



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 2 June 2008

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NOTE

from : Presidency
to : COREPER

Subject : European Council (19 and 20 June 2008)
 – *Draft conclusions*

The Presidency hereby submits a revised draft of the conclusions to be agreed by the European Council at its meeting on 19 and 20 June 2008.

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The meeting of the European Council was preceded by an exposé by Mr Hans-Gert Pöttering, President of the European Parliament, followed by an exchange of views.

LISBON TREATY

[p.m.]

FREEDOM, SECURITY AND JUSTICE

1. Last December the European Council underlined the need for a renewed political commitment for the purpose of developing a comprehensive European migration policy. Since then, important progress has been achieved, in particular as regards the development of an integrated border management strategy and the enhancement of cooperation with third countries.
2. The European Council emphasises the link between migration and employment as well as the importance of combating the major pull factors of illegal migration. It calls on the Council to intensify work and adopt proposals on the admission of third country nationals for the purpose of highly qualified employment by the end of 2008 as well as on dissuasive sanctions as a key element for combating undeclared work.
3. The European Council welcomes the conclusions of the Council of April 2008 on practical cooperation in the field of asylum and invites the Commission to present the Policy Plan as soon as possible. It underlines the need to continue with progress on the future Common European Asylum System with a view to its realisation by 2010.

4. The European Council underlines the importance of continuing development of FRONTEX and of the use of modern technologies to improve the management of external borders. In this regard the European Council looks forward to the forthcoming studies to further examine the possibilities for facilitating passenger flows and effective fight against illegal immigration. The European Council invites the Commission to step up efforts and to report back on progress achieved and further possible steps by June 2009.
5. The European Council underlines the importance of continuing the dialogue, partnership and cooperation with third countries on migration issues. The Global Approach needs to be further developed, in particular through the development of concrete instruments such as migration missions, cooperation platforms, mobility partnerships and migration profiles. In this respect the European Council welcomes the launching of Pilot Mobility Partnerships with Cape Verde and Republic of Moldova and the opening of the dialogue on such Partnerships with Georgia and Senegal. The Commission is invited to evaluate the Partnerships and report on the results by no later than June 2009.
6. Welcoming the important progress achieved over the past months in implementing the Union's Counter Terrorism Strategy, the European Council stresses that efforts to prevent radicalisation and recruitment to terrorism must be stepped up and invites the Commission to come forward on this issue as soon as possible. In its cooperation with third countries the Union should also usefully contribute to the prevention of recruitment to terrorism, particularly through the delivery of technical assistance in the fields of education, human rights, civil society and governance.
7. Access to the relevant information by competent authorities of the Member States and EU agencies is a necessity for efficient prevention of terrorism and serious crime. The European Council therefore stresses the need for a coordinated and coherent approach to the implementation of the principle of availability aiming for effective use of information technology and information networks. Agreement has been reached on the integration of provisions on exchange of information from the Prüm Treaty into the Union's legal framework, but further initiatives to enhance the exchange of information should be examined, taking into account the right to privacy.

8. In March 2008, the enlargement of the Schengen area by 9 Member States was finalised with the abolition of controls at air borders. This contributes to a higher level of mobility without affecting the security of EU citizens. The European Council urges the Member States and the Commission to allocate sufficient resources to ensure that SIS II becomes operational in September 2009. It invites the Commission to present a legislative proposal for the creation of an agency, responsible for the long term management of SIS II, VIS, Eurodac and other potential large scale IT systems in the area of Freedom, Security and Justice.
9. The European Council welcomes the progress made in the field of E-justice. Following the creation of the prototype for the European E-justice portal, it is now important to progressively establish a uniform EU e-justice portal with corresponding legal content and open it to the public by the beginning of 2010.
10. The European Council welcomes the agreement reached on the Directive on the protection of the environment through criminal law and the progress made with regard to the Directive against ship source pollution. The European Council reiterates the importance of achieving a high level of environmental protection throughout the EU.
11. Efforts to enhance judicial cooperation in civil law matters, including family law, need to continue, considering the positive impact such cooperation can have on citizens in their everyday lives. Important legal acts concerning mediation in civil and commercial matters, law applicable to contractual obligations and parental responsibility and protection of children have been adopted, nevertheless further work is needed. The European Council therefore calls for the Regulation on maintenance obligations to be adopted before the end of 2008 and for a political solution concerning the Regulation on jurisdiction and applicable law in matrimonial matters to be found promptly.
12. The European Council underlines the need to conclude by the end of the year work on the Common Frame of Reference for European contract law.

