



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 17 July 2006

10633/1/06

REV 1

CONCL 2

COVER NOTE

from : Presidency
to : Delegations

Subject : **BRUSSELS EUROPEAN COUNCIL**
15/16 JUNE 2006

PRESIDENCY CONCLUSIONS

Delegations will find attached the revised version of the Presidency Conclusions of the Brussels European Council (15/16 June 2006).

1. The meeting was preceded by an exposé by Mr Josep Borrell, President of the European Parliament, followed by an exchange of views.

I. EUROPE LISTENS

2. In June 2005 the Heads of State or Government called for a period of reflection during which a broad debate should take place in all Member States, involving citizens, civil society, social partners, national parliaments and political parties, with the contribution of European institutions. The European Council welcomes the various initiatives taken in the Member States in the framework of national debates, as well as a series of events organised by the Austrian Presidency, in particular the Conference "The Sound of Europe" in Salzburg on 27/28 January 2006. The European Council expresses its gratitude to the Commission for having contributed to the reflection period in the context of its Plan D and to the European Parliament for having organised together with the Austrian Parliament the joint parliamentary meeting on the "Future of Europe" on 8/9 May 2006. The European Council welcomes the intention of institutions and Member States to carry on their activities aimed at involving citizens in the debate about what Europe should stand for in the 21st century. It also welcomes the Commission's contribution "A Citizen's Agenda for Europe".
3. The European Council carried out a first assessment of the reflection period. This took place on the basis of the written report prepared by the Presidency and Council Secretariat drawing on information provided by Member States on their national debates (9701/1/06 REV 1), the "Plan D" initiative and the White Paper on a European Communication Policy. While worries and concerns have been voiced during all public debates, citizens remain committed to the European project. Reinforced dialogue with the citizens requires adequate means and commitment. Citizens expect the Union to prove its added value by taking action in response to the challenges and opportunities facing it: ensuring peace, prosperity and solidarity, enhancing security, furthering sustainable development and promoting European values in a rapidly globalising world.

4. The Union's commitment to becoming more democratic, transparent and effective goes beyond the reflection period. The European Council reaffirms its commitment to a Union that delivers the concrete results citizens expect, in order to strengthen confidence and trust, as set out in Part II.

II. EUROPE AT WORK

(a) Promoting freedom, security and justice

5. Progress on measures agreed in the Hague Programme aimed at addressing problems such as illegal immigration, trafficking of human beings, terrorism and organised crime while guaranteeing respect for fundamental freedoms and rights will be assessed in December 2006.
6. In the meantime further efforts are required, particularly as concerns:
- following the progress made on the Schengen Information System (SIS II) and implementation of the **Schengen acquis** in the new Member States, rapid finalisation of the legislative measures on **border control** and **police cooperation** and completion of the technical preparations at EU and national levels, making operational the **Schengen Information System** by April 2007 and the **Visa Information System** in 2007, thus paving the way for the enlargement of the Schengen area in 2007 provided all requirements to apply the Schengen acquis have been fulfilled, in accordance with the Hague Programme;
 - taking work forward rapidly on the Commission's proposal concerning the establishment of **Common Application Centres** and the collection of biometrics for the purpose of visas and initiation of a pilot project, as well as taking work forward on a Community code on visas;
 - taking work forward on **visa facilitation** and **readmission agreements** based on the process and considerations laid down in the common approach on facilitation starting with the countries with a European Perspective as referred to in the European Council conclusions of June 2003 and June 2005;

- further strengthening of practical cooperation in developing a common European **asylum** system, rapid progress on relevant proposals including the amendments to the European Refugee Fund as well as on **Regional Protection Programmes** (Ukraine, Moldova, Belarus, Tanzania);
- achieving further progress on strengthening judicial **cooperation in both civil and criminal law**, finalisation in particular of negotiations on the procedural rights of accused persons in criminal proceedings and on the Framework Decisions on the European Evidence Warrant, the application of the principle of mutual recognition to the enforcement of custodial sentences and the protection of personal data;
- intensifying **police cooperation**, in particular giving an increased role to **Europol** to support operations;
- pursuing the fight against **trafficking in human beings**, based on the EU Action Plan and fully utilising Eurojust, Europol and the Task Force of Police Chiefs.

7. The European Council welcomes the "Vienna Declaration on Security Partnership" agreed by Member States and neighbouring countries of the EU at the Ministerial Conference in Vienna on 4-5 May 2006, as well as the participation of the Russian Federation and the United States of America. It takes note of the first steps taken towards such a partnership, e.g. improving cooperation between the EU and the Western Balkan countries to combat organised crime, corruption, illegal migration and terrorism. The European Council takes note of the "Vienna Initiative" on possible future tripartite cooperation in the field of justice and home affairs between the EU, the Russian Federation and the United States of America and invites future Presidencies to consider how this initiative might be taken forward. The European Council calls for further swift implementation of the **Strategy for the external dimension of JHA**, with a view to enhancing the coordination and coherence between JHA policies and external policies.

