



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 7 December 2007**

**16234/07**

**LIMITE**

**POLGEN 130**

**NOTE**

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from :            Presidency  
to :                Council

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Subject :        *European Council (14 December 2007)*  
                    *– Draft conclusions*

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*The Presidency hereby submits draft conclusions to be agreed by the European Council at its meeting on 14 December 2007.*

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1. The meeting of the European Council was preceded by an exposé by the President of the European Parliament, Mr Hans-Gert Pöttering, followed by an exchange of views.
2. The European Council welcomes the agreement reached at the IGC on 18 October 2007 and the subsequent signing of the Treaty of Lisbon on 13 December, as well as the proclamation of the Charter of Fundamental Rights on 12 December 2007. It calls for a swift completion of national ratification processes with a view to allowing entry into force of the Treaty on 1 January 2009.
3. The European Council will take stock of progress on necessary preparatory work when appropriate so as to ensure the full functioning of the Treaty as soon as it enters into force.
4. The Lisbon Treaty provides the Union with a stable institutional framework for the foreseeable future. The Union will be able to fully concentrate on addressing the concrete challenges ahead, including globalisation and climate change, as clearly underlined at the 19 October 2007 informal meeting of Heads of State or Government in Lisbon on the basis of the Commission's Communication "The European Interest: Succeeding in the age of globalisation". In this context the European Council adopts a Declaration on Globalisation (see *annex I*).

### **Reflection Group horizon 2020-2030**

5. In order to help the Union anticipate and meet challenges more effectively in the longer term (horizon 2020 - 2030), the European Council establishes an independent Reflection Group. Taking as its starting point the challenges set out in the Berlin Declaration of 25 March 2007, the Group is invited to identify the key issues and developments which the Union is likely to face and to analyze how these might be addressed. This includes, inter alia: strengthening and modernizing the European model of economic success and social responsibility, the rule of law, sustainable development as a fundamental objective of the European Union, global security, migration, energy and climate protection, and the fight against international crime and terrorism. Particular attention should be given to ways of better reaching out to citizens and addressing their expectations and needs.

6. The Group shall conduct its reflections within the framework set out in the Lisbon Treaty. It shall therefore not discuss institutional matters. Nor, in view of its long term nature, should its analysis constitute a review of current policies or address the Union's next financial framework.
7. In its work, the Reflection Group will need to take into account likely developments within and outside Europe and examine in particular how the stability and prosperity of both the Union and of the wider region might best be served in the longer term.
8. The Group will consult as it deems appropriate and be responsible for the organization of its own work.
9. The Group shall present its report to the European Council meeting of June 2010.

#### **FREEDOM, SECURITY AND JUSTICE**

10. The European Council welcomes the enlargement of the Schengen area and the **abolition of controls at the internal borders** of the Member States participating in the SISone4ALL project, as from 21 December 2007 for land and sea borders, and by 30 March 2008 for air borders, thus extending the effective free movement of persons.
11. Further developing a **comprehensive European migration policy** complementing Member States' policies remains a fundamental priority in order to meet the challenges and harness the opportunities which migration represents in a new era of globalisation. The European Council accordingly underlines the need for a renewed political commitment and takes note in that respect of the Commission's communication on a common immigration policy. It looks forward to the Commission's forthcoming proposals in 2008.

12. Cooperation with third countries remains vital for the purpose of well-managed migration flows and fight against illegal immigration. The European Council welcomes the progress being made in the implementation of the **Global Approach to Migration** with regard to Africa and the Mediterranean, in particular the EU missions to African and the Mediterranean countries as well as the progress on the application of this Global Approach to the Eastern and South-Eastern neighbouring regions. It looks forward to the organisation of the second Euro-African ministerial conference on migration and development in 2008. It endorses the Council's conclusions of 10 December 2007 on mobility partnerships and circular migration and welcomes in that connection the decision to open dialogue with a view to launching pilot mobility partnerships with Cape Verde and the Republic of Moldova. The Commission is invited to report back on progress no later than June 2008. The recent Euro-Med Ministerial meeting on Migration contributed to further development of practical cooperation with the Mediterranean partners in all areas of migration. The European Council welcomes the adoption by the 2<sup>nd</sup> Africa/EU Summit of a Joint Strategy which identifies migration as an area of mutual priority for which both sides will seek common solutions; the Action Plan to the Joint Strategy contains a partnership on migration, mobility and employment with a number of concrete measures to be taken in the next three years. The European Council endorses the Council conclusions of 19 November 2007 on coherence between migration and development policies and calls for further work in this field. The European Council underlines the importance of further engaging in dialogue with the Latin American and Caribbean region.
13. There is a close link between migration, employment and the Lisbon Strategy for Growth and Jobs. The European Council acknowledges that migration can have a significant impact on growth potential and employment growth, labour markets, adjustment capacity, productivity, competitiveness and public finances, whilst stressing that immigration is no substitute for structural reform. An effective immigration policy should be considered in the light of skills shortages and labour market requirements. Labour migration shall fully respect the Community acquis, Member States' competences in this field and the principle of Community preference for EU citizens. Recalling the meeting of Justice and Home Affairs Ministers with Employment and Social Policy Ministers on 6 December, the European Council reaffirms that measures to promote integration are important, as are the efforts of migrants themselves to integrate.

