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President

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- 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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ITEMS DEBATED

Priorities and programme of the Romanian presidency in the field of agriculture and fisheries

In public session, the Romanian presidency presented its <u>work programme</u> and outlined its main priorities in the agriculture and fisheries sectors.

One of the main objectives of the presidency will be to manage the negotiation of the legislative package related to the reform of the Common Agricultural Policy (CAP), in the context of the 2021-2027 multiannual financial framework. Others will include bio-economy, innovation and agricultural research, plant proteins, and plant and animal health.

In the field of fisheries, the presidency will continue work on the multiannual management plans and the European Maritime and Fisheries Fund, as well as on the external dimension of the Common Fisheries Policy.

AGRICULTURE

Post-2020 Common Agricultural Policy (CAP) reform package

In public session, the Council exchanged views on the Commission proposals that form part of the CAP reform package:

_	a regulation on CAP strategic plans	(9645/18 + ADD 1)

- a regulation on the financing, managing and monitoring of the CAP (9634/18 + ADD 1)
- a regulation on common market organisation of agricultural products (<u>9556/18</u>)

In particular, ministers were invited to answer questions on the new delivery model, the agricultural reserve and financial discipline proposed in the first two regulations and the wine-related provisions proposed in the common market organisation regulation. The Commission then informed ministers about the new green architecture.

– New delivery model

Ministers welcomed the performance orientation of the proposed new delivery model set out in the proposal on CAP strategic plans, but considered that there was a need for further simplification. Ministers called on the Commission to shed light on performance indicators and the requirements for performance reporting. Misgivings were expressed regarding the proposed annual milestones for non-area-based interventions, and regarding the deadline of 15 February for the submission of the annual performance reports.

A higher tolerance margin for achieving the proposed milestones was broadly considered necessary, particularly in the first years of the policy implementation, as well as simpler requirements regarding the information to be submitted on 15 February.

– Agricultural reserve and financial discipline

Most delegations agreed that financial discipline should be triggered only as a last resort. However, they had divergent views regarding the possible roll-over of unused amounts from the current crisis reserve from the year 2020 to the new agricultural reserve in 2021, and regarding possibility to set the minimum amount of payments to which financial discipline should apply.

- Wine varieties

Member states had differing opinions on the COM proposal to allow member states and the wine sector to use varieties belonging to the species Vitis labrusca and six other previously forbidden varieties (Noah, Othello, Isabelle, Jacquez, Clinton and Herbemont), as well as on the proposal to allow hybrid varieties stemming from crosses between Vitis vinifera and other Vitis species to be given protected designations of origin (PDOs), in the same way that such hybrids can already be given protected geographical indications (PGIs).

The Commission made a presentation on the 'green architecture' for the future CAP, stressing the potential benefits for farmers and providing some specific examples of how to integrate environmental/climate interventions in the CAP strategic plans. A discussion on this subject matter will follow at a next meeting of the Council.

The Commission's proposals for a CAP reform worth €365 billion introduce a new delivery model that would give member states more flexibility in how to use their funds and allow them to tailormake their programmes. A single set of 9 EU-wide economic, environmental and social objectives will be identified at EU level and each member state will have to draw up a strategic plan covering the whole programming period, setting out how it intends to meet those objectives using direct payments, market measures and rural development. The Commission will approve each plan to ensure consistency and the protection of the single market, and will monitor member states' progress towards their objectives and targets using a set of result indicators agreed at EU level.

The Commission proposals also outline new obligations and incentives for farmers in the field of environment and climate action. Direct payments will be conditional on enhanced environmental and climate requirements and member states will have to offer eco-schemes to support farmers in going beyond the mandatory requirements, funded by a share of their national direct payments' allocations.

Moreover, the new CAP seeks to better target small and young farmers, thereby facilitating generational renewal, and to foster greater use of knowledge and innovation.

