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Economic and Financial Affairs

Brussels, 8 November 2011

President **Mr Jacek ROSTOWSKI**
Minister for Finance of Poland

P R E S S

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Main results of the Council

*The Council discussed the follow-up to decisions taken in the context of the debt crisis at recent meetings of heads of state and government, focusing on measures to restore confidence in the **banking industry**.*

*The Council adopted six legislative proposals aimed at strengthening **economic governance** in the EU, and more specifically in the euro area. Adoption of the package follows political agreement on 4 October.*

*It adopted conclusions on the design of the scoreboard of economic indicators which is to be used under new arrangements to detect **macroeconomic imbalances**.*

*The Council adopted conclusions on **climate change** in preparation for a UN conference to be held in Durban from 28 November to 9 December. The conclusions endorse a report on finance by the EU and its member states as part of their fast-start commitments to tackle climate change in developing countries.*

The Council also adopted:

- *a directive on the supervision of **financial conglomerates**;*
- *a regulation ensuring that an OECD revised arrangement on officially supported **export credits** is applied in EU law;*
- *a decision on the subscription by the EU of additional shares in the capital of the **EBRD**, the European Bank for Reconstruction and Development.*

*The presidency decided to remove **energy taxation** from the Council's agenda. It indicated that the Council's working group will be asked to carry out detailed work on the proposal.*

CONTENTS[1]

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

Belgium:	
Mr Didier REYNDERS	Deputy Prime Minister and Minister for Finance and Institutional Reforms
Bulgaria:	
Mr Boyko KOTZEV	Permanent Representative
Czech Republic:	
Mr Tomas ZIDEK	Deputy Minister for Finance
Denmark:	
Ms Margrethe VESTAGER	Minister for Economic Affairs and the Interior
Germany:	
Mr Wolfgang SCHÄUBLE	Minister for Finance
Estonia:	
Mr Jürgen LIGI	Minister for Finance
Ireland:	
Mr Michael NOONAN	Minister for Finance
Greece:	
Mr Theodoros SOTIROPOULOS	Permanent Representative
Spain:	
Ms Elena SALGADO MÉNDEZ	Deputy Prime Minister, and Minister for Economic Affairs and Finance
France:	
Mr François BAROIN	Minister for Economic Affairs, Finance and Industry
Italy:	
Mr Ferdinando NELLI FEROCI	Permanent Representative
Mr Carlo MONTICELLI	Head of International Financial Relations in the Treasury, Department of the Ministry of Finance
Cyprus:	
Mr Kikis KAZAMIAS	Minister for Finance
Latvia:	
Ms Ilze JUHANSONE	Permanent Representative
Lithuania:	
Ms Ingrida ŠIMONYTĖ	Minister for Finance
Luxembourg:	
Mr Luc FRIEDEN	Minister for Finance
Hungary:	
Mr György MATOLCSY	Minister for the National Economy
Malta:	
Mr Alfred CAMILLERI	Permanent Secretary, Ministry of Finance
Netherlands:	
Mr Jan Kees de JAGER	Minister for Finance
Austria:	
Ms Maria FEKTER	Federal Minister for Finance
Poland:	
Mr Jacek ROSTOWSKI	Minister for Finance
Mr Ludwik KOTECKI	Secretary of State, Ministry of Finance
Portugal:	
Mr Vítor GASPAR	Minister for Finance
Romania:	
Mr Dan-Tudor LAZAR	State Secretary, Ministry of Public Finance

Slovenia:	
Mr Franc KRIŽANIČ	Minister for Finance
Slovakia:	
Mr Ivan MIKLOŠ	Deputy Prime Minister and Minister for Finance
Finland:	
Ms Jutta URPILAINEN	Deputy Prime Minister, Minister for Finance
Sweden:	
Mr Anders BORG	Minister for Finance
United Kingdom:	
Mr George OSBORNE	Chancellor of the Exchequer

Commission:	
Mr Joaquín ALMUNIA	Vice President
Mr Olli REHN	Vice President
Mr Michel BARNIER	Member
Mr Algirdas ŠEMETA	Member

Other participants:	
Mr Mario DRAGHI	President of the European Central Bank
Mr Philippe MAYSTADT	President of the European Investment Bank
Mr Vittorio GRILLI	Chairman of the Economic and Financial Committee
Mr Lorenzo CODOGNO	Chairman of the Economic Policy Committee
Mr Andrea ENRIA	Chairman of the European Banking Authority

ITEMS DEBATED

FINANCIAL TRANSACTION TAX

The Council took note of a presentation by the Commission of a proposal for a directive aimed at introducing a financial transaction tax in the EU (*14942/11*).

