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President

Roderick Galdes

Parliamentary Secretary for Agriculture, Fisheries and
Animal Rights of Malta

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- 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.
 - 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

AGRICULTURE

Omnibus regulation

The Council had an exchange of views on the proposed regulation on the financial rules applicable to the general budget of the Union, the so-called Omnibus regulation, which proposes updates to legislation in several areas, including the Common Agricultural Policy (CAP), and is part of the review of the Multi-Annual Financial Framework (MFF). The aim of the discussion was to provide political guidance on the agricultural aspects of the proposal.

Delegations broadly supported the presidency compromise package set out in [7527/1/17 REV 1](#) and [ADD 1](#) and addressed the few outstanding political issues (voluntary coupled support, young farmers, income stabilisation tool, etc.). The Commission invited ministers to prioritise simplification in their decisions, in order to facilitate a timely adoption of the regulation and its entry into force at the beginning of 2018.

On the basis of the political guidance given by ministers, the Special Committee on Agriculture will shortly finalise the agreement on the legal texts of the CAP regulations and send them to the Friends of the Presidency group for the next stages of the negotiating procedure.

The Commission proposal on the Omnibus regulation was published in September 2016 as a part of the review package of the MFF. It includes changes applicable to all four basic CAP regulations: direct payments, rural development, common market organisation, and horizontal regulation, with the aim of further simplifying the CAP to the benefit of both farmers and national authorities.

Some of the proposed changes include:

- the introduction of a sector-specific income stabilisation tool in the rural development regulation
- simpler rules for accessing loans and other financial instruments

- greater discretion for member states in the application of the definition of an 'active farmer'
- simpler and more flexible rules for young farmers
- changes to the operational programmes in the fruit and vegetables sector
- a simplified financial discipline procedure

In accordance with the ordinary legislative procedure, the Omnibus proposal will have to be agreed on by both the European Parliament (EP) and the Council.

On the Council side, the agricultural part of the proposal has been discussed on several occasions by the Special Committee on Agriculture. Once the sectorial Councils, including the Agriculture and Fisheries configuration, agree on an initial position in their area of responsibility, the overall Council position will be put together and negotiated with the EP by the General Affairs Council. The latter is prepared by the Committee of Permanent Representatives and the Friends of the Presidency group.

Commission report on the implementation of ecological focus areas (EFAs)

The Commission informed the Council on the results of its report on the implementation of the ecological focus area obligation under the green direct payments scheme ([7766/17](#)).

Since 2015, farmers with arable land exceeding 15 ha must ensure that at least 5% of their land is ecological focus area (EFA). This means that farmers have to adopt certain environmentally friendly measures or features such as fallow land, field margins, hedges and trees, buffer strips, etc. Member states may decide on the list of EFA types that can be adopted on their land.

The Commission report shows that the obligation for farmers to establish EFAs applies to around 70% of EU arable land and that the most common forms of EFA chosen by farmers are those considered 'productive', followed by land laying fallow. The report also shows that, depending on their nature, EFAs can help to address the impact of some farming practices on the environment, by bringing potential positive effects for biodiversity, soil, water and climate. The Commission report concludes that it is not necessary to amend regulation (EU) 1307/2013 by increasing the percentage of land that must be EFA in view of the fact that the overall percentage of declared EFAs on arable land is nearly double the 5% required at farm level.

Ministers had a first debate on the report adopted by the Commission on 29 March and broadly welcomed the report and its main findings, notably that there is no need to increase the EFA percentage at this stage. Some delegations took the opportunity to highlight the importance of further simplifying the greening of the CAP. Several delegations took the opportunity of the debate to raise concerns about the recently-adopted delegated act on greening and, in particular, the fact that it bans the use of pesticides in EFAs in certain circumstances.

Article 46(1) of regulation (EU) 1307/2013 requires the Commission to present, by 31 March 2017, an evaluation report on the implementation of the obligation to have 5% ecological focus area on arable land. Where appropriate, that report should be accompanied by a proposal for a legislative act of the European Parliament and of the Council in accordance with article 43(2) TFEU to increase the requirement from 5% to 7%.

ANY OTHER BUSINESS

– *Brazilian meat fraud*

The Commission updated the Council on the latest developments in the meat scandal recently uncovered in Brazil relating to the fraudulent release of licences and irregular inspection of slaughterhouses. In particular, the Commission briefed ministers on the measures already undertaken by member states and the Commission itself to protect European consumers, and on the recent meeting between Commissioner Andriukaitis and the Brazilian Minister of Agriculture in Brazil on 28 March. The Commission also explained that it would perform audits in Brazil as soon as possible and no later than mid-May.

