

# **European & External Affairs Committee**

**EUR(2) 05-06 (p.1)**

**Date:22 June 2006**

**Venue:Committee Room 3, Senedd, Cardiff Bay**

**Title:First Minister's Report**

## **Purpose**

1. To provide an update on a range of issues arising since the last meeting of the Committee.

## **Recommendation**

2. That members note the content of the report.

## **Background**

3. The Committee last met on 10 May 2006. This paper provides an update.

## **First Minister's International Activities**

### **10 May 2006 Visit of His Excellency Erlan Idrissov, Ambassador for the Republic of Kazakhstan**

This is the second time I have met Ambassador Idrissov. This meeting was arranged at his request to enable him to formally introduce his newly appointed Honorary Consul to Kazakhstan in Wales - Mr Douglas Townsend. Mr Townsend is a former Australian Ambassador to Kazakhstan and now lives in Lampeter. The Ambassador also brought me up-to-date on the efforts being made by the Wales International Consortium to forge links with educational institutions in Kazakhstan through the Boalashak Programme to encourage students to study at Welsh universities.

### **12-15 May 2006 – Trade Mission to Dubai and Abu Dhabi, UAE**

I participated in an International Business Wales trade mission to the UAE. I attended a meeting, alongside Welsh Bioscience companies, with the Dubiotech City founders in Dubai. I met with HH Sheikh Mohammed bin Rashid Al Maktoum, Ruler of Dubai, Vice-President and Prime Minister of the UAE, to discuss possible collaborations between Wales and the UAE.

I met with the Dubai Chamber of Commerce and Industry (DCCI) and signed a Memorandum of Understanding between International Business Wales and DCCI promoting trade collaboration in a number of areas.

I attended and spoke at a British Business Group networking event in Abu Dhabi.

I also spoke at a renewable energy conference alongside the UAE Minister for Energy and his team, in Abu Dhabi, attended by Welsh and UAE based companies.

Along with the delegation, I met with Mubadala, the Abu Dhabi Investment Company, to discuss possible collaboration opportunities on their sustainable development projects.

### **16 June 2006 – Meeting of the Brittany Regional Council, Rennes**

I addressed a meeting of the Regional Council of Brittany in plenary session in Rennes, and signed an Action Plan to take forward the Memorandum of Understanding signed by Wales and the Regional Council in January 2004.

### **Other Issues**

#### **The European Council 15/16 June, 2006**

The Austrian Presidency had hoped that the June European Council would deliver real progress on the Constitutional Treaty and enlargement. Progress on these issues looks uncertain. There appears to be little consensus on institutional issues and the Commission has promised a report on enlargement this autumn with a view to a fuller debate thereafter. While these topics will remain high on the agenda, there will also be a focus on maintaining the momentum and profile of the Hampton Court agenda and the external aspects of EU energy policy. Climate change, sustainable development, and justice and home affairs are also likely to feature. I will provide an oral update to the Committee at the meeting.

#### **The Services Directive and the Posting of Workers Directive**

At the last meeting, Members requested further information on the Posting of Workers Directive and its relationship to the Services Directive. This is included at Annex A to my report.

#### **Private Sector Match Funding**

At the last meeting I agreed to provide further information on private sector match funding for the new structural funds programmes, with regard to the voluntary sector. Unpaid volunteer time is currently classed as Private match funding 'In Kind'. This is an important source of match funding for many current projects run by the voluntary sector. While the decision on whether Private match funding can be

included at a programme level is not yet finalised, the new Structural Fund regulations will allow the use of private match funding at a project level. We have been very successful at leveraging in private match funding in Wales and this will still be important for projects that we support with Structural Funds.

## **Avian Flu – State Aid**

I agreed to report on whether there had been any illegal intervention by French Authorities to assist the French poultry industry.

Having consulted with DEFRA I can confirm that the French and the Italians have put together a package of measures to help their industry, but it is understood that they have been notified to the Commission in compliance with the State aid rules. The Commission will consider the package and issue a decision either approving or rejecting it. I understand that several Member States have put pressure on the Commission to make sure that there is no unfair advantage being accorded.

State (national) aids are subject to European control measures to prevent the distortion of competition. Aids related to outbreaks of disease must normally be notified to and approved by the Commission. In deciding whether to give approval, the Commission will have regard to whether the proposed aid complies with a detailed set of rules. I understand that some Member States have notified the Commission of some aid measures related to outbreaks of avian influenza within their territory and that the Commission has already approved at least some of them.