13. The roles of Eurojust and Europol need to be strengthened with a view to reinforcing the fight against serious cross-border crime. The European Council stresses the importance of the agreement reached at the April 2008 Council as regards the Decision on establishing Europol and calls for its swift formal adoption in line with the timetable agreed in June 2007. The European Council calls on the Council to rapidly conclude its work with a view to formally adopting the draft Council Decision establishing Eurojust before the end of 2008.
14. The European Council emphasises the need to strengthen the cooperation with third countries and international organisations (especially the Hague Conference on Private International Law, the Council of Europe and the United Nations) in order to extend the influence of the Area of Freedom, Security and Justice beyond the borders of the EU.
15. The European Council strongly supports the aim of having all EU Member States participating as quickly as possible in the U.S. Visa Waiver Programme in order to ensure full reciprocal visa free travel and equal treatment for all EU citizens as is already the case for U.S. citizens entering the territory of the Member States. It welcomes the agreed "twin track approach" which respects the competences of Member States and the Community in negotiations with the USA.

POLICY IMPLICATIONS OF HIGH FOOD AND OIL PRICES

16. The recent surge in commodity prices raises concerns, both internally, especially as regards low income families, and abroad, particularly for developing countries which are net food importers. It is a complex phenomenon with many root causes and consequences, affecting EU policies across the board. The European Council welcomes the Commission's Communication on this issue.

17. The European Council expresses concern with regard to the continued surge in oil prices. Rising oil prices have also partly contributed to higher food prices through higher input prices for farmers as well as higher costs for transport and food processing. These developments underscore the need to foster energy efficiency, increase the transparency of oil markets and enhance the dialogue with oil producing countries. The European Council recalls the Council agreement that distortionary fiscal and other policy interventions should be avoided as they prevent the necessary adjustment by economic agents.
18. The European Council takes particular note of the Commission's intention to monitor food price developments in Europe and internationally, and looks forward to the Commission's report on short and mid term measures.
19. In response to the global and domestic effects of the price surge, the European Council agrees on the following:

Short term measures

20. In the agricultural field the Union has already acted to moderate the pressure on food prices through the sale of intervention stocks, the reduction in export refunds, the removal of the set-aside requirement for 2008, the increase of milk quotas, and the suspension of import duties for cereals, thus improving supply and helping to stabilise agricultural markets.
21. A number of Member States have envisaged short term measures to alleviate the temporary impact of recent commodity price developments on low income households. However, it is important to ensure that these price signals are not distorted and to avoid broad-based second round effects on wages and prices (including through indexation schemes). Any measures should be short term and targeted.

22. A number of Member States are also planning to reform restrictive regulation in the retail sector in order to improve the functioning of the food supply chain. The European Council welcomes the Commission's initiative to examine this issue in the context of the Single Market Review. The European Council also welcomes the Commission's intention to monitor closely activities by speculative investors in commodity-related financial markets and their impact on price movements.

Mid and long term measures

23. Successive reforms of the CAP have enhanced its market orientation, reduced the number of supply management measures and made EU farmers more responsive to price developments. It is important to continue to improve the market orientation of agriculture and thus enable the EU farmers to better respond to market signals.
24. In the context of the CAP Health Check, the Council will consider further steps with the aim of enhancing agricultural supply and ensuring food security, such as the permanent abolition of the set-aside requirement, the phasing-out of the milk quota system, the elimination of the current energy crop premiums, and other measures for balancing food supply and demand.
25. It is also important to ensure the sustainability of bio-fuel policies, for instance by encouraging the development of the second generation bio-fuels made from by-products that do not compete with food production. There is also a need to rapidly assess possible impacts on agricultural products for food and take action, if necessary, to address shortcomings. Further assessment should also be made as regards environmental as well as social consequences of the production of bio-fuels.
26. There is a need to pursue work on innovation and research and development of agricultural production, notably to enhance its energy efficiency and productivity growth.

