PRESS RELEASE

2608th Council Meeting

General Affairs and External Relations

General Affairs

Luxembourg, 11 October 2004

President Mr Bernard BOT
Minister for Foreign Affairs of the Netherlands

* The 2609th meeting on External Relations is the subject of a separate press release (12770/04).
Main results of the Council

The Council welcomed progress made in several areas in the implementation of the EU Action Plan for combating terrorism, while noting that significant steps still needed to be taken by the EU and its Member States to adhere to the commitments made under the plan.

The Council decided to tighten restrictive measures against the regime in Burma/Myanmar, in the light of the lack of progress on democracy- and human rights-related benchmarks identified by the EU in the run-up to the 8 October ASEM Summit in Hanoi. The measures include an expanded visa ban and a prohibition on making financial loans or credits available to, and acquiring or extend a participation in named Burmese state-owned companies.

In the field of the European Security and Defence Policy (ESDP), the Council extended the EU Police Mission in the former Yugoslav Republic of Macedonia (EUPOL PROXIMA) for another 12 months and adopted the Operational Plan for Operation ALTHEA in Bosnia and Herzegovina.
CONTENTS

PARTICIPANTS

ITEMS DEBATED

PREPARATION OF THE EUROPEAN COUNCIL

TERRORISM - Council Conclusions

EU ENLARGEMENT

EU FINANCIAL FRAMEWORK FOR 2007-2013

OTHER BUSINESS

OTHER ITEMS APPROVED

EXTERNAL RELATIONS

EUROPEAN SECURITY AND DEFENCE POLICY

INSTITUTIONAL AFFAIRS

1 Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.

2 The documents whose references are given in the text are available on the Council's Internet site http://ue.eu.int.

3 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 abovementioned Council Internet site or may be obtained from the Press Office.
**TRADE POLICY**

- Croatia - Protocol on trade - EU enlargement .............................................................. 18
- Iceland - Agricultural products ................................................................................. 19
- Uzbekistan - Textiles ................................................................................................. 19
- Belarus - Textiles ....................................................................................................... 19
- External Trade - Doha Development Agenda - Council Conclusions ..................... 19
- Generalised System of Preferences - Council Conclusions ........................................ 20

**GENERAL AFFAIRS**

- Work in the various Council configurations ................................................................. 22

**FISHERIES**

- Protection of coral reefs - Extension of the number of days at sea* .............................. 22
PARTICIPANTS

The Governments of the Member States and the European Commission were represented as follows:

**Belgium:**
- Mr Karel DE GUCHT, Minister for Foreign Affairs
- Mr Didier DONFUT, State Secretary for European Affairs

**Czech Republic:**
- Mr Cyril SVOBODA, Deputy Prime Minister and Minister for Foreign Affairs

**Denmark:**
- Mr Per Stig MOLLER, Minister for Foreign Affairs

**Germany:**
- Mr Joschka FISCHER, Federal Minister for Foreign Affairs and Deputy Federal Chancellor

**Estonia:**
- Ms Kristiina OJULAND, Minister for Foreign Affairs

**Greece:**
- Mr Petros MOLYVIATIS, Minister for Foreign Affairs

**Spain:**
- Mr Miguel Angel MORATINOS, Minister for Foreign Affairs and Cooperation
- Mr Alberto NAVARRO, State Secretary for the European Union

**France:**
- Ms Claudie HAIGNERÉ, Minister with responsibilities for European Affairs, attached to the Minister for Foreign Affairs

**Ireland:**
- Mr Dermot AHERN T.D., Minister for Foreign Affairs

**Italy:**
- Mr Franco FRATTINI, Minister for Foreign Affairs

**Cyprus:**
- Mr George IACOVOU, Minister for Foreign Affairs

**Latvia:**
- Mr Artis PABRIKS, Minister for Foreign Affairs

**Lithuania:**
- Mr Oskaras JUSYS, Permanent Representative

**Luxembourg:**
- Mr Jean ASSELBORN, Deputy Prime Minister, Minister for Foreign Affairs and Immigration
- Mr Nicolas SCHMIT, Minister with responsibility for Foreign Affairs and Immigration

**Hungary:**
- Mr László KOVÁCS, Minister for Foreign Affairs

**Malta:**
- Mr Michael FRENDO, Minister for Foreign Affairs

**Netherlands:**
- Mr Bernard BOT, Minister for Foreign Affairs
- Ms Anna Maria Agnes van ARDENNE-van der HOEVEN, Minister for Development Cooperation

