



**COUNCIL OF
THE EUROPEAN UNION**



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PRESS RELEASE

2730th Council Meeting

Agriculture and Fisheries

Brussels, 22 May 2006

President

Mr Josef PRÖLL
Federal Minister for Agriculture, Forestry,
the Environment and Water Management
of Austria

P R E S S

Main Results of the Council

*The Council held a fruitful debate on **organic production** on the basis of a Presidency questionnaire.*

*The Council adopted a regulation on the conclusion of the **Fisheries Partnership Agreement (FPA)** between the European Community and the Kingdom of Morocco.*

*The Council adopted decisions approving the signing of an agreement between the EU and Russia on facilitating the issue of **visas** to citizens of the EU and Russia, as well as an agreement on **readmission**.*

*In the margins of the Council, Ministers were updated by the Commission over lunch on the state-of-play regarding negotiations at the **World Trade Organisation (WTO)**.*

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- The documents whose 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 abovementioned Council Internet site or may be obtained from the Press Office.

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PARTICIPANTS

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

Belgium:

Ms Sabine LARUELLE

Minister for Small and Medium-Sized Businesses, the Liberal Professions and the Self-Employed and Agriculture

Mr Yves LETERME

Minister-President of the Flemish Government and Flemish Minister for Institutional Reform, Agriculture, Sea Fisheries and Rural Policy

Czech Republic:

Mr Jan MLÁDEK

Minister for Agriculture

Denmark:

Mr Hans Christian SCHMIDT

Minister for Food, Agriculture and Fisheries

Germany:

Mr Gert LINDEMANN

State Secretary, Federal Ministry of Food, Agriculture and Consumer Protection

Estonia:

Ms Ester TUIKSOO

Minister for Agriculture

Greece:

Mr Evangelos BASIAKOS

Mr Christos AVGOULAS

Minister for Rural Development and Food
Secretary-General for Agricultural Policy and International Affairs, Ministry of Rural Development and Food

Spain:

Ms Elena ESPINOSA MANGANA

Minister for Agriculture, Fisheries and Food

France:

Mr Dominique BUSSEREAU

Minister for Agriculture and Fisheries

Ireland:

Ms Mary COUGHLAN

Mr John BROWNE

Minister for Agriculture and Food
Minister of State at the Department of Agriculture and Food (with special responsibility for Forestry)

Italy:

Mr Paolo DE CASTRO

Minister for Agricultural and Forestry Policy

Cyprus:

Mr Panicos POUROS

Permanent Secretary, Ministry of Agriculture, Natural Resources and Environment

Latvia:

Mr Mārtiņš ROZE

Minister for Agriculture

Lithuania:

Ms Kazimira Danutė PRUNSKIENĖ

Minister for Agriculture

Luxembourg:

Mr Fernand BODEN

Minister for Agriculture, Viticulture and Rural Development, Minister for Small and Medium-sized Businesses, the Liberal Professions and the Self-Employed, Tourism and Housing
State Secretary for Relations with Parliament, State Secretary for Agriculture, Viticulture and Rural Development, State Secretary for Culture, Higher Education and Research

Ms Octavie MODERT

Hungary:

Mr József GRÁF

Minister for Agriculture and Rural Development

Malta:

Mr George PULLICINO

Minister for Rural Affairs and the Environment

Netherlands:

Mr Ate OOSTRA

Director-General, Ministry of Agriculture, Nature and Food Quality

Austria:

Mr Josef PRÖLL

Federal Minister for Agriculture, Forestry, the Environment and Water Management

Mr Andrä RUPPRECHTER

Director-General, Federal Ministry for Agriculture, Forestry, the Environment and Water Management

Poland:

Mr Andrzej LEPPER

Deputy Prime Minister, Minister of Agriculture and Rural Development

Portugal:

Mr Jaime SILVA

Minister for Agriculture, Rural Development and Fisheries

Slovenia:

Ms Marija LUKAČIČ

Minister for Agriculture, Forestry and Food

Slovakia:

Mr Juraj NOCIAR

Deputy Permanent Representative

Finland:

Mr Juha KORKEAOJA

Minister for Agriculture and Forestry

Sweden:

Ms Ann-Christin NYKVIST

Minister for Agriculture

United Kingdom:

Mr David MILIBAND

Minister of Communities and Local Government

Mr Ben BRADSHAW

Parliamentary Under Secretary of State, Environment, Food and Rural Affairs

Commission:

Mr Joe BORG

Member

Mr Markos KYPRIANOU

Member

Ms Mariann FISCHER BOEL

Member

.....