14. The European Council invites the Council to take work forward on the recent Commission proposals on the admission of third country nationals for the purpose of highly qualified employment and on a single application procedure and a common set of rights for legally residing third country workers.
15. Combating illegal immigration requires concerted and effective measures directed to undeclared work and illegal employment, in particular through the effective enforcement of dissuasive sanctions. The Council and the European Parliament are invited to reach agreement by the end of 2008 at the latest on the proposals on sanctions against employers of illegally staying third country nationals. Work should also be taken forward following the Commission's communication on undeclared work.
16. The proper management of migration flows also requires work to be taken forward on the further strengthening of the integrated management of the external borders including addressing particular pressures faced by Member States, while fully respecting all international obligations. The European Council accordingly looks forward to the forthcoming Commission communications in February 2008 on an entry/exit system at the external borders, on the future development of Frontex and on a European Border Surveillance System.
17. The European Council also welcomes the progress made on the proposal for a Directive on common standards and procedures in Member States for returning illegally staying third-country nationals. It underlines the need for agreement on common standards in the area of return policy and encourages the Council and European Parliament to continue their efforts to find a basis for a swift agreement on the proposal. The European Council reaffirms the need for an effective readmission and return policy.
18. The European Council underlines the need for progress on the future Common European Asylum System with a view to its realisation by 2010. To this end, the European Council invites the Commission to evaluate the implementation of the first phase and to present the necessary initiatives in 2008.

19. Integration is a pivotal element of the comprehensive European migration policy. The European Council calls for better coordination between migration and integration policies. In the context of the 2008 year of intercultural dialogue the European Council calls on the Commission and the Member States to stress the opportunities, benefits and challenges of migration in a pluralistic Europe.
20. The European Council welcomes the conclusion of visa facilitation and readmission agreements between the European Union and four Western Balkan countries (Bosnia-Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia), Ukraine and the Republic of Moldova, as well as the visa facilitation agreement with Albania, based on the process and considerations laid down in the Common Approach. Visa facilitation should encourage these countries to implement the relevant reforms and reinforce their cooperation with the EU in areas such as strengthening the rule of law, fighting organised crime and illegal migration, and increasing the security of documents by introducing biometry.
21. The strengthening of **police and judicial cooperation** remains a priority. The functioning of Eurojust and Europol must be improved; for the latter, this requires the Council to reach agreement on the decision establishing Europol by the end of June 2008 at the latest and to review regularly the state of play regarding the Implementation Plan. The European Council also welcomes the general approach for a Council Framework Decision on the protection of personal data processed in the framework of police and judicial cooperation. Cooperation through mutual recognition of decisions in criminal matters should be reinforced.
22. The European Council calls for rapid progress on the Directive on the protection of the environment through criminal law.
23. Recent terrorist activity in Europe and numerous terrorist attacks elsewhere in the world reinforce the need for the Union and its Member States to remain fully committed to the implementation of the Counter-Terrorism Strategy.