8. In the light of the increased cooperation and the need for further progress with third countries of origin and transit in migration issues, in particular in the regions neighbouring the Union, namely the eastern, south-eastern and Mediterranean regions, the European Council recalls the importance of a balanced and comprehensive approach. Developing the **Global Approach to Migration** agreed in December 2005 is a fundamental priority for the Union. Recent events reinforce this assessment. In this context the European Council looks forward to the forthcoming report by the Commission on the Hampton Court follow-up to migration and security to be presented at its December 2006 meeting. In the meantime the European Council:

- welcomes the concrete cooperation measures taken by the Commission, Frontex and some Member States in the wake of recent events in the Canary Islands and in the Mediterranean. It calls for enhanced efforts on maritime operational cooperation with a view to developing adequate surveillance capacities at the sea borders as well as on the establishment of Rapid Border Intervention Teams;
- underlines the priority of enhancing cooperation on migration with African and neighbouring countries and calls for a balanced dialogue on migration with African States, regional organisations and the African Union through a pan-African conference on migration and development;
- welcomes the Euro-African Ministerial Conference in Rabat, and other conferences with a specific regional focus, as steps towards a regular comprehensive dialogue with African countries as well as the launching of a EU-ACP (African, Caribbean and Pacific) dialogue on migration (on the basis of Article 13 of the Cotonou Agreement);
- recalls the Barcelona Action Plan engagement to hold a EUROMED Ministerial Meeting on Migration Management and to highlight cooperation on migration as an important part of our neighbourhood policy;
- looks forward to the presentation by the Commission of a communication on future priorities in the field of illegal immigration and follow-up action;
- calls on implementation of AENEAS funded projects on migration, providing financial and technical assistance to third countries in support of their efforts to ensure more effective management of all aspects of migration flows;

- recognises the importance of the forthcoming UN High-Level Dialogue on International Migration and Development and the need for an EU common position that integrates the development aspects of migration in a coherent manner;
 - calls for discussions to be taken forward on the Commission's Policy Plan on Legal Migration.
9. The European Council calls for the implementation of the action plans agreed under the EU **Counter Terrorism** Strategy, including the strategy against radicalisation and recruitment, to be accelerated. Work must also be speeded up on the protection of critical infrastructure. The European Council awaits the Commission's first programme in this connection as well as concrete proposals on detection technologies. The Council and the Commission are also invited to develop measures to combat the misuse of the internet for terrorist purposes while respecting fundamental rights and principles.
10. In the context of the review of the Hague Programme, the European Council calls upon the incoming Finnish Presidency to explore, in close collaboration with the Commission, the possibilities of improving decision-making and action in the area of Freedom, Security and Justice on the basis of existing treaties.
11. Taking note of the progress achieved on the setting up of the **European Union Agency for Fundamental Rights**, the European Council calls for the necessary steps to be taken as soon as possible, so that the Agency is up and running as from 1 January 2007.
12. Improving the Union's **responsiveness to emergencies, crises and disasters** inside and outside the Union remains a political imperative. When such emergencies occur, citizens rightly expect a swift and effective response. While Member States are responsible for managing emergencies on their territory or assisting their citizens abroad, the European Union can, in a spirit of active solidarity, play a role by coordinating a political response and by helping to organise and coordinate available assets when requested to do so.

13. The European Council endorses the Presidency report on "Reinforcing the Union's emergency and crisis response capacities" (10551/06) which sets out the many practical steps and decisions taken to improve coordination and delivery of available assets; to get assistance quickly where it is needed; and to provide more effective consular protection to EU citizens in third countries. Furthermore, the European Council welcomes the report submitted by Michel Barnier in May 2006 as an important contribution to the debate.
14. Building on work carried out under the Austrian Presidency, particular attention must now be given to:
 - further developing the European Union's rapid response capability based on means that Member States make available, including civil protection modules, which should be identified and coordinated in order to make this response efficient and capable of ensuring a high level of protection for the European citizen;
 - rapid implementation of agreed steps and decisions taken as set out in the Presidency report. These include the EU Emergency and Crisis Coordination Arrangements, which set up an ad hoc Crisis Steering Group in Brussels and should be operational as of 1 July 2006, and the recommendations by the Secretary-General/High Representative pertaining to the identification and coordination of Member States' military transport assets in support of disaster response;
 - exercising these procedures and capabilities and learning lessons from these exercises and actual operational experience to improve disaster response;
 - work on the Commission's proposals on reinforcing the **Community's civil protection capabilities** has been brought forward ambitiously during the Austrian Presidency. The Council should work for adoption of the necessary legal provisions by the end of the year.
 - closer consular cooperation among EU Member States, including mutual consular assistance points in pre-identified regions. To this end, a joint report by the Secretary-General/High Representative and the Commission is requested in the second half of 2006.

15. The Council is invited to take work forward on the basis of the suggestions contained in the Presidency report, building on further input from the Commission and the Secretary-General/High Representative. The incoming Presidency will report to the December 2006 European Council on progress achieved across the board.

(b) Promoting the European way of life in a globalised world

16. The European Council took stock of progress in several of the areas discussed at Hampton Court and at the last Spring European Council, aimed at promoting the European way of life in the face of globalisation and demographic trends.
17. **Sustainable development** means meeting the needs of the present generation without compromising the ability of future generations to meet their own needs. It is a fundamental objective of the European Union. Sustainable development is about safeguarding the earth's capacity to support life in all its diversity. It is based on democracy, gender equality, solidarity, the rule of law and respect for fundamental rights. While positive achievements have been made since the Gothenburg European Council, many challenges remain. The European Council therefore adopts an ambitious and comprehensive renewed EU Strategy for Sustainable Development (10117/06). The implementation of this Strategy will be closely monitored and followed up by the European Council on a regular basis.
18. The European Council takes note of the Commission's Green Paper on a future Maritime Policy for the Union and welcomes the launching of a broad debate with a view to the proposals the Commission is expected to present in Autumn 2007.