The Governments of the Acceding States were represented as follows:

Bulgaria:

Mr Roussi IVANOV

Deputy Permanent Representative

Romania:

Mr Mugur CRĂCIUN

Secretary of State, Ministry of Agriculture, Forests and Rural Development

ITEMS DEBATED

ORGANIC FOODSTUFFS

The Council held a policy debate on a proposal for a Council Regulation on organic production and labelling of organic products (5101/06). The other proposal on organic foodstuffs amends Regulation (EEC) No 2092/91 on organic production of agricultural products and indications therein referring to agricultural products and foodstuffs.

The debate was structured on the basis of the following questions drawn up by the Presidency:

1. *Do Member States agree with the general orientation of the Commission's proposal?*

A large majority of delegations supported the aim of simplification, harmonisation and modernisation as set out in the proposals. A few delegations, however, expressed their concerns as regards the risk of an excessive administrative burden for organic producers and insisted on the need to clarify rules for labelling and logos applicable to organic products so that consumers could not be misled.

Commissioner Fischer-Boel thanked delegations for their support.

2. *Do you want to include the mass catering within the scope of the proposed Regulation, or, as the Commission proposal implies, to leave Member States the choice to deal with this under national rules?*

A majority of delegations supported the inclusion of mass catering and large-scale kitchens in the scope of the proposal. However, some of those delegations insisted on the need to apply specific rules to the sector, or stressed the importance of drawing up national rules for controls. Several delegations asked for mass catering to be excluded from the scope of the proposal, arguing that according to the principle of subsidiarity, this competence should be for Member States and that rules on traceability were very difficult to apply to the sector.

Commissioner Fischer-Boel, whilst taking into account the opinions expressed by the large majority of delegations, underlined that large-scale kitchens would be kept out of the proposal so as not to create additional administrative burdens and since exclusion from the current proposal did not prevent mass catering from being covered by the controls foreseen by the horizontal Regulations on food and feed. Furthermore, she added that Member States could also use national controls on large-scale kitchen products.

3. *Do you consider that the logo and/or indication "EU ORGANIC" should be obligatory?*

A majority of delegations could support the idea of a compulsory Community logo or of the indication "EU ORGANIC" while some of those delegations stressed that such a logo should not mislead the consumer and should provide clear information on the content of the product. Other delegations supported a voluntary logo or indication rather than a compulsory Community logo.

Commissioner Fischer-Boel insisted on the absolute need for an EU logo or a label such as "EU ORGANIC" and emphasised that such an indication or logo would not prevent Member States from using private or national logos.

The Working Party had met six times on this dossier and would meet again under the Austrian Presidency on 29 May and 8 June in order to forward these proposals to the Finnish Presidency, once their technical examination had been completed.

Apart from the three questions, several delegations also expressed their concerns as regards the issue of a lower threshold for organic products than the one used (0,9%) for the maximum content of genetically modified organisms in a conventional product. Several delegations raised the issue of the management committee to implement the new draft Regulation and called for the current comitology procedure (Regulatory committee) to be maintained. Finally, some countries questioned the issue of direct access to the Community market for organic products from third countries.

The two proposals presented by the Commission in December 2005 in the follow-up to the Council conclusions on the European Action Plan for Organic Food and Farming aim at simplifying the current legal framework and assure overall coherency by reducing the level of detail in the current Regulation and its implementing rules. The new legislation will define the objectives and principles of organic production but will allow a certain amount of flexibility to take account of regional differences in climate and conditions. Producers will be able to choose whether or not to use the EU organic logo. If they choose not to, their products must be labelled "EU organic". At least 95% of the final product has to be organic in order for it to be labelled as such. It should be noted that products containing GMOs cannot be labelled as organic, except if the GMO content is due to accidental contamination and does not exceed 0,9%. The proposal also aims at developing permanent import rules based on direct access for fully compliant or equivalent products.

