

11180/03 (Presse 201)

PROVISIONAL VERSION

2520th Council meeting

- ECONOMIC AND FINANCIAL AFFAIRS -

Brussels, 15 July 2003

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

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PARTICIPANTS

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

Belgium:

Mr Didier REYNDEERS Minister for Finance

Denmark:

Mr Claus GRUBE Ambassador, Deputy Permanent Representative

Germany:

Mr Wilhelm SCHÖNFELDER Ambassador Extraordinary and Plenipotentiary, Permanent Representative

Greece:

Mr Nikos CHRISTODOULAKIS Minister for the National Economy and Finance

Spain:

Mr Rodrigo DE RATO Y FIGAREDO Second Deputy Prime Minister and Minister for Economic Affairs
Mr Luis DE GUINDOS JURADO State Secretary for Economic Affairs

France:

Mr Francis MER Minister for Economic Affairs, Finance and Industry

Ireland:

Mr Charlie McCREEVY Minister for Finance

Italy:

Mr Giulio TREMONTI Minister for the Economy and Finance

Luxembourg:

Mr Nicolas SCHMIT Ambassador Extraordinary and Plenipotentiary, Permanent Representative

Netherlands:

Mr Gerrit ZALM Minister for Finance

Austria:

Mr Karl-Heinz GRASSER Federal Minister for Finance

Portugal:

Ms Manuela FERREIRA LEITE Ministra de Estado, Minister for Finance

Finland:

Mr Antti KALLIOMÄKI Deputy Prime Minister, Minister for Finance

Sweden:

Mr Gunnar LUND Minister for International Economic Affairs and Financial Markets

United Kingdom:

Mr Nigel SHEINWALD Ambassador, Permanent Representative

* * *

Commission:

Mr Romano PRODI President
Mr Frits BOLKESTEIN Member
Mr Pedro SOLBES Member

* * *

Other participants:

Mr Philippe MAYSTADT President of the European Investment Bank
Mr Caio KOCH-WESER Chairman of the Economic and Financial Committee
Mr Jan Willem OOSTERWIJK Chairman of the Economic Policy Committee

The Governments of the Acceding States were represented as follows:

Czech Republic :

Mr Bohuslav SOBOTKA

Minister for Finance

Estonia :

Mr Väino REINART

Ambassador for Estonia to the EU

Cyprus :

Mr Marcos KYPRIANOU

Minister for Finance

Latvia :

Mr Valdis DOMBROVSKIS

Minister for Finance

Lithuania :

Ms Lina ADAKAUSKIENE

Under-Secretary of the Minister for Finance

Hungary :

Mr Álmos KOVÁCS

Ambassador for Hungary to the EU

Malta:

Ms Paul ZAHRA

Permanent Secretary, Ministry for Finance and Economic Affairs

Poland :

Mr Andrzej RACZKO

Minister for Finance

Slovakia :

Mr Ivan MIKLOŠ

Deputy Prime Minister and Minister for Finance

Slovenia :

Mr Dušan MRAMOR

Minister for Finance

ITEMS DEBATED

PRESIDENCY WORK PROGRAMME – INITIATIVE FOR GROWTH

The Council broadly welcomed the Italian Presidency priorities for the Ecofin Council and in particular its proposal concerning an European Action for growth (*doc. 10321/03*).

The Council also took note of a recently approved (9 July 2003) Commission paper on financial and regulatory measures to boost investment in TENs and major Research and Development (R&D) projects. It also took note of the EIB's position on this issue.