It asked the Council working groups to examine the proposal.

The Commission considers that its proposal will enable the financial industry, currently under-taxed in relation to other sectors, to make a fair contribution, and will also create a disincentive for transactions that do not enhance the efficiency of financial markets.

The proposal would cover transactions relating to all types of financial instruments, including capital market and money market instruments (with the exception of instruments of payment), units or shares in collective investment undertakings and derivative agreements. The scope of the proposal is not limited to trade on regulated markets; it also covers other types of trade including over-the-counter trade. However, transactions with central banks are excluded.

The Commission proposes that tax rates be set by each member state, with a harmonised minimum rate of 0.1% of the taxable amount applying to all financial transactions, apart from those related to derivative agreements, for which the rate would be 0.01%. The tax would apply as from 1 January 2014.

The Commission estimates that, depending on market reactions, this proposal could yield tax revenues of up to EUR 57 billion a year.

In line with its proposal for a decision on the EU's system of own resources[1], the Commission proposes that the revenue generated by a financial transaction tax be used, either wholly or partially, to gradually replace member states' contributions to the EU budget, thus alleviating the burden on national treasuries.

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[1] Doc. 12478/11

FOLLOW-UP TO OCTOBER MEETINGS - BANKING SECTOR

The Council discussed the follow-up to decisions taken by the European Council on 23 October and at an informal meeting of EU heads of state and government on 26 October in the context of the debt crisis.

The discussion focused on implementation of measures to strengthen the banking industry, in particular bank recapitalisation and facilitating access to longer term funding.

At a euro area summit on 26 October, agreement was reached on a comprehensive strategy to tackle the debt crisis. The strategy includes measures to restore confidence in the banking sector, on which agreement was reached at a meeting of EU heads of state and government, also on 26 October.

On 23 October, the European Council identified priorities for securing sustainable growth and job creation in the short to medium term, in particular growth-enhancing measures, improvements to economic governance and priorities related to the external aspects of economic policy.

As regards the banking sector, the Council took stock of work on the following issues:

- Term funding. The Council was briefed on work undertaken by the Commission, the European Banking Authority (EBA), the EIB and the European Central Bank to establish a coordinated approach to term funding at EU level. It examined possible options for guarantee schemes.

- Recapitalisation of banks. It was briefed on work undertaken by the EBA to secure an increase in the core tier 1 capital position of banks[1] to 9% by June 2012, as agreed by heads of state and government;

- Guidelines for state aid. The Council was briefed by the Commission on implementation of its special crisis framework for state aid, to ensure that any form of public support will be subject to the conditions laid down by the framework;

The Council asked the Economic and Financial Committee to explore the options for addressing the issues related to access to term funding.

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[1] A core tier 1 capital ratio is the ratio of a bank's equity capital to its total risk-weighted assets.

MACROECONOMIC IMBALANCES

The Council adopted the following conclusions:

"1. Following the agreement reached between the Council and the European Parliament on the legislative package to reinforce economic governance in the EU, the Council REAFFIRMS its readiness to fully and swiftly implement the new framework, including the new procedure for the surveillance and correction of macroeconomic imbalances and its enforcement mechanism under the Excessive Imbalances Procedure (EIP). The Council therefore CALLS UPON the Commission to implement the new legislation as soon as it enters into force.

2. The scoreboard, combined with appropriate economic judgement, will form the basis for the Commission's first Alert Mechanism Report. The Council CALLS UPON the Commission to publish the Alert Mechanism Report in time for the start of the next European Semester. Furthermore, the Council EMPHASISES the importance of aligning and integrating the new procedure for the surveillance of macroeconomic imbalances with the forthcoming European Semester.