24. The European Council welcomes important work recently undertaken in many areas of the Strategy such as on the security of explosives and weapons, on cooperation between special intervention units (ATLAS), on the protection of critical infrastructure, on countering biological, radiological and on other non-conventional threats and the development of the Union's crisis coordination arrangements. The European Council welcomes the appointment by the SG/HR of Gilles de Kerchove as Counter-Terrorism Coordinator. It welcomes the suggestions made by the Counter-Terrorism Coordinator with a view to further strengthening the implementation of Counter Terrorism Strategy and calls for work to be taken forward rapidly on them.
25. The European Council welcomes work recently undertaken under the European Union Strategy for Combating Radicalisation and Recruitment to Terrorism notably as regards radicalization of youth and the role of the internet. It calls for its further strengthening in particular through EU sectorial programmes and instruments both within the Union and in cooperation with third countries. To the effect, it notes the Commission's intention to submit a communication on best practices on countering violent radicalisation in the course of 2008.
26. The European Council welcomes the adoption of the Decision establishing a Community Civil Protection Mechanism (Recast) and invites the Council and the Commission to make the best use of this instrument, along with the civil protection Financial Instrument, with a view to be ready to cope with major emergencies in the future. In this context the European Council looks forward to the forthcoming Commission proposal on reinforcing the Union's disaster response capacity.
27. The European Council reaffirms the need to enhance access to justice in the European Union via simplified and more efficient and accessible procedures, welcomes the achievements in the area of E-justice and calls for the continuation of work.

28. The European Council welcomes the political agreement on the Directive on some aspects of mediation on civil and commercial matters which will allow citizens and business to have access to an alternative dispute resolution mechanism enabling them to solve their cross border disputes in an effective way and on the Regulation on the law applicable to contractual obligations (Rome I) which are important elements of the European Justice Area.
29. The Council is invited to find solutions on the Regulation on jurisdiction and applicable law in matrimonial matters (Rome III). It is also invited to reach agreement on the Regulation on maintenance obligations taking into account the recent agreement on the Hague Convention on the International Recovery of Child Support and other forms of Family Maintenance. The European Council welcomes the signing of the new Lugano Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters and calls for its swift ratification.
30. Recalling the Council conclusions of 8/9 November 2007 on combating cybercrime the European Council emphasises that further steps towards adopting a coherent EU policy in this respect are required.
31. The European Council welcomes the ongoing work within the Council and the Commission regarding protection of children.



## ECONOMIC, SOCIAL AND ENVIRONMENTAL ISSUES

32. The European Council welcomes the presentation of the Commission's Strategic Report assessing the implementation of the renewed **Lisbon Strategy for Growth and Jobs** and making proposals for the next three-year cycle, including a new set of Integrated Guidelines, country-specific recommendations and a new Community Lisbon programme. The European Council calls for work to be taken forward speedily in order to launch the next cycle at its meeting at Spring 2008. The European Council underlines the role of the new Community Lisbon Programme for the partnership approach. This Programme must add value at Community level to improve the coherence of reforms and maximise positive spill over effects.

The Lisbon Strategy is delivering. The four priority areas of reform identified by the European Council in Spring 2006 continue to be valid: knowledge and innovation, business environment, employment and energy and climate change. Thus, whilst evolving challenges need to be addressed, the Integrated Guidelines do not need a fundamental overhaul. The main focus of the new cycle of the Lisbon Strategy should be on implementation and delivery of reform. Preliminary discussions at Council level have already identified the need for appropriate action in areas such as European Research, innovation mechanisms, SMEs, the Single Market, public administration modernization, education and skills, flexicurity, social inclusion, territorial cohesion, energy, climate change, the visibility of the social dimension, sustainability, quality of public finances. This effort should address the national, the Community and the external level of action.

The role of the regional level to deliver growth and jobs should also be increased, as recognised in the new generation of programmes of the cohesion policy covering the period 2007-2013. The Lisbon toolbox should be fully used by strengthening the existing horizontal coordination, developing tailor-made communication and involving all relevant stakeholders.

33. Promoting the knowledge triangle (education-research-innovation) is central for the Europe of the future and for the development of knowledge-based economies. The European Council accordingly welcomes the setting-up of the European Institute of Innovation and Technology and of the first Joint Technology Initiatives, as innovative public-private partnerships in strategic areas. It calls on Member States to engage more actively in the implementation of pan-European research infrastructures.

Human resources for science and technology in Europe need to be increased and the attractiveness of Europe for highly qualified scientists boosted: the European Council therefore endorses the conclusions agreed by the Council in November 2007 on the future of science and technology in Europe, as well as on the modernization of the universities.

Recalling the broad-based innovation strategy adopted in 2006, the European Council stresses the relevance of the Commission's initiatives relating to public procurement and innovation in services and invites it to complement them with the remaining expected initiatives. Delivering **lifelong learning** to all citizens is, alongside its social dimension, of particular importance for more and better jobs. Accordingly, Member States and the Commission should give priority to the implementation of the Education and Training work programme and the European Qualifications Framework as well as the "New Skills for New Jobs" initiative and to promoting greater mobility.