**Austria:**
- Mr Gregor WOSCHNAGG, Permanent Representative
Poland:
Mr Włodzimierz CIMOSZEWICZ Minister for Foreign Affairs

Portugal:
Mr António MONTEIRO Minister for Foreign Affairs and Portuguese Communities Abroad

Slovenia:
Mr Ivo VAJGL Minister for Foreign Affairs

Slovakia:
Mr Eduard KUKAN Minister for Foreign Affairs
Mr József BERÉNYI State Secretary at the Ministry of Foreign Affairs

Finland:
Mr Erkki TUOMIOJA Minister for Foreign Affairs

Sweden:
Ms Laila FREIVALDS Minister for Foreign Affairs

United Kingdom:
Mr Jack STRAW Secretary of State for Foreign and Commonwealth Affairs
Mr Denis MacSHANE Minister of State for Europe

Commission:
Mr Chris PATTEN Member
Mr Günter VERHEUGEN Member
Mr Poul NIELSON Member
Ms Michaele SCHREYER Member

Council Secretariat:
Mr Javier SOLANA Secretary-General/High Representative for the CFSP
ITEMS DEBATDED

PREPARATION OF THE EUROPEAN COUNCIL

The Council examined an annotated draft agenda prepared by the Presidency for the European Council to be held in Brussels on 5 November. It will prepare the European Council in greater detail at its meeting on 2 November, on the basis of an updated version of the annotated draft agenda.

The document sets out the main items to be addressed, namely:

- Economic issues. The European Council will hear a presentation by Mr Wim Kok, chairman of a high-level group advising the Commission on the preparation of the mid-term review of the economic reform strategy laid down at Lisbon in March 2000. It will also take note of work on a methodology for assessing the burden on businesses of legislation and regulation.

- Justice and home affairs. The European Council is expected to adopt a new multi-annual agenda for the EU's area of freedom, security and justice.

- EU communication strategy. The European Council will examine how better to communicate to the public on the EU's work and its relevance to people's daily lives.

- EU enlargement. The President of the Commission will present a number of policy documents regarding Bulgaria, Romania, Croatia and Turkey's applications to join the EU.

- External relations. Conclusions are expected on the EU's relations with third countries and on its Common Foreign and Security Policy and European Security and Defence Policy.

Work is due to be carried out on most of these items in the Council configurations concerned, and the Presidency will draw on this when preparing draft European Council conclusions.

The European Council will also meet for the first time Mr Josep Borrell, the new President of the European Parliament, for an exchange of views.
TERRORISM - Council Conclusions

The Council adopted the following conclusions:

"The Council took note of the report of the High Representative on the progress in the implementation of the EU Action Plan for Combating Terrorism that was adopted by the June European Council and the work of the EU Counter Terrorism Coordinator in that respect.

The Council welcomed the progress that has been made and underlined the need to pursue efforts in various areas, in particular the improvement of exchange of information between the strengthened EU SitCen, Intelligence/Security Services of the Member States and Europol, the re-installing of the Anti-terrorism Task Force at Europol, the evaluation of Member States’ national structures to combat terrorism, the setting up of the European Border Management Agency, the inclusion of biometrics in passports and the prevention of financing of terrorism. The Council also took note of the additional contributions from Member States in the fight against terrorism.

The Council welcomed the new focus of the external policies of the EU in counter terrorism, which have given greater visibility to the commitment of the European Union in the fight against terrorism and have been instrumental in deepening cooperation with the Union’s main partners while contributing as well to reinforcing the central role of the UN in the international community’s efforts against terrorism. The Council reiterated its conviction that in order to be effective in the long run the Union’s response to terrorism must also address the underlying factors to terrorism and must strive to contribute to the protection and promotion of democracy, human rights and freedoms and resolution of regional conflicts as well as the economic and social problems in the world.