3. Against this background, the Council ENDORSES the suggestion made by the Commission on the design of the initial scoreboard, covering the following indicators for the identification and monitoring of external and internal macroeconomic imbalances: current account balance, net international investment position, export market shares, nominal unit labour costs, real effective exchange rates, the evolution of unemployment, private sector debt, private sector credit flow, house prices, and the general government sector debt. The choice of indicators focuses on the most relevant dimensions of macroeconomic imbalances and competitiveness developments, with a particular focus on the smooth functioning of the euro area.

4. The Council TAKES NOTE of the declaration of the Commission regarding the data sources and statistical transformations it intends to use, and its declaration that unlike current account deficits, large and sustained current account surpluses do not raise concerns about the sustainability of external debt or financing capacity that affect the smooth functioning of the euro area, which are key criteria for triggering the corrective arm of the EIP, and that they will not lead to sanctions. The Council INVITES the Commission to take account of the latest data available and to be fully transparent on which data is used.

5. Whereas the sustainability of public finances is assessed under the Stability and Growth Pact, the Council WELCOMES the Commission's intention under the Excessive Imbalances Procedure to consider general government sector debt solely to assess its specific contribution to problematic macroeconomic imbalances.

6. The Council WELCOMES the intention of the Commission to read the unemployment indicator in conjunction with other more forward-looking scoreboard indicators and be used to better understand the potential severity of macroeconomic imbalances in terms of their likely persistence and the capacity of the economy to adjust.

7. In addition to the indicators reflected in the Commission proposal, the Council UNDERLINES the need for additional indicators that the Commission should take into account when undertaking its economic reading of the scoreboard, including indicators looking at developments of the different components of productivity as well as financial sector indicators. The Commission should in particular take account of the net external debt as well as the share and composition of foreign direct investment and developments of the capital account in Member States as important additional information in the economic reading of the scoreboard and should ensure that structural features of catching-up economies and the EU transfers are appropriately taken into account.

8. Any assessment drawn on the basis of the scoreboard should consider all relevant factors, including country-specific circumstances. In this respect, the Council RECALLS that the crossing of one or more indicative thresholds need not necessarily lead to further steps in the Excessive Imbalances Procedure. Economic judgement should always be provided alongside the publication of the scoreboard and should ensure that all pieces of information, whether from the scoreboard or not, are put in perspective and become part of a comprehensive analysis.

9. The Council INVITES the Commission to assess the appropriateness of the scoreboard on a regular basis and report back on this assessment to the Council. The Council moreover CALLS ON the Commission to update the indicators and thresholds when necessary so as to take due account of enhanced availability of relevant statistics, the evolving nature of the challenges to macroeconomic stability and also developments in the economic literature. The Commission should closely cooperate with the Council and its relevant committees when adjusting the scoreboard. The Commission is also requested to present, before the end of 2012 and in line with the Regulation, suggestions on an indicator related to the financial sector, with a view to its inclusion for the 2013 European Semester.

10. The Council UNDERLINES the importance for the credibility of the Excessive Imbalances Procedure of having timely statistics of the highest quality for inclusion in the scoreboard and INVITES the Commission (Eurostat) to take all necessary initiatives to assure a reliable procedure for the compilation of these statistics as well as a continuous improvement of the underlying statistical information. The Council INVITES the European Statistical System and the European System of Central Banks to work together on improving the underlying statistics and to ensure their comparability.

11. The Council UNDERLINES the important communication role of the scoreboard, as the choice of indicators sends a clear awareness-raising message to policy makers and stakeholders on the types of macroeconomic developments which could potentially be a source of concern and where there is thus a need for enhanced surveillance."

CLIMATE CHANGE

The Council adopted the following conclusions:

"The Council

1. REAFFIRMS the collective commitment by developed countries in the Copenhagen Accord and under the Cancún Agreements to provide new and additional resources, approaching USD 30 billion for the period 2010 - 2012. STRESSES the importance of fast-start finance for the swift implementation of the Cancún Agreements.

2. RECALLS the Council conclusions of 4 October 2011 on climate finance; RECALLS the Council conclusions of 17 May 2011 on climate change, confirming the latest figures on fast-start finance (FSF) provided for climate mitigation and adaptation measures in developing countries, and assessing the prospects for scaled-up financing after 2012.

3. In this context, EMPHASISES that despite significant domestic financial challenges and fiscal constraints the EU and its Member States have advanced in the implementation of their FSF during 2011 in line with our commitment in the Copenhagen Accord and under the Cancún Agreements to tackle climate change in developing countries. STRESSES the importance of the EU and its Member States delivering on the fast start commitments in 2012 according with the overall pledge.