Following an exchange of views on the Presidency's Action for Growth, the Council adopted the following Conclusions:

“In light of the European Council Thessaloniki conclusions, which “took note of the Commission's intention to launch an initiative in cooperation with the European Investment Bank to support growth and integration by increasing overall investment and private sector involvement in TENs and major R&D projects and in this context invites the Italian Presidency to pursue this further”, and in light of the Programme of the Italian Presidency for the Ecofin, the Council invites the Commission in cooperation with the EIB, inter alia taking into account the work of the high level group on transport TENs chaired by Karel Van Miert, to conduct a needs assessment and make proposals for a programme to support growth and integration by improving and/or increasing the overall investment and private sector involvement in TENs and R&D projects. The Council mandates the EFC to prepare an assessment of this analysis, paying particular attention to the following aspects:

- The possible impact on the Community budget, on national budgets (guarantees, grants, transfers of existing assets' revenues etc.) and on the EIB's capital and reserve requirements and credit rating, as well as the compatibility with macroeconomic stability and sound public finances including the Stability and Growth Pact;
- The degree of realisation of the priority TENs, and the main obstacles to their implementation;
- The volume of public and private sector resources and the ability to attract private sector financing for infrastructure and R&D projects;
- Means to optimise the use of Community funding sources and their more effective combination with EIB instruments for infrastructure financing;
- The possibility to use innovative instruments for investments in technology infrastructure, telecommunication, R&D and innovation, human capital, investments by SMEs etc.; and to assess the possible inclusion of domestic or municipal investment projects such as major transport infrastructure within the initiative;
- Requirements in terms of project evaluation and selection, to achieve an optimal use of capital;
- The economic and financial viability of the proposals and their potential impact on productivity, competitiveness and long-term growth in the European Union, and the necessity to provide for an efficient allocation of capital resources in light of the continuing priority of the Lisbon agenda and of the EU enlargement.

An interim report by the Commission and the EIB should be ready in time to allow the EFC to assess these reports and to prepare the Council discussion of this issue in the Ecofin at its meeting on 7 October 2003, so as to report to the October European Council meeting. A final report should be available to allow the EFC to prepare the assessment for the Ecofin Council of 25 November in view of the European Council meeting of 12–13 December.”

**STABILITY AND GROWTH PACT – STABILITY PROGRAMME OF THE
NETHERLANDS**

In the context of the cycle of reviewing Member States' updated stability and convergence programmes, the Council examined the updated stability programme of the Netherlands and adopted the following opinion:

***COUNCIL'S OPINION ON THE UPDATED STABILITY PROGRAMME OF THE
NETHERLANDS***

"THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and co-ordination of economic policies², and in particular Article 5(3) thereof,

Having regard to the recommendation of the Commission, after consulting the Economic and Financial Committee,

HAS DELIVERED THIS OPINION:

On 15 July 2003 the Council examined the revised updated stability programme of the Netherlands, which covers the period 2001-2007. The revised update complies with the code of conduct on the format and content of stability programmes and broadly complies with the 2003 Broad Economic Policy Guidelines.

In 2002, real GDP growth decelerated sharply to 0.2%, from 1.3% in 2001, well below the forecast included in the 2001 stability programme. Government finances deteriorated markedly in 2002, mainly in response to the economic slowdown. In 2002 the general government balance showed a deficit of 1.2% of GDP, compared to a slight surplus of 0.1% of GDP in 2001. HICP inflation decelerated to 3.9% on average in 2002, from 5.1% in 2001, to a large extent due to trends in import prices and the fading of the impact of increases in indirect and energy taxes in 2001 in the wake of the tax reform.

² OJ L 209, 2.8.1997

The Council notes that since the presentation of the initial 2002 updated stability programme in December 2002, the macroeconomic projections have been significantly revised downwards, with a negative impact on budgetary conditions. The Council notes that while the gradual but relatively muted economic recovery projected in the programme appears plausible, risks are clearly skewed to the downside and that the expected recovery is contingent on a pick-up in global demand and the successful restoration of the competitiveness of the Dutch market sector. The latter requires appropriate wage developments and an increase in the rate of productivity growth.

The Council welcomes the main elements of the budgetary framework put in place by the new government, which inter alia encompass the use of separate expenditure ceilings defined in real terms for the three sub-sectors of government defined, the rule that extra revenues should be exclusively used to reduce the deficit (or the debt should the deficit disappear), and the requirement that a development of the general government deficit that would imply a violation of the Stability and Growth Pact has to be countered by additional measures.