34. The European Council confirms the integrated decision of the Council on the financing, governance, and procurement policy for the European satellite navigation programmes EGNOS and Galileo. This key project for the EU will deliver by 2013 a global satellite navigation infrastructure, creating improved economic efficiencies, highly qualified jobs, and new opportunities for advanced services and applications throughout the EU.

35. The European Council endorses the European **Agenda for Culture** which constitutes an important step towards increasing coherence and visibility of the EU's action in this field, while maximising the potential of cultural and creative industries especially as far as SMEs are concerned, therefore contributing to the aims of the Lisbon Agenda.
36. The **Single Market** has been an undisputed success and remains a pre-requisite for growth and prosperity within the Union. Recalling the conclusions of the Competitiveness Council on 22/23 November 2007, the European Council stresses that an integrated approach to European Competitiveness should be fostered by a sustainable industrial policy, combined with innovation and skills, while developing its external dimension in order to ensure a level playing field. More needs to be done to untap the full potential of an enlarged Union, *inter alia*, by addressing the remaining barriers and by allowing consumers and SMEs to take full advantage of the opportunities of the Single Market. In order to promote European competitiveness in a globalised world, the Single Market also needs to become more outward looking. The European Council welcomes the recent presentation by the Commission of the Single Market Review, accompanied by a Communication on Services of general interest including social services of general interest, and invites the Council to examine the initiatives set out in the Review so as to enable it to reach conclusions for priorities for further action at its Spring 2008 meeting.
37. The European Council stresses the crucial role that **tourism** plays in generating growth and jobs in the EU and calls on the Commission, Member States, industry and other stakeholders to join forces in the timely implementation of the recently adopted Agenda for a sustainable and competitive European tourism.

38. The framework conditions for **business**, in particular **SMEs**, must continue to be improved. The European Council welcomes the Commission's intention to present a communication on a "Small Business Act for Europe" in 2008 with the aim of unlocking the full potential of SMEs. As regards the **Better Regulation** agenda, the European Council welcomes progress made towards the joint reduction target of 25% of administrative burdens by 2012 arising from EU legislation and urges those Member States who have not yet done so, to set national targets of comparable ambition by 2008, taking into account the different starting points and traditions and particular importance of this exercise for SMEs. The modernisation of **public administration** is key to improve efficiency and effectiveness of public finances. Reforms in this area should therefore undergo regular analysis and exchange of best practices in particular in the context of the Lisbon National Reform Programmes. In this context, the potential of e-Government initiatives should be explored, in accordance with the four policy actions set out in the Ministerial Declaration (Lisbon, September 2007).
39. The European Council, in face of the recent developments in the **financial markets**, emphasises that macroeconomic fundamentals in the EU are strong and that sustained economic growth is expected. Continued monitoring of financial markets and the economy is crucial, as uncertainties remain. The European Council underlines the importance of the themes identified in the work programme adopted by the Council on 9 October 2007 aimed at, alongside the EU's international partners, improving transparency for investors, markets and regulators, improving valuation standards, improving the prudential framework, risk management and supervision in the financial sector as well as reviewing the functioning of markets, including the role of credit agencies. The European Council welcomes the significant steps adopted regarding the enhancement of EU arrangements for financial stability and strongly encourages their appropriate follow-up. It will come back to these issues at its Spring 2008 meeting on the basis of a progress report.

40. In the **employment and social policy area**, the European Council endorses the agreement on the common principles on flexicurity reached in the Council on 5/6 December 2007 and invites Member States to take these principles into good account when developing and implementing national flexicurity-orientated policies. The European Council welcomes the joint analysis of the European social partners on the labour markets and underlines their important role in the design, implementation and monitoring of flexicurity policies. It also welcomes the ongoing consultations on the social reality stocktaking, which pave the way for a renewed and modern Social Agenda for Europe. The life-cycle approach to work should be developed by fostering active ageing and the modernization of pension systems, to ensure financial, economic and social sustainability by making the Youth Pact and the Gender Pact more operational including effective monitoring and mainstreaming, as well as by exploiting the possibilities offered by the European Alliance for Families. The European Council welcomes the recent developments regarding structured dialogue and participation of young people in decision-making process at the European Level.