If there were to be evidence that a Member State had not notified aid measures to the Commission, or that the aid measures are not in line with the State aid rules, then that evidence would need to be presented to the European Commission for investigation. However that does not appear to be the case in this instance.

## **European News**

ECJ rules on data sharing arrangement with the US - The European Court of Justice has ruled that the agreement for airlines to share passenger information with the US authorities lacked an "appropriate legal basis." The US requires any airlines flying to or over its territory to forward 34 items of information about each passenger within 15 minutes of takeoff. The practice was implemented to improve airline security and to avoid lengthy pre-departure security checks. Unless the legal situation is resolved by 30 September when the ruling comes into effect, the US could issue heavy fines or even deny landing rights to airlines.

No agreement on Working Time Directive - The EU's Employment Ministers have failed to reach agreement in talks on the opt-out from the Working Time Directive. In 2004 the European Commission had proposed a compromise maintaining the opt-out clause whilst attaching tighter conditions to its use. However, last year the European Parliament voted to scrap the opt-out by 2010. The UK wants to retain the opt-out for people who choose to work longer hours. Poland, Slovakia, Latvia and Malta are also in

favour of the opt-out whilst France and Sweden are leading calls for it to be phased out. The Austrians had hoped to make progress on this issue dossier during their Presidency but talks will now resume under the Finnish Presidency in July.

EU Programme 2007-13 – The European Commission has revealed its package of programmes for 2007-13 outlining the funding for each one. The package includes 26 revised proposals and five new ones, across a range of policy areas. It prioritises policies for economic and sustainable progress, solidarity, security and a re-enforced role of Europe in the world. It includes programmes under Competitiveness for growth and employment, such as the 7<sup>th</sup> Framework Programmes (research and technology), the Lifelong Learning Programme, trans-European Networks (TENs) for transport and energy, and Galileo (worldwide satellite navigation system).

Italy's new government – Romano Prodi, has been sworn in as Italy's new prime minister, five weeks after his election victory, and exactly ten years since he was first appointed prime minister. The swearing in ceremony, which included his cabinet, was performed by Italy's new president, Giorgio Napolitano. Mr Napolitano is the 11<sup>th</sup> post-war president of Italy. Subsequently, Mr. Prodi's government sealed its mandate to run the country by winning votes of confidence in both houses of the Italian parliament.

Slovenia to enter eurozone - Slovenia's application to join the Single European Currency on 1 January 2007 has been accepted by the European Commission. The application must now be approved by the European Parliament and Member States who will set the exchange rate. The rate of exchange between the euro and the tolar (Slovenian currency) could be fixed by 11 July, with the euro legal tender in the new-year and a transition period of anything between two weeks and six months during which the euro circulates alongside the tolar. Slovenia will become the first former communist state to adopt the euro as its currency and the first new entrant to the twelve member eurozone since 2001. Lithuania's application was rejected because its inflation rate was too high. Despite a strong economy, the country's inflation rate was 0.1% outside the target. All the countries that joined the European Union in 2004 have a commitment to adopt the Single European Currency but this is dependent on meeting economic performance criteria, set out in the Maastricht Treaty which is the legal basis for the euro.

Bulgaria and Romania: Accession to the European Union (EU) - On 16 May the European Commission adopted its monitoring reports on Bulgaria's and Romania's preparedness for EU accession. During the accession negotiations the progress achieved by the candidate country is reviewed in regular reports on a yearly basis. Once the accession negotiations are concluded the Commission continues to monitor preparedness up to accession.

The monitoring reports assess the progress made by the acceding countries since the last monitoring reports of the Commission in October 2005. The reports highlight the main achievements and pinpoint the remaining shortcomings.

Based on the findings of the reports the Commission considers that it should be possible for both

Bulgaria and Romania to join the EU on 1 January 2007, provided they address the following issues:

Bulgaria needs to demonstrate clear evidence of results in the fight against corruption, in terms of investigations and judicial proceedings. It also needs to further reform the judiciary, in particular to reinforce its transparency, efficiency and impartiality.

Romania needs to continue its efforts and demonstrate further results in the fight against corruption. It also needs to consolidate the implementation of the ongoing justice reform and further enhance the transparency, efficiency and impartiality of the judiciary.

