



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from: Presidency

to: COREPER/GAERC

Subject: *European Council (14 and 15 December 2006)*
– *Draft conclusions*

The Presidency hereby submits to Coreper draft conclusions to be agreed by the European Council at its meeting on 14-15 December 2006.

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1. The meeting of the European Council was preceded by an exposé by the President of the European Parliament, Mr Josep Borrell, followed by an exchange of views.
2. The European Council warmly welcomes Bulgaria and Romania as full members of the European Union on 1 January 2007. The accession of Bulgaria and Romania will mark the completion of the fifth enlargement.
3. As agreed by the European Council at its meeting in June 2006, the Union has followed a two-track approach. It has focussed on making best use of the possibilities offered by the existing treaties to deliver concrete results while preparing the ground for reform process. The Presidency provided the European Council with an assessment of its consultations with Member States regarding the Constitutional Treaty. The outcome of these consultations will be passed to the incoming German Presidency as part of its preparations of the report to be presented during the first half of 2007.

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I. **ENLARGEMENT**

Renewed consensus on enlargement

4. As agreed at the June 2006 European Council and on the basis of the Commission communication on the enlargement strategy and its special report on the EU's capacity to integrate new members, the European Council held the debate confirming the consensus on enlargement process.

5. The European Union agrees that enlargements have benefited the European Union and Europe as a whole. Enlargement has been an essential part of the European integration process helping to overcome the division of Europe and contributing to peace and stability throughout the continent.
6. Enlargement has inspired reforms in states aiming to become member of the Union. It has consolidated common principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law in a widening circle of European countries.
7. Economically, the wider internal market and economic cooperation has helped to increase prosperity and competitiveness, enabling the enlarged Union to respond better to the challenges of globalisation. Enlargement has also increased the EU's weight in the world and made it a stronger international player.
8. The EU's enlargement policy continues to be based on consolidation, conditionality, and communication. The European Union honours its existing commitments towards countries in the enlargement process while it considers carefully any new commitments. The success of the enlargement policy depends on how the process is managed. The past experiences have already been taken into account in the current enlargement process. It is essential to guarantee the quality of the process and at the same time encourage candidate countries and potential candidate countries in their reforms.
9. The European Council confirms that the European Union keeps its commitments regarding the ongoing accession negotiations. The recently enhanced rules governing the negotiation process already provide for strict conditionality at all stages of the negotiations. The European Council agrees with the improvements suggested by the Commission concerning the management and the quality of the negotiations. In order to achieve good results, difficult issues need to be addressed at an early stage. The pace of the accession process depends on the pace of reforms in the negotiating country. The Union will refrain from setting any target dates for accession until the negotiations are close to completion.

10. The European Council reaffirms that the future of the Western Balkans lies in the European Union. It reminds that each country's progress towards the European Union depends on its individual efforts to comply with the Copenhagen criteria and the conditionality of the Stabilisation and Association Process. A country's satisfactory track-record in implementing its obligations under the Stabilisation and Association Agreements, including trade related provisions, is an essential element for the EU to consider any membership application.
11. The European Council stresses the importance of ensuring that the EU can maintain and deepen its own development while pursuing the enlargement agenda. It agrees that integration capacity is not a new criterion applicable to the candidate countries. The responsibility for improving the integration capacity lies with the Union. As the Union enlarges the successful European integration requires that the EU institutions continue to function effectively and that EU policies meet their goals and are financed in a sustainable manner.
12. The Union's capacity to integrate new members will be reviewed at all key stages of the accession process. The European Council takes note of the Commission's intention to provide impact assessments of accessions on key policy areas in its opinions on applications for membership as well as in the course of accession negotiations.
13. The European Council recognises the necessity to ensure public support to the enlargement process and agrees to increase the communication and transparency of the enlargement process as proposed by the Commission.

Turkey

14. The European Council welcomes Turkey's progress on political reforms and notes that Turkey continues to sufficiently fulfil the Copenhagen political criteria. Turkey should however further intensify its reform process and address the shortcomings identified in the Commission's reports of 8 November 2006.

15. The first phase of accession negotiations with Turkey, the analytical examination of the acquis, was successfully completed in October 2006. [The European Council notes the good prospect for further steps in the negotiation process with Turkey in the near future.] The European Council recalls that the progress in the negotiations will be measured against the requirements set up in the negotiation framework.
16. [The European Council endorses the Council conclusions of 11 December 2006 on the accession negotiations with Turkey.]