Initiatives at the international level

27. High food prices are generally putting a strain on most developing countries. They are severely affecting the situation of the world's poorest populations and are putting at risk progress towards all MDGs. Action is therefore required from the European Union from a development and humanitarian assistance perspective. In its efforts, the Union will work in close liaison with the United Nations and other international organisations and in the framework of partner countries' own policies and strategies.
28. In view of the high food prices experienced globally, the European Council stresses the importance of fostering coordination with our international partners, in particular in promoting sustainable production of bio-fuels and efficient use of energy at international level and working to increase the assistance to the most affected countries.
29. The EU is already providing important food aid and humanitarian assistance in many of the most critical areas and will mobilise resources to finance, beyond food aid, safety nets for poor and vulnerable population groups.
30. The EU will promote a more coordinated and longer term international response to the current food crisis, in particular in the UN and G8 context. It accordingly welcomes the establishment by the UNSG of the High-Level Task Force on the Global Food Security Crisis. [p.m. The FAO Summit on 3-5 June.]
31. The EU will use its policy dialogue with third countries in a transparent manner to discourage food export restrictions and export bans. It will also raise this issue in the WTO and other relevant international fora. Furthermore, the EU will continue to strive for a comprehensive, ambitious and balanced conclusion of the Doha Round.

32. The EU will support a strong agricultural supply response in developing countries, providing in particular the necessary financing for agricultural inputs and assistance in using market-based risk management instruments. It will enhance its support to public and private investments in agriculture and more generally encourage developing countries to develop better agriculture policies, especially to support food security and reinforce regional integration. Particular attention will be paid to small-scale farmers and enhancing energy efficiency.
33. Considering the wide range of policy sectors affected by the high food prices, the European Council invites the GAERC to follow closely the work conducted in the relevant Council formations on this issue and report back by December 2008.

ECONOMIC, SOCIAL AND ENVIRONMENTAL ISSUES

[p.m. Limited number of dossiers related to the Lisbon Strategy, including state of play on energy/climate change and energy internal market. To be completed in the light of forthcoming Council meetings.]

34. [The European Council congratulates Slovakia on the convergence achieved since its accession to the EU, based on sound economic and financial policies, and welcomes Slovakia's fulfilment of all the convergence criteria as set out in the Treaty. In this context, the European Council welcomes the Commission's proposal that Slovakia should adopt the euro on 1 January 2009.]

WESTERN BALKANS

[p.m. To be adapted in the light of preparations for the June GAERC.]

35. The European Council reaffirms its full support for the European perspective of the Western Balkans, as set out in the Thessaloniki Agenda. Recalling its conclusions of December 2006, the European Council stresses that rapid progress in economic and political reform and fulfilment of the necessary conditions and requirements should result in the granting of candidate status to the remaining potential candidates in the Western Balkans, according to their own merits, with EU membership as ultimate goal. The EU perspective remains essential for the stability, reconciliation and the future of the Western Balkans.
36. The Stabilisation and Association Process remains the framework for the European course of the Western Balkans. The progress achieved in recent years in this context, in particular through the conclusion of Stabilisation and Association Agreements (SAAs), now needs to be further consolidated.
37. The European Council welcomes the significant progress in facilitating the people-to-people contacts for the countries of the region. In this regard the European Council welcomes the successful launching of the dialogue on visa liberalisation with all countries of the region, based on the roadmaps containing clear and realistic benchmarks. It calls on the countries of the region to meet those benchmarks by accomplishing required reforms in the area of Justice and Home Affairs. Until this goal is achieved, granting visas free of charge to a wider range of applicants will be considered by the EU Member States.
38. The European Council stresses again the importance of regional co-operation and good neighbourly relations, and in this context welcomes the transition from the Stability Pact to the Regional Co-operation Council.
39. [Dossiers and initiatives aimed at supporting the political and economic development of the Western Balkans to be set out in the separate Annex.]