The Council notes that in the central projection of the update the government balance is expected to deteriorate initially from a deficit equal to 1.2% of GDP in 2002 to a 1.7% deficit in 2004. A subsequent improvement is expected subsequently to reach a deficit of 0.5% of GDP in 2007. The government debt ratio is expected to remain below the level of 60% of GDP and to remain broadly stable, at around 52½% of GDP in the period 2002-2007.

The Council welcomes the substantial consolidation effort entailed in the 2003 budget and in the coalition agreement of the new government for the period 2004-2007, which in cumulative terms amounts to 1.2% of GDP in 2003, 1.7% of GDP in 2004 and up to close to 3% of GDP in 2007. Against the background of a steeper economic downturn than previously expected, budgetary policies are expected to lead to an improvement in the cyclically adjusted general government balance by 1% of GDP between 2002 and 2005. A position close to balance in cyclically adjusted terms would be reached in 2005 and maintained in the two subsequent years. The Council considers that with the full implementation of the consolidation measures announced by the new government and given normal macroeconomic fluctuations, a safety margin is provided not to breach the 3% of GDP deficit threshold.

As far as the projected changes in the cyclically adjusted general government balance are concerned, the Council regrets that in 2003 and 2004 the path of adjustment falls short of the requirement to reduce the cyclically adjusted deficit by at least half a percentage point in each year, albeit not by a wide margin. The Council recommends the Dutch authorities to implement as planned the announced measures, which amount to 0.5% of GDP in 2004, or more if needed to prevent a significant deterioration in the deficit, and to ensure that the adjustment in the cyclically adjusted general government balance is in line with the second specific recommendation to the euro area (GL 25) in the 2003 BEPGs.

Given the downside risks attached to the growth projections, the Council notes that additional measures might be needed to ensure that a budgetary position close to balance or in surplus would be maintained in the medium term. Against this background, the Council welcomes the readiness of the Dutch authorities to take additional measures to ensure compliance, should downside risks materialise.

The Council considers that on the basis of current policies, the Netherlands appears to be in a relatively good position to meet the budgetary costs associated with ageing. The debt to GDP ratio will continue to decline in coming years. However, a slight reverse trend of the debt to GDP ratio in the long run cannot be excluded. To avoid the risk of imbalances in the long run, it would be necessary to fully implement the 'Global Agreement', in particular as regards the reforms in the social insurance sector that aim at increasing participation rates and the effective retirement age. The Council considers that achieving in the longer-term a surplus budgetary position would contribute to ensuring the sustainability of government finances in the Netherlands."

This examination took place in accordance with the Stability and Growth Pact agreed at the Amsterdam European Council in June 1997, which requires Member States to present annually updated stability or convergence programmes to the Council and the Commission. The aim of these updated programmes is to provide information on how Member States intend to meet the objectives of the Pact, in particular the medium term goal of budget close to balance or in surplus. They also provide an indication of how the Member States have complied with the relevant recommendations of the Broad Economic Policy Guidelines (BEPGs).

PREPARATION OF THE APPOINTMENT OF THE NEXT PRESIDENT OF THE ECB

The Council adopted the Recommendation for the nomination of M. TRICHET as next President of the ECB. In doing so, the procedure for consulting the European Parliament and the ECB has been launched.

The Council Recommendation establishes that Mr Trichet should be appointed President of the ECB as from 1 November 2003 for a period of 8 years. This date is in line with the regular procedure, since the European Parliament consultation is expected to be taken at the 22-25 September plenary session.

The Governing Council of the ECB is expected to give its opinion still before the summer holidays.

The formal appointment will then be made by the Council in the composition of Heads of State or Government in October, either by written procedure or, alternatively, in the margins of the meeting of the European Council.

It is recalled that the Heads of State and Government agreed in Thessaloniki that Jean-Claude Trichet will become the successor of Wim Duisenberg.