Croatia

17. The European Council welcomes the progress made by Croatia in the accession preparations. Croatia should however further intensify its reform process and address the shortcomings identified in the Commission's Reports of 8 November 2006.
18. The first phase of accession negotiations with Croatia, the analytical examination of the acquis, was successfully completed in October 2006. The European Council notes the good prospect for opening further chapters for negotiation in the near future. It emphasizes that the progress in the negotiations will be measured against the requirements set up in the negotiation framework.

Western Balkans

19. The European Council welcomes the promotion of people-to-people contacts between the EU and the Western Balkan countries. In this context, it welcomes the launch of visa facilitation and readmission negotiations with all the countries with a view to concluding the negotiations as soon as possible.
20. The European Council welcomes progress made in the Central European Free Trade Agreement and looks forward to a regional and inclusive trade agreement.

21. The European Council notes that the candidate country status of the former Yugoslav Republic of Macedonia was recognition of the country's reform achievements. The European Council calls for accelerating the pace of reforms in key areas in order to progress towards the goal of moving ahead in the accession process.
22. The European Council reaffirms the EU's continued engagement with and support to Serbia. The European Council recalls that the EU is ready to resume and conclude the negotiations for a Stabilisation and Association Agreement as soon as full cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY) is achieved. In view of Serbia's institutional capacity, the European Council is confident that Serbia will be able to catch up with the other countries of the region on the way towards the EU once the SAA negotiations are resumed.

II. AREA OF FREEDOM, SECURITY AND JUSTICE

23. When adopting the Hague Programme in November 2004 the European Council agreed to take stock of its implementation during the second half of 2006. In that context the European Council discussed migration and the improvement of decision-making in the area of freedom, security and justice.

PM: Improvements to the decision-making and action of the Union in this field.

A comprehensive European Migration Policy

24. The European Council underlines the importance of migration issues for the EU and its Member States. Addressing both challenges and opportunities of migration for the benefit of all is one of the major priorities for the EU at the start of the 21st century.

25. The European migration policy builds on the conclusions of the Tampere European Council in 1999, the Hague Programme of 2004 and the Global Approach to Migration adopted in 2005. It is based on the solidarity, mutual trust and shared responsibility of the European Union and its Member States. It is also based on respect for human rights and fundamental freedoms of migrants, the Geneva Convention and due access to asylum procedures. It requires a genuine partnership with third countries and must be fully integrated into the Union's external policies.
26. Events in 2006 and the progress made in implementing the Global Approach have demonstrated that migration needs to be addressed in a comprehensive manner and that efforts made so far now need to be strengthened. Future work should take into account the Commission's Communications¹ and broaden the scope of action to other policy areas and apply lessons learnt to other regions.
27. The European Council accordingly agrees on the following next steps to be taken during the course of 2007:
- a) strengthen and deepen **international cooperation and dialogue with third countries** of origin and transit, in a comprehensive and balanced manner. In particular:
- the partnership between the European Union and African and Mediterranean countries will be deepened by broadening dialogue and strengthening practical cooperation; this partnership will build in particular on the joint commitments made in the Ministerial conferences in Rabat and Tripoli in 2006 as well as on the work underway in the framework of the EU/Africa dialogue on migration and development, on the basis of article 13 of the Cotonou Agreement, and the Euromed process, including the Ministerial Conference on migration in 2007. In order to strengthen the migration dialogue, specific EU missions will be sent to key African countries during 2007,

¹ COM (2006) 735 final
COM (2006) 733 final

- the migration and development agenda will be intensified by increasing coherence between the Union's various policies, including their financial instruments, with a view to addressing the root causes of migration,
- Member States and the Commission will integrate migration and development issues in aid policies and programming, encourage the countries of origin and transit to incorporate migration issues in their national development plans, including poverty reduction strategies, and support capacity building for effective migration management, including through establishment of country-specific migration profiles. Regional and country strategy papers will be reviewed in 2007 in order to incorporate fully the connection between migration and development. In this regard, the Commission's initiative for an EU Programme on Migration and Development in Africa provides a way to address this issue in the short and medium-term. Member States are also encouraged to enhance coordination and to develop joint programming,
- country-specific cooperation platforms on migration and development will be established to bring together the partner country concerned, EU Member States and the Commission as well as relevant international organisations to manage migration in a more coherent manner,
- a coherent EU follow-up to the September 2006 UN High Level Dialogue on International Migration and Development will be ensured; the EU will take a lead in placing migration and development issues on the agenda of the international community. The first meeting of the Global Forum on Migration and Development in July 2007 in Belgium will be a vital step in this respect,