19. **Climate change** is a global problem requiring global solutions. The European Council therefore looks forward to a successful continuation of the discussions in the framework of the UN Framework Convention on Climate Change (UNFCCC) and under the Kyoto Protocol to arrive at a timely post-2012 arrangement consistent with meeting the Council's objective of a maximum global temperature increase of 2°C above pre-industrial levels. The Council will therefore push in all relevant multilateral fora, including with all Parties to the UNFCCC, for a full and open dialogue on future action and on agreeing an international goal. In addition, the European Council calls on the Commission to submit without delay a report to the European Parliament and the Council on the experience of implementing the Directive establishing a scheme for greenhouse gas emission allowance trading within the Community, taking into consideration the situation of SMEs, and accompanied by proposals as appropriate.
20. The re-launched **Lisbon Strategy** has already been refocused on those issues of most importance to the citizens, jobs and growth, in full coherence with the Sustainable Development Strategy; special emphasis has been laid on investment in knowledge and innovation, business potential, especially of Small and Medium Enterprises (SMEs), and employment of priority categories. The European Council welcomes the Commission's and Member States' intention to pursue vigorously the Lisbon Strategy and ensure the good functioning of the Economic and Monetary Union. In the year up to the first quarter of 2006, the number of persons employed in the EU rose by 1,8 million.
21. The European Council in particular:
- welcomes the agreement reached in the Council on the **Services Directive** and calls for a swift conclusion of the legislative process;
 - recalls the importance of a simple, transparent and easy-to-apply **regulatory environment** and of strengthening consumer and business confidence in the **internal market**;
 - underlining the importance of the **Single Market**, welcomes the Commission's intention to launch a general review thereof, to be followed by concrete proposals for completing the internal market and ensuring its effective functioning; an interim report will be presented before the March 2007 European Council;

- stresses the importance of the **social dimension** of the Union's action. It welcomes the European Commission's intention to take stock of social realities in the EU and invites the Commission to issue an interim report before the European Council of March 2007; the Commission, the Council and the Parliament should pay due attention to the social impact of European legislation, including a gender perspective, as set out in the Pact for Gender Equality, within the integrated impact assessment;
- encourages the Commission to accelerate work on the initiatives outlined in its communication on **industrial policy** with a view to taking stock of progress in the first half of 2007;
- underlines the need for investment in **knowledge and innovation**, welcomes the final agreement on the Competitiveness and Innovation Programme and calls for the rapid adoption of the 7th Framework Programme, as well as the EIB risk-sharing finance facility to support innovation and R&D;
- calls for a follow up to the Commission's communication on the challenges ahead for **universities** and encourages the Member States to promote excellence and foster modernisation, restructuring and innovation in the higher education sector in order to unlock its potential and to underpin Europe's drive for more growth and jobs;
- reaffirms that the **European Institute for Technology** (EIT), working with existing national institutions, will be an important step towards filling the existing gap between higher education, research and innovation together with other actions that enhance networking and synergies between excellent research and innovation communities in Europe. It looks forward to receiving the Commission's formal proposal for its establishment, to be presented in autumn 2006, following consultation with the European Research Council, Member States and stakeholders;
- stresses the importance of addressing issues of direct concern to citizens such as **food safety and consumer protection**, and in this context welcomes the amended Commission proposal for a Decision establishing a programme of Community action in the field of **consumer policy** (2007-2013);

- emphasises the added value of joining forces in combating **rare diseases** such as epidermolysis bullosa and MPS, with particular attention to children. It welcomes research activities in the context of the 7th Framework Programme in view of developing preventive, diagnostic and therapeutic interventions and invites the Commission to support the efforts of Member States in this regard by making full use of the relevant EU instruments especially in the field of research and public health.
22. In its conclusions of March 2006 the European Council called for an **Energy Policy for Europe** and invited the Commission and the Council to prepare a set of actions with a clear timetable enabling it to adopt a prioritised Action Plan at its meeting in Spring 2007.
23. The external aspects of energy security will constitute an important part of such an overall policy and will need to be included within the Action Plan. The European Council therefore welcomes the joint paper by the Commission and High Representative, which is a sound basis for an external policy conducted in a spirit of solidarity and intended to ensure reliable, affordable and sustainable energy flows into the Union. It invites the Commission to take it into due account when it draws up the Strategic Review. It underlines the importance of using all the available policies and instruments to support external action in this area.
24. Meanwhile, since there is a continuing need for the EU to respond to the worldwide competition for access to increasingly scarce sources of energy, the European Council invites the Presidency, the Commission and the High Representative to take forward work on the development and implementation of an external energy policy in a coherent and coordinated manner, making use of all available instruments including CFSP and ESDP. This should include the development of strategic partnerships with the main producer, transit and consumer countries and concentrate initially on the following priorities:
- conclude negotiations of the Energy Charter Transit Protocol and secure the ratification of the Energy Charter Treaty by all signatories to the Charter;
 - invite the Commission to set out elements for an agreement with Russia on energy within the framework of the successor to the Partnership and Cooperation Agreement;