Certain import provisions in the current legislation expire on 31 December 2006. In order not to disrupt international trade, it is proposed to extend the possibility for Member States to continue to grant import authorisations for individual products until the new regime has been put in place.

The two proposals are being dealt with under the advisory procedure (Article 37 of the Treaty) and so the Opinion of the European Parliament is not legally binding. The adoption of the EP's Opinion is scheduled for autumn 2006. These proposals do not have a financial impact on the Community budget.

COEXISTENCE - Council conclusions

The Council adopted the following conclusions¹:

"The Council

1. RECALLS the recommendation of the European Commission on guidelines for the development of national strategies and best practices of 23 July 2003 to help Member States develop national legislative or other strategies for co-existence.
2. WELCOMES the report by the European Commission on the implementation of national measures on the co-existence of genetically modified crops with conventional and organic farming adopted by the European Commission on 9 March 2006.
3. WELCOMES the outcome of the Conference "Co-existence of genetically modified, conventional and organic crops FREEDOM of CHOICE" (Vienna, 4-6 April 2006), which has allowed that broad discussions with representatives of all stakeholder groups took place.
4. WELCOMES that this conference has contributed to a better understanding of the wide-ranging challenges Europe is facing with co-existence, and that it has allowed a transparent debate focused on the questions of how to implement co-existence and how we can best guarantee freedom of choice.
5. RECOGNIZES that freedom of choice means European farmers should have a sustainable possibility to choose between conventional, organic and GMO production. Farmers who would like to continue with their current farming practices should be able to do so without having to change their practices. On the other hand, those who want to cultivate GMO crops, should also be able to do so. Similarly, consumers must have a continued choice between conventional, organic, and genetically modified (GM) food products. The EU labelling and traceability rules play an important role in this context.
6. RECOGNIZES that, although the EU has arguably the most stringent and thorough risk assessment and authorisation procedure for GMOs in the world, some parts of the European population still feel concerned about the safety of authorised GMOs.

¹ The Greek delegation abstained.

7. NOTES that a discussion is going on concerning the authorisation process of GMOs, including the risk assessment carried out by the European Food Safety Authority (EFSA), and NOTES that these issues will be explored at the Environment Council in June 2006.
8. RECOGNIZES, however, that the question of co-existence addresses the socio-economic aspects of cultivating authorised GMOs alongside conventional and organic crops.
9. RECOGNIZES that with the global reforms of agricultural trade policy the competitiveness of EU agriculture in the global marketplace becomes increasingly important for farmers and for rural areas as a whole, and that this includes responding to consumer demands for, for example, organic products and products linked to traditional practices and geographical origin. At the same time, competitiveness is linked to innovation, which includes that science, including biotechnology, can be put at the service of agriculture and NOTES therefore that it is in the interest of Europe to avoid lagging behind in biotechnology.
10. UNDERLINES that it is necessary to safeguard the European Model of agriculture with its sustainable balance of socio-economic, environmental and territorial aspects.
11. UNDERLINES that it has to be avoided that the introduction of GMOs in European agriculture inflicts economic damage or losses on conventional or organic farmers by requiring them to change their current practices.
12. STRESSES that the purity standards for seeds are key to ensuring a sustainable approach to co-existence. UNDERLINES that Community labelling thresholds for seeds are therefore necessary and that these should be set in such a way that it is in any case possible to respect the labelling threshold for the final product at the end of the food production chain.
13. UNDERLINES that co-existence implies that the decision to produce GM or non-GM crops should be with the individual farmer or with groups of farmers that decide to use one of these production types. STRESSES that it should therefore be the aim to find sustainable solutions along these lines for all regions of the EU.
14. STRESSES the need for GMO and non-GMO farmers to be fully informed about their rights and obligations concerning the cultivation of GMOs including information about liability rules and compensation.