Active **inclusion** policies should combine integration in the labour markets, mobility of the workforce, motivation to actively search for a job, adequate income support and quality, accessible and effective social services. The European Council also reaffirms its commitment with the decent work agenda as a global instrument to promote employment, better labour standards and foster development. The European Council welcomes the results of the **European Year of Equal Opportunities for All** and invites Member States to strengthen efforts to prevent and combat discrimination inside and outside the labour market. In this connection the European Council, conscious of the very specific situation faced by the Roma across the Union, invites Member States and the Union to use all means to improve their inclusion. To this end it invites the Commission to examine existing policies and instruments and to report to the Council on progress achieved before the end of June 2008.

41. With respect to **energy and climate change**, the European Council reiterates the importance of implementing, in line with its March 2007 conclusions, all aspects of the comprehensive 2007-2009 Action Plan endorsed last Spring with a view to taking forward the three objectives of the **Energy Policy for Europe**: security of supply, competitiveness and climate change.

It accordingly:

- welcomes the Commission's communication "A Strategic Energy Technology Plan" (SET-Plan) as well as the vision-paper on Energy Technologies; work should be taken forward towards providing a framework that facilitates the speed up of technological change including strategic planning, more effective implementation, increase in resources and a reinforced approach to international cooperation regarding innovation in low carbon technologies;
- notes the progress achieved in the discussions on the 3rd internal market package for gas and electricity to be pursued swiftly with a view to timely agreement in the course of 2008;
- as far as renewable energy and climate change-related instruments are concerned, looks forward to the Commission's second set of legislative proposals, due in January 2008, and stresses the importance of timely agreement on those proposals.

42. The European Council stresses the need to ensure the coherence of EU policies, including by promoting a sustainable transport system as set out in its conclusions of June 2007.

43. [The **Bali Conference of the Parties to the UN Framework Convention on Climate Change** must respond to the urgent need for global action as identified in the Fourth Assessment Report of the Intergovernmental Panel on Climate Change and agree to launch negotiations leading to a global, comprehensive and effective post-2012 agreement by 2009. In this connection the European Council recalls the Council conclusions of 30 October 2007 which set out in detail the objectives and elements which the Union is convinced should form part of the future agreement and which should guide the negotiating process.]

The European Council also recalls the Council Conclusions of 19-20 November on Global Climate Change Alliance between the EU and developing countries which will provide a platform for dialogue and cooperation in the areas of adaptation to climate change and promoting disaster risk reduction and integrating climate change into poverty reduction efforts in the most vulnerable countries.

44. **Sustainable development** is a fundamental objective of the European Union. The European Council welcomes the Commission's first progress report on the renewed EU Sustainable Development Strategy (SDS). It agrees that the objectives and priorities under the seven key challenges contained in that strategy remain fully valid and that the main focus should therefore be on effective implementation at all levels. The renewed EU Strategy and national strategies for sustainable development also need to be linked up more closely. The governance structure and tools of the SDS, in particular in relation to monitoring of progress and best practice sharing, must be fully used and strengthened. The EU's integrated climate and energy policy and an integrated approach to the sustainable management of natural resources, the protection of biodiversity and ecosystem services and sustainable production and consumption are among the drivers for achieving objectives under both the SDS and the Lisbon strategy. The EU must continue to work to move towards more sustainable transport and environmentally-friendly transport modes. The Commission is invited to present a roadmap together with its next Progress Report in June 2009 on the SDS setting out the remaining actions to be implemented with highest priority.

45. The European Council welcomes the Council Conclusions on **water scarcity and drought** and invites the Commission to present a report in 2008 and, on this basis, to review and further develop the evolving EU strategy by 2012, taking into account the international dimension. It also acknowledges the need to reinforce the link between Business and Biodiversity at European level, welcoming the EU Business and Biodiversity Initiative and the commitment from the Commission to provide technical support.
46. The European Council welcomes the Commission Communication on an **integrated maritime policy** for the European Union and the proposed Action Plan which sets out the first concrete steps in developing an integrated approach to maritime affairs. The broad participation in the preceding public consultation and the comprehensive debate at the Lisbon Ministerial Conference reflected the interest which stakeholders show for the development of such a policy. The future integrated maritime policy should ensure synergies and coherence between sectorial policies, bring added value and fully respect the principle of subsidiarity. Furthermore it should be developed as a tool to address the challenges facing Europe's sustainable development and competitiveness. It should take particularly account of the different specificities of Member States and specific maritime regions which should call for increased cooperation, including islands, archipelagos and outermost regions as well as of the international dimension. The European Council welcomes the conclusion of the Marine Strategy Framework Directive as the environmental pillar of this policy. The European Council invites the Commission to come forward with the initiatives and proposals contained in the Action Plan and calls on the future Presidencies to work on the establishment of an integrated maritime policy for the Union. The Commission is invited to report on progress achieved to the European Council at the end of 2009.