In addition a number of issues identified by the Commission as giving cause for serious concern in the transposition of the EU laws and standards must be addressed. The number of such issues has significantly decreased since the October 2005 reports (from 16 to 6 in Bulgaria and from 14 to 4 in Romania).

The Commission will review the progress of the two countries no later than early October this year. On this basis, the Commission will consider whether the date of their accession to the EU in 2007 can be maintained. In the event of a 2007 accession this report will also specify any areas where safeguards or other remedial measures may be needed upon accession.

Members may wish to note that two former WEFO officials have been assisting Romania in strengthening its administrative capacity. Sheila Maxwell is working on a PHARE project that commenced in January 2006 and lasts for 18 months and Phil Gray has been undertaking visits as a Short Term Expert since December 2005 as part of an ODPM Twinning Project, the latest of which was in May 2006.

The key findings of the May monitoring reports are outlined in Annex B to my report.

## **Serbia and Montenegro**

Under the terms of the 2003 Constitutional Charter of Serbia and Montenegro either republic can hold a referendum on independence after three years. The Government of Montenegro announced that it would hold such a referendum on 21 May 2006. The result was a narrow vote in favour of independence and secession from Serbia. The required margin for victory was 55% with the final count recorded at 55.5%. The country has a population of less than 700,000.

Under the Constitutional Charter, Serbia will become the successor state and Montenegro will have to apply for membership of international institutions. No application for candidate status of the European Union has been made by Serbia and Montenegro but in October 2005 negotiations were opened on Stabilisation and Association Agreements which are designed to help countries make progress towards meeting European Union standards.

The last time Montenegro was independent was almost 90 years ago at the conclusion of World War 1, when it was incorporated into the new "Kingdom of Serbs, Croats and Slovenes". In 1929 the new state was renamed the "Kingdom of Yugoslavia".

## **Russia/EU Summit**

Russian and EU leaders held a summit at Sochi, on the Black Sea on 25 May 2006. The main item on the agenda for the meeting was their energy partnership where discussions were held against a backdrop of threats to look for other suppliers and customers. Russia supplies a quarter of the EU's gas through Gazprom, and the proportion could rise as imports grow in the future. Gazprom is the world's third largest company of which the state is the majority shareholder with a 51% stake. The EU has been making plans to reduce its dependency on Russian gas, particularly since the disruption to supplies to Ukraine in January 2006. The EU leaders described the talks as open and constructive where reciprocity and transparency in their relations had been under discussion. For his part, Russian President, Vladimir Putin said China was not an alternative customer to the EU.

The two sides also agreed to make it easier to get visas to travel between Russia and the EU member states and to simplify the deportation of illegal immigrants.

## **Rhodri Morgan AM First Minister**

### **EEAC First Minister's Report**

<b>Date</b>	<b>Assembly Minister/ Official/ Division</b>	<b>Event</b>	<b>Objectives</b>	<b>Outcomes</b>

10 May 2006	First Minister	Visit of HE Mr Erlan Idrissoy, Ambassador to the Republic of Kazakhstan	To Introduce the newly appointed Honorary Consul to Kazakhstan in Wales (Mr Douglas Townsend) and to update the First Minister on ongoing work in Wales.	Constructive discussions based around the work of the Wales International Consortium to forge links with educational institutions in Kazakhstan through the Boalashak Programme to encourage students to study at Welsh universities.
12-15 May 2006	First Minister	Trade delegation of renewable & biotech focussed companies to Dubai & Abu Dhabi.	To participate in an International Business Wales trade mission to the UAE; sign an MOU between International Business Wales and the Dubai Chamber of Commerce and Industry; and meet with key business representatives to discuss possible collaborations between Wales and the UAE.	<p>The First Minister:</p> <ul style="list-style-type: none"> <li>● Led a conference for Welsh bioscience companies, meeting with the Dubiotech founders in Dubai;</li> <li>● Met with HH Sheik Mohammed bin Rashid Al Maktoum, Ruler of Dubai, Vice-President and Prime Minister of the UAE;</li> <li>● Signed an MOU between International Business Wales and the Dubai Chamber of Commerce &amp; Industry;</li> <li>● Led and introduced a delegation of Welsh renewable energy companies in a conference with the UAE Minister for Energy and his team, in Abu Dhabi;</li> <li>● Led a meeting with the Mubadala sustainable energy</li> </ul>