15. STRESSES that there is a need for Community guidelines for the development of practical crop-specific co-existence measures, to supplement the existing Commission Recommendation, while enough flexibility should be maintained for Member States and regions to tailor the measures to their needs, conditions and specific circumstances, such as parcel size, land fragmentation and climatic conditions. Such guidelines should take into account the economic costs of co-existence measures as well as their technical effectiveness.
16. STRESSES that particular emphasis should be given to cross-border issues and that, in this context, the creation of an information system between Member States should, among other things, be considered. RECOGNIZES that the expert network on co-existence (COEX-NET) can play a role in this regard.
17. STRESSES that that transparency and open dialogue with all stakeholders involved are key to addressing this issue and that this dialogue should therefore be intensified in the future on all matters concerning co-existence, with particular emphasis on the exchange of information and experiences concerning research on crop-specific distances, liability and cross-border issues, and monitoring methods for co-existence.
18. EMPHASISES that the use of COEX-NET should be intensified and its role strengthened, in order to provide an on-going platform for the Member State for exchange of information regarding, for instance, crop segregation and liability measures.
19. RECOGNIZES that the Member States and the Commission should continue to explore whether further steps towards common principles regarding co-existence should be taken.

INVITES THE COMMISSION TO:

1. Take account of the above-mentioned elements.
2. Come forward, as soon as possible, with Community labelling thresholds for seeds, which should be set in such a way that it is in any case possible to respect the labelling threshold for the final product at the end of the food production chain. The level of these thresholds should allow freedom of choice throughout the whole food production chain, and it should not create a disproportionate burden for any group of operators.

3. Identify, in close co-operation with the Member States and stakeholders, best practice for technical segregation measures and, on the basis of this work, develop guidelines for crop-specific measures. At the same time, ensure that the crop-specific guidelines leave the necessary flexibility for Member States to take account of their regional and local factors (share of different crops in cultivation, crop rotations, field sizes, etc).
4. Intensify the use of COEX-NET to exchange information regarding crop segregation and liability measures, including cross-border problems in relation to co-existence, and to discuss possible solutions should such problems be observed.
5. Explore with Member States possible ways of minimizing potential cross border problems related to co-existence.
6. Explore sustainable solutions, which are in line with EU law, for areas where agricultural structures and farming conditions are such that farm level co-existence is difficult to achieve for a given crop.
7. Strengthen the European research on co-existence in order to fill current knowledge gaps, and make existing research results available to the Member States.
8. Study, as the Commission proposes in its report, the different national civil liability systems relating to their application in case of economic damage from the admixture of GMOs in non-GM crops, including in cross-border situations. In this context, examine also specific compensation and insurance schemes developed in the Member States.
9. Continue to explore, together with the Member States and in a transparent way, whether further steps towards common principles regarding co-existence should be taken."

EU/RUSSIAN FEDERATION VETERINARY AND PHYTOSANITARY AGREEMENTS

The Council took note of a progress report from the Commission on the veterinary and phytosanitary agreements between the EU and the Russian Federation. The Council welcomed the progress made in the framework of the good cooperation with the Russian Federation and invited the Commission - with the participation of the Potsdam Group - to finalise the certificates in order to facilitate trade between the two parties.

The Polish delegation took the floor to condemn the embargo of its exports to Russia which had now been in effect for several months and to stress the need to quickly overturn this ban for both economic and political reasons¹. The Polish delegation asked for firm and coordinated action to be taken at EU level.

The Spanish delegation thanked Commissioner Kyprianou for the negotiations undertaken and pointed out the need for a stable agreement on authorisations for meat exports to Russia. The Danish delegation backed the Commission and expressed the hope that the agreements signed in April would have a positive impact on trade between the Community and Russia. The Irish delegation welcomed the progress report, noted the major importance of the trade issue with Russia and stated that trade issues such as certification requirements and veterinary issues must be dealt with jointly.

Commissioner Kyprianou noted the progress made in the veterinary area since the signing of two agreements on 4 April 2006, of a memorandum concerning principles of zoning and regionalisation in the veterinary field and a memorandum on transit controls. He indicated that on the issue of EU export certificates, most problems had been solved with regard to requirements which were unjustified in some cases and quoted as an example for the recent improvement of the situation the case of milk exports. Concerning export conditions, he insisted on the importance that the Russian import regime be in line with the WTO SPS regime. He acknowledged, however, that the Community still had problems with the Russian ban on Polish exports of meat and plants, and noted that this issue had been raised at different levels the previous month. He concluded by stressing that all technical issues had been resolved and that the Community and Poland had taken all necessary steps to meet the Russian technical requirements, that Polish exports met all technical requirements and that he was in close contact with Commissioner Mandelson in order to solve this problem as it had clearly become a trade issue. He warned Member States against giving any kind of reason to Russia to impose a ban and underlined the need to strengthen the controls on exports in that regard.

