date of entry into force of EU rules governing restrictions on the right to deduct in this area, but on 31 December 2010 at the latest.

This special measure is a derogation from common taxation rules.

**Reduced VAT rates\***

The Council adopted a Directive renewing temporary derogations that currently allow the Czech Republic, Cyprus, Malta, Poland and Slovenia to apply reduced VAT rates on certain services (*16172/07 and 16354/07 ADD1*).

The Directive extends certain derogations that were introduced in their Acts of Accession when the Czech Republic, Cyprus, Malta, Poland and Slovenia joined the EU in 2004. The derogations would otherwise expire at the end of 2007.

The Directive will allow, for a further period until 31 December 2010:

- the Czech Republic to apply a reduced VAT rate of 5 % to construction work for residential housing;
- Cyprus to apply a zero VAT rate to the supply of pharmaceuticals and most foodstuffs, and a reduced rate of 5 % to restaurant services;
- Malta to apply a zero VAT rate to the supply of pharmaceuticals and foodstuffs;
- Poland to apply a zero VAT rate to the supply of certain books and specialist periodicals, a reduced rate of 7 % to restaurant services, to the construction, renovation and alteration of housing, and to the supply of new residential buildings, as well as a "super" reduced rate of 3 % to the supply of most foodstuffs;
- Slovenia to apply reduced VAT rates of 8.5 % to the preparation of meals and of 5 % to construction, renovation and maintenance work for residential housing.

### **Duty-free allowances for travel from third countries**

The Council adopted a Directive regarding duty-free allowances on goods carried by persons entering the European Union from third countries (16490/07).

The new Directive will revise and replace Directive 69/169/EEC on traveller allowances, adapting it to the enlarged EU whilst restructuring it and simplifying certain provisions. It provides for an increase in duty-free allowances, in part to cater for the effects of inflation since they were last revised in 1994.

The main elements of the Directive include:

- the value limit on duty-free allowances is increased from EUR 175 to EUR 430 for air and sea travellers, and from EUR 175 to EUR 300 for travellers by land (including by inland waterways);
- Member States may apply different quantitative limits for duty-free imports of tobacco products (cigarettes, cigarillos, cigars, smoking tobacco) depending on whether they enter the EU by air (higher limit) or by land or water crossing (lower limit).

The Directive will apply as from 1 December 2008.

### **France - Taxation of unleaded petrol in Corsica**

The Council adopted a Decision authorising France to continue applying, until 31 December 2012, a reduction in the rate of taxation on unleaded petrol used as motor fuel in Corsica, with a view to partially offsetting the additional costs induced by geographical remoteness and difficulties of supply (15285/07).

## **EUROPEAN SECURITY AND DEFENCE POLICY**

### **Sudan - Darfur/Somalia - end of the EU supporting action**

The Council adopted a Joint Action repealing Joint Action 2005/557/ CFSP, by which the EU established a civilian military action to support the African Union Missions in the Darfur region of Sudan and in Somalia (AMIS/AMISOM) (16169/07).

Pursuant to United Nations Security Council Resolution 1769 (2007), the African Union/UN Operation in Darfur (UNAMID) is to take over authority from AMIS no later than 31 December 2007. Consequently, Joint Action 2005/557/CFSP will be repealed as from 1 January 2008.

## **COMMON FOREIGN AND SECURITY POLICY**

### **CFSP budget priorities for 2008 and 2009**

The Council took note of a report on priority actions for financing from the CFSP budget in 2008 and 2009 and of its recommendations.

The CFSP budget for 2008 amounts to EUR 285.25 million, subject to final approval by the budgetary authority. One of the priorities for 2008 will be the ESDP mission in Kosovo. In addition, the EU is likely to decide during 2008 on continuation and/or expansion of a number of existing activities, in particular: EU police mission in Bosnia, actions in support of the Palestinian Authority, in the Democratic Republic of the Congo, Afghanistan, Iraq, EU Special Representatives, actions in areas of non-proliferation of weapons of mass destruction (WMD) and small arms and light weapons (SALW). Furthermore, the report envisages possible new civilian crisis management operations, supporting actions, conflict prevention, EU Special Representatives and new actions on WMD and SALW.