- extend the EU's internal market in energy to its neighbours (including the expansion of the Energy Community Treaty);
 - make better use of the European Neighbourhood Policy (ENP) mechanism to further the EU's energy policy objectives; enhanced dialogue with Algeria will be particularly relevant;
 - give full support to infrastructure projects compatible with environmental considerations and aimed at opening up new supply routes with a view to diversifying energy imports which would benefit all Member States;
 - integrate the EU's energy objectives fully into its trade policy and pursue these through the WTO, as appropriate;
 - attach particular importance to energy in the context of the Union's relations generally with major third-country partners.
25. The European Council underlines the need to further diversify sources of energy supply, promote development of renewable energies and make more efficient use of energy. It recalls in this context that it is for each Member State to choose its own energy mix.
26. The European Union will continue to actively promote the dialogue between cultures and civilizations through all existing mechanisms, including the Barcelona Process, the Anna Lindh Foundation and the Alliance of Civilizations. Particular emphasis will be given to the role that free media and civil society as well as their promotion can play in this regard.
27. The European Council welcomes the meeting with leading representatives of churches and religious communities organised by the Presidency and the European Commission in Brussels on 30 May 2006.
28. The European Council welcomes the conclusion of the Inter-Institutional Agreement on the Financial Perspectives 2007-2013 providing the Union with the means to carry through its policies and stresses the importance of rapidly adopting the necessary legal instruments.

29. The European Council congratulates Slovenia on the convergence achieved since accession to the EU, based on sound economic and financial policies, and welcomes Slovenia'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 Slovenia should adopt the euro on 1 January 2007. This first enlargement of the euro area to include one of the new Member States is a significant and extremely positive step forward in the Union's economic and monetary integration.
30. The European Council also commends Lithuania for the convergence it has achieved so far and expresses its support for the stability-oriented policies of the Lithuanian authorities.

(c) Improving the efficiency, coherence and visibility of the Union's external policies

31. The European Council welcomes the substantial progress made on the **new external action instruments** and encourages the institutions to reach swift agreement on the outstanding issues as soon as possible in order to guarantee the delivery of assistance as of 1 January 2007.
32. The European Council welcomes the paper "Europe in the World" presented by the President of the Commission and the internal measures being implemented by the Commission. The European Council invites the Presidency, the Council, the Secretary-General/High Representative and the Commission to examine the other measures contained in that paper as well as further measures, on the basis of the existing treaties, with a view to improving inter alia strategic planning and coherence between the Union's various external policy instruments as well as cooperation between the EU institutions and between the latter and the Member States. The European Council thanks the Secretary-General/High Representative for his letter on follow-up to the mandates resulting from the Informal Meeting of Heads of State or Government at Hampton Court. In this regard the European Council reaffirms its full support for the role and the action of the Secretary-General/High Representative.

33. The European Council invites the Presidency, the Council, the Secretary-General/High Representative and the Commission to take work forward and agrees that a first stocktaking in relation to the implementation of these measures will be made at the end of the Finnish Presidency.

(d) Improving the functioning of the Union

34. The European Council agreed on a number of measures intended to enhance the functioning of the Union making full use of the possibilities offered by existing treaties. This includes opening up the work of the Council and bringing more clarity to the respective responsibilities of the various actors in the work of the Union.
35. Providing citizens with firsthand insight into EU activities is a pre-requisite for increasing their trust and confidence in the European Union. The European Council therefore agrees to further open up the work of the Council and adopts an **overall policy on transparency** (Annex I). In particular, all Council deliberations under the co-decision procedure shall now be public. It requests the Council to take the measures necessary to ensure implementation of the new policy and to review their implementation in six months with a view to assessing their impact on the effectiveness of the Council's work.
36. In view of the importance of the principles of **subsidiarity and proportionality**, the European Council welcomes the initiative taken by the Austrian Presidency to hold a conference on subsidiarity in St. Pölten on 18/19 April 2006, as a follow-up to last year's conference in The Hague. The ideas developed at these conferences should be examined and future Presidencies are encouraged to carry this work forward.

37. The European Council notes the interdependence of the European and national legislative processes. It therefore welcomes the Commission's commitment to make all new proposals and consultation papers directly available to national parliaments, inviting them to react so as to improve the process of policy formulation. The Commission is asked to duly consider comments by national parliaments – in particular with regard to the subsidiarity and proportionality principles. National parliaments are encouraged to strengthen cooperation within the framework of the Conference of European Affairs Committees (COSAC) when monitoring subsidiarity.
38. The European Council further recalls that the confidence of citizens in the European project can benefit from European legislation reflecting more strongly the added value of EU action. It therefore invites the Council, the European Parliament and the European Commission to consistently check the correct application of the principles and guidelines laid down in the Protocol on subsidiarity and proportionality.
39. The European Council equally welcomes the positive outcome of discussions between the European Parliament, the Council and the Commission on the comitology reform, which will provide for a horizontal and satisfying solution. The newly agreed provisions will enhance scrutiny by the legislator with regard to the Commission's implementing powers in areas subject to co-decision, thus improving the **comitology** procedures.