¹ The Polish delegation circulated a written document.

EUROPEAN FISHERIES FUND

The Council invited the Permanent Representatives Committee to continue its work with a view to reaching an agreement on the draft proposal (11493/04) establishing the European Fisheries Fund (EFF) under the future Finnish Presidency.

OTHER BUSINESS

– *Avian influenza (H5N1)*

The Council took note of an update provided by Commissioner Kyprianou on the latest developments concerning the identified cases of avian influenza H5N1 strain in the European Union.

The Danish delegation indicated that the H5N1 virus had been found in Denmark on 18 April in a hobby holding in the island of Funen, that all birds in the holding had been culled and that inspections were continuing on the site. He regretted that Danish poultry exports might be hit by this outbreak and expressed his wish to participate to EU measures.

The Romanian delegation informed the Council that there had been a new H5N1 outbreak ten days ago in Romania, with 33 confirmed outbreaks in the country, 18 suspicious cases and 11 counties affected. The Romanian delegation noted the sharp decrease in poultry meat sales (-80%) in its country, and the efficiency of the 3-kilometre protection zone. The Romanian delegation indicated its wish to solve this new crisis as soon as possible.

The Polish delegation asked for information concerning the situation of the avian influenza virus in the United States of America.

Commissioner Kyprianou noted the efficiency of the measures taken at Community level¹ but warned delegations that the situation must always be looked at carefully as the latest outbreak of avian influenza in Denmark and Romania showed that the threat of the virus was still present in Europe and encouraged Member States to keep a high level of alert. He also insisted on the need to keep high standards of surveillance and to take the measures on a risk-based approach. He noted that the virus could become endemic in wild birds and that the Commission would continue to take appropriate measures adapted to the situation. He indicated that no cases of avian influenza had been found in the United States yet.

At present the virus H5N1 had been found in wild birds in 13 Member States (Greece, Slovenia, Italy, Austria, Hungary, Slovakia, Germany, France, Sweden, Denmark, Poland, Czech Republic and the United Kingdom), and in commercial or domestic poultry in four Member States (France, Sweden, Germany and Denmark).

¹ Establishment of a high-risk area (a 3-km protection zone) around the area where the infected animals had been found, and a surrounding surveillance zone of 10 km.

– *Olive oil*

The Council took note of a request from the Swedish delegation, supported by the United-Kingdom, Czech, Slovak, Polish and Lithuanian delegations, concerning the high market prices of olive oil in the EU and low levels of stocks (9410/06). Given that market prices were 40% above the threshold level where measures may be taken to guarantee adequate levels of supply in the Community, the Swedish delegation asked the Commission to take action and introduce lower tariff levels or an autonomous import quota¹ when prices had been higher than this threshold for more than three months².

The Spanish, Portuguese, Greek, Cypriot, French, Italian and Maltese delegations urged against hasty action, noting the good prospects for the next harvest which had already led to declining prices (-23% on the Spanish market). These delegations indicated their wish that price disturbances be solved through market mechanisms rather than through regulatory intervention. They also noted the constraints resulting from the fact that the EU produced 80% of the world output of olive oil.

Commissioner Fischer Boel indicated that the Management Committee for olive oil and table olives had an exchange of views on the situation and had concluded that no specific measures were required. She recalled that the committee had the previous month, adopted a Regulation suspending the monthly limits on imports from Tunisia, and noted that prices had started to decline since March.

– *Plant genetic resources*

The Spanish delegation drew the attention of the Council to the first session of the Governing Body of the International Treaty on Plant Genetic Resources for Food and Agriculture (Madrid, 12 to 16 June 2006³) and encouraged the signatory Member States to participate and to attend the meeting. The Spanish delegation insisted on the need to keep these resources available to fight against famine and poverty.

