



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from: General Secretariat
to: Working Party on Financial Agricultural Questions (AGRIFIN)
Subject: Special Report No 11/2011 from the European Court of Auditors entitled "Do the design and management of the geographical indications scheme allow it to be effective?"
- *Draft Council conclusions*

1. On 12 December 2011, the Working Party on Financial Agricultural Questions (AGRIFIN) examined Special Report No 11/2011 from the European Court of Auditors entitled "Do the design and management of the geographical indications scheme allow it to be effective?" as well as the Commission's reply to the Court's report (doc. 17245/11).
2. In the light of these discussions, the Presidency has drawn up the draft Council conclusions set out in the Annex to this Note.
3. At its next meeting on 18 January 2012, the Working Party on Financial Agricultural Questions (AGRIFIN) is invited to finalise the text of the draft Council conclusions with a view to inviting the Permanent Representatives Committee (Part 1) to suggest to the Council that it adopt them as an "A" item at a forthcoming session.

DRAFT COUNCIL CONCLUSIONS

**on Special Report No 11/2011 from the European Court of Auditors entitled
"Do the design and management of the geographical indications scheme allow it to be
effective?"**

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- (1) WELCOMES Special Report No 11/2011 from the European Court of Auditors, entitled "Do the design and management of the geographical indications scheme allow it to be effective?";
- (2) RECOGNISES the remarks concerning shortcomings in regulatory provisions and the weaknesses in the Commission's supervision of Member States' checks related to the geographical scheme;
- (3) RECOGNISES that there is a potential to attract further producers and that this is affected by lengthy procedures and a lack of awareness;
- (4) ACKNOWLEDGES that the consumer recognition of the geographical indication scheme is low;
- (5) HIGHLIGHTS the fact that the scheme is primarily an intellectual property right (IPR) registration system which is voluntary and open to any applicants who meet the criteria. Registration depends only on whether the legal criteria set by Council Regulation (EC) No 510/2006 are fulfilled;

- (6) UNDERLINES the Court's overall conclusion regarding clarification on a number of issues concerning the control system related to the GI scheme but in this context NOTES that the current regulatory system based on Regulation (EC) No 882/2004 of the European Parliament and of the Council seems to offer the necessary level of detail as regards the requirements of the GI checks and that controls are left to Member States pursuant to the principle of subsidiarity;
- (7) HIGHLIGHTS the fact that the Commission should include audits on Member States' checks of the GI scheme in its plan of regular audits in the Member States and, in this context,
- (8) NOTES that the Commission's Directorate-General for Agriculture and Rural Development and Directorate-General for Health and Consumers have agreed that the latter will include PDO/PGI-related issues in its annual audit programmes in full cooperation with the Directorate-General for Agriculture and Rural Development as from 2011;
- (9) HIGHLIGHTS the recommendation to develop a unified strategy addressing the lack of awareness of the GI scheme among both producers and consumers;
- (10) ENCOURAGES the Commission to take forward the design, development and implementation of appropriate measures to develop a unified strategy addressing the lack of awareness of the GI scheme among both producers and consumers and, as a means to achieve this objective, to improve the coordination with the Member States in this regard;
- (11) RECALLS that the survey on consumer recognition was conducted at a time when the use of the logo, or any identification of the EU PDO or PGI status on the product, was optional, as opposed to the situation as from 1 May 2009, when their use became compulsory. Many of the most famous names, having developed their own marketing identities, did not use the 'PDO' or 'PGI' identity or logo;
- (12) INVITES the Commission to pursue the promotion of European quality schemes and continue to improve the effectiveness of the geographical indications scheme.