40. Progress has been made since its last meeting in all fields of **Better Regulation** and all institutions and Member States are urged to implement their respective commitments as set out in the 2003 Interinstitutional Agreement on Better Lawmaking. The European Council calls on the Member States to take initiatives at national level, including through their national reform programmes, in order to reduce administrative burdens on enterprises. It invites the Commission to report on the progress made at national and Community levels by early 2007. The Spring European Council should draw conclusions on further steps to be taken. Priority should be given to reducing unnecessary administrative burdens, which pose a significant barrier to a more innovative and knowledge-intensive economy and are particularly detrimental to SMEs. Noting that some Member States have already set targets for reducing administrative burdens by 25%, the European Council is convinced that it should be possible to set similar targets at EU level and invites the Commission to make appropriate proposals by early 2007 in time for the Spring European Council.
41. The European Council welcomes:
- the further embedding of the use of global **integrated impact assessments** in decision-making in the work of all institutions as a crucial element in the policymaking process;
 - the implementation of the Commission's **programme to simplify existing legislation**. It looks forward to receiving a Commission report on implementation in the second half of 2006 and requests that relevant Council formations give priority to specific simplification proposals. It also stresses the importance of extending the simplification programme to all relevant branches of the European economy, while respecting the *acquis communautaire*;
 - the successful conclusion of the Commission's 2005 **screening exercise** and invites the Commission to continue to screen pending proposals.

III. LOOKING TO THE FUTURE

(a) Pursuing reform: the Constitutional Treaty

42. At the meeting of the European Council on 16/17 June 2005, Heads of State or Government agreed to come back to the issue of the ratification of the Constitutional Treaty in the first half of 2006 in order to make an overall assessment of the national debates launched as part of the period of reflection and to agree on how to proceed.
43. Since last June a further five Member States have ratified the Constitutional Treaty, bringing the total number of ratifications to fifteen. Two Member States have been unable to ratify, and eight have still to complete the ratification process, one of which has recently launched the procedure to that effect. It is hoped that this process will be completed in line with the conclusions of June 2005.
44. Recalling its conclusions of June 2005, the European Council welcomes the various initiatives taken within the framework of the national debates as well as the contributions of the Commission and Parliament to the reflection period. The significant efforts made to increase and expand the dialogue with Europe's citizens, including the Commission's plan D initiative, should be continued.
45. The reflection period has overall been useful in enabling the Union to assess the concerns and worries expressed in the course of the ratification process. It considers that, in parallel with the ongoing ratification process, further work, building on what has been achieved since last June, is needed before decisions on the future of the Constitutional Treaty can be taken.
46. After last year's period of reflection work should now focus on delivery of concrete results and implementation of projects. The European Council agrees a two-track approach. On the one hand, best use should be made of the possibilities offered by the existing treaties in order to deliver the concrete results that citizens expect.

47. On the other hand, the Presidency will present a report to the European Council during the first semester of 2007, based on extensive consultations with the Member States. This report should contain an assessment of the state of discussion with regard to the Constitutional Treaty and explore possible future developments.
48. The report will subsequently be examined by the European Council. The outcome of this examination will serve as the basis for further decisions on how to continue the reform process, it being understood that the necessary steps to that effect will have been taken during the second semester of 2008 at the latest. Each Presidency in office since the start of the reflection period has a particular responsibility to ensure the continuity of this process.
49. The European Council calls for the adoption, on 25 March 2007 in Berlin, of a political declaration by EU leaders, setting out Europe's values and ambitions and confirming their shared commitment to deliver them, commemorating 50 years of the Treaties of Rome.

(b) Enlargement

50. The European Council takes note of the initial discussions on enlargement held at the informal Foreign Ministers meeting in Salzburg on 11 March and in Klosterneuburg on 27/28 May 2006. It agreed to continue and deepen this general discussion during the second half of 2006.
51. Enlargement has proved a historic opportunity contributing to ensure peace, security, stability, democracy, the rule of law as well as growth and prosperity in the European Union as a whole. Enlargement is equally helping the EU to become a more competitive and dynamic economy and be better prepared to meet the challenges of a globalised and changing world. The European Council welcomes in this context the Commission's report on the economic success of the Union's historic fifth enlargement, of which the accession of Bulgaria and Romania is an integral part.

Bulgaria and Romania

52. It is the Union's common objective to welcome Bulgaria and Romania in January 2007 as members of the Union if they are ready. On the basis of the Commission's Monitoring Report of May 2006 the European Council confirms this position. While commending both countries for the reform efforts undertaken lately, the European Council calls on Bulgaria and Romania to rigorously step up their efforts to tackle decisively and without delay the remaining issues of concern as mentioned in the Commission's May 2006 report. The European Council remains convinced that, with the necessary political will, both countries can overcome the deficits noted by the envisaged date of accession on 1 January 2007. It therefore welcomes the intention of the Commission to present its next monitoring reports by early October at the latest. It encourages Member States to complete the ratification of the Accession Treaty on time.

General questions of future enlargement

53. The European Council reaffirmed that it will honour existing commitments and emphasized that every effort should be made to protect the cohesion and the effectiveness of the Union. It will be important to ensure in future that the Union is able to function politically, financially and institutionally as it enlarges, and to further deepen Europe's common project. Therefore the European Council will, at its meeting in December 2006, have a debate on all aspects of further enlargements, including the Union's capacity to absorb new members and further ways of improving the quality of the enlargement process on the basis of the positive experiences accumulated so far. It recalls in this connection that the pace of enlargement must take the Union's absorption capacity into account. The Commission is invited to provide a special report on all relevant aspects pertaining to the Union's absorption capacity, at the same time as it presents its annual progress reports on enlargement and the pre-accession process. This specific analysis should also cover the issue of present and future perception of enlargement by citizens and should take into account the need to explain the enlargement process adequately to the public within the Union.