				<p>group, in Abu Dhabi.</p> <p>International Business Wales will be following up and monitoring the progression of business as it develops.</p>
24 May 2006	Minister for Assembly Business, Equalities and Children	Visit of Mr Robert Kucera, Member of the Western Australia Parliament	Mr Kucera visited Cardiff to meet the Minister and various organisations involved with the Muslim community in the city to discuss community relations issues.	Positive discussion was held, involving sharing of experience and best practice.
31 May – 2 June 2006	Deputy Minister for Older People	International Federation on Ageing Conference, Copenhagen	To present six papers on: the Strategy for Older People in Wales; Commissioner for Older People; Mainstreaming; Healthy Ageing Action Plan; National Service Framework; and Citizenship.	<p>A valuable opportunity to raise the profile of Wales, the Assembly and its policies for older people. The Minister also:</p> <ul style="list-style-type: none"> <li>● Met with representatives from the British Embassy and key Danish personnel with responsibility or interest in health and social services.</li> <li>● Met with the Danish Deputy Permanent Secretary (Anders Lynge Madsen).</li> <li>● Visited Bispebjerg Hospital and met with Carsten Hendriksen, a consultant and adviser to the Age Forum.</li> </ul>



1 June 2006	Minister for Enterprise, Innovation and Networks	Meeting with Stuart Eldon, CMG OBE, Her Majesty's Ambassador to The Republic of Ireland	To Discuss a number of Wales-Ireland issues in the areas of trade and investment, transport, energy, and Ryder Cup developments.	Helpful and constructive exchange of ideas in the areas discussed.
16 June 2006	First Minister	Visit to Regional Council of Brittany, Rennes.	To address the Regional Council of Brittany at a plenary session and sign an Action Plan to take forward the Memorandum of Understanding signed between Wales and the Regional Council in January 2004.	Closer working between Wales and Brittany on a number of policy areas e.g. education, health, economic development and innovation, culture, sustainable development

## **Posting of Workers Directive (96/71/EC) and Services Directive**

### **When was the Posting of Workers Directive adopted?**

The Posting of Workers Directive (96/71/EC) was adopted on 16 December 1996. Although most existing legislation in the UK already applied to all employees or workers whether working here permanently or temporarily - and thus applied to posted workers - minor changes to legislation were made to implement the Directive.

### **What does it cover?**

The Directive broadly requires that, where a Member State has certain minimum standards and conditions of employment, these must also apply to workers posted temporarily by their employer to work in that state.

### **What is a posted worker?**

Broadly, a posted worker is one who, for a limited period, carries out his work in the territory of a European Community Member State other than the State in which he normally works.

### **What terms and conditions of employment are covered by the Directive?**

- Maximum work periods and minimum rest periods;
- Minimum paid annual holidays;
- Minimum rates of pay, including overtime rates;
- Conditions of hiring out workers, in particular, the supply of workers by temporary employment undertakings;
- Protective measures in the terms and conditions of employment of pregnant women or those who have recently given birth, of children and young people;
- Equal treatment between men and women and other provisions on non-discrimination

## **What is the Services Directive?**

The Services Directive is a proposal from the Commission that aims to complete the Internal Market - which currently exists only for goods - by opening up trade in Services. The Directive aims to tackle the barriers to trade in services within Europe – in accordance with the EC Treaty and ECJ case law.

## **What is the latest state of play on the Services Directive?**

Political agreement was reached on a Presidency compromise text on the Services Directive at the Competitiveness Council on 29-30, May 2006. The compromise text was broadly in line with the European Parliament consensus reached in February.

On 16 February 2006, the First Reading on the Services Directive was adopted by the European Parliament. Broadly, the outcome was that the scope of the Directive was narrowed; a compromise was reached on the controversial country of origin principle (in Article 16); and Articles 24 and 25, which would have made it easier for service providers to send their domestic workers to another Member State, were deleted.

The Commission published a revised text of the Directive, based largely on the EP's February compromise, on 6 April 2006. (COM (2006) 160 final)

## **What was the country of origin principle (Article 16) in the original text of the Services Directive?**

In the original Commission text, the country of origin principle meant that service providers would have been subject to most of their home country rules when offering services in another Member State. This privileged position would last until the service provider was sufficiently successful to set up a permanent presence in the new market – at which stage it would have to abide by all the rules in its host Member State. However, the country of origin principle did not apply to all areas of regulation: there were some important derogations to the rule.