The Council noted, however, that significant steps still need to be taken by the EU and its Member States to adhere fully to the commitments that have been made in the EU Action plan for Combating Terrorism. In this regard the Council urged Member States to finalize within the deadlines set in the Action Plan on Combating Terrorism implementation of the relevant EU/EC legislation (in particular the Framework Decision of 13 June 2002 on the European Arrest Warrant and the Framework Decision of 13 June 2002 on Joint Investigation Teams) as well as the ratification of the relevant conventions (in particular the 2000 Mutual Legal Assistance Convention and its 2001 Protocol, the three Protocols to the Europol Convention as well as all 12 UN Conventions against terrorism). In that respect the Council also welcomed the adoption of UNSCR 1566 that was proposed by the Russian Federation after the horrendous terrorist attack in Beslan, as a useful additional tool in our common fight against the scourge of international terrorism.
The Council welcomed the important work of the EU Counter Terrorism Coordinator and urged him to follow closely the implementation of measures that have been decided upon. The Council called on the relevant bodies of the Council to take forward discussions on the other measures identified by the European Council to prevent and counter terrorism, for example on the improvement of exchange of information between Member States and Europol and Eurojust, measures aimed at enhancing EU capabilities to deal with the consequences of a terrorist attack, the Directive on Combating Money Laundering and Terrorist Financing, the Regulation on Controls on Cash Movements and the comprehensive strategy on the prevention of terrorist financing with a view to achieving significant progress on these issues before the European Council in December.

The Council decided to continue to monitor progress closely with a view to taking stock of progress being made at the European Council in December."
EU ENLARGEMENT

The Council took note of a presentation by Commissioner Günter Verheugen of the Commission's Recommendation on the start of accession negotiations with Turkey, the 2004 Regular Report and Issues Paper on Turkey, the Strategy Paper on progress in the enlargement process, including Croatia, as well as the 2004 Regular Reports on Bulgaria and Romania.

The Council welcomed these documents at a crucial time ahead of the decisions to be taken by the European Council in December. It took note of the comments of delegations and concluded that discussion on these documents will continue in the relevant Council bodies. The outcome of these discussions will flow into the preparation of the European Council on 17 December.

At its meeting on 17 and 18 June, the European Council confirmed in particular its intention to decide in December whether to open negotiations with Turkey, on the basis of the Commission's report and recommendation, provided that Turkey fulfils the criteria it set at Copenhagen in June 1993. These include institutional stability, democracy, the rule of law, human rights and respect for and protection of minorities.
EU FINANCIAL FRAMEWORK FOR 2007-2013

The Council took note of the state of discussions on the financial perspectives and heard a presentation by the Commission on its proposals for financing in the field of external relations.

At its meeting on 13 September, the Council endorsed the methodology proposed by the Presidency for work on the financial framework - the so-called building block approach - focusing on the various expenditure headings and sub-headings and the amount of resources they entail. It noted the global nature of the negotiations and that the Commission proposals remain the basis for the Council's work.

The Presidency's aim, in accordance with the timeframe envisaged in the Council's multi-annual strategic programme, is to make it possible for the European Council to reach decisions at its meeting on 17 December on principles and guidelines in respect of the new financial perspective. The agreed principles and guidelines will serve as a framework for further work aimed at achieving political agreement next year.

The Council in its General Affairs configuration, as the preparatory body for the European Council, has responsibility for the conduct of work on the financial framework. Discussion in other Council configurations will not prejudice the outcome of that debate, although the particular interest of the Economic and Financial Affairs Council is recognised.
OTHER BUSINESS

– *The Euro*

The Council held a brief discussion on the spelling of the Euro in EU legislative texts.
OTHER ITEMS APPROVED

EXTERNAL RELATIONS

International Criminal Tribunal for the former Yugoslavia - Freezing of funds

The Council adopted a Common Position and a Regulation freezing all funds and economic resources belonging to persons indicted by the International Criminal Tribune for the former Yugoslavia (8320/1/04 + 12477/04).

The freezing of funds will apply to Ante Gotovina, Radovan Karadzic and Ratko Mladic, all three indicted by ICTY. The Common Position and the Regulation are aimed at implementing UN Security Council Resolution 1503 (2003) which calls on all States to intensify cooperation with and render all necessary assistance to ICTY.

Burma/Myanmar

The Council recalled its conclusions of the meeting on 13 September 2004 when it stated that it would take action at its subsequent meeting if the Burmese Government had not fulfilled the three conditions set at the Gymnich meeting in Tullamore in April 2004 by the time of the Asia-Europe (ASEM) Summit.