40. Steps towards opening of accession negotiations with the **former Yugoslav Republic of Macedonia** are possible this year by fulfilling the conditions set out in the December 2005 European Council conclusions and in particular by implementing without delay the priorities identified within the Accession Partnership in February 2008.
41. To reach the next stage in its relations with the EU, **Albania** must continue its efforts to meet the objectives set out in the European Partnership. The EU welcomes the commitment to ensure the conditions for free, fair and democratic elections which must take place in 2009. Further efforts with regards to institutional capacities in public administration, fight against corruption and organised crime as well as in judiciary will be of similar importance.
42. The European Council takes note of the progress **Montenegro** has made and encourages the country to further focus on building administrative capacity, fight against corruption and organised crime, creating national consensus around issues related to state-building, consolidating the institutions as well as judiciary reforms in accordance with the Constitution.
43. The European Council looks forward to a new Government in Belgrade with a clear European agenda to push forward with necessary reforms. Building on the recent signature of a Stabilisation and Association Agreement with the EU, **Serbia** can accelerate its progress towards the EU, including candidate status as soon as all necessary conditions are met.
44. [Following the recent signature of the SAA,] which constitutes an important step towards continued EU-integration, **Bosnia and Herzegovina** must continue with the implementation of the reform process without delay, particularly with the view of fulfilling the objectives and conditions for the transfer from the Office of the High Representative to the European Union Special Representative.
45. *[p.m. Kosovo]*

EXTERNAL RELATIONS

Millennium Development Goals

46. The year 2008 should mark a turning point in enhancing the collective efforts to eradicate poverty in the context of sustainable development, in order to ensure that by 2015 all the Millennium Development Goals (MDGs) will be achieved worldwide. In the light of progress made in some countries and areas, the European Council is convinced that all MDGs can still be attained in all regions of the world, provided that concerted action be taken immediately and in a sustained manner until 2015. However, it is seriously concerned about the trend in many countries and regions, in particular sub-Saharan Africa, in terms of achievement of the MDGs.

47. The EU will keep playing a leading role as the world's largest donor and will make all necessary efforts to ensure an ambitious action-oriented response before, during and after the key events to be held in the second half of this year: the third High Level Forum on Aid Effectiveness (Accra, 2-4 September), the UN High Level Event on the MDGs (New York, 25 September) and the International Conference on Financing for Development (Doha, 29 November-2 December).

48. The European Council fully endorses the Council conclusions of May 2008 which provide a strong collective EU response to the global development challenge. In particular, with a view to attaining all MDGs, the EU strongly reaffirms its commitment to achieve a collective ODA target of 0,56% GNI by 2010 and 0,7% GNI by 2015, as set out in the May 2005 Council conclusions, the June 2005 European Council conclusions and the European Consensus on Development. These commitments should see annual EU ODA double to over EUR 66 billion in 2010. At least half of this collective increase will be allocated to Africa.

49. The EU will undertake radical reforms to improve aid effectiveness, building on the full implementation of the 2005 Paris Declaration on Aid Effectiveness, the 2005 European Consensus on Development and the 2007 EU Code of Conduct on complementarity and division of labour.
50. The EU will continue to improve policy coherence for development (PCD) in the twelve areas identified in 2005, ensuring furthermore that the PCD principles are part of the international agenda for the MDGs and aid effectiveness.
51. The EU will fully implement the 2007 EU Strategy on Aid for Trade, striving to achieve its collective target of EUR 2 billion spending on EU trade-related assistance annually by 2010 (EUR 1 billion from the Member States and EUR1 billion from the European Community) and to increase overall Aid for Trade in coherence with the increases in overall ODA. In the range of 50% of the increase in the collective EU trade-related assistance will be available for ACP countries.
52. The European Council reiterates the Council conclusions of May 2008 and offers to its cooperation partners the EU Agenda for Action, which identifies specific milestones and actions within time frames in key areas, such as education, health, gender equality, water, agriculture, growth and infrastructure, that will contribute to ensure the achievement of the MDGs by 2015. It calls on the Council to take work forward on this as a matter of priority.
53. The EU is determined to provide an effective collective response to the new challenges to development posed in particular by climate change and high food prices. As regards climate change, the EU is determined to help where relevant developing countries, particularly poor developing countries most vulnerable to climate change, to move towards sustainable economic growth and to adapt to climate change, in line with the agreement reached in Bali to launch negotiations aimed at securing a global agreement on climate change in Copenhagen in 2009. It will work for the effective implementation of the 2007 "Global Climate Change Alliance" and will explore ways to mobilise new financial resources to tackle climate change and combat its negative impact. In this respect, the EU will work, inter alia, on the basis of the Commission proposal for a global financing mechanism.

European Neighbourhood Policy

"Barcelona Process: Union for the Mediterranean"

[p.m.]

Eastern Dimension of the European Neighbourhood Policy

[p.m.]