EU plant proteins plan

The Commission presented to the Council its report on the development of plant proteins in the European Union. The report, adopted in November 2018, reviews the supply and demand situation regarding plant proteins (such as rapeseed, sunflower seeds and lentils) in the EU and explores ways to further develop their production in an economically and environmentally sound way (14681/18).

Delegations broadly welcomed the Commission report on plant proteins and considered that it encompassed all the key actions to promote the development of plant proteins in the EU and reduce dependence on imports. In member states' view, focusing more on research, technology and innovation could be one way of supporting the growth of protein production, together with establishing an EU-level information platform and increasing consumer awareness.

While some delegations highlighted the positive effect of growing plant proteins on the environment, others warned against the indirect environmental effects of importing plant proteins, e.g. deforestation.

Some of the CAP instruments (e.g. promotion measures, knowledge sharing, producer organisations, eco-schemes) were considered necessary tools to support the development of plant protein production in the EU. In this respect, the flexibility granted to member states to define their own CAP strategic plans in the future was welcomed by many. However, delegations had divergent views as to the appropriateness of using voluntary coupled support as a way to reduce the EU's plant protein deficiency.

The development of plant proteins in Europe is one of the priorities of the Romanian presidency.

ANY OTHER BUSINESS

– Establishment of an International Centre for Antimicrobial Resistance Solutions

The Danish delegation informed the Council about the new International Centre for Antimicrobial Resistance Solutions (ICARS), which would be set up in Copenhagen in 2019 with the aim of strengthening global governance in the fight against antimicrobial resistance (AMR), with a particular focus on the practical challenges in low- and middle-income countries.

Several delegations welcomed the Danish initiative and stressed the need for international cooperation. The Commission also welcomed the establishment of ICARS and stressed that synergies with international organisations could be explored, while avoiding any duplication of initiatives.

- Outcome of the ministerial conference 'Eradication of African swine fever in the EU and the long-term management of wild boar populations', Brussels, 19 December 2018

The Commission informed the Council about the outcome of the above-mentioned conference, which was organised in the margins of the December meeting of the Agriculture and Fisheries Council.

The ministerial conference offered an opportunity to reflect on the issue in question from an agricultural and environmental perspective, and aimed to promote more effective preparedness, in particular in parts of the EU that are currently free of African swine fever (ASF). The conference emphasised potential solutions for long-term management of wild boar populations, including appropriate reduction through better cooperation and coordination between veterinary services, farmers, forestry management bodies and hunters.

The delegations that took the floor welcomed the outcome of the conference. They also showed a high level of awareness of the risks related to ASF and readiness to step up cooperation to prevent further spread of the disease.

- Dual quality of foodstuffs

On behalf of Bulgaria, Croatia, the Czech Republic, Hungary and Poland, Slovakia requested an update from the presidency and the Commission on the state of play regarding the dual quality issue.

The issue of dual quality concerns products with the same name and labelling that are sold in different EU countries, often by the same producer, but that have different composition and quality.

The Commission presented the state of play with regard to the examination of the proposal for a directive on better enforcement and modernisation of EU consumer protection rules ('Unfair Commercial Practices Directive'), within the context of the 'New deal for consumers' package, which is under discussion within the Competitiveness Council. The Commission also recalled its initiatives in the field of testing, as carried out by the Joint Research Centre (JRC).

Delegations that took the floor restated the importance of the actions undertaken by the Commission and the JRC and particularly the need for a legislative approach.

– Rural development and the multiannual financial framework (MFF)

Slovenia outlined the common position of 17 member states (Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Finland, Greece, Hungary, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Slovakia and Slovenia) on rural development (RD) in the context of the next MFF.

The member states concerned defined the proposed cut in the RD budget as "extremely worrying and inconsistent" and called for the current level of EU funding to be maintained, especially considering the more demanding objectives proposed in the new CAP.

This item was discussed jointly with the post-2020 Common Agricultural Policy (CAP) reform package.

