



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 9 March 2012

7484/12

**FIN 182
AGRIFIN 38
AGRIORG 41
AGRILEG 33**

"I/A" ITEM NOTE

from: Working Party on Financial Agricultural Questions (AGRIFIN)
on: 8 March 2012
to: Permanent Representatives Committee (Part 1) / Council

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?"
- Adoption of Council conclusions

1. At its meeting 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?" (doc. 17245/11).
2. At its meeting on 8 March 2012, the Working Party on Financial Agricultural Questions (AGRIFIN) reached agreement on draft Council conclusions on the above report.
3. In accordance with the conclusions adopted by the Council on 8 May 2000 on improving the examination of special reports drawn up by the Court of Auditors, the Working Party on Financial Agricultural Questions (AGRIFIN) invites the Permanent Representatives Committee to suggest to the Council that it adopt the draft Council conclusions as set out in the Annex to this note 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?"**

THE COUNCIL OF THE EUROPEAN UNION

- (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 that there is a potential to attract further producers and that this is affected by lengthy procedures and a lack of awareness;
- (3) ACKNOWLEDGES that in the majority of Member States, the consumer recognition of the geographical indication scheme is low and RECALLS, nevertheless, 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;
- (4) ENCOURAGES therefore 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;

- (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) TAKES 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 geographical scheme;
- (7) ACKNOWLEDGES the Court's overall conclusion regarding clarification concerning the control system related to the GI scheme and specific periodic checks carried out by Member States in a limited number of cases in order to detect and suppress disallowed practices, but in general and in this context NOTES that the current regulatory system based on Regulation (EC) No 882/2004 of the European Parliament and of the Council offers 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;
- (8) 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,
- (9) 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;
- (10) INVITES the Commission to pursue the promotion of European quality schemes and continue to improve the effectiveness of the geographical indications scheme.