The Council determined that none of the the three conditions have been met. Daw Aung San Suu Kyi remains under house arrest, the National League for Democracy continues to face harassment and the National Convention has not been allowed a genuine open debate.

As a result, the Council reached political agreement that the European Union will maintain the existing measures against the military regime in Burma, and tighten them. It will do so by expanding the visa ban list to include serving members of the military rank of Brigadier-General and above and the members of their families, and by a prohibition on making financial loans or credits available to, and acquiring or extend participation in listed Burmese state-owned enterprises.

The Council reconfirmed the other measures provided for in its conclusions of 13 September, including expansion of assistance to the people of Burma in various fields.
Angola - Renewal of Common Position

The Council agreed to maintain Common Position 2002/495/CFSP on Angola for another year and to uphold conclusions it adopted on 13 October 2003 (13817/03).

EU-India Strategic Partnership - Council Conclusions

The Council adopted the following conclusions:

"1. The Council welcomed the thorough and comprehensive Communication from the Commission on an EU-India Strategic Partnership. The Council fully supports the overall objectives of the Communication and will work with the Commission towards their implementation.

2. The Council notes with satisfaction that in recent years, notably since the first EU-India Summit in Lisbon 2000, the relationship between the European Union and India has developed fast and substantially. The Council recalls the ambition of the European Security Strategy to move towards a strategic partnership with India, taking into account the country's role in international relations.

3. The Council welcomes the reaction that the Indian Government has formulated in response to the Commission's Communication. The Council stands ready to launch in the near future the elaboration together with India of a comprehensive EU-India Action Plan and a new joint EU-India Political Declaration for approval at the next Summit meeting.

4. The Council shares the Commission's analysis that there is great potential for developing the substance of the EU-India relationship in several key areas. Accordingly, the Council endorses the priorities set out in the Communication:

   – strengthening the economic partnership and boosting trade and investment, including through better market access and continued economic reform;

   – working towards more effective EU-India cooperation in the UN and other multilateral fora, including on conflict prevention and post-conflict reconstruction;

   – increasing cooperation on non-proliferation of weapons of mass destruction and their means of delivery, and on the fight against terrorism and organized crime;
– pursuing the dialogue on democracy and human rights in a mutually respectful and constructive manner;

– deepening the cultural relations, based on expanding people-to-people contacts;

– promoting sustainable development and the good management of globalisation;

– supporting India's achievement of the Millennium Development Goals through a more focussed development cooperation;

– reinforcing the dialogue on all aspects of international migration.

5. The Council confirms the essential interest of a stable, peaceful and prosperous South Asia. The Council emphasises the importance that the EU attaches to closer dialogue and cooperation with India in addressing regional crisis situations. The EU should reflect on developing a strategic approach to the region that would contribute to peace, security and prosperity and support regional integration. The Council reiterates the value, which it attaches to an invigorated SAARC as a motor for regional integration and stability in the sub-continent.

6. The Council notes with satisfaction that the EU and India share a vision of economic development rooted in the wider society. It points out that the EU and India have much to gain from working together to tackle the challenges of sustainable economic reform, while ensuring that our societies' values are maintained.

7. The Council welcomes the pledge of the Indian Government to pursue economic reform with vigour. The Council reiterates the EU’s firm intention to continue and extend the already existing dialogue in strategic sectors across a range of areas. Furthermore the dialogue on regulation and cooperation in research and the promotion of mutual business interests should be enhanced. The Council supports the Commission's proposal that the EU should seek to achieve greater convergence with India on the key issues crucial to a positive conclusion of the Doha Development Agenda.

8. The Council acknowledges the need to ensure that the competitiveness of our economies will continue to be enhanced. The best way to achieve this on a sustained basis is by investing in innovation and research. Many targets, which the EU has set itself in the area of research (eg. information technology, sustainable development, biotechnology) are areas where India has proven expertise. The Council invites the Commission to look at how we can enhance EU-India collaboration in science and technology. The Council emphasises the importance of cooperation on climate change and energy efficiency.
9. The Council notes that the fight against poverty is at the top of the agenda for the Government of India. Despite impressive economic growth in the last years, around 300 million people live below the internationally agreed poverty line. The benefits of India's rapid economic development should be spread more equitably between all Indian states.

10. The Council supports the Commission's intention in making social and economic cohesion a possible priority topic in its future development strategy for India.