OTHER ITEMS APPROVED

FOREIGN AFFAIRS

Sanctions on persons responsible for the misappropriation of state funds in Tunisia

The Council extended until 31 January 2020 a freeze on the assets of persons deemed to be responsible for the misappropriation of state funds in Tunisia and those persons and entities associated with them. After reviewing the sanctions list, the Council also decided to remove one person. This brings the total number to 47 persons targeted by restrictive measures in view of the situation in Tunisia.

The sanctions were initially introduced on 31 January 2011, targeting former president Zine El Abidine Ben Ali, his wife and 46 other persons. Those restrictive asset-freezing measures have been renewed every year since 2011.

Delegation of the EU to Tunisia

Euro-Mediterranean agreement with Morocco

The Council adopted a decision concluding the agreement on the extension of tariff preferences in the Association Agreement with Morocco to the Western Sahara, following the European Parliament's consent to the modification to the agreement on 16 January 2019.

The modification to the agreement complies with European Court of Justice's ruling on the liberalisation agreement on agricultural and other products of 21 December 2016. It will ensure that products from Western Sahara can be exported to the EU with trade preferences and thus promote the development of Western Sahara.

Delegation of the EU to Morocco

JUSTICE AND HOME AFFAIRS

Schengen evaluation: Latvia

The Council adopted an implementing decision setting out a recommendation on addressing the deficiencies identified in the 2018 evaluation of **Latvia** with regard to the application of the Schengen acquis in the field of the **Schengen Information System.** (5798/19)

INTERNAL MARKET AND INDUSTRY

Tariff rate quotas after UK withdrawal

The Council endorsed the European Parliament's position at first reading regarding the proposed regulation. The regulation is therefore adopted.

The regulation sets the tariff rate quotas that the EU will apply in respect of a number of agricultural, fish, industrial and processed agricultural products after the UK's withdrawal from the EU. (PE-CONS 71/18)

Caller location from mobile devices

The Council decided not to object to a Commission regulation setting out the obligation for smartphone manufacturers to ensure the reception and processing of Wi-Fi data and of GNSS location information compatible and interoperable with at least the Galileo system, and to make that information available for transmission in emergency communications.

The regulation is a delegated act pursuant to article 290 of the Treaty on the Functioning of the EU. It can now enter into force, unless the European Parliament objects. (15674/18)

Type-approval of motor vehicles

The Council decided not to object to a Commission regulation updating the lists of international standards adopted by the United Nations Economic Commission for Europe (UNECE). These standards are intended to remove technical barriers to trade in motor vehicles and to ensure that such vehicles offer a high level of safety and environmental protection.

The regulation is a delegated act pursuant to article 290 of the Treaty on the Functioning of the EU. It can now enter into force, unless the European Parliament objects. (15054/18 + 15054/18 ADD 1)

TRADE

EU-China relations

The Council adopted a decision on the conclusion of an agreement between the EU and China in connection with a dispute and settlement case related to measures affecting tariff concessions on certain poultry meat products.

In April 2015, China requested consultations with the EU regarding measures to modify the EU tariff concessions on certain poultry meat products, which it claimed were inconsistent with some GATT provisions. On 12 March 2018, the Council authorised the Commission to open negotiations on a mutually agreed solution with China in connection with these proceedings. The negotiations have been concluded and an agreement was initialled on 18 June 2018. (10883/18)

EU-Japan economic partnership agreement

The Council adopted a decision on the position to be taken on behalf of the EU within the working group on wine established by an agreement between the EU and Japan in the framework of their bilateral economic partnership agreement. The decision concerns the forms to be used for certificates for the import of wine products originating in Japan into the EU and the arrangements for self-certification, in order to simplify the process of importing wine products originating in Japan.