4. ENDORSES the final report on finance provided by the EU and its Member States in 2011 for "fast-start" measures to be presented at the UNFCCC Conference of the Parties (COP 17) from 28 November to 9 December 2011 in Durban and the indicative list of individual actions funded. CONFIRMS that to date a total of €4.68 billion has been mobilized by the EU to meet its FSF commitment, with 39% of the total to fund mitigation action, 31% to support adaptation efforts and 12% to support action to reduce deforestation and forest degradation in developing countries. NOTES that, due to the multipurpose nature of activities supported, 18% of the funding can not be strictly categorized.

5. REQUESTS the Commission to update data in the Durban FSF report as appropriate in order to reflect any further information received before the Durban UNFCCC session.

6. EMPHASISES that the lessons learned during the FSF period, notably in areas of effective implementation, partner inclusion and more transparent Monitoring, Reporting and Verification, should be exploited in full when considering future architecture for climate financing. UNDERLINES that the transparency of finance streams constitutes an essential element for information exchange on international climate finance.

7. UNDERLINES the necessity to work in a constructive manner towards the identification of a path for scaling up climate finance from 2013 to 2020 in the context of progress made in international negotiations, meaningful mitigation actions and transparency on implementation with a view to reducing global greenhouse gas emissions so as to keep the increase in global average temperature below 2 °C compared to preindustrial levels.

8. RECOGNISES the need for the EU, together with other developed countries, to continue efforts in climate financing after 2012 in view of preparing to mobilise its fair share of the USD 100 billion per year by 2020, complementing developing countries' own efforts to implement their Cancun pledges as well as their low emission development strategies and national adaptation plans taking into account the respective capabilities of developing countries.

9. WELCOMES the Final Report prepared by international organizations for the G20 Finance Ministers on mobilizing climate financing as a good basis for discussion. AGREES with the conclusion that both public and private flows are indispensable elements of climate finance and CONSIDERS that the large financial flows required to address climate change will, in the long run, be largely private in composition. RECOGNISES also that public policy and finance should play a crucial role both to address needs that private flows can only partly meet, like adaptation financing in LDCs, and to catalyze high levels of private investments for mitigation and adaptation activities. In this regard, RECOGNIZES the important role that Multilateral Development Banks and carbon market instruments can play in leveraging greater private finance for climate change. INVITES Parties to IMO /ICAO to consider within IMO and ICAO the work undertaken by the IMF and the World Bank on market-based instruments in aviation and maritime international transportation. Carbon pricing is a potential source of revenues that would also generate the price signal necessary to efficiently achieve emissions reduction from these sectors. CALLS on the COP Presidency to seek agreement on a process for considering these conclusions in an open and transparent manner to secure progress in the international negotiations.

10. RECOGNISES the useful work done by the Transitional Committee for the design of the Green Climate Fund (GCF). WELCOMES the support of TC members."

MEETINGS IN THE MARGINS OF THE COUNCIL

The following meetings were held in the margins of the Council:

– ***Euro Group***

On 7 November, ministers of the euro area member states attended a meeting of the Euro Group.

– ***Meeting with EFTA finance ministers***

Ministers met their counterparts from the European Free Trade Association: Iceland, Liechtenstein, Norway and Switzerland. Discussion focused on ensuring the stability of the financial sector.

– ***Ministerial breakfast meeting***

Ministers held a breakfast meeting to discuss the economic situation and recent developments.

OTHER ITEMS APPROVED

ECONOMIC AND FINANCIAL AFFAIRS

Economic governance

The Council adopted a package of six legislative proposals aimed at strengthening economic governance in the EU – and more specifically in the euro area – as part of the EU's response to the current difficulties on sovereign debt markets (*PE-CONS 28/11, 29/11, 30/11, 31/11, 14615/11, 14616/11, 15996/1/11 REV 1 ADD 1, 15998/11 ADD 1* + *16001/11 ADD 1* + *REV 2*).

Adoption of this package known as the six-pack follows political agreement achieved at the Council's meeting on 4 October on the basis of a compromise reached with the European Parliament. Parliament approved the six-pack on 28 September.