Turkey

54. The European Council reviewed progress made in the *acquis* screening and welcomes the start of substantive accession negotiations with Turkey. Turkey is expected to share the values, objectives and the legal order set out in the treaties. The Union is committed to support Turkey in its efforts to comply with the Unions standards and membership obligations, including the Copenhagen criteria. The European Council recalls, in line with previous conclusions, that the current negotiations are based on each country's own merits and that their pace will depend on each country's progress in preparing for accession measured against the requirements set out in the Negotiating Framework. This includes the fulfilment of Turkey's obligations under the Association Agreement and under its Additional Protocol, full implementation of which will be evaluated in 2006 as agreed in the Declaration of the European Community and its Member States of 21 September 2005, as well as the implementation of the revised Accession Partnership. The European Council recalls that the Council will ensure, in the course of 2006, a follow-up on the progress made on all the relevant issues included in the above mentioned Declaration. The European Council calls on Turkey to intensify the reform process and to implement it fully and effectively, so as to ensure its irreversibility and sustainability as well as to progress towards the complete fulfilment of the Copenhagen political criteria, including the commitment to good neighbourly relations. In this context, any action which could negatively affect the process of peaceful settlement of disputes should be avoided.

Croatia

55. The European Council reviewed progress made in the acquis screening and welcomes the start of substantive accession negotiations with Croatia. Croatia is expected to share the values, objectives and the legal order set out in the treaties. The Union is committed to support Croatia in its efforts to comply with the Union's standards and membership obligations, including the Copenhagen criteria and good neighbourly relations. The European Council recalls, in line with previous conclusions, that the current negotiations are based on each country's own merits and that their pace will depend on each country's progress in preparing for accession measured against the requirements set out in the Negotiating Framework. This includes the fulfilment of obligations under the Stabilisation and Association Agreement as well as the implementation of the Accession Partnership. The European Council encourages Croatia to continue its reform efforts and to achieve sustainable progress towards the fulfilment of EU standards.

(c) Western Balkans

56. The European Council reconfirmed the European perspective of the Western Balkans as set out in the Stabilisation and Association Process, the Thessaloniki Agenda and the Salzburg Declaration of March 2006. In this respect, the European Council confirmed that the future of the Western Balkans lies in the European Union. Each country's progress towards the European Union will continue to depend on individual merits in meeting the conditions and requirements set forth in the Copenhagen criteria and in the Stabilisation and Association Process, including full cooperation with the ICTY and maintaining good neighbourly relations. All Western Balkan countries have in the last year made significant steps along their road towards the EU, with EU membership as ultimate goal in conformity with the Thessaloniki Agenda. The Council welcomed the initial progress made in the implementation of the Commission's Communication "The Western Balkans on the Road to the EU: consolidation stability and raising prosperity". The European Union will continue assisting the Western Balkan countries through practical measures to make the European perspective more tangible and is looking forward to concrete results in the near future notably in areas such as regional free trade and visa facilitation in line with the common approach. The European Council welcomes the intention of the Commission to extend and to intensify its cooperation with the European Investment Bank and other international financial institutions in the Western Balkans with a view to taking appropriate measures aiming at a finance facility for the Western Balkans.

o
o o

EXTERNAL RELATIONS

57. The European Council reiterates the importance it attaches to the **European Neighbourhood Policy** as a means to strengthen cooperation with its neighbours and expand prosperity, stability and security beyond the borders of the European Union. The European Neighbourhood Policy seeks to support the political and economic reforms of neighbouring countries on the basis of partnership and building on shared values. The Union is determined to strengthen and further develop its Neighbourhood Policy, thus offering an increasingly close relationship and substantial support, as neighbouring countries fulfil their commitments to reform.
58. The European Council attaches great importance to a fruitful cooperation between the European Union and the **Council of Europe** and encourages them to overcome the remaining difficulties in the ongoing negotiations on a memorandum of understanding. It expresses its appreciation to Prime Minister Jean-Claude Juncker for his report on the future relations between the Council of Europe and the European Union, which deserves further consideration.
59. The European Council adopted Declarations on the **Western Balkans** (Annex II), **Iran** (Annex III), **Iraq** (Annex IV), the **Middle East Peace Process** (Annex V), **Africa** (Annex VI), **Lebanon** (Annex VII) and **Timor-Leste** (Annex VIII).
60. The European Council endorses the Presidency report on **ESDP** (10418/06), which comprises the mandate for the incoming Presidency.
-

AN OVERALL POLICY ON TRANSPARENCY

With a view to further increasing openness, transparency and accountability, the European Council agrees on the following measures aiming at a stronger involvement of citizens in the work of the Union:

- All Council deliberations on legislative acts to be adopted by co-decision shall be open to the public as shall the votes and the explanation of votes by Council members. The Council or Coreper may decide in individual cases that a given deliberation should not be open to the public.
- The Council's first deliberations on legislative acts other than those adopted by co-decision, which given their importance are presented orally by the Commission in a Council session, shall be open to the public. The Presidency may decide in individual cases that the Council's subsequent deliberations on a particular act shall be open to the public, unless the Council or Coreper decide otherwise.
- The Council shall regularly hold public debates on important issues affecting the interests of the Union and its citizens. Such debates will be held further to a decision by the Council or Coreper, acting by qualified majority. Implementation of this commitment shall start during the incoming Presidency, which should submit proposals for such public debates taking into account the importance of the matter and its interest to citizens.
- The General Affairs and External Relations Council's deliberations on the 18-month programme shall be public, as shall other Council formations' deliberations on their priorities. The Commission's presentation of its five-year programme, of its annual work programme and of its annual policy strategy, as well as the ensuing debate, shall be public.