¹ Council Regulation (EC) No°865/2004 on CMO olive oil. See:
http://europa.eu.int/eur-lex/pri/en/oj/dat/2004/l_161/l_16120040430en00970127.pdf

² Further data on olive oil production export and imports can be found at :
http://ec.europa.eu/comm/agriculture/agrista/2004/table_fr/4444.pdf

³ Economic data can be found at <http://www.iooc.org>
<http://www.fao.org/ag/cgrfa/gb1.htm>

– *Applications for the Single Farm Payment (SFP)*

The Council took note of information provided by Commissioner Fischer-Boel concerning the difficulties of farmers who had missed the deadline of 15 May for applying for SFP owing to circumstances beyond their control. Commissioner Fischer-Boel indicated that a time-limited derogation to the scheduled reduction of payments could be envisaged in such cases, subject to examination of the reasons for missing the deadline and receipt of all relevant information by the Commission. She noted that the Commission was considering granting such derogations until the end of May to France and Hungary, and until 15 June to Poland. She concluded that more details were still requested from Spain and Italy, and that the situation in the United Kingdom was still under examination. She indicated that the management committee would be guided by the wish not to penalise farmers for circumstances beyond their control.

OTHER ITEMS APPROVED**AGRICULTURE****Rice imports - India, Pakistan, the United States, Thailand ***

The Council adopted a regulation amending regulation (EC) No 1785/2003 as regards the arrangements for importing rice by incorporating amendments to the arrangements applicable to imports of rice which result from agreements reached by the Community with India, Pakistan, the United States and Thailand (8697/06, 9160/06 ADD 1).

Under agreements between the EU and India (Council decision 2004/617/EC) and Pakistan (Council decision 2004/618/EC), the duty applicable to imports of husked rice of certain Basmati varieties originating in India and in Pakistan is fixed at zero.

The agreement between the EU and United States (Council decision 2005/476/EC) lays down a mechanism for calculating and fixing at regular intervals the duty applicable to imports of husked rice falling within CN code 1006 20.

The agreement between the EC and Thailand (Council decision 2005/953/EC) lays down a mechanism for calculating and fixing at regular intervals the duty applicable to imports of semi-milled and milled rice falling within CN code 1006 30, and fixes the duty applicable to imports of broken rice falling within CN code 1006 40 00 at EUR 65 per tonne.

The regulation will apply from 1 July 2006.

FISHERIES**EU/MOROCCO Fishing Agreement**

The Council adopted a regulation on the conclusion of the Fisheries Partnership Agreement (FPA) between the European Community and the Kingdom of Morocco (7587/1/06 REV 1).

The FPA will apply on 1 June 2006 and is valid for four years until 2010. The provisions of the FPA include 119 annual fishing licences for Community vessels, including 100 licences for Spain, 14 for Portugal, 4 for France and 1 for Italy and 60 000 tonnes of pelagic fishing shared according to an allocation key between Germany, Latvia, Lithuania Netherlands, United Kingdom, Poland, Ireland, Spain France and Portugal. The financial contribution for the EU is set at EUR 144,4 million plus EUR 3 million from MEDA programme (accompanying measures for enterprises, etc.) and the fees to be paid by Community vessels owners - roughly EUR 13,6 million - which amounts to EUR 161 million for the 2006-2010 period.

Law of the Sea

The Council unanimously adopted a Regulation establishing Community financial measures for the implementation of the Common Fisheries Policy and in the area of the Law of the Sea (8529/1/06, 8774/06 +ADD 1)*.

Tuna Commission

The Council adopted a Decision on the conclusion on behalf of the European Community of the Convention for the strengthening of the Inter-American Tropical Tuna Commission established by the 1949 Convention between the United States of America and the Republic of Costa Rica (8769/06, 13439/05).

EU/Mauritania fishing agreement

The Council unanimously adopted a Regulation on the conclusion of an agreement concerning the amendments to the Protocol setting out the fishing opportunities and the financial contribution provided for in the Agreement on cooperation in the sea fisheries sector between the European Community and the Islamic Republic of Mauritania for the period of 1 August 2001 to 31 July 2006 (9302/1/06 REV 1+ADD 1, 8851/06)*.

New fishing opportunities for "pole-and-line tuna vessel and surface longliner" are shared among France (9 vessels) , Spain (23) and Portugal (3). A temporary reduction of the fishing effort is being applied.