The measures set out to ensure the degree of coordination necessary to avoid the accumulation of excessive imbalances and to ensure sustainable public finances. This will help the EU's monetary union to function properly in the long term.

More specifically, the measures set out to:

- enhance budgetary discipline under the EU's Stability and Growth Pact, in order to ensure a satisfactory decline of public debt in the member states, as well as a decrease of high deficits to be followed by achieving ambitious, country-specific medium-term budgetary objectives (four proposals). This involves enhancing the surveillance of budgetary policies, introducing provisions on national fiscal frameworks, and applying enforcement for non-compliant euro area member states more consistently and at an earlier stage;

- broaden the surveillance of the member states' economic policies, so as to cater adequately for macroeconomic imbalances (two proposals). An alert mechanism is introduced for the early detection of imbalances, to be assessed using a "scoreboard" of economic indicators. An "excessive imbalance procedure" is also introduced, with enforcement for non-compliant member states.

For details, see press release 16446/11.

Financial conglomerates

The Council adopted a directive amending the financial conglomerate directive in order to close loopholes and ensure appropriate supplementary supervision of entities in a financial conglomerate (*PE-CONS 39/11* + *15670/11 ADD 1*).

The new directive also adapts the supervision of financial conglomerates to the EU's new supervisory structure.

For details, see press release 16447/11.

Export credits

The Council adopted a regulation approving the revised text of the OECD *arrangement on officially supported export credits* in order to ensure its application in EU law (*PE-CONS 46/11*).

Export credit is an important element in the promotion of international trade. The EU, as a party to the OECD arrangement, plays a major part in OECD efforts to ensure a level playing-field at international level by regulating the financial terms and conditions that export credit agencies may offer.

The regulation replaces decision 2001/76/EC. It provides for the Commission to adopt delegated acts to incorporate future changes to the OECD guidelines into EU law.

The regulation also requires member states to send annual activity reports to the Commission in order to increase transparency at EU level.

European Bank for Reconstruction and Development

The Council adopted a decision allowing the EU to subscribe for additional callable shares in the European Bank for Reconstruction and Development (EBRD), following the bank's decision to raise its capital (*PE-CONS 49/11*).

In May 2010, the EBRD board of governors decided to increase the bank's authorised capital stock by 50% from EUR 20 billion to EUR 30 billion, in response to the financial crisis and in order to support recovery in the regions where the bank is active. The capital increase comprises EUR 1 billion in paid-in capital and EUR 9 billion of new callable capital.

The Council decision provides for the EU to subscribe for 27 013 additional callable shares of EUR 10 000 each.

Greece: fiscal consolidation measures

The Council adopted a decision adjusting fiscal consolidation measures required of Greece whilst maintaining the deadline set for bringing the Greek government deficit below the EU reference value of 3% of GDP.

The text amends a decision adopted on 12 July, in the light of an expected slippage in relation to the target set for Greece's 2011 budget under the EU's excessive deficit procedure. In October, the Greek government announced measures to minimise the slippage and presented a draft budget for 2012 aimed at sticking to the ceiling set for 2012.

The Council's July decision recasts a series of decisions adopted since May 2010 requiring Greece to bring its deficit below the reference value of 3% of GDP by 2014 at the latest. It sets out an annual adjustment path for achieving this and the annual change that will be required in consolidated gross debt, as well as a detailed timetable for taking specific measures. Greece must report on a quarterly basis on measures taken.

EUROPEAN ECONOMIC AREA

Participation of Bulgaria and Romania in the European Economic Area

The Council adopted a decision on the conclusion of an agreement on the participation of Bulgaria and Romania in the European Economic Area and four related agreements (14456/11).

The agreements were signed and provisionally applied in accordance with Council decision 2007/566/EC of 23 July 2007 (Official Journal L 221 , 25.8.2007).

TRADE POLICY

EU- Norway agreement - Agricultural products

The Council adopted a decision on the conclusion of an agreement between the EU and Norway concerning additional trade preferences in agricultural products (14206/10).

The decision is based on article 19 of the agreement on the European Economic Area (EEA), which requires contracting parties to continue their efforts with a view to achieving progressive liberalisation of agricultural trade.