- measures will be taken to improve cooperation on return and readmission with third countries, including effective identification and documentation; special emphasis will be giving to the reintegration of returned migrants. Negotiations on EC readmission agreements need to be stepped up; to this end the Council should explore further ways and means by which Member States could support the Commission in its efforts to conclude such agreements at EC level and to ensure their effective implementation,
- stepping up concrete work along migratory routes in partnership with third countries in particular with a view to preventing and combating trafficking and smuggling of human beings, while ensuring effective international protection for persons who may need it as well as for vulnerable groups such as women and unaccompanied minors,
- ways and means to facilitate circular and temporary migration will be explored and, while respecting the competences of Member States in this area, consideration will be given to how legal migration opportunities can be incorporated into the Union's external policies in order to develop a balanced partnership with third countries adapted to specific EU Member States' labour market needs; the Commission is invited to present detailed proposals on how to better organise and inform about the various forms of legal movement between the EU and third countries by June 2007,
- the Global Approach will be applied to the eastern and south eastern regions neighbouring the European Union . The Commission is invited to make proposals on enhanced dialogue and concrete measures by June 2007;

- b) strengthen **cooperation among Member States in the fight against illegal immigration**, taking account of the Commission communication on policy priorities in this regard. In particular:
- measures against illegal employment will be intensified at Member State and EU level; the European Council invites the Commission to present proposals by April 2007 in this regard,
 - existing and new technological possibilities will be fully utilised to enhance border control and to allow persons to be identified reliably; in particular, the Commission is invited to report before the end of 2007 on how to improve access control, including on the feasibility of establishing a generalised and automated entry-exit system for this purpose. Applicable provisions on data protection will be respected in this regard,
 - the Commission is invited to study the possibilities, on the basis of the initiative made to this end, of for developing policies of extended European solidarity in immigration, border control and asylum policies;
- c) improve **the management of the European Union's external border** on the basis of the integrated border management adopted by the Council in 2006. In particular:
- the capacity of Frontex will be rapidly enhanced in order for it to be able to meet the migration challenges at the EU's external borders next year, by ensuring adequate economic and personnel resources and their effective use, establishing procedures for emergency situations, strengthening operational means, reinforcing links with the Immigration Liaison Officer Network and completing the planned review of the Agency and its tasks in 2007,

- Frontex is invited urgently to finalise its ongoing work on creation of a centralized record of technical equipment offered by Member States which could be put at the disposal of another Member State; and to report on the progress made to the Council by the end of April 2007. The Member States are invited to contribute actively to this process with national means and resources,
 - priority will also be given to establishing as soon as possible by Frontex, together with the Member States of the region, of a permanent MEDSEA Coastal Patrol Network and to examining the creation of a European Surveillance System for the southern maritime borders,
 - the efficiency of cooperation on search and rescue and the legal scope for action to be taken to counter illegal migration by sea will be ensured,
 - the Council and the European Parliament are invited to reach rapid agreement on the Regulation on the establishment of Rapid Border Intervention Teams in the first semester of 2007 and to study this model in other border-related functions, such as humanitarian assistance;
- d) develop, as far as **legal migration** is concerned, well-managed migration policies, fully respecting national competences, to assist Member States to meet existing and future labour needs while contributing to the sustainable development of all countries; in particular, the forthcoming Commission proposals within the framework of the Policy Plan on Legal Migration of December 2005 should be rapidly examined;
- e) promote **integration** and intercultural dialogue and the fight against all forms of discrimination at Member State and EU level, strengthen integration policies and agree on common goals and strategies; the Ministerial conference on integration to be held in May 2007 will be of particular importance in that respect;

- f) realise the **Common European Asylum System** by the end of 2010, on the basis of a preliminary evaluation of its first phase in 2007. The development of its second phase will be accompanied by a strengthening of practical cooperation in the area of asylum, in particular through the creation of asylum expert teams and the setting up of an asylum cooperation network; the possible creation of a European Support Office will also be examined;
- g) make **adequate resources** available for implementing the comprehensive migration policy by full use of the substantial funds which are available if all the existing budget lines are brought fully into play and all possibilities available used consistently and coherently. In that respect the External borders, Integration, Return and Refugee Funds will bring important resources to underpin the comprehensive migration policy, as will the ENPI and the Development Cooperation Instrument (DCI). The EDF will also, in agreement with ACP partners, help address root causes of migration through long-term development policies, as well as by assistance to ACP partners in capacity building in the framework of the EU Governance Initiative.

28. The Commission is invited to report back on the implementation of the comprehensive migration policy in good time before the December 2007 European Council.