47. Without prejudice to the integrated maritime policy, the European Council invites the Commission to present an EU strategy for the **Baltic Sea** region at the latest by June 2009. This strategy should *inter alia* help to address the urgent environmental challenges related to the Baltic Sea. The Northern Dimension framework provides the basis for the external aspects of cooperation in the Baltic Sea region.
48. The European Council welcomes the Commission report on the 2004 Strategy for the **Outermost Regions** stating its positive results and presenting the future prospects for Community actions in those regions. The European Council looks forward to the conclusions of the public consultation launched and invites the Commission to present the relevant proposals at the latest in October 2008.
49. The European Council welcomes the 4th Cohesion Report and stresses the importance of the debate on the future of this fundamental policy, started in the Cohesion Forum, in September, and pursued in the informal ministerial meeting on Regional Policy, in November.

## **EXTERNAL RELATIONS**

50. The European Council stresses the importance of deepening the relations between the European Union and its partners in an increasingly globalised World. The Summits held this semester with Brazil, Russia, Ukraine, China, India, ASEAN and Africa contributed to reinforce the EU's relations with these partners and to strengthen common ground in facing global challenges.
51. The summit held in July with **Brazil** launched a strategic partnership, aiming at upgrading the bilateral relationship and enhancing the political dialogue on global and regional issues as well as cooperation on a wide range of areas of common interest.

52. [The European Council welcomes the second **EU/Africa summit** held on 8/9 December in Lisbon. The summit expressed the determination of the two sides to move to a new level in their relationship. To this end a Joint Africa/EU Strategy was adopted as well as an Action Plan aimed at ensuring concrete delivery on the new political and developmental ambitions. The Summit agreed to set up 8 partnerships on Peace and Security, Democratic Governance and Human Rights, Trade and Regional Integration, Millennium Development Goals, Energy, Climate change, Migration, Mobility and Employment, and Science, Information Society and Space. These partnerships will enable the joint addressing of issues of mutual concern, including of global nature, as well as helping the EU to make a better contribution to African development. The European Council acknowledges that in order to reach within the next three years concrete and tangible results, additional and combined efforts will be required from all relevant actors.]
53. On **Kosovo**, the European Council noted the conclusion of the Troika process on 10 December and the final report submitted by the Contact Group to the United Nations Secretary-General. It expressed its gratitude to the Troika for having tirelessly explored all options to secure a negotiated settlement of the Status of Kosovo. In particular, it thanked Ambassador Wolfgang Ischinger, the EU's Representative to the Troika, for his efforts.
54. The European Council underlined that the negotiating process facilitated by the Troika between the parties on Kosovo's future Status has been exhausted. In this context, it deeply regretted that the two parties were unable to reach a mutually acceptable agreement despite the Troika's comprehensive and good faith efforts, fully supported by EU Member States.
55. The European Council welcomed the fact that both parties have committed repeatedly during the Troika process to refrain from any activities or statements which might endanger the security situation and to avoid violence. This commitment to peace, which is also important for regional stability, must continue.

56. The European Council agreed with the UN Secretary-General that the status quo in Kosovo is unsustainable and, thus, stressed the need to move forward towards a Kosovo settlement, which is essential for regional stability. Such a settlement should ensure a democratic, multi-ethnic Kosovo committed to the rule of law, and to the protection of minorities and of cultural and religious heritage.
57. The European Council underlined its conviction that resolving the pending status of Kosovo constitutes a sui generis case that does not set any precedent.
58. The European Council noted that the United Nations Security Council will address this issue in December. The European Council underlined that the EU stands ready to play a leading role in strengthening stability in the region and in implementing a settlement defining Kosovo's future status. It stated the EU's readiness to assist Kosovo in the path towards sustainable stability, including by intensifying its preparations for an ESDP mission and for a contribution to an international civilian office as part of the international presences. The EU will also be ready to assist economic and political development through a clear European perspective.
59. The European Council reaffirmed that the future of the Western Balkans lies within the European Union. It considered that a stable and prosperous Serbia fully integrated into the family of European nations is important for the stability of the region. In this regard, it encouraged Serbia to meet the necessary conditions to allow its Stabilisation and Association Agreement rapidly to be signed and, in the light of Serbia's considerable institutional capacity, it reiterated its confidence that progress on the road towards the EU, including candidate status, can be accelerated.