11. The Council recalls the European Union's commitment to strengthening the role of the UN and notes with satisfaction that India shares this goal. The Council supports the reinforcement of the dialogue between the EU and India on major issues related to the UN, with the aim of reinforcing the United Nations and developing an effective multilateralism, and with a view to coordinate and harmonise positions in the preparation, negotiation and implementation of major multilateral conventions and conferences on security, trade, environment, development, human rights and cultural affairs. The Council endorses the proposal to engage India with a view to establishing a more regular and formalised cooperation on conflict prevention and post-conflict reconstruction and peace building efforts and would like to take this matter forward.

12. The Council recalls that in January 2003 in Athens the EU and India agreed on a format for a dialogue on human rights and supports the initiatives which have been undertaken by the EU Heads of Mission in New Delhi together with the Indian Government. The EU considers it important to develop cooperation with India also in multilateral human rights fora and on thematic issues.

13. Reiterating its commitment to the non-proliferation of weapons of mass destruction and their means of delivery, the Council notes the proposal in the Commission's Communication to seek increased cooperation in this area and agreed to work in line with its strategy on the non-proliferation of WMD to reinforce the consistency and effectiveness of export control measures for dual use goods and to strengthen the political dialogue with India on non-proliferation and other weapons of mass destruction issues, including the universalisation of international instruments.

14. The EU reaffirms its commitment to combating terrorism in all its forms and manifestations. The Council will consider the Commission's proposal for the inclusion of India in its list of priority countries for a strategic cooperation agreement with Europol.

15. The Council shares the Commission's analysis on migration and its proposals for taking forward work with India in this area. Furthermore, the Council considers that the proposed dialogue with India should include discussions specifically on the re-documentation of illegally residing persons. The Council also invites the Commission to explore the possibilities of negotiating a readmission agreement with India.
16. The Council shares the Commission's concern about the threat posed by the spread of HIV/AIDS in India which will require a strong political commitment and firm response in terms of information, preventive measures and treatment. The EU is ready to assist India in this endeavour.

17. The Council emphasises the cultural dimension of the EU-India relationship and the importance of preserving cultural diversity as part of the EU-India process of dialogue. It welcomes the intention of the EU Presidency to submit for approval at the next EU-India Summit a draft Joint Declaration on Cultural Relations.

18. The Council acknowledges that - notwithstanding the dynamic evolution of the EU-India relations - the EU faces the challenge of raising its profile in India and deepening the understanding of the EU's role and nature, which includes emphasising its cultural and linguistic diversity. Accordingly, the Council fully supports the Commission's proposals to increase mutual understanding between India and the EU through parliamentary exchanges and increased cooperation between political parties, trade unions, business associations, universities and civil societies."

EUROPEAN SECURITY AND DEFENCE POLICY

Extension of European Union Police Mission PROXIMA in FYROM - Council Conclusions

The Council adopted the following conclusions:

"The Council, noting the progress made to date, today agreed to extend the European Union Police Mission in the former Yugoslav Republic of Macedonia (EUPOL PROXIMA) for another 12 months after the expiration of the current mandate on 15 December 2004. This decision follows an invitation from Prime Minister Kostov.

The objective of the extended mission will be to further support the development of an efficient and professional police service based on European standards of policing. Under the guidance of the EU Special Representative in Skopje and in partnership with the host Government authorities, EU police experts will continue to monitor, mentor, and advise the country's police, focusing on middle and senior management, thus helping to fight organised crime more effectively, to further facilitate public confidence in policing, to consolidate law and order, and to further assist in the creation of a border police service. In this regard the Council invited the Secretariat to take forward planning in order to ensure a seamless transition to the extended mission."
**Operation ALTHEA in Bosnia and Herzegovina - Council Conclusions**

The Council adopted the following conclusions:

"The Council approved the Operational Plan for the EUFOR Operation 'Althea'. This largest European Union - led military operation so far will be part of the EU's comprehensive approach in Bosnia and Herzegovina. It will sustain our long term objective of a stable, viable, peaceful and multiethnic Bosnia and Herzegovina, co-operating peacefully with its neighbours and irreversibly on track towards EU membership.

The Council noted with satisfaction the ongoing progress made in the planning and preparations for this operation. Transfer of Authority from the NATO-led SFOR operation in Bosnia and Herzegovina to the EU-led operation 'Althea' is foreseen on 2 December 2004."