Schengen

29. The European Council endorses the conclusions reached by the Council (Justice and Home Affairs) on 4/5 December 2006 and looks forward to the lifting of controls at internal borders as of December 2007 and by March 2008 at the latest provided all requirements to apply the Schengen acquis have been fulfilled. The European Council welcomes the successful completion of the Schengen evaluation visits scheduled for 2006 and encourages the Member States concerned to continue their endeavours to meet all the requirements to apply the Schengen acquis in full.

III. INNOVATION, ENERGY AND CLIMATE CHANGE

Innovation

30. As discussed at the informal meeting of Heads of State or Government in Lahti, innovation is crucial to Europe's ability to respond effectively to the challenges and opportunities of globalisation. Europe needs a strategic approach aimed at creating an innovation-friendly environment where knowledge is converted into innovative products and services. Strategic priorities for stimulating innovation at EU level have been defined by the Competitiveness Council; progress made in delivering results will be monitored at future Spring European Council meetings within the framework of the Lisbon Strategy.
31. The European Council emphasises in particular the following:
- the Commission is invited to present a comprehensive Intellectual Property Rights (IPR) Strategy, in the course of 2007, addressing issues such as quality of the IPR system; due to the need for developing the patent system in Europe, the Commission is invited to present its Communication on patents as a matter of priority;
 - the Council and the European Parliament should act rapidly on the Commission's proposal to set up a European Institute of Technology;
 - the Commission is invited to rapidly make proposals for the setting up of Joint Technology Initiatives with a view to launching the most advanced ones in 2007;
 - the Commission is invited, in consultation with all relevant stakeholders, to propose action for the improvement of the working methods and overall resources of European standardisation bodies. Standards must be developed quickly enough to meet the needs of fast-moving markets, whilst ensuring interoperability.

32. Information and communication technologies are crucial for innovation and competitiveness; immediate priorities include the development of efficient flexible and balanced spectrum allocation models, the fast promotion of advanced mobile services and to the extent possible a coordinated approach for the use of spectrum capacity becoming available as a result of digital switch-over. The 2008 Spring European Council will review the challenges of the next generation of internet and networks within the framework of the Lisbon Strategy.
33. In view of the extraordinary Social Summit held in October, the European Council calls for a comprehensive debate on flexicurity in order to promote flexibility combined with employment security, reduce labour market fragmentation and improve the functioning of the European labour market. It stresses the importance of raising labour productivity in Europe, inter alia by enhancing innovation and quality of working life. It welcomes the intention of the European social partners to contribute to the ongoing work on flexicurity before the Spring 2007 European Council.
34. The European Council urges the Council to continue its efforts to revise the Working Time Directive.

Energy

35. With regard to the development of the Energy Policy for Europe, and with reference to the conclusions of the 2006 Spring European Council, significant progress has been achieved especially on strengthening the coherence between its external and internal aspects and between energy policy and other policies. The informal meeting of Heads of State or Government in Lahti was an important step towards strengthening the consistency of the Union's energy messages to third countries.

36. The Union will work to ensure long-term security of energy supply through:
- improved cooperation with major producer, transit and consumer countries,
 - the realisation of an inter-connected, transparent and non-discriminatory internal energy market,
 - the development of cooperation to meet emergencies, in particular in the case of disruption of supply,
 - the extension of its internal energy market principles to neighbouring countries, in particular on the basis of the Energy Community of South Eastern Europe and the European Neighbourhood Policy.
37. Energy efficiency and energy savings contribute concurrently to the main objectives of the European energy policy. The European Council therefore welcomes the Commission's Action Plan on energy efficiency and calls for priority measures to be taken rapidly.
38. The European Council endorses the setting up of a network of energy security correspondents early 2007. This will be an important tool for collecting and processing existing geopolitical and energy related information. It will also provide an early warning tool to support the Union's overall strategy with the aim of ensuring the security of energy supply.
39. The Spring 2007 European Council is due to adopt a prioritised Action Plan as part of an overall Energy Policy for Europe. The external aspects of energy security will be included within the Action Plan. The European Council looks forward to the imminent presentation by the Commission of its Strategic Energy Review as part of the preparations for the adoption of that Plan. European energy policy will be discussed by the European Council on a regular basis in the future.
40. Given the urgent need for energy investments in the coming years, the upcoming Spring European Council will discuss an integrated approach for a secure, environmentally friendly and competitive energy policy. This would demonstrate the European Union's leadership in integrating climate change objectives into other sectoral policies and measures.