60. The European Council reaffirms that the **European Neighbourhood Policy** (ENP) is a core priority within the EU's external action. The European Council, recalling its conclusions of June 2007 and keeping in mind the character of the ENP as a single and coherent policy framework following the principle of differentiation, welcomes the progress achieved. It welcomes the Commission's Communication of 5 December 2007 as well as the results of the ENP Conference on 3 September 2007 and invites the upcoming Presidencies to take this work forward in order to develop both the eastern and southern dimensions on the basis of the relevant Commission communications and proposals.

61. The European Council emphasises the strategic relevance of the relationship of the EU with the **Mediterranean countries** and welcomes the progresses in developing the political and security dialogue, in the creation of an area of shared prosperity and in the implementation of the social, cultural and human partnership in accordance with the conclusions of the ministerial meetings of foreign affairs as well as in other important fields such as migration. The European Council welcomes Albania and Mauritania into the Barcelona Process.

The European Council welcomes the prospects for concluding a Framework Agreement with Libya in line with the Council Conclusions of October 2007, which should constitute a turning point on the development of a new stage in the relationship of the EU with this Mediterranean country, including on migration issues.

62. The European Council supports the progress achieved at the first meeting of the **Transatlantic Economic Council** on 9 November 2007 and looks forward to further tangible steps in the run-up to the next EU-US Summit.

63. The European Council welcomes the debate held and the conclusions adopted at the November GAERC on an EU response to **situations of fragility**, which highlight the importance of democratic governance, rule of law, respect of human rights and fundamental freedoms and the fight against poverty, having in mind the need to prevent and address situations of fragility and develop instruments to ensure quicker and more flexible responses in order to progress in the achievement of the Millennium Development Goals of most vulnerable countries.
64. The European Council calls on the Commission to produce by April 2008 a report on progress towards the **Millennium Development Goals** and on what the EU can do to accelerate it.
65. The European Council warmly welcomes the adoption of an **EU Consensus on Humanitarian Aid**, which will be signed on 18 December by the Council, the Commission and the European Parliament and shall be subsequently developed through a roadmap for action. This EU Consensus on Humanitarian Aid will guide the EU humanitarian aid policy on the basis of the principles of impartiality, neutrality, humanity and independence.
66. The European Council reaffirms its deep concern with **Iran's** nuclear program and underlines that the acquisition by Iran of a nuclear military capability would be unacceptable. In this regard, it deplores that Iran has still not complied with its international obligations as reiterated in UNSC Resolutions 1696, 1737 and 1747, to suspend all enrichment-related and reprocessing activities in order to restore confidence in the entirely peaceful nature of its programme.

The European Council furthermore regrets that neither High Representative of the EU Javier Solana, following his discussions with the Iranian nuclear negotiator, nor the Director-General of IAEA El Baradei were able to report a positive outcome, particularly in the fulfilment by Iran of the requirements of the UN Security Council.

67. The European Council calls upon Iran to provide full, clear and credible answers to the IAEA, to resolve all questions concerning Iran's nuclear activities, to ratify and implement the Additional Protocol and to fully implement the provisions of the Comprehensive Safeguard Agreement, including its subsidiary arrangements. It emphasizes that carrying out these actions and the transparency measures as requested by the IAEA would constitute a positive step to build confidence concerning Iran's nuclear programme.
68. The European Council reaffirms its full and unequivocal support for efforts to find a negotiated long-term solution to the Iranian nuclear issue and underline that the proposals presented by the High Representative on 6 June 2006 would give Iran everything it needs to develop a civil nuclear power industry while addressing international concerns.
69. The European Council reiterates its full support to the work in the UN Security Council to adopt further measures under Article 41, Chapter VII, of the UN Charter and recalls that, following the General Affairs and External Relations Council conclusions on Iran of 15 October, consideration has begun on additional measures that might be taken in support of the UN process and the shared objectives of the international community. In light of the upcoming decisions to be taken by the UN Security Council, the next General Affairs and External Relations Council will decide what action the EU will take.
70. [The **European Security Strategy** adopted in 2003 provides the Union with a useful and relevant framework for its external policy. In the light of the evolutions which have taken place since, the European Council invites the SG/HR, in full association with the Commission and in close cooperation with the Member States, to examine the implementation of the Strategy with a view to proposing, as appropriate, possible adaptations in good time before the December 2008 European Council.]