**FINANCIAL SERVICES – MANDATE FOR A REPORT ON FINANCIAL MARKET
INTEGRATION**

The Council, in the form of Council conclusions, adopted a mandate for the Financial Services Committee (FSC) for further work on financial integration, as follows:

“On 17 July 2000, the ECOFIN Council asked the Commission to provide possible indicators of progress in realising the economic benefits of an integrated financial services sector.

On 26 May 2003, the Commission forwarded to the Council a Staff Working Paper on "Tracking EU Financial Integration"³.

On 3 June 2003, the ECOFIN Council held a first exchange of views on the basis of this Working Paper.

The Council welcomes the Commission's Working Paper as a useful contribution to a thorough analysis of the progress made and the benefits to be achieved through deeper integration of the financial services sector in the EU.

Building on the analysis in the Working Paper and taking account of further Commission contributions to the work on overall progress of financial integration, the Council invites the Financial Services Committee:

- to examine overall progress on financial integration and its economic benefits, notably in the context of the Financial Services Action Plan and its follow up
- to examine those key areas where further financial integration could deliver significant increased economic benefits to the EU, and to advise on those areas where progress needs to be made as a matter of priority in order to create a truly integrated financial services market in the EU
- to report back on its work in order to prepare a political debate in the Council during the spring of 2004 on priority areas for further action.”

³ Document 9800/03 EF 26 ECOFIN 159 MI 123 (+REV 1 in English)

**INTERNATIONAL ACCOUNTING STANDARDS – IMPLEMENTATION MEASURES
FOR REGULATION 1606/2002**

Following an exchange of views on the implementation of Regulation 1606/2002 on International Accounting Standards, the Council adopted the following conclusions:

- “1. The Council stresses the importance of the European financial reporting strategy adopted by Council and Parliament and the need for international accounting standards to be adopted in the EU as soon as possible for application from 1 January 2005.
2. This strategy can only be a success if the international accounting standards are of the highest quality. In order to achieve this objective, and given the economic significance of accounting standards for European industry, the Council:
 - notes that the Commission intends promptly to consider ways to enhance the role and the working process of the European Financial Reporting Advisory Group (EFRAG) in order to ensure that European concerns are taken into proper consideration in the international accounting standard setting process;
 - notes that a review of the International Accounting Standards Board, an independent body, to be conducted by the Board of Trustees of the IAS Foundation, looking into the structure and effectiveness of the Foundation, will commence in February 2004;
 - notes that the Commission, as part of that review, intends to urge the International Accounting Standards Board (IASB) to ensure that all parties concerned are given a full opportunity to participate in the elaboration of the standards, including their economic impact, and to discuss with the IASB its present institutional structure to ensure that it is conducive to the achievement of the aforementioned objective;
 - asks the Commission to request the IASB to continue its dialogue with representatives of European industries in order to find a satisfactory and timely solution for the revised IAS 32 and 39 in view of their envisaged application.
3. The Council agrees with the Commission regarding the importance of an immediate adoption of all existing IAS, with IAS 32 and 39 as soon as possible thereafter. The adoption of future standards must respect the quality criteria set out in the IAS Regulation and be conducive to the European public good.”

It is recalled that Regulation 1606/2002, which was adopted in July 2002, aims at facilitating the application of International Accounting Standards (IAS) as a common framework for accounting in the European Union. This would be compulsory for consolidated accounts of publicly traded companies from 2005 on and optional for annual accounts and for other companies depending on Member States' decisions.

To this end, the International Accounting Standards, as they are adopted by the International Accounting Standards Board (IASB) in a permanent process, have to be introduced into European legislation by a procedure which respects the competencies, knowledge and experience of Member States' authorities. The Regulation (Art. 3 and 6) provides for comitology procedure to fulfil this role.

ANY OTHER BUSINESS

– *Application of VAT reduced rates*

The Council held an exchange of views on the question of the application of the VAT reduced rates.

Commissioner BOLKESTEIN announced that the Commission will adopt a proposal on this issue in the coming days.