Climate change

41. The challenge of climate change is assuming ever greater importance as its long-term consequences become clearer and new information from recent studies shows that the costs of inaction for the global economy will significantly outweigh the costs of action. The European Council recognises that there is a strong link between the EU's climate policy and EU's internal and external energy policy as well as its jobs and growth strategy and that these EU policies can be mutually reinforcing.
42. In this context, the European Council welcomes the outcome of the UN climate sessions held in Nairobi which includes important steps towards developing a broadly-based post-2012 agreement and addressing a number of immediate concerns on mitigation and adaptation requirements. It also notes with satisfaction the progress made in innovative financing initiatives to support a widespread shift to new and improved technology.
43. Bearing in mind the crucial role of a global carbon market and the need to provide long-term certainty, the European Council looks forward to the forthcoming revision of the Emissions Trading Directive, which should take effect at the start of the third trading period beginning in 2013. It confirms the crucial role and the long-term ambition of the EU Emissions Trading Scheme.
44. Recognising that climate change is a global problem that requires global solutions and encouraged by the EU's recent meetings with third countries, the European Council will consider at its Spring 2007 meeting options for a global post-2012 agreement consistent with the EU's objective of a maximum global temperature increase of 2°C above pre-industrial levels.

IV. EXTERNAL RELATIONS

45. The European Council welcomes the Progress Report on the implementation of the EU Strategy "**The EU and Africa: Towards a Strategic Partnership**", to reflect a step change in Europe's relationship with Africa, and calls for the implementation of the priority actions for 2007 identified in the report. The Progress Report outlines a comprehensive way forward for strengthening the EU partnership with Africa in consolidating peace, democracy and good governance, growth, investment in people and supporting broad-based sustainable development on the continent.

The European Council reaffirms its commitment to working towards a Joint EU-Africa Strategy to be adopted at the second EU-Africa Summit in the second half of 2007 in Lisbon.

The Council will continue to monitor progress towards the EU's commitments to Africa, including ensuring that, in the context of increasing EU aid to 0.56% of EU GNI by 2010, 50% of the additional aid goes to Africa.

46. The European Council expressed its full support to the UN Special Envoy Martti Ahtisaari and his efforts in conducting the political process to determine **Kosovo's** future status. The future status settlement must promote a multi-ethnic and democratic society based on the rule-of-law with a future for all of its citizens and contribute to increasing regional stability. The settlement must also ensure that Kosovo can develop in a way which is both economically and politically sustainable, and set a vision for this which provides for the realisation of Kosovo's European perspective.

The EU stands ready to play a significant role in the implementation of the status settlement. The European Council emphasised the importance of taking forward the preparations for the future EU and international presence in Kosovo in coordination with other international actors. The European Council stressed the importance of clarity in the future status settlement, to allow for an timely and orderly response from the European Union. In this context, the European Council emphasised the need to ensure the necessary funding for the EU's comprehensive engagement in Kosovo.

47. The European Council reaffirmed its resolve to strengthen the **European Neighbourhood Policy** (ENP) in order to consolidate a ring of prosperity, stability and security based on human rights, democracy and the rule of law in the Union's neighbourhood. In this context, the European Council welcomed the recent adoption of the ENP Action Plans for Armenia, Azerbaijan and Georgia, as well as the progress in negotiations with Egypt and Lebanon. The European Council also welcomed the latest Commission Communication on the ENP and invited the incoming German Presidency to take the work forward with a view to the preparation of a report on the strengthening of the ENP. The European Council emphasized the use of the ENP to further regionally important objectives in the fields of energy, the environment and transportation. Furthermore, the European Council noted that while the ENP remains distinct from further enlargement of the EU, the provisions of the Treaty on European Union in respect of eligibility for EU membership remain valid.
48. Encouraged by the prospects for closer cooperation and political dialogue with Central Asian States the European Council invites the incoming German Presidency to take forward the work on an EU strategy on **Central Asia** with a view to its adoption at the European Council meeting in June 2007.
49. Measures have been developed with view to enhancing strategic planning, **ensuring coherence in the use of different external relations policy instruments**, improving coordination in international organisations and furthering cooperation between the EU institutions and between the latter and the Member States.

Concrete steps in improving coherent integration of the development objectives are to be taken along the lines of EU's Policy Coherence for Development commitments. The European Council is looking forward to the joint EU's Aid for Trade Strategy as an important component in fostering trade and development agenda.

The European Council welcomes the progress made and invites the future Presidencies to take work forward together with the Secretary-General/High Representative and the Commission to ensure the continuity of the process.

[PM – there will be a separate declaration on the **Middle East**]

[PM – there will be a separate declaration on **Africa**]

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