- All public deliberations shall be broadcast in all languages through video-streaming and there shall be an obligation for a recorded version to remain available for at least a month on the Council's internet site.
 - The incoming Presidency is invited, together with the General Secretariat of the Council, to develop new means of giving more publicity to public deliberations, in particular through the Council's web site and mailing list, an easily accessible and constantly updated list of forthcoming debates, appropriate background material, as well as direct communication to target audiences. They will work closely together to provide the media and citizens with an open, rapid and technically advanced communication service.
 - The General Secretariat of the Council shall inform the public in advance of the dates and approximate time when public debates will take place and shall take all practical measures to ensure proper implementation of the rules of transparency.
-

DECLARATION ON THE WESTERN BALKANS

The European Council reaffirmed its full support for the agenda set out at the Thessaloniki Summit in 2003 and for the Stabilisation and Association Process.

A peaceful and prosperous Serbia fully integrated into the family of European nations is very important for the stability in the region. The European Council, therefore, recalls that the European Union is willing to resume negotiations with Serbia on a Stabilisation and Association Agreement as soon as full cooperation of Serbia with the ICTY is achieved.

The Union maintains its support for the ongoing talks about the future status of Kosovo led by UN Envoy Martti Ahtisaari and stresses the crucial importance of moving forward on the implementation of standards in Kosovo. In close consultation with key international actors, the European Union stands ready to enhance its role in Kosovo following a status determination, in particular in the areas of police, rule of law and the economy.

The European Union and its Member States have already agreed to develop their relations with Montenegro as a sovereign, independent State. The European Council calls on both Serbia and Montenegro to pursue a direct and constructive dialogue on their future relations.

The European Union will continue to assist Bosnia and Herzegovina in ensuring stability and progress on key reforms. It urges the Bosnian authorities to ensure real and tangible progress in the implementation of police reform in order to maintain momentum in the Stabilisation and Association Process. The European Council underlines the importance of proceeding with constitutional reform.

The European Council calls on all parties in the former Yugoslav Republic of Macedonia to ensure that the parliamentary elections on 5 July are conducted in line with international standards.

The European Council welcomes the signature of the Stabilisation and Association Agreement with Albania and calls on Albania to push ahead with its reform agenda.

The European Council strongly encourages regional cooperation including through the South-East European Cooperation Process (SEECP). It welcomes the initiative for a regional free-trade area launched in Bucharest on 6 April, as well as the signing of the agreement on a European Common Aviation Area with the countries of the region on 9 June, and progress made in the ratification process of the Energy Community Treaty for South-East Europe.

The European Union will continue to back its policies for the Western Balkans with commensurate financial assistance, particularly through the Instrument for Pre-Accession Assistance to be introduced next year.

The European Council is conscious that the question of visa facilitation is particularly important for the people of the countries of the region. The European Union therefore hopes to adopt negotiation mandates for visa facilitation and readmission agreements in the course of this year, in line with the common approach to the development of the EU policy on visa facilitation agreed in December 2005, so that negotiations can be concluded as soon as possible, ideally in 2007 or earlier where possible.

DECLARATION ON IRAN

The European Council reiterated its commitment to a diplomatic solution which addresses international concerns about Iran's nuclear programme while affirming Iran's right to the peaceful use of nuclear energy in accordance with the NPT. In this context, the European Council welcomes the important initiative of the EU High Representative, the Foreign Ministers of France, Germany, the United Kingdom, China, the Russian Federation and the United States, agreed in Vienna on 1 June 2006. The European Council gives its full support to the balanced approach incorporated in the Vienna initiative, and encourages Iran to take the positive path that is offered.

The European Council welcomes the meetings of EU High Representative Javier Solana, accompanied by representatives of France, Germany, the United Kingdom and the Russian Federation, with the Iranian authorities in Tehran on 6 June, and the constructive atmosphere in which this visit took place.

The European Council urges Iran to give an early positive response to this far-reaching initiative and to create the conditions in which negotiations can resume.

DECLARATION ON IRAQ

The European Council welcomes the formation of the new Iraqi national unity government on 20 May, now completed with the appointment of Ministers for Defence, the Interior and National Security. This is a major and important step continuing the transformation of Iraq into a democratic country. The European Union reiterates its strong condemnation of terrorist acts and deplores the continuing campaign of violence against the Iraqi people and their constitutionally elected government. It calls on all Iraqi citizens to avoid sectarian strife and refrain from using violence, prolonging the suffering of the Iraqi people. The European Union stands ready to renew its engagement with the new Iraqi government and Iraqi citizens in their efforts to bring peace, stability and prosperity to an independent and sovereign Iraq.

The European Council welcomes the new government's programme for its commitment to upholding the rule of law, promoting national unity and reconciliation, protecting and developing Iraq's resources and using them for the benefit of all the Iraqi people.