– *Exchange of information on fiscal matters*

At the request of Belgian delegation, the Council had an exchange of views concerning the coordination of EU Member States as regards the ongoing negotiations on fiscal matters in the OECD.

ITEMS APPROVED WITHOUT DEBATE

ECOFIN

Securities prospectus - *Public deliberation*
(*doc 10788/03*)

The Council, with the Irish delegation abstaining, approved the European Parliament's amendments to the Directive on the prospectus to be published when securities are offered to the public or admitted to trading. In doing so, the Directive is adopted in the form of the Council common position as amended by the European Parliament.

The purpose of this Directive is to harmonise requirements for the drawing up, approval and distribution of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market situated or operating within a Member State.

Amending budget n°4 for 2003
(*doc 10202/03*)

The Council established the draft amending budget No 4 for the financial year 2003 and instructed the Presidency to prepare the relevant documents to be sent to the European Parliament.

Germany - Switzerland agreement relating to turnover taxes
(*doc 9893/03*)

The Council adopted a Decision authorising Germany to conclude an agreement relating to turnover taxes with Switzerland that includes provisions derogating from the VAT-Directive 77/388/CEE.

Key structural reform challenges in the acceding countries
(*doc 11162/03*)

The Council adopted conclusions on key structural reform challenges in the acceding countries, as follows :

"The Council welcomes the EPC report on "*Key structural reform challenges in the acceding countries*", prepared in response to the mandate given by the Council (ECOFIN) in November 2002, and endorses the report's main conclusions. The Council

welcomes the impressive progress with structural reforms in acceding countries in recent years and the ensuing higher real economic growth rates;

considers that the acceding countries are faced with a range of key challenges, which they will need to confront in order to achieve real economic convergence with current Member States more quickly;

considers that the reform challenges do not differ fundamentally in nature from those with which current Member States are faced, but may in some cases be more demanding.

The Council considers that, in particular, major challenges remain with respect to employment and incentives to work; competition and efficiency in goods and services markets; completing reforms in financial markets; continuing pension and health reform and accelerating the transition to the knowledge-based economy. In some acceding countries the structure of public finances needs to be reassessed and rebalanced to better foster growth and sustainability.

The Council considers that the Lisbon Strategy for economic reforms and its strategic goal provide an appropriate framework for the economic policies of both existing and new Member States.

With a view to integrating the acceding countries as soon as possible into the EU's structural policy co-ordination processes, the Council considers that acceding countries should be included into the update of the BEPGs from 2004 and in the BEPG Implementation Report from 2005 and invites the acceding countries to provide on a voluntary basis "Cardiff reports" on structural reforms in goods, services and capital markets for the first time in October 2003."

Euro coins : European Technical and Scientific Centre

(doc 11078/03)

The Council adopted the following conclusions:

"In the context of its conclusions of 28 February 2000 on the technical scheme for handling counterfeit euro coins, the Council notes that:

all Member States have established Coin National Analysis Centres (CNACs) which are appropriately equipped, carry out analyses of suspected counterfeit coins as appropriate, and communicate the relevant information to the ECB. The Commission is providing for the necessary co-ordination for these actions;

the European Technical and Scientific Centre (ETSC) was established on a temporary basis as a distinct and independent administrative entity at the French Mint and has been operational since October 2001. The ETSC uses the personnel and equipment of the French Mint and the Commission has appointed the agreed staff necessary for its management and operations.

A status report on the ETSC has been prepared by the EU Mint Directors' Working Group in collaboration with the Commission after consulting the ECB. The Council welcomes the report's positive assessment on the activity of the ETSC, which covers the following areas:

the analysis and classification of counterfeit euro coins and the related risk assessment;

the collaboration, assistance and training to the CNACs and the contributions related to the database on counterfeits established at the ECB;

the creation of an efficient infrastructure, including appropriate technical registers,

to facilitate the prevention and repression of coin-related fraud;

the ETSC's reports and overall relations with the law enforcement authorities.