**INSTITUTIONAL AFFAIRS**

**Weighting of votes in the Council - Population figure***

The Council adopted a Decision amending its Rules of Procedure and fixing, on the basis of data provided by Eurostat, the total population figure for each Member State for a period of one year, as well as the provisions for an annual updating of these figures with regard to the weighting of votes in the Council (12712/04 + 12708/04 ADD 1).

When a decision is to be adopted by the Council by a qualified majority, a member of the Council may, in accordance with the Treaty of Nice, request verification that the Member States constituting the qualified majority represent at least 62% of the total population of the Union.

**TRADE POLICY**

**Croatia - Protocol on trade - EU enlargement**

The Council adopted a Decision concluding a Protocol to the Interim Agreement on trade between the European Community and Croatia in order to take into account the accession of the 10 new Member States to the EU (9854/04).

The Interim Agreement enables provisions on trade to be applied pending the entry into force of the Stabilisation and Association Agreement with Croatia.
Iceland - Agricultural products

The Council adopted a Decision authorising the Commission to enter into negotiations with Iceland with a view to achieving greater liberalisation of bilateral trade in agricultural products.

Uzbekistan - Textiles

The Council adopted a Decision authorising the Commission to open negotiations on the renewal of the Agreement on trade in textile products between the EC and Uzbekistan.

Belarus - Textiles

The Council adopted a Decision authorising the Commission to open negotiations on a new Agreement on trade in textile products between the EC and Belarus.

External Trade - Doha Development Agenda - Council Conclusions

The Council adopted the following conclusions:

"1. The Council considers that the approach to the DDA based on a broad agenda including ambitious trade opening, strengthened trade rules and a specific focus on the needs and interests of developing countries in order to promote their integration into the world trading system remains at the heart of the EU position in the ongoing negotiations.

2. The Council agrees that the negotiating framework adopted by the General Council of the WTO constitutes a good basis for the next stage of the DDA negotiations. The Council underlines that the negotiating framework advances only part of the DDA-negotiations and that all elements of the DDA negotiations must be brought to the same level of ambition and specificity. It is therefore necessary to intensify the work on several issues, in particular those not, or only partly, addressed in substance in this framework.

3. The Council reconfirms the importance of achieving a balanced outcome of the Doha Round and in this respect stresses the principle of the single undertaking as reconfirmed in the framework agreement.

4. At the same time and in all areas, EU offensive as well as defensive interests need to be taken into account. In order to attain a balanced outcome, specific attention to EU interests in the field of inter alia NAMA, services, trade facilitation and rules is needed. The Council emphasises that all WTO partners need to make contributions, commensurate with their level of development."
5. On Agriculture, the Council reaffirms the importance of a satisfactory outcome as regards EU sensitivities in agricultural market access, the importance of full parallelism on the elimination of all forms of export subsidies, the need for major reform in other industrialised countries, the need to preserve the reforms of the CAP and the need to make progress on other issues of interest to the EU, such as non-trade concerns and geographical indications.

6. The Council therefore requests the Commission to continue the active and constructive role of the EU in pursuing the forthcoming negotiations on the basis of the various conclusions adopted by the Council since 1999 in relation to these negotiations in close consultation with the 133 Committee. The Council will continue to follow closely these negotiations and invites the Commission accordingly to keep in touch with the Council on any significant developments in this matter."

Generalised System of Preferences - Council Conclusions

The Council adopted the following conclusions:

"1. The Council welcomes the Commission communication on ‘Developing countries, international trade and sustainable development: the function of the Community’s generalised system of preferences (GSP) for the ten-year period from 2006 to 2015’ and endorses the general objectives contained therein: The GSP must be stable, predictable, objective, simple, transparent, WTO-compatible and take account of developing countries' specific needs. The Council supports the Commission’s efforts towards across-the-board simplification of the GSP so as to assist developing countries in reducing poverty and promoting sustainable development. To this end there is a need to define general GSP eligibility based on objective development-related criteria.

2. The Council recalls that further information on implementation will be necessary to reach a final position. At this stage, the Council can only pronounce itself on the basic principles outlined in the Commission communication.