JUSTICE AND HOME AFFAIRS

EU/Russia - Visa facilitation and readmission agreements

The Council adopted decisions approving the signing of an agreement between the EU and Russia on facilitating the issue of visas to citizens of the EU and Russia, as well as an agreement on readmission (8860/06, 8859/06).

The purpose of the visa agreement is to facilitate, on the basis of reciprocity, the issue of visas for an intended stay of no more than 90 days per period of 180 days to citizens of the EU and Russia. The agreement will not apply to the territory of Denmark, Ireland and the United Kingdom.

The readmission agreement establishes, on the basis of reciprocity, rapid and effective procedures for the identification and return of persons who do not, or no longer, fulfil the conditions for entry to, presence in, or residence on the territories of Russia or one of the member states of the EU, and to facilitate the transit of such persons in a spirit of cooperation. The agreement will not apply to the territory of Denmark.

TRADE POLICY

Malaysia - Agreement on trade concessions – EU enlargement

The Council adopted a decision approving the conclusion of an agreement with Malaysia on trade concessions in order to take account of the accession of the EU's ten new member states, as well as a regulation on the implementation of the agreement (8127/06 and 8132/06).

The agreement provides for temporary lower duty rates for imports of certain types of palm oil fractions and still-image video cameras: 10% and 12,5% respectively during three years.

The General agreement on tariffs and trade requires the EU to negotiate compensatory adjustments with third countries that have negotiating rights with any of the acceding member states if the adoption of the EU's external tariff regime results in an increase in tariffs beyond the level for which that country has bound itself at the WTO.

Taiwan, Penghu, Kinmen and Matsu - Agreement on trade concessions - EU enlargement

The Council adopted a decision approving the conclusion of an agreement with the separate customs territory of Taiwan, Penghu, Kinmen and Matsu in order to take account of the accession of the ten new member states to the EU (8131/06).

The EC agrees to incorporate in its schedule for the customs territory of EC 25 the concessions that were included in its previous schedule of EC 15. The agreement provides for a lower duty rate for imports of not-motorised bicycles of the current bound EC duty of 15% to 14,0%.

The General agreement on tariffs and trade requires the EU to negotiate compensatory adjustments with third countries that have negotiating rights with any of the acceding member states if the adoption of the EU's external tariff regime results in an increase in tariffs beyond the level for which that country has bound itself at the WTO.

DEVELOPMENT COOPERATION

ACP-EU partnership agreement – Financial assistance for 2008-2013

The Council adopted a decision on the position to be adopted by the Community within the ACP-EU council of ministers concerning the financial framework for 2008-2013 to be provided for under the ACP-EU partnership agreement, so as to enable ministers to approve the new framework at a meeting in Papua New Guinea on 1 and 2 June.

The joint decision to be adopted by the ACP-UE Council of Ministers will specify the total amount of EU financial assistance to ACP countries and its allocation between the different cooperation instruments provided for by the partnership agreement.

The ACP-EU agreement states that the EU will maintain its aid effort to ACP countries at least at the same level as that of the 9th EDF, but does not specify the exact period covered, the amount or the financing instrument (general budget of the EU or new EDF).

Last December the European Council decided on the exact period to be covered (six years), the amount (EUR 22,68 billion) and the financing instrument (10th EDF).

CUSTOMS UNION**EU/Switzerland, Liechtenstein - Trade in agricultural products**

The Council adopted a decision authorising the Commission to open negotiations with Liechtenstein and the Swiss Confederation with a view to extending the application of the agreement between the EU and the Switzerland on trade in agricultural products to Liechtenstein.

COMPANY LAW**Annual accounts of companies***

The Council adopted a directive aimed at strengthening investors' and shareholders' confidence in the annual and consolidated accounts of European companies, by updating the EU's legal regime in this field (3675/05 and 8511/06 ADD 1).

The directive strengthens obligations regarding the disclosure of information and the collective responsibility of board members. It is part of the EU's action plan for financial services and corporate governance.

The directive is intended to promote the reliability of company accounts while avoiding overburdening companies with new administrative obligations, in particular small and medium-sized undertakings. It amends the existing "accounting directives" 78/660/EEC and 83/349/EEC, together with the accounting directives for banks (86/635/EEC) and insurance companies (91/674/EEC).

(for more detail see press release 9689/06)