The report also concludes that the ETSC's present location is appropriate, allowing it to benefit from the expertise and laboratory of the French mint; and that the Commission ensures the appropriate administrative and institutional setting in terms of efficiency and independence.

Having regard to the above, the Council:

1. welcomes progress in implementing the technical scheme for handling counterfeit euro coins, including the work of the ETSC;
2. invites the Commission to continue co-ordinating Member States' technical work related to the protection of the euro coins and to take the appropriate action for ensuring the functioning of the ETSC;
3. requests the ETSC to continue to carry out its activities using the facilities of the French Mint in line with the conditions set out in the exchange of letters between the President of the ECOFIN Council and the Minister of Finance of the French Republic of 28 February and 9 June 2000; and
4. invites the Commission to present a proposal for a Council Decision aimed at definitively establishing the ETSC and at co-ordinating Member States' technical work in this area."

Harmonisation of Gross National Income at market prices ("GNI Regulation")

(doc 9253/03)

The Council adopted the Regulation on the harmonisation of Gross National Income at market prices ("GNI Regulation").

Subscription to the capital of the European Central Bank

(doc 8414/03)

The Council adopted the Decision on the statistical data to be used for the adjustment of the key for subscription to the capital of the European Central Bank.

The Decision establishes the rules which the Commission will have to follow when it will provide the statistical data for the next and subsequent revisions of the key. As stipulated in Article 29.3 of the ESCB/ECB Statute, this subscription key has to be adjusted every five years after the establishment of the ESCB/ECB, to take into account updated statistical data on population and GDP at market prices.

JUSTICE AND HOME AFFAIRS

Catalogue of recommendations for the application of the Schengen *acquis*

The Council approved a new volume of the "Catalogue of recommendations for the correct application of the Schengen *acquis* and best practices". The volume deals with police cooperation.

Visas for members of the Olympic family 2004

(doc 10233/03)

The Council adopted the Regulation relating to measures envisaged to facilitate the procedures for applying for and issuing visas for members of the Olympic family taking part in the 2004 Olympic and/or Paralympic Games in Athens.

The aim of the Regulation is to provide for a temporary derogation for the duration of the Olympic and Paralympic Games for members of the Olympic family who are nationals of third countries subject to the visa requirement under Council Regulation (EC) No 539/2001 of 15 March 2001. The scope of this derogation is limited to the provisions of the *acquis* concerning the submission of visa applications, the issuing of visas and their format.

ESDP

EU- led Military Operation in the fYROM

The Council adopted a Decision concerning the conclusion of an Agreement between the EU and the Republic of Estonia on the participation of Estonia in the EU-led forces in the former Yugoslav Republic of Macedonia. The EU-led military Operation "Concordia" in the fYROM was launched on 31 March 2003. Both EU Member States and third countries participate in this operation.

DEVELOPMENT

**Implementation of the Food Security Policy in developing countries/Special report N°2/2003
(doc 10159/03)**

As regards the Court of Auditors special report N° 2/2003 on the implementation of the food security policy in developing countries, the Council adopted the following conclusions:

"THE COUNCIL

1. WELCOMES the European Court of Auditors special report N° 2/2003 on the implementation of the food security policy in developing countries financed by the general budget of the European Union, which complements the findings of the 2000 External Evaluation and the Commission's Communication on the future orientation of Council Regulation EC 1292/96 and which is a contribution to the debate on future EC food aid and food security operations
2. NOTES that both the Commission and the Council share most of Court's main recommendations.
3. INVITES the Commission to provide the Council with a follow up to those recommendations of the report that do not relate to adjustments of Regulation 1292/96 or the outcome of a further evaluation.
4. INVITES the Commission, in the context of the new evaluation of food security support to be carried out in 2003-2004, to evaluate the implementation of Regulation N° 1292/96 and to propose appropriate measures, including proposals for relevant regulation amendments. Further, the evaluation should in relation to food aid look into depth at the division of work between ECHO and AIDCO and propose more appropriate ways to manage food aid within the Commission services.