The first meeting of the working group on wine will take place on 1 February 2019, which will be the day of entry into force of the EU-Japan economic partnership agreement. (15724/18)

ENVIRONMENT

Carbon capture and storage and innovative renewable energy technologies

The Council adopted conclusions on the European Court of Auditors' special report entitled 'Demonstrating carbon capture and storage and innovative renewables at commercial scale in the EU: intended progress not achieved in the past decade' (CoA SR No 24/2014) (5367/19).

THE COUNCIL OF THE EUROPEAN UNION:

- WELCOMES the Special Report No. 24/2018 by the European Court of Auditors entitled: 'Demonstrating carbon capture and storage and innovative renewables at commercial scale in the EU: intended progress not achieved in the past decade';
- TAKES NOTE of the conclusions and recommendations of the Special Report and ACKNOWLEDGES their importance in view of the rules to be adopted pursuant to Article 10a(8) of the ETS Directive for the operation of the Innovation Fund during the next phase of the EU Emissions Trading Scheme (EU ETS) from 2021 to 2030; LOOKS FORWARD to further discussion among Member States and other stakeholders in that context;
- 3. RECOGNISES that neither the NER300 programme under the EU ETS nor the European Energy Programme for Recovery (EEPR), which were both established in 2009, achieved the intended progress in supporting the demonstration of a wider range of innovative renewable energy technologies and carbon capture and storage (CCS) projects; AGREES with the conclusion that in many cases this was due to the adverse investment conditions from 2012 onwards, and with the finding that the lower than expected carbon market price after 2011 was a key factor in the failure of CCS projects; further AGREES with the conclusion that there were design features in the NER300 which could have been improved;
- 4. UNDERLINES the importance of enhanced EU support for a wide range of innovative, safe and sustainable low-carbon technologies, including for electricity and heat generation and management and for industrial processes and products, in the context of efforts to achieve the objectives of the Union's 2030 climate and energy policy framework as well as the long-term objectives expressed in the Paris Agreement, and in light of the ongoing discussions on an EU long-term climate strategy, taking into account the national plans;

- 5. EMPHASISES the need to increase the potential for effective EU support for projects with a considerable impact on achieving emission reductions, taking into account national circumstances and geographical balance among Member States;
- 6. SUPPORTS the Commission in its efforts, together with Member States, to improve the project selection and decision-making procedures of the Innovation Fund as compared to NER300 taking account of lessons learned, and to ensure that the Fund has sufficient flexibility to respond to external developments as well as clear accountability provisions; Moreover, without prejudice to ongoing negotiations on the new multiannual financial framework, ENCOURAGES efforts to improve coordination and seek synergies, where possible and appropriate, between the different financial instruments at EU and Member State level that are available to support safe and sustainable low-carbon innovation in the EU.

Export and import of hazardous chemicals: updated list of chemicals

The Council decided not to raise any objections to the Commission Delegated Regulation (EU) .../... of 11 December 2018 amending Annexes I and V to Regulation (EU) No 649/2012 of the European Parliament and of the Council concerning the export and import of hazardous chemicals (5314/19, 15482/18 + 15482/18 ADD 1).

At least once a year, the Commission is required to review, on the basis of developments in Union law and under the Rotterdam Convention, the list of chemicals in Annex I to Regulation (EU) No 649/2012 of the European Parliament and of the Council concerning the export and import of hazardous chemicals. In addition, decisions were taken at the eighth Conference of the Parties to the Stockholm Convention to include further chemicals in Annex A to the Convention. Those regulatory actions and decisions should be reflected in Annexes I and V.

The changes concern the following substances: amitrole, beta-cypermethrin, DPX KE 459 (flupyrsulfuron-methyl), iprodione, linuron, orthosulfamuron, picoxystrobin, triasulfuron, isoproturon, maneb, fipronil, carbofuran, trichlorfon, short-chain chlorinated paraffins, tributyltin compounds, and mixtures of metallic mercury with other substances.

The Commission regulation is subject to the so-called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt the regulation unless the European Parliament objects.