The report also indicates envisaged priority actions for 2009, which will cover in particular activities in the fields of civilian crisis management, WMD, SALW and EU Special Representatives. Given the nature of activities under the CFSP, it is impossible to predict firm needs at this stage. The priorities will be regularly reviewed within available resources.

### **EU police mission in the Democratic Republic of the Congo**

The Council adopted a Joint Action amending Joint Action 2007/405/CFSP on the EU police mission undertaken in the framework of reform of the security sector and its interface with the system of justice in the Democratic Republic of the Congo (EUPOL RD Congo) (16226/07).

The mandate of the EUPOL RD Congo mission is amended so as to take into account the guidelines for command and control structure for EU civilian operations in crisis management approved by the Council last June.

The EUPOL RD Congo mission was launched on 1 July 2007.



## **EU Satellite Centre - Financial rules**

The Council approved revised financial rules for the EU Satellite Centre in order to take account of the changes introduced to the budgetary procedure and to improve the implementation and control of the budget of the Centre (16308/07).

## **AGRICULTURE**

### **Community plant variety right**

The Council adopted a Regulation amending Regulation (EC) No 2100/94 as regards the entitlement to file an application for a Community plant variety right (14695/07).

The Regulation is aimed at simplifying the conditions required to file an application for a Community plant variety right, in particular, by extending the existing EC system to world-wide applicants, thus aligning Regulation 2100/94 with other Community legislation and facilitating international trade.

### **Cereals – import duties**

The Council adopted a Regulation temporarily suspending customs duties on imports of certain cereals<sup>1</sup> until 30 June 2008 (15840/07).

The Commission could reintroduce these duties under certain conditions if, for one or more of these products, the FOB price Community ports is lower than 180 % of the intervention price or, if the price does not exist for the product in question, 180 % of 101,3 euros per tonne.

This decision is a response to the situation for cereals in the Community which is faced with a drop in supply (-3 %), due in particular to climatic conditions, and a strong development of global demand.

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<sup>1</sup> NC 1001 90 99, NC 1001 10, NC 1002 00 00, NC 1003 00, NC 1005 90 00 and NC 1007 00 90.

## **FISHERIES**

### **Black Sea – TAC and quotas for 2008\***

The Council adopted a Regulation fixing the fishing opportunities in the Black Sea for 2008 (*15863/07 and 16289/07 ADD 1*).

The Regulation provides for a fishing quota of 100 t for turbot and 15 000 t for sprat for vessels from Bulgaria and Romania.

These quotas and the accompanying conditions represent a first step in a longer-term policy for the sustainable exploitation of fisheries resources in the Black Sea.

The annual fishing opportunities and transitional technical measures are laid down for the first time for these two countries since their accession to the EU on 1 January 2007.

## **INSTITUTIONAL AFFAIRS**

### **Court of Justice - Rules of Procedure**

The Council approved a text of amendments to the Rules of Procedure of the Court of Justice allowing for the introduction of an urgent procedure for certain references for preliminary rulings in the area of freedom, security and justice (*15883/07 + 15886/07*).

### **Council Rules of Procedure - Weighting of votes\***

The Council adopted a Decision amending its Rules of Procedure in order to update the table on the population of EU Member States for 2008 for the purposes of qualified majority voting in the Council (*15895/07 + 15881/07ADD1*).

The Council's Rules of Procedure provide that when a Decision is to be adopted by the Council by a qualified majority, if a member of the Council so requests, there will be a check to ensure that the Member States constituting the qualified majority represent at least 62 % of the total population of the Union.

For this purpose EU population figures are updated every year in accordance with data supplied by Eurostat.

For 2008 the threshold of 62 % is established as 307 million people out of a total of 495 millions.

A qualified majority is the number of votes required in the Council for a decision to be adopted when issues are debated on the basis of article 205(2) of the EC treaty. It is set at 255 votes out of a total of 345, representing a majority of the member states.