5. INVITES the Commission to pursue the ongoing reflection on food aid and food security policy, with a particular focus on:
 - the integration of food security objectives into national development strategies, CSP and RSP,
 - the integration of food aid in humanitarian, rehabilitation and development programmes as appropriate
 - a well co-ordinated and efficient organisation of, on the one hand, humanitarian aid and rehabilitation and, on the other, support to development.
6. INVITES the Commission to continue, where appropriate with other donor countries and international organisations the ongoing work on the harmonisation of information systems and on food security indicators, taking into account the monitoring i.a. of the MDGs, inter alia with a view to ensure that reliable base-line information is produced on socio-economic household situations.
7. WELCOMES the forthcoming entry into force of the new Common RELEX Information System (CRIS), which is intended to improve the Commission's accounting and management information systems and to provide timely and relevant information on, among others, food security programmes.
8. NOTES that most of beneficiary countries still have an insufficient capacity to plan and implement effectively and INVITES the Commission to continue focusing its efforts on capacity building and institutional support to beneficiary country at central and local levels.
9. WELCOMES efforts towards better coordination and complementarity between Member States and the Commission at regarding food aid and food security, in particular at field level, and better harmonisation and complementarity with other donors.
10. REQUESTS the Commission to avoid duplication between Council Regulation No 1292/96 and the mainstream developments instruments (EDF, ALA, MED) and to ensure that Council Regulation No 1292/96 is used strictly for priority countries highly vulnerable to food security risks and crises.

European Development Fund – Member State contributions for 2003

The Council adopted a Decision fixing the second instalment of financial contributions for 2003 to be paid by the Member States to the European Development Fund.

Centre for the Development of Enterprise – Staff remuneration – Seconded experts

(docs ACP–CE 2146/03, ACP–CE 2145/03)

The Council endorsed two draft Decisions of the ACP–EC Committee of Ambassadors, aimed at increasing the remuneration scale and taxable amounts for staff of the Centre for the Development of Enterprise and amending the Centre's internal regulation so as to increase the maximum duration of service of seconded experts.

Global Fund for HIV/AIDS, Tuberculosis and Malaria – International conference

(doc. 11378/03)

The Council approved a EU Declaration to be presented at an international conference, to be held in Paris on 16 July, on support to the Global Fund for HIV/AIDS, Tuberculosis and Malaria.

TRANSPORTS

Allocation of airport slots* - *Public deliberation*

(doc.3641/03 + 11053/03 ADD 1)

The Council, with the Spanish delegation voting against and the Danish and Swedish abstaining, adopted the Regulation amending Council regulation n° 95/93 of 18 January 1993 on common rules for the allocation of slots at Community airports. This amendment will enable airlines to deal with a drop in demand created by the war in Iraq and the SARS virus.

SOCIAL POLICY

Social and human capital

(doc. 10351/03)

The Council adopted a Resolution on building social and human capital in the knowledge society.

The Resolution calls on Member States to consider the social and human capital elements in the planning, development and implementation of their policies and initiatives, in particular as regards learning, work, social cohesion and gender equality.

It invites the Commission to pursue advanced research in this area and to develop ongoing co-operation with international institutions working in this field.

For the full text of the Resolution, please consult the Council's document register at <http://register.consilium.eu.int/utfregister/frames/introfsEN.htm>

Promoting employment and social integration of people with disabilities

(doc. 10244/03)

The Council adopted a Resolution concerning the promotion of employment and social integration of people with disabilities.

Particular attention is given in the Resolution to their integration in the mainstream labour market, in accordance with the overarching objectives of the European Employment Strategy (EES).

It calls on Member States and the Commission to promote the full integration and participation of people with disabilities in all aspects of society, recognising that they have equal rights with other citizens. Moreover, it calls on Member States and the Commission to support the work of the Union's Group of High Level Officials on Disability Questions⁴.