## **In the original text, did the country of origin principle undermine the rights of posted workers as agreed in the Posting of Workers Directive?**

No, it didn't. The Posting of Workers Directive was derogated from the country of origin principle in the original text of the Services Directive. That meant that the law of the country in which the worker was posted (country of destination) would continue to apply. Posted workers would have continued to be subject to terms and conditions of the Member State to which the worker was posted (the country of destination/host Member State).

Thus, a UK construction company posting workers to France would have needed to pay the French minimum wage and honour universally applicable collective agreements in the sector, and would be obliged to comply with the working conditions covered by the Posting of Workers Directive as set out in French law.

### **What was the European Parliament compromise that had been reached on the country of origin principle?**

The European Parliament's February compromise replaced the country of origin principle with a provision on the 'freedom to provide services', as laid out in Articles 16 and 17. This 'freedom' restricts the ability of the host Member States to regulate incoming service providers, but is silent on whether the service provider is subject to the rules of its country of origin or the rules of the country where it is operating.

### **What provisions on the posting of workers have been deleted from the modified text of the Services Directive?**

Articles 24 and 25 included provisions regarding simplifying the administration of the Posting of Workers Directive, by, for example, ensuring that service providers should not be subject to cumbersome administrative burdens when posting workers to Member States. These articles have been deleted, and, instead, the Commission has brought out guidance on the posting of workers in the framework of the provision of services. (COM (2006) 159 final)

### **What are the implications for Wales?**

Welsh workers posted to another Member State would be subject to the terms and conditions of employment of the host Member State, as set out in the Posting of Workers Directive. The Services Directive, in its final and former versions, would not have undermined these rights. However, the Posting of Workers Directive does not prevent workers benefiting from minimum terms and conditions that are more favourable and are applied in the Member State from which the workers are posted.

## **European Policy Secretariat**

### **European & External Affairs Division**

**June 2006**

## **Key findings of the May 2006 monitoring reports on Bulgaria and Romania**

Any candidate country wishing to join the EU must meet the political and economic criteria and has to fully transpose and implement EU laws and standards.

Regarding transposition and implementation of EU laws and standards the reports identify three stages of preparedness, beside the non-problematic areas (where either the county is ready or the ongoing preparations should allow it to be ready upon accession, provided the current ace is maintained) there are:

- Areas where increased efforts are needed – the authorities should accelerate the pace of reforms in the run up to accession;
- Areas of serious concern – require decisive action by the authorities of the acceding country to be ready for accession. Persistent shortcomings in these problematic areas need to be urgently addressed as they could put at risk the proper functioning of EU policies and prevent the candidate country from fully benefiting from EU membership.

## **Bulgaria**

### **Political criteria**

Since October 2005 Bulgaria made further progress in the reform of the judiciary. It has also undertaken measures to fight corruption, which have allowed investigations into high-level corruption cases to be launched. The immunity of six members of parliament has been lifted and other requests of the Prosecutor are being examined. However, Bulgaria needs to demonstrate clear evidence of results in the fight against corruption, in terms of investigations and judicial proceedings. It also needs to further reform the judiciary, in particular its transparency, efficiency and impartiality.

The fight against trafficking of human beings, child welfare, the situation of people with mental disabilities and the social inclusion of the Roma minority all need to be improved.

### **Economic criteria**

Bulgaria continues to be a functioning market economy.

The continuation of the current pace of its reform programme should enable Bulgaria to cope with competitive pressure and market forces within the EU. Bulgaria has broadly maintained macroeconomic stability and advanced structural reforms. However, the widening current account deficit continues to raise concerns and labour market rigidities need to be addressed.

## **Transposition and implementation of EU laws and standards**

Bulgaria has overall reached a considerable level of alignment and further progress has been achieved since October 2005. Bulgaria should be able to meet the obligations of membership at the envisaged date of accession, provided that it steps up its efforts in a number of areas, and that it focuses on strengthening its overall administrative capacity.