3. The Council considers that the common commercial policy has a role to perform in consolidating the objectives of development policy, in particular the eradication of poverty and the promotion of sustainable development, of which the fight against drugs is an integral part. Preferential access to the markets of the developed countries is a contributory factor in the process of economic development and integration of the developing countries into the world economy."
4. The Council reaffirms its commitment to an open, equitable, transparent, rules-based and non-discriminatory trading system and to its further development through a successful and development-friendly outcome of the Doha Development Round. That is why the EU also calls on other developed countries and major developing countries to follow the EU and provide duty and quota free access to all products from LDCs. In this regard, the Council is also willing to address the need for a smooth transition from the EBA arrangement whenever the UN removes a country from the LDC list.

5. The Council will study constructively the Commission’s proposals to further improve the current offer and the efficiency of the GSP taking into account the GSP instruments at its disposal and according to the objectives set out in the Commission communication.

6. The Council supports a GSP scheme that will be targeted at countries most in need, such as the LDCs and the most vulnerable developing countries in order to help them play a greater role in international trade. In this context the situation arising from the end of the MFA textile quota system will be addressed within the discussion of the new GSP scheme.

7. To ensure that preferences are granted to those countries most in need, the Council recognises the need for a graduation system. It also is of the opinion that the current system needs to be simplified with a graduation system on the basis of new criteria (for example Common Customs Tariff sections). The Council appreciates the advantages of a simplified system, based on a single and consistent market share criterion. However, it calls upon the Commission to present options for introducing development criteria. It also underlines the importance of using available statistics from all EU Member States.

8. The Council is willing to consider in a positive light the proposal for one incentive regime (GSP+). This arrangement will be based on the recognition that certain developing countries face special objective development needs that can be addressed through additional tariff preferences. Within this context the GSP+ enhances sustainable development and strengthens good governance, including the fight against drugs. As regards the incentive regime, the following questions will however need to be addressed prior to its adoption:

- the list of relevant Conventions;
- which Conventions will be mandatory;
- conditions and procedures for access and withdrawal;
- the most relevant, effective and transparent international monitoring systems;
additional criteria linked to development needs of the beneficiaries;
possible transitional arrangements for current beneficiaries of the existing incentive arrangements who may not be eligible for GSP+.

9. The Council considers that simplification and appropriate relaxation of rules of origin will allow a better application of the GSP and hence provide a better development tool. Therefore the Council urges the Commission to come up with suggestions to achieve this objective. In this respect facilitation of cumulation should be envisaged.

10. The Council welcomes the aim of consolidating GSP preferences in the free trade agreements concluded by the Community, pending clarification of how this will be implemented. Nevertheless, the Council considers that ACP countries should remain within the GSP at least until the Economic Partnership Agreements come into force.

11. The Council supports the Commission's proposal to redefine the temporary withdrawal instruments, safeguard measures and antifraud measures in a transparent and non-discriminatory manner to ensure greater efficiency in their application.

12. The Council looks forward to a timely presentation of the draft GSP Regulation in order to allow for a thorough discussion at the Council, to a meaningful consultation with the European Parliament and to receiving the views of interested stakeholders. With this timely presentation, the Council is optimistic that it will adopt the new Regulation within a time frame allowing economic operators adequate time to adapt to the new rules."

GENERAL AFFAIRS

Work in the various Council configurations

The Council adopted a report on work in its various configurations (12984/04).

FISHERIES

Protection of coral reefs - Extension of the number of days at sea*

The Council adopted a Regulation amending Regulation (EC) No 2287/2003 as concerns the number of days allowed at sea for vessels fishing for haddock in the North Sea and on the use of bottom trawls in waters around the Azores, the Canary Islands and Madeira (12423/04 + ADD IREV 1, 12425/04).
The Regulation aims at protecting deep-water coral reefs in certain areas of the Atlantic Ocean by banning bottom trawlers or similar towed nets in the Azores, Canary Islands and Madeira. This represents a temporary solution pending a more permanent measure following the Commission's proposal (COM (2004) 58) for a Regulation amending Regulation (EC) No 850/98 as regards the protection of deep-water coral reefs from the effects of trawling in certain areas of the Atlantic Ocean.

The Regulation also aims at increasing the number of days spent at sea from 10 to 12 per month for vessels fitted with VMS (Vessel Monitoring by Satellite) and holding special fishing permits, for fishing haddock in the North Sea outside protection areas for cod. The increase is justified as an incentive to reduce fishing effort on cod outside the cod protection areas.