Anti-dumping - Fatty alcohols - India, Indonesia and Malaysia

The Council adopted a regulation imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain fatty alcohols and their blends originating in India, Indonesia and Malaysia *(15569/11)*.

DEVELOPMENT COOPERATION

Contributions to the European development fund

The Council agreed the amount of the third instalment of financial contributions for 2011 to be paid by member states to finance the European development fund.

INTERNAL MARKET

Engines - Flexibility scheme for environmental requirements

The Council adopted a directive amending directive 97/68/EC as regards the provisions for engines placed on the market under the flexibility scheme in order to help engine manufacturers to adapt progressively to stricter environmental requirements and cope with the difficulties resulting from the current economic crisis. *(45/11)*.

The adoption of the directive, with the Danish delegation voting against *(15993/11 ADD1)*, follows an agreement with the European Parliament at first reading.

It will modify the provisions of the flexibility scheme provided for in directive 97/68/EC:

– by increasing the percentage of engines which can be placed on the market while complying with the previous stage emission limits, from 20% to 37.5% of the manufacturer's annual sales,

– by extending such a flexibility also to engines used in locomotives, and

– by providing for a limited exemption, also for replacement engines in railcars and locomotives.

Directive 97/68/EC regulates the maximum exhaust emissions carbon oxide (CO), hydrocarbons (HC), nitrogen oxides (NOx) and particulates (PM) from diesel engines installed in non-road mobile machinery and contributes to the protection of human health and the environment.

Directive 97/68/EC also provided that emission limits applicable to type approval of the majority of diesel engines under Stage III A were to be replaced by the more stringent limits under Stage III B. Those limits apply from 1 January 2010 as regards the type approval for those engines, and from 1 January 2011 with regard to their placing on the market.

The flexibility scheme allows equipment manufacturers to purchase, during the emissions stage in force, a limited number of engines that do not comply with the emission limits applicable during that stage, but which are approved in accordance with the requirements of the stage immediately preceding the applicable one.

Narrow-track tractors - Emission stages for environmental requirements

The Council adopted a directive amending directive 2000/25/EC as regards the application of emission stages for narrow-track tractors in order to help engine manufacturers adapt to stricter environmental requirements *(53/11)*.

The adoption of the directive, with the Danish delegation voting against *(15992/11 ADD1)*, follows an agreement with the European Parliament at first reading.

Directive 2000/25/EC is amended in order to grant a transitional period of three years, during which narrow-track tractors may still be type-approved and placed on the market before complying with emission requirements of Stages III B and IV.

Directive 2000/25/EC regulates exhaust emissions of gaseous and particulate pollutants from engines installed in agricultural and forestry tractors with a view to contributing to the protection of human health and the environment. It provided that the emission limits applicable in 2010 for type approval of the majority of diesel engines (known as Stage III A), were to be replaced by the more stringent limits (Stage III B) progressively. Stage IV, providing for emission limits more stringent than Stage III B, will enter into force progressively as from 1 January 2013 as regards the type-approval for those engines and from 1 January 2014 with regard to the placing on the market.

The Commission will report annually on progress in the development of technical solutions for Stage IV-compliant technology.

Tractors of categories T2, T4.1 and C2 (narrow-tract tractors) are specially designed to meet the specific terrain and layout characteristics of vineyards and orchards in Europe and are almost solely produced and used in Europe.

ENVIRONMENT

Scrutiny of Commission legislative acts related to the environment

The Council decided not to oppose adoption by the Commission of the following acts:

– amending directive 98/8/EC concerning the placing of biocidal products on the market[1] :

- directive amending directive 98/8/EC to include copper (II) oxide, copper (II) hydroxide and basic copper carbonate as active substances in Annex I thereto *(15115/11);*
- decision concerning the non-inclusion of certain substances in Annex I, IA or IB (*15116/11);*
- decision concerning the non-inclusion of flufenoxuron for product type 18 in Annex I, IA or IB (*15117/11);*
- directive amending directive 98/8/EC to include bendiocarb as an active substance in Annex I (*15118/11*);

– and amending annex I to regulation 689/2008 [2] concerning the export and import of dangerous chemicals (*15161/11*).

The Commission acts are subject to what is known as 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.

