



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 20 October 2009

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LIMITE

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NOTE

from: Presidency
to: COREPER/Council

Subject: *European Council (29 and 30 October 2009)*
– *Draft conclusions*

The attached draft conclusions are presented by the Presidency with a view to their adoption by the European Council on 29 and 30 October 2009.

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The meeting of the European Council was preceded by an exposé by the President of the European Parliament, Mr Jerzy Buzek, followed by an exchange of views.

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I. Institutional issues

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1. The European Council stresses the importance of ensuring a smooth entry into force of the new Treaty, following ratification by all Member States. It takes note of the work conducted as set out in the Presidency's report (doc. XXX).
2. The European Council endorses the Presidency's report on guidelines for the European External Action Service. It invites the future High Representative to present a proposal for the setting up of the EEAS as soon as possible after the entry into force of the Lisbon Treaty with a view to its adoption by the Council at the latest by the end of April 2010.

II. Climate change

[p.m. to be completed after the Environmental Council]

III. Economic, financial and employment situation

3. The bold policy response to the economic and financial crisis is now starting to bear fruit. The sharp decline in European economic activity is coming to a halt, with a stabilisation of financial markets and an improvement in confidence. However, there is no room for complacency. The incipient recovery needs close monitoring and the support by governments and central banks should not be withdrawn until the recovery is fully secured.

4. At the same time, in order to anchor expectations and reinforce confidence, it is necessary to prepare a coordinated strategy for exiting from the broad-based stimulus policies, so that fiscal consolidation in all EU Member States should start in 2011 at the latest and the planned pace of the fiscal consolidation should go beyond the benchmark of 0.5% of GDP per annum in most Member States. The European Council invites the Council and the Commission to continue their work on exit strategies, based on the principles agreed by the Council on 20 October 2009, and to report back on progress made to its December 2009 meeting.
5. As the employment situation in Europe can be expected to deteriorate further a continued political commitment to support and maintain the attachment to the labour market through active labour market policies is required. Managing the consequences of the crisis and preventing high unemployment levels from becoming persistent while staying committed to increasing long term labour supply will be necessary to ensure high employment levels and sustainable public finances in the medium and long run. Labour market participation is a prerequisite for economic growth, for the social and economic wellbeing of individuals and for a more socially cohesive Europe. The European Union can contribute to these efforts by promoting cooperation, coordination and mutual learning.
6. The European Council recalls its Conclusions from June 2009 as regards strengthening the supervisory framework in the EU and notes that there was broad agreement in the Council on 20 October 2009 on the two legislative proposals on the establishment of the European Systemic Risk Board for macro-prudential supervision. The European Council welcomes the Conclusions of the Council and encourages the Presidency to initiate the process with the European Parliament.

7. Against this background, the European Council recognises the progress made thus far and reiterates the importance of the swift continuation of the work on the establishment of the European Supervisory Authorities for micro-prudential supervision, in order to reach a general approach on these proposals. The European Council urges the Council, after further political consideration, to come back in December 2009 with an agreement on a complete package setting up a new supervisory structure in the EU.
8. The European Council calls for rapid progress to be made on the strengthening of the regulatory framework for the prevention, management and resolution of financial crises and on the development of a comprehensive EU-wide framework for closer policy coordination on financial stability, in line with the roadmap agreed by the Council on 20 October 2009.
9. In this connection, the European Council welcomes the outcome of the G20 Pittsburgh meeting, particularly as regards the preparation of a framework for strong, sustainable and balanced growth and the commitment to take measures to strengthen the international financial regulatory system, including reform of international standards for compensation. It calls on the Council and the Commission to ensure thorough preparation by the European Union of future G20 meetings.
10. The European Council welcomes the progress achieved with regard to energy infrastructures and interconnections as well as crisis mechanisms since last January as set out in the report presented by the Presidency (doc. 13068/1/09). It invites the actors concerned to implement as a matter of urgency the next steps set out in that report.

IV. EU Strategy for the Baltic Sea Region

11. The European Council adopted the EU Strategy for the Baltic Sea Region and endorsed the Council conclusions on the subject (doc. 13744/09). This Strategy constitutes an integrated framework to address common challenges, i.a. the urgent environmental challenges related to the Baltic Sea, and to contribute to the economic, social and territorial cohesion as well as the competitiveness of the EU.
12. The European Council called upon all relevant actors to act speedily and ensure full implementation of the Strategy, taking note of the novel approach and reiterating its role as pilot case for future macro regional strategies. It called on the Commission to present a progress report to the Council by June 2011.

V. Illegal immigration

13. The European Council welcomes progress made on implementing the measures it identified at its June meeting regarding irregular migration in the Mediterranean, in line with the European Pact on Asylum and Migration and the EU Global Approach to Migration. It calls for continued concerted action as many journeys still end in tragedy.
14. The European Council notes the launch of the pilot project for Malta and the concrete solidarity showed by a number of Member States in the reallocation of beneficiaries of international protection and urges more Member States to join. It also notes good progress on the establishment of the European Asylum Support Office and reiterates that the office should be established before the end of 2009. It furthermore notes ongoing work on the enhancement of FRONTEX. It expresses its satisfaction with the reinforced dialogue on migration between the EU and Turkey.

15. A broad, forward-looking and comprehensive EU migration policy, in accordance with international law, is the basis for sustainable medium- and long-term actions for migration management. This will be reflected in the multi-annual Stockholm Programme, to be adopted in December.

16. In this context the European Council:

- Calls for additional efforts on the realisation of the Common European Asylum Policy, addressing the issue of internal secondary movements as well as the need for tangible and effective solidarity with Member States under particular pressure;
- Calls for the enhancement of FRONTEX as well as progress in its development and invites the Commission to present proposals to that end early 2010;
- Underlines the urgent need for developing common rules of engagement for joint operations at sea with due regard to ensuring protection for those in need who travel in mixed flows, as noted in relevant UNHCR guidelines;
- Invites the Commission and Member States to accelerate the implementation of the Global Approach to Migration with emphasis to its strategic and effective application, including the Regional Protection Programmes. In this context it will be essential to secure effective use of all relevant existing financial instruments;
- Calls on the Presidency and the Commission to promote a dialogue with Libya on managing migration and responding to irregular immigration, including cooperation at sea.

VI. External relations

17. The European Council endorses the conclusions of the Council meeting of 27 October on Afghanistan and Pakistan and welcomes the adoption of the plan for strengthened EU action in the region. The European Council emphasises the importance of a strong and consolidated EU response to the challenges facing the region.

[p.m. in view of a second round in the Afghan presidential election]