In the ensuing debate, delegations welcomed the EU's quick, effective and coordinated response. They considered it essential that a high and uniform level of health protection be provided in the EU, and restated their commitment to reinforced controls. They also asked for formal reassurance and transparency from the Brazilian authorities.

The Council will keep monitoring the situation with a view to assessing at a later stage with the Commission whether further measures are needed.

– *Simplification of the Common Agricultural Policy*

On the initiative of the Danish, Estonian, Finnish, Latvian, Lithuanian and Swedish delegations, the Council discussed the simplification of the Common Agricultural Policy (CAP) with a focus on secondary legislation and the period after 2020.

In particular, the interested delegations indicated that subsidiarity and proportionality should be the guiding principles of a further simplification of the CAP, and that particular attention should be paid to making EU legislation easier to understand and implement, for both farmers and national administrations. This would benefit both transparency and legal certainty.

They also considered that a series of improvements to secondary legislation could already be made in the short term, but also feed into the future reform of the CAP when changes to the basic acts will be considered. These improvements should address the following general principles:

- a more balanced approach to shared management
- a more risk-based approach to controls
- reducing the number of layers of rules in the CAP

Other delegations generally welcomed the initiative and highlighted the importance of a further simplification of the CAP in the near future. Additional important priorities for simplification mentioned by ministers were: proportionate sanctions, leaner reporting obligations, the introduction of a single audit system, simpler procedures for the approval and modification of rural development programmes, and less prescriptive guidelines.

OTHER ITEMS APPROVED**TRADE****Conflict minerals**

The Council adopted a regulation aimed at stopping the financing of armed groups through trade in conflict minerals.

The regulation obliges EU companies to source their imports of tin, tantalum, tungsten and gold responsibly and to ensure that their supply chains do not contribute to funding armed conflict. These 'due diligence' rules will become binding from 1 January 2021, though importers are encouraged to apply them as soon as possible.

For more information, see [press release](#).

Additional customs duties on imports from the United States

The Council adopted a Commission delegated regulation ([6704/17](#)) imposing an additional customs duty of 4.3% on certain products originating from the United States.

This delegated act aims to adjust the annual level of retaliation applied in the WTO dispute on the United States' Continued Dumping and Subsidy Offset Act of 2000, proportionately to the amount disbursed from duties collected on EU products.

Trade with Kazakhstan

The Council adopted a Commission delegated regulation ([6898/17](#)) removing Kazakhstan from the scope of regulation (EU) 2015/755 setting out special rules on imports from certain third countries.

On 30 November 2015, Kazakhstan joined the World Trade Organisation. Therefore, trade with Kazakhstan is now covered by the EU's basic safeguard regulation for WTO member countries (regulation (EU) 2015/478).

GENERAL AFFAIRS

International ocean governance

The Council adopted conclusions on 'International ocean governance: an agenda for the future of our oceans' as set out in [7348/1/17 REV 1](#).

ECONOMIC AND FINANCIAL AFFAIRS

Over-the-counter derivatives – packaged retail and insurance-based investment products

The Council decided not to object to the following Commission regulations:

- regulation amending regulation (EU) 648/2012 on over-the-counter (OTC) derivatives, central counterparties and trade repositories with regard to the list of exempted entities ([7551/17](#) + [6921/17](#))
- regulation amending regulations (EU) 2015/2205, (EU) 2016/592 and (EU) 2016/1178 on OTC derivatives as regards the deadline for compliance with clearing obligations for certain counterparties ([7576/17](#) + [7431/17](#))
- regulation supplementing regulation (EU) 1286/2014 on key information documents (KIDs) for packaged retail and insurance-based investment products (PRIIPs), laying down regulatory technical standards with regard to the presentation, content, review and revision of KIDs and the conditions for providing them ([7579/17](#) + [7121/17](#))

The regulations are delegated acts pursuant to article 290 of the Treaty on the Functioning of the European Union (TFEU). They may now enter into force, unless the European Parliament objects.

BUDGETS**Mobilisation of the EU solidarity fund for the UK, Cyprus and Portugal**

The Council adopted a decision mobilising €71.5 million in commitments and payments out of the EU solidarity fund to provide financial assistance to disaster-stricken United Kingdom (€60.3 million), Cyprus (€7.3 million) and Portugal (€3.93 million).

The United Kingdom was hit by floods in December 2015 and January 2016, Cyprus suffered drought and fires between October 2015 and June 2016, and Portugal was affected by fires in August 2016.

The EU solidarity fund can be mobilised in the case of a major natural disaster with serious repercussions on living conditions, the natural environment or the economy in a member state. 'Major disaster' means that the estimated damage must either exceed €3 billion in 2011 prices, or 0.6% of the country's GNI, or 1.5% of the GNI of the region concerned.