[1] OJ L 123, 24.4.1998
[2] OJ L 204, 31.7.2008

Ministerial conference on sustainable urban development

The Council adopted the EU and Member States position on the declaration of the first ministerial conference of the Union for the Mediterranean[1] on sustainable urban development which will take place in Strasbourg, from 9 to 10 November 2011.

This conference is the follow-up to the Mediterranean strategy for sustainable development adopted in November 2005 and to the outcome of the ministerial meeting of the Union for the Mediterranean on sustainable development projects, held in Paris on 25 June 2009.

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[1] The Union for the Mediterranean (UpM), created at the Paris Summit of Euro-Mediterranean Heads of State and Government on 13 July 2008, is the framework of multilateral relations between the EU and the Mediterranean non-EU countries (such as Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, the occupied Palestinian Territories, Syria, Tunisia and Turkey, as well as the other Mediterranean coastal states (Albania, Croatia, Bosnia-Herzegovina, Montenegro and Monaco) and Mauritania.

EMPLOYMENT

Globalisation adjustment fund - Austria and Greece

The Council adopted two decisions mobilising a total amount of EUR 6.56 million under the European Globalisation Adjustment Fund (EGF), providing support for workers made redundant in Austria and Greece.

A total of EUR 3.64 million will be allocated to workers in the Austrian road transport sector dismissed following a decline in production and subsequently, in the demand for transport of goods, as a consequence of the global financial and economic crisis.

A total of EUR 2.92 million is to be mobilised for dismissed workers in the Greek retail sector that has been severely affected by a decrease in consumption as a result of the crisis.

TRANSPORT

Air services agreement with Cape Verde *

The Council authorised the conclusion of an air services agreement between the EU and the Republic of Cape Verde, following the consent given by the European Parliament (decision on conclusion: *9114/11*; statement: *15784/11*; text of agreement: OJ L 96 of 9.4.2011, p. 2).

The agreement, which was signed in March 2011, supersedes and complements the existing bilateral agreements between individual member states and Cape Verde, bringing their provisions in line with EU law, in particular as regards non-discriminatory access of all EU air carriers to routes between the EU and Cape Verde, aviation fuel taxation and competition rules.

AGRICULTURE

International tropical timber agreement

The Council adopted a decision on the conclusion, on behalf of the EU, of the 2006 international tropical timber agreement (*5812/11*).

The conference set up within the United Nations conference on trade and development (UNCTAD) concluded its work on the replacement of the 1994 international tropical timber agreement with the adoption of a new agreement on 27 January 2006. This agreement was opened for signing at the UN in New York.

Although tropical timber agreements are generally trade agreements covered by Article 133 of the Treaty establishing the European Community, they are considered to be unconventional commodity agreements covering both trade and the environment through sustainable management for the conservation of tropical tree species.

The purpose of this decision is therefore to approve the international tropical timber agreement 2006 and authorise the EU to deposit the instrument of approval with the UN international treaties office.

FISHERIES

Negotiations with Norway - Access to the Skagerrak

The Council adopted a decision authorising the Commission to open negotiations on behalf of the EU for an agreement between the EU and Norway on reciprocal access to fishing in the Skagerrak.

The 1966 neighbourhood agreement between Denmark, Norway and Sweden expires on 7 August 2012. Norway is prepared to enter into negotiations for a new agreement with a view to ensuring the continuation of the existing arrangements on reciprocal access to fishing in the Skagerrak, but within a modernised framework.

FOODSTUFFS

Nitrates, dioxins and other contaminants

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

- regulation amending regulation 1881/2006 as regards maximum levels for nitrates in foodstuffs (*13560/11*);

- regulation amending regulation 1881/2006 as regards maximum levels for dioxins, dioxin-like PCBs and non dioxin-like PCBs in foodstuffs (*13558/11*).

The Commission regulations are subject to what is known as 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.

Identification of foodstuffs

The Council adopted a codified version of the directive on indications or marks identifying the lot to which a foodstuff belongs (*27/11*).

The new directive replaces the various acts incorporated into directive 89/396/EEC, while fully preserving their content.

DECISION TAKEN BY WRITTEN PROCEDURE

Staff regulations - Exception clause

On 4 November, the Council approved a request on the exception clause (article 10 annex XI to the staff regulations), set out in *16281/11* to implement the exception clause and on that basis present an appropriate remuneration adjustment proposal for 2011.