Since October 2005 the number of areas which raise serious concern has decreased from 16 to 6 areas:

- Setting up a proper integrated administration and control system in agriculture – agricultural payments represent a significant part of the EU budget. Any Member State must guarantee the proper spending of such funds. Any shortcomings in this respect may delay the disbursement of funds or give rise to correction or recovery of the EU tax-payers money;
- Building-up of rendering collection and treatment facilities in line with EU acquis on TSE and animal by-products – food safety is a main concern for all EU citizens, food products must fully respect all EU requirements;
- Tangible results in investigating and prosecuting organised crime networks – the existence of organised crime puts into question the rule of law in Bulgaria, it affects directly all citizens and their basic rights;
- More efficient and systematic implementation of laws for the fight against fraud and corruption – corruption undermines public and business confidence. It represents ongoing risks of fraud against the EU budget and funds, indirectly it has consequences on current EU tax-payers, it also hampers the economic development of Bulgaria by deteriorating the business climate;
- Intensified enforcement of anti-money laundering provisions – money laundering is a financial crime, linked to terrorist activities, tax evasion or false accounting. The fight of such a criminal activity is key for the security and financial interest of all Bulgarian and EU citizens;
- Strengthened financial control over structural and cohesion funds – it is in the direct interest of all Bulgarian citizens to fully benefit from EU funds, in particular for important infrastructural projects so as to allow Bulgaria to catch up with other Member States and become fully integrated in the EU.

Besides the areas that are raising serious concern, there are a number of other areas where increased efforts are necessary. For example Bulgaria still needs to take decisive action in the area of nuclear energy, decommissioning and nuclear safety. This relates in particular the commitments to early closure and subsequent decommissioning of the reactors of the Kozloduy nuclear plant.

## **Romania**

### **Political criteria**

Since last October Romania has taken significant steps in the reform of the judiciary. It has established solid structures for the fight against corruption. The quantity and quality of non-partisan investigations

into allegations of high-level corruption have subsequently increased. 14 cases from the opposition and the ruling coalition parties have been investigated by the National Anti-Corruption Directorate, concerning persons of cabinet rank or members of parliament. These investigations led to two criminal indictments so far. The same department has indicted 89 other persons, including judges, lawyers, police officers, a number of public officials with executive positions in national and regional administrations as well as directors in private enterprises.

However, Romania needs to continue its efforts and demonstrate further results in the fight against corruption. It also needs to consolidate the implementation of the ongoing justice reform and further enhance the transparency, efficiency and impartiality of the judiciary.

The fight against trafficking of human beings, the situation of the disabled, living conditions in psychiatric institutions and the social inclusion of the Roma minority all need to be improved.

## **Economic criteria**

Romania continues to be a functioning market economy.

Vigorous implementation of its structural reform programme should enable it to fully meet the economic criteria in the near future. Romania has broadly maintained macroeconomic stability and advanced structural reforms. However, public expenditure reform must be advanced and tax revenue should be strengthened.

## **Transposition and implementation of EU laws and standards**

Romania has overall reached a considerable level of alignment and further progress has been achieved since October 2005. Romania should be able to meet the obligations of membership at the envisaged date of accession provided that it steps up its efforts in a number of areas, and that it focuses on strengthening its overall administrative capacity.

Since October 2005 the number of areas which raise serious concern has significantly decreased from 14 to 4 areas:

- Fully operational paying agencies accredited for handling direct payments to farmers and operators under the common agricultural policy and
- Setting up proper integrated administration and control systems in agriculture – agricultural payments represent a significant part of the EU budget. Any Member State must guarantee the proper spending of such funds. Any shortcomings in this respect may delay the disbursement of funds or give rise to correction or recovery of the EU tax-payers money;
- Building-up of rendering collection and treatment facilities in line with the EU acquis on TSE and animal by-products – food safety is a main concern for all EU citizens, food products must fully respect all EU requirements;

- Tax administration IT systems ready for inter-operability with those of the rest of the EU, to enable a correct collection of VAT throughout the EU internal market – the resource based on VAT is part of the revenue of the EU budget, therefore the proper collection of VAT is key for the financial interest of the Union.

Besides the areas that are raising serious concern, there are a number of other areas where increased efforts are necessary. For example Romania still needs to take decisive action in the area of the traceability and control of genetically modified organisations (GMO's) and in the area of motor vehicle insurance.

The Commission will continue to provide substantial financial support to Bulgaria's and Romania's preparations for accession focussing on the remaining gaps. The total volume of pre-accession assistance available for 2006 is;

- Bulgaria 523 million euro
- Romania 1023 million euro

**European Policy Secretariat**

**European & External Affairs Division**

**June 2006**