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'I/A' ITEM NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	European Court of Auditors' Special Report No 23/2023: Restructuring and planting vineyards in the EU: Unclear impact on competitiveness and limited environmental ambition <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 20 October 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. 15400/23) and submitted them to delegations for an informal written consultation. Based on the comments received, the Presidency amended the draft conclusions, as set out in the Annex, and presented them at the AGRIFIN meeting on 1 December. The amended 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 Special Report 23/2023 entitled:*****“Restructuring and planting vineyards in the EU: Unclear impact on competitiveness and limited environmental ambition”*****THE COUNCIL OF THE EUROPEAN UNION**

1. NOTES the Court's Special Report No 23/2023 entitled *“Restructuring and planting vineyards in the EU: Unclear impact on competitiveness and limited environmental ambition”*, which examines the extent to which the EU restructuring and conversion measure (“the measure”) and the vine planting authorisations scheme (“the scheme”) helped to make wine growers more competitive and wine production more environmentally sustainable;
2. UNDERLINES that, as noted in the Court’s Special Report, the EU, with 2.2 million wine holdings covering about 2 % of the EU’s utilised agricultural area (46% of world’s total) and representing 7.5% of the value of EU agricultural production, is the world’s leading producer (59% of world’s total), consumer (48% of world’s total) and exporter of wine (67% of world’s total);
3. BELIEVES that the measure enables the European wine sector to develop modern production tools in response to market expectations and international competition and to supply consumers with quality products; ALSO BELIEVES that the scheme provides an appropriate and dynamic tool for the controlled growth of EU vineyards;
4. AGREES with the Commission that, as compared to the data used for the period 2014-2022 as a basis for the Court’s special report, the new legal framework, under which sectoral interventions for wine can be implemented as from 1 January 2024 in accordance with the national CAP Strategic Plans under the new Common Agricultural Policy (CAP), represents a considerable improvement in terms of objectives pursued and implementation modalities;

5. CONSIDERS that in the CAP for the period 2023-2027, the intervention for the wine sector is aimed at increasing competitiveness and sustainability in all its dimensions (economic, environmental and social) with overall more ambitious objectives as compared to the previous programming period;
6. WELCOMES the fact that the European Commission accepts the Court's recommendations that, to better target the measure and the scheme, the Commission could:
 - clarify what the competitiveness of EU wine producers entails,
 - inform Member States when the measure does not effectively contribute to the competitiveness objective, and
 - facilitate the exchange of good practices among Member States about the implementation of the measure and scheme;
7. Also WELCOMES the Commission's acceptance of the Court's recommendations that, to increase the environmental ambition of EU wine policy and in line with the general ambition for a greener Common Agricultural Policy (CAP), the Commission could:
 - assess whether the minimum 5% share of earmarked wine expenditure on the climate and the environment is appropriate,
 - facilitate the exchange of best practices and disseminate the results of the measure for the protection of the environment,
 - assess the extent to which the scheme impacted the environment, and
 - inform Member States when the measure does not effectively contribute to the environmental objective.