For the full text of the Resolution, please consult *doc. 10244/03* on the Council's document register at <http://register.consilium.eu.int/utfregister/frames/introfsEN.htm>

INDUSTRY

Agreement with Malta on industrial products

(doc. 9810/03)

The Council adopted a Decision for the signature of an Agreement between the European Community and Malta on conformity assessment and acceptance of industrial products. This Agreement will contribute to eliminate technical barriers to trade of industrial products and to extend certain benefits of the Internal Market.

⁴ To know more about the mission and role of the High Level Group please visit the website: http://europa.eu.int/comm/employment_social/disability/contact_en.html

FISHERIES

Fisheries Agreements

(9260/03, 9261/03, 9262/03, 9263/03)

The Council adopted a Decision authorising the Kingdom of Spain to extend until 7 March 2004 the Agreement on mutual fishery relations with the Republic of South Africa. The Council adopted a Decision authorising the Portuguese Republic to extend until 9 April 2004 the Agreement on mutual fishery relations with the Republic of South Africa.

INSTITUTIONS

Intergovernmental Conference on the amendment of the Treaties

The Council agreed, by written procedure, on 10 July, on the texts of draft letters to be sent to the European Parliament, the Commission and the European Central Bank, consulting them on the convening of an Intergovernmental Conference (IGC) on a proposal for the amendment of the Treaties.

At Thessaloniki in June, the European Council welcomed the Draft Constitutional Treaty presented by the President of the European Convention, Valéry Giscard d'Estaing, as a good basis for starting the IGC, and agreed that the IGC should be convened in October. The Council requests Parliament, the Commission and the ECB to duly respond in good time.

Revision of the EC Staff Regulation

Following the examination of the amendments made by the European Parliament on 19 June on the proposal for a Council Regulation amending the Staff Regulations, the Council approved the Presidency approach on this issue.

Court of Justice – Preliminary ruling proceedings involving non–Member States

(doc. 10783/03)

The Council adopted a Decision amending the Protocol on the statute of the Court of Justice in order to allow third countries to lodge statements and observations at the Court in circumstances where a Member State court or tribunal refers a question to the Court for a preliminary ruling.

TRANSPARENCY

Public access to Council documents

The Council adopted the replies to the confirmatory applications made by :

- Mr Tim CORTHAUT (1/03), the Danish, Dutch, Finnish and Swedish delegations voting against (*doc. 9698/03*) ;
- Mr Christopher STOTHERS (1/03), the Danish, Dutch, Finnish and Swedish delegations voting against (*doc. 9924/03*) ;
- MEP Dana Rosemary SCALLON (1/03), the Danish, Dutch, Finnish and Swedish delegations voting against (*doc. 9986/03*).
- Mr Vladimir MORLANG (1/03), the Danish, Dutch, Finnish and Swedish delegations voting against (*doc. 10606/03*) ;
- Mr Christian FISCHER (1/03), the Danish, Finnish and Swedish delegations voting against (*doc. 10649/03*) ;

APPOINTMENTS

Committee of the Regions

The Council adopted, by written procedure, on 30 June 2003 the Decisions appointing:

Mr Hermann DINKLA, as member of the Committee of the Regions in place of Mr Wolfgang SENFF for the remainder of his term of office, which ends on 25 January 2006 (*doc. 10602/03*);

Mr Christian WULFF, as alternate member of the Committee of the Regions in place of Mr Udo MIENTUS for the remainder of his term of office, which ends on 25 January 2006 (*doc. 10692/03*).

European Capital of Culture

The Council appointed its two members of the 2004 selection panel of the European Capital of Culture Community action:

- Mr Panos THEODORIDES, currently Director of the “Cultural Olympiads Realisation Programme” in the Organisation for the Promotion of Hellenic Culture, and
- Mr Claudio STRINATI, currently Director of museums for the city of Rome.

It is recalled that the Council (Education, Youth and Culture) took note on 5-6 May of their nomination by the Greek and Italian delegations, respectively.

The selection panel is composed of seven members in total: two appointed by the Council, two by the Parliament, two by the Commission and one by the Committee of the Regions.