## EU DECLARATION ON GLOBALISATION

Globalisation is increasingly shaping our lives by fostering the exchange of peoples, goods, services and ideas and by offering new **opportunities** to citizens and business. Greater trade flows and economic growth have increased prosperity, transforming the lifestyles of Europe's citizens and lifting millions worldwide out of poverty. But globalisation also confronts us with new economic, social, environmental, energy and security **challenges**.

We aim at **shaping globalisation** in the interests of all our citizens, based on our common values and principles. For this even the enlarged Union cannot act alone. We must engage our international partners in enhanced strategic cooperation and work together within stronger multilateral organizations. The Lisbon Treaty, in setting a reformed and lasting institutional framework improves our capacity to fulfil our responsibilities, respecting the core principles enshrined in the Berlin declaration. It will bring increased consistency to our external action.

The Union's internal and external policies need to be harnessed in order to respond to the opportunities and challenges of globalisation. We must deliver on the **Lisbon Strategy for Growth and Jobs** and further develop the four freedoms within the Internal Market while ensuring a strong social dimension and respect for the environment. This will both enhance Member States' capacity to compete in a globalised world and increase the Union's collective ability to pursue its interests and values in the world. Further reforms at national and Community levels remain the key to long-term economic success. Investment in research, innovation and education should be strengthened as a central driver for growth and jobs and to ensure that all will benefit from the opportunities of globalisation.

The EU agreed very ambitious commitments **on climate change and energy** at the Spring 2007 European Council. We will deliver on our promises and show global leadership in these fields. Yet we know that without major partners tackling with us the challenges of climate change, our efforts would remain incomplete. The Union insists on the need for a global and comprehensive post-2012 agreement involving most notably the U.S., Russia, China, India and Brazil. We will use our bilateral relations to promote joint research and technical co-operation. We should also seek ways of stepping up our development assistance in the environmental field and we will work towards increasing the role of International Financial Institutions in these issues.

Consistent macro-economic policies and stable **financial markets** are vital for sustained economic growth. The Euro already plays a major role for stability and growth in the global economy. The EU is a major global financial marketplace, benefiting from a single market for financial services and a sound supervisory framework. Work will have to be taken forward both within the EU and in the relevant international *fora* to improve prudential frameworks and transparency of financial markets.

The Union has always promoted free **trade** and openness as a means to foster growth, employment and development for itself and its trading partners and intends to continue taking the lead in this domain. We will continue striving for a balanced and global agreement in the Doha Development Agenda complemented by bilateral agreements. Dialogues with key trade partners, such as the one taking place in the context of the Transatlantic Economic Council, have started to help overcoming non tariff barriers to trade and investment. The European Union will press for increasingly open markets which should lead to reciprocal benefits. To this end, our partners must also demonstrate openness, on the basis of internationally agreed rules, in particular as concerns fair competition and the protection of intellectual property rights. With this in view the EU stands ready to assist its trade and investment partners in fostering global standards and in particular to support capacity-building in developing countries.



We will continue working with our partners to pursue vigorous and coherent **development strategies**. The European Union and its Member States are already by far the major Official Development Assistance and Humanitarian Aid donor in the world. We will deliver on our commitments in the framework of the Millennium Development Goals and expect others to do likewise. Promoting decent work and addressing the problem of communicable diseases and other global health issues also remains crucial. We recall that respect for democracy and human rights, including gender equality are fundamental for sustainable development.

The EU must be ready to share in the responsibility for **global security and stability**. Efficient use of instruments and development of capabilities of the Common Foreign and Security Policy and the European Security and Defence Policy will allow the Union to play a growing part in building a safer world. The Union is committed to effective multilateralism and strong international organizations, starting with the UN. Tackling security challenges, like terrorism, organised crime and fragile States, will benefit from our continued and principled promotion of rule of law. At the same time, we will pursue our common internal program for Freedom, Security and Justice meeting our citizens' expectations to see their security and rights safeguarded.

In the era of globalisation **migration** is a challenge which is global in nature but mainly regional in its impact. We are further developing a comprehensive European migration policy in order to promote integration, manage legal migration and combat illegal immigration. By this we should be able to meet the challenges and reap the benefits that well-managed migration can bring for the EU and also for third countries.

The European Union is the largest market in the world and a major global player in promoting peace and prosperity. We are determined to remain so for the benefit of our citizens and people worldwide. Together, we will ensure that globalisation is a source of opportunity rather than a threat. For this, we will continue building a stronger Union for a better world.