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'I/A' ITEM NOTE

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| From: | General Secretariat of the Council |
| To: | Permanent Representatives Committee/Council |
| Subject: | European Court of Auditors' Special Report No 09/2023: Securing agricultural product supply chains during COVID-19: EU response was rapid, but insufficiently targeted by member states - <i>Approval of draft Council conclusions</i> |

1. The Permanent Representatives Committee instructed the Working Party on Financial Agricultural Questions (WP AGRIFIN) to examine the above-mentioned Special Report in accordance with the rules laid down in the Council conclusions of 8 May 2000 on improving the examination of special reports drawn up by the Court of Auditors (doc. 7515/00 + COR 1).
2. At its meeting on 16 June 2023, WP AGRIFIN discussed the above-mentioned Special Report as well as the Commission's replies to that report.
3. In the light of those discussions, the Presidency drew up draft conclusions (doc. 13396/23) and presented them at the meeting of the WP AGRIFIN on 20 October. The draft conclusions were acceptable to delegations.

4. In accordance with the Council conclusions of 8 May 2000, the Permanent Representatives Committee is hereby invited to suggest to the Council that it approve the draft Council conclusions, as set out in the Annex to this note, as an 'A' item at a forthcoming session.
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Final draft Council conclusions

European Court of Auditors on its Special Report 9/2023 entitled:

“Securing agricultural product supply chains during COVID-19: EU response was rapid, but insufficiently targeted by Member States”

THE COUNCIL OF THE EUROPEAN UNION

1. NOTES the Court's Special Report No 09/2023 entitled “*Securing agricultural product supply chains during COVID-19: EU response was rapid, but insufficiently targeted by Member States*”, which assesses whether the EU response to the threat posed to agricultural supply chain by the pandemic was appropriate;
2. TAKES NOTE of the Court's conclusion that the Commission’s response to the threat posed to agricultural supply chains by the COVID-19 pandemic was generally appropriate but insufficiently targeted and WELCOMES the recommendation to the Commission to propose clear rules and share good practice to improve the targeting of CAP measures, which the Commission accepts;
3. RECALLS that the Commission and Member States share management of measures in favour of the agri-food sector and that Member States select beneficiaries and implement the measures proposed by the Commission;
4. EMPHASIZES the need for flexibility in targeting of CAP crisis measures in a context of uncertainty and for allowing Member States to propose solutions targeted to their specific conditions in line with the principle of subsidiarity;
5. UNDERLINES the importance of ensuring that EU extraordinary measures undertaken in times of crisis are in line with the principles of open and free competition throughout the EU and EMPHASISES that, even in emergency situations, the granting of State aid should neither cause any market or competition distortion, nor result in overcompensation;

6. WELCOMES the creation of the European Food Security Crisis preparedness and response Mechanism to ensure coordination and better preparedness in times of crisis;
 7. WELCOMES the Commission's intention to facilitate the exchange of best practices and lessons learnt from the implementation of Covid-19 crisis measures with a view to assisting Member States and allowing for better targeting of support in future crisis situations.
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