The aim of the financial assistance is to contribute to a rapid return to normal living conditions in the affected regions. The EU aid is complementary to the efforts of the country concerned and is used to cover a share of the public expenditure committed to dealing with the damage caused by a major disaster. It is meant to help the beneficiary country to restore infrastructure, provide temporary accommodation, secure preventive infrastructure and clean up disaster-stricken areas.

The Council also adopted its position on draft amending budget No 1 for 2017, approving €70.4 million in commitments and payments to be financed from the 2017 EU budget. The remaining €1.12 million were already financed from the 2016 EU budget in the form of advance payments for Cyprus (€729 876) and Portugal (€392 500).

EUROPEAN ECONOMIC AREA**Amendment to annex XX to the EEA agreement**

The Council adopted a decision on the position to be adopted, on behalf of the EU, within the EEA joint committee concerning an amendment to annex XX (environment) to the EEA agreement ([6731/17](#)).

This amendment is necessary in order to incorporate regulation (EU) 510/2011, setting emission performance standards for new light commercial vehicles as part of the Union's integrated approach to reduce CO₂ emissions, and related legislative acts into the EEA agreement.

JUSTICE AND HOME AFFAIRS**Internal Security Fund – Liechtenstein**

The Council adopted a decision on the conclusion, on behalf of the EU, of the agreement between the EU and Liechtenstein on supplementary rules in relation to the instrument for financial support for external borders and visa, as part of the Internal Security Fund for the period 2014 to 2020 (12852/16).

COMPANY LAW**Shareholders' rights in EU companies**

The Council adopted a directive aimed at strengthening shareholders' engagement in big European companies ([PE-CONS 2/17](#)).

The directive will encourage transparent and active engagement by shareholders of listed companies by reviewing the current Shareholders' Rights Directive (2007/36/EC).

The new directive establishes specific requirements in order to encourage long-term shareholder engagement and increase transparency. These requirements apply to:

- remuneration of directors and related party transactions
- identification of shareholders
- facilitation of exercise of shareholders rights
- transmission of information
- transparency for institutional investors, asset managers and proxy advisors
- related party transactions

For more information, see [press release](#).

FOOD LAW

Authorisation of food additives – setting maximum levels of certain contaminants

The Council decided not to oppose the adoption of the four following Commission regulations:

- a regulation authorising the use of phosphates as a stabiliser in certain traditional Czech meat preparations ([6955/17](#))
- a regulation authorising the use of nitrites (E 249-250) as a preservative and curing agent in the traditional Polish meat preparation golonka peklowana ([6972/17](#))

- a Commission regulation authorising the use of butane (E 943a), isobutane (E 943b) and propane (E 944) as propellants in colour preparations for foodstuffs ([7180/17](#))
- a regulation establishing a maximum level for hydrocyanic acid in unprocessed apricot kernels for the final consumer ([6957/17](#))

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

INTERNAL MARKET

Chemicals (REACH)

The Council did not oppose the adoption by the Commission of regulations amending:

- annex XIV to the [REACH regulation](#) (regulation (EC) 1907/2006 on the registration, evaluation, authorisation and restriction of chemicals) as regards certain substances ([5351/17](#) and [5351/17 ADD1](#))
- annex XVII as regards perfluorooctanoic acid (PFOA), its salts and PFOA-related substances ([5353/17](#) and [5353/17 ADD1](#)).

The draft Commission regulations are subject to the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt them, unless the European Parliament objects.

ENVIRONMENT

Marine strategies

The Council decided not to oppose to the adoption of a Commission directive ([5583/17](#) +ADD 1 +ADD 1 REV 1) on the elements to be taken into account for the preparation of the marine strategies.

The Commission directive 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 directive, unless the European Parliament objects.

Hazardous chemicals and pesticides

The Council adopted a decision ([7243/17](#)) regarding the Rotterdam Convention on the prior informed consent procedure for certain hazardous chemicals and pesticides in international trade. The decision establishes the position to be adopted, on behalf of the EU, within the conference of the parties to the Rotterdam Convention regarding amendments to annex III to the convention.

HEALTH

Dealing with serious cross-border threats to health in the EU

The Council adopted conclusions on the European Court of Auditors' special report entitled 'Dealing with serious cross-border threats to health in the EU: important steps taken but more needs to be done', as set out in [6904/17](#).

TRANSPARENCY

Public access to documents

On 3 April 2017, the Council approved:

- the reply to confirmatory application No 05/c/01/17 ([6963/17](#)).