## **RESEARCH**

### **Joint Technology Initiatives**

The Council adopted Regulations establishing the first four joint technology initiatives (JTIs) aimed at implementing research projects in the following fields:

- *Innovative medicines ("IMI")*, intended to strengthen the European pharmaceutical sector by accelerating the development of safe and more effective medicines for patients (15977/07 and 16079/07 ADD1).
- *Embedded computing systems ("ARTEMIS")*, in order to address the design, development and deployment of ubiquitous, interoperable and cost-effective electronic and software systems. (15969/07 and 16075/07 ADD1).
- *Nanoelectronic technologies ("ENIAC")*, which should address the further integration and miniaturisation of devices, whilst increasing their functionalities (15974/07 and 16077/07 ADD1).
- *Aeronautics and air transport ("Clean Sky")*, aimed at addressing the implementation of innovative environmentally friendly technologies in all segments of civil air transport (15970/07 and 1607/61/07 ADD1).

The JTIs will have the following common features:

- They will be set up under Community law as Community bodies. They will receive Community funding in order to implement research programmes, notably by awarding funding to selected projects, following publication of calls for proposals.

- They will take the form of public / private partnerships with industry having shared responsibility for the management of the joint undertakings.
- They will implement the research programmes by combining public and private funding. EU Member States and the Commission will exercise appropriate supervision over the use of public funds.
- They will have a limited duration of 10 years.
- JTIs will have legal personality and will be established on the basis of Articles 171 and 172 of the EC Treaty. They will not have the status of international organisations.

The maximum Community contribution to both the research activities and the running costs for the period up to 2013 is set at: EUR 1 billion for "IMI"; EUR 420 million for "ARTEMIS"; EUR 450 million for "ENIAC" and EUR 800 million for "Clean Sky".

The adoption of the Regulations will allow a swift start to the JTIs in early 2008.

JTIs are a major new element of the EU's 7th Research Framework Programme (FP7) for 2007–2013. They were provided for in the "Cooperation"<sup>1</sup> Specific Programme, which implements the FP7 by stimulating cooperation and reinforcing links between industry and research within a transnational framework.

JTIs provide a way of creating new partnerships between publicly and privately funded organisations involved in research, focusing on areas where research and technological development can contribute to European competitiveness and quality of life.

### **Council conclusions on Special Report No 5/2007 concerning the Commission's Management of the CARDS programme - *Council conclusions***

The Council adopted the following conclusions:

"THE COUNCIL

- (1) WELCOMES the Special Report by the Court of Auditors of 28 June 2007 on the Management of the Commission of the CARDS programme.

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<sup>1</sup> OJ L 400, 30.12.2006, p.86.

- (2) RECALLS that the overall objective of the CARDS programme was to contribute to the recipients' participation in the Stabilisation and Association Process with a view to bringing the region closer to the European Union.
- (3) NOTES WITH SATISFACTION that the Commission was successful in ensuring that aid was delivered quickly although this was sometimes at the expense of the capacity of the recipient countries to benefit from the aid. The two main management approaches used by the Commission – devolved Delegations and the European Agency for Reconstruction (EAR) – were mostly effective and appropriate. However, while recipient country ownership was considered a priority by the Commission, there was no consistent approach to achieving this aim and the management approaches used did not encourage such ownership.
- (4) AGREES with the conclusion of the Court of Auditors that the Commission's management of the CARDS programme was largely successful in contributing to stability and reconstruction in the recipient countries. However, the aid was less effective in improving administrative capacities, due to low concentration on institution building and insufficient recipient country's absorption capacity. The Commission's strategic guidance to the management of the programme was very general. This was adequate for the reconstruction phase but not for the more challenging institution building objectives.
- (5) HIGHLIGHTING the need for better coordination and efficient management of the Instrument for Pre-Accession Assistance, WELCOMES the set of recommendations of the Court for implementation of this instrument. In this context, the Commission is invited to ensure that the strategic guidance for implementing the IPA should give sufficient attention to individual areas of intervention to ensure an appropriate focus of aid, a systematic approach to key areas and an appropriate basis for prioritising and selecting projects. Focus on rapid implementation of aid should be maintained, with attention to the ability of beneficiaries to fully absorb the assistance provided. An effective strategy for ensuring recipient country ownership should be established. Finally, best practice as well as monitoring and evaluation practices should be harmonised.
- (6) NOTING the responses of the Commission, WELCOMES the fact that the Commission has taken and will continue to take the Court's recommendations fully into account in the context of IPA.
- (7) STRESSES the need for Member States to continue to be closely involved, in the context of IPA instruments, at an early stage in the programming phases."

## **CUSTOMS UNION**

### **Customs Convention on the International Transport of Goods**

The Council adopted a Decision on the position to be taken by the Community within the Administrative Committee concerning the proposal to amend the Customs Convention on the International Transport of goods under cover of TIR carnets (TIR Convention 1975).

## **TRADE POLICY**

### **New Zealand - Butter**

The Council adopted a Decision approving the conclusion of an agreement with New Zealand relating to the modification of the WTO tariff quota for New Zealand butter provided for in the EC Schedule CXL annexed to the GATT 1994 (15930/07).

## **ENLARGEMENT**

### **Croatia - Accession Partnership**

The Council reached political agreement on a Council Decision on the principles, priorities and conditions contained in the Accession Partnerships with Croatia (16478/07). This Decision is based on Council Regulation (EC) 533/2004 on the establishment of partnerships in the framework of the Stabilisation and Association Process.

The Accession Partnership is a key feature of the pre-accession strategy, identifying new as well as remaining priorities for action and providing guidance for financial assistance to the candidate country. In this manner, the Community targets its assistance towards the specific needs of each candidate so as to provide targeted support.

The Council will adopt the Decision at a later meeting, without discussion, after finalisation of the text.

## **DEVELOPMENT COOPERATION**

### **EU market access to ACP countries: Economic Partnership Agreements**

The Council today adopted a Regulation on market access, aimed at enacting the provisions of interim economic partnership agreements (EPAs) with certain African, Caribbean and Pacific (ACP) regions and states (*14970/1/07*), in the run-up to the 31 December deadline for completion of these agreements.

The market access Regulation opens duty- and quota-free access to the Community market, with improvements to the previous rules of origin provided for by the ACP-EU Cotonou partnership agreement, to those ACP states that have initialled agreements with the Community that are compatible with WTO rules.

Least developed countries (LDCs) already benefit from duty- and quota-free access to the Community under provisions introduced in 2001; the Regulation, however, brings them the benefit of improved rules of origin. Non-LDCs will benefit from better market access than before, as well as from the improved rules of origin. For non-LDCs, the danger of increased customs duties resulting from the expiry of the Cotonou trade preferences on 31 December will thus have been avoided.

The Regulation enacts into EU law commitments that the Community has made with many ACP states in recent months. These improved arrangements will apply from 1 January, with transition periods for rice and sugar.

### **European Development Fund - Contributions for 2008**

The Council adopted a Decision laying down, for the financial year 2008, the schedule of calls for contributions from the 15 EU member states previous to enlargement to the ninth European Development Fund (*15986/07*). The contributions, a total of EUR 3,2 billion, are to be paid in three instalments to the Commission and to the European Investment Bank.

The Council also adopted the Decision fixing the contribution to the first instalment for 2008 amounting to EUR 1,6 bn (*15990/07*).

**HEALTH****Framework Convention on Tobacco Control**

The Council adopted a Decision on an addition to the negotiation directives in the Council Decision authorising the Commission to open negotiations, in the context of the World Health Organisation Framework Convention on Tobacco Control, on related protocols.

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

The Council adopted a Decision appointing for the remainder of the current term of office, ending on 25 January 2010:

(a) as members:

as proposed by the Greek government

– Ms Evangelia SCHINARAKI-ILIAKI, Prefect of the city of Heraklion in Crete

as proposed by the Lithuanian government

– Mr Gediminas PAVIRŽIS, member of the council of Vilnius district municipality

as proposed by the German government

– Mr Markus SÖDER, Minister of State for Federal and European Affairs in the State Chancellery of Bavaria,



(b) as an alternate member:

as proposed by the Lithuanian government

– Mr Andrius KUPČINSKAS, Mayor of Kaunas city municipality

as proposed by the German government

– Mr Günther BECKSTEIN, First Minister of Bavaria.

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