The European Union looks forward to rapid and early political dialogue with the new government.

The European Council welcomes the Commission Communication and the joint letter from SG/HR Solana and Commissioner Ferrero-Waldner. The European Council looks forward to pursuing enhanced engagement with the new government at all relevant levels. For example, it is the EU's intention to support Iraq in the following areas:

- Endorse a model of democratic government that overcomes divisions, e.g. through support for national reconciliation and the constitutional review process in close cooperation with the UN. In this context, the European Council welcomed the United Nations Multi-Party Dialogue on the Iraqi bill of rights in Vienna from 6 to 8 June.

- Contribute towards the rule of law and a culture of respect for human rights, e.g. through Community assistance in these areas. In this context, the European Council notes the agreement to extend the Integrated Rule of Law Mission for Iraq, EUJUST LEX, for another 18 months after the expiration of the current mandate in response to Iraqi needs and requests.
- Support national and regional authorities in improving the delivery of basic services and in promoting job creation.
- Support Iraq's economic recovery and prosperity, e.g. by launching the negotiations for a Trade and Cooperation Agreement and by commencing a technical dialogue on energy.
- Promote the development of an effective and transparent administrative framework.
- Step up its presence in Iraq through the imminent appointment of the Head of the European Commission Delegation in Iraq.

The European Council encourages enhanced international engagement and underlines the EU's willingness to continue supporting the UN's role in Iraq.

DECLARATION ON THE MIDDLE EAST PEACE PROCESS

The European Union remains committed to working within the Quartet towards the goal of a just, viable and lasting solution based on existing agreements, the relevant UNSC resolutions and the principles laid down in the Roadmap.

In view of the urgent need to re-launch the process towards a negotiated two-state solution which would bring peace to both the Israeli and the Palestinian people, the European Council calls for an early engagement between the Israeli Prime Minister and the President of the Palestinian Authority, who was elected on a platform of peace. It reiterates its expectations from both parties to respect existing agreements and obligations, including the Roadmap.

As set out by the Quartet, the Hamas-led Palestinian Government needs to meet and implement the three principles of non-violence, recognition of Israel's right to exist and acceptance of existing agreements and obligations.

The European Council remains concerned by the security situation in Gaza and the West Bank. It condemns the violence against Palestinian civilians. It condemns the launching of Qassem rockets against population centres in Israel. It reminds both parties of their responsibility to protect civilian lives. It calls on the Palestinian Authority to take action to improve security and prevent terrorist attacks on Israel. It reiterates its condemnation of extra-judicial killings. It calls on all parties to refrain from violence and to exercise restraint.

The European Council calls on all Palestinian political forces to engage in a national dialogue aimed primarily at putting an end to inter-Palestinian confrontation and establishing law and order. It calls on the Palestinian government to cooperate with the President of the Palestinian Authority to achieve this, including through the disarmament of groups engaged in violence and terror.

The European Council takes note of the announcement by President Abbas to hold a referendum. It calls on all Palestinian political forces to work towards the widest possible consensus in support of the objectives of the Roadmap.

The European Council calls on Israel to desist from any action that threatens the viability of an agreed two-State solution and from acts that are contrary to international law. Of particular concern are settlement activities, the construction of the barrier on Palestinian land and activities in and around East Jerusalem as well as in the Jordan Valley. The European Union will not recognize any change to the pre-1967 borders other than those agreed to by both sides.

The European Council urges Israel to resume transfers of withheld Palestinian tax and customs revenues which are essential in averting a crisis in the Palestinian territories.

The European Council stresses the need for a coordinated international response to the deterioration of the humanitarian, economic and financial situation in the West Bank and Gaza Strip.

The European Council endorses the proposed temporary international mechanism to channel assistance directly to the Palestinian people, which has been drawn up by the Commission following consultations within the EU as well as with Quartet members, major donors, international financial institutions and partners in the region. The European Council appreciates the Commission's work so far and requests it to continue urgently establishing the mechanism, in conjunction with Quartet members, other key international partners and the PA President's Office.

The European Council agrees that, in order to achieve an immediate impact, the mechanism will focus on essential supplies and running costs for social services and health, supply of utilities including fuel, and social allowances. Other donors, including Arab States, are invited to provide funding and to consider early and substantial contributions. The Community stands ready to contribute a substantial amount to the international mechanism.

The European Council furthermore underlines the importance of freedom of movement and urges both parties to take concrete steps to implement their obligations under the Agreement on Movement and Access, in order to alleviate the worsening situation in the West Bank and Gaza Strip.

The European Council reiterates the importance of preserving and pursuing the democratic functioning of the institutions of the Palestinian Authority whose continuity is crucial for a future independent, democratic and viable Palestinian State based on the rule of law.

DECLARATION ON AFRICA

The European Union remains committed to contributing to the African efforts to achieve the Millennium Development Goals, with a view to making the African continent stable and prosperous, laying emphasis on the principles of partnership, responsibility and ownership, good governance, rule of law and respect for human rights. In this context, it reiterates the importance of enhanced EU-Africa Political Dialogue, including holding a second EU-Africa Summit in Lisbon as soon as possible. The EU is implementing the Africa Strategy adopted in December 2005 as the comprehensive framework of its activities, and will continue its efforts to transform the EU Strategy for Africa into a Joint Strategy. The strategy puts particular emphasis on the EU's engagement for peace and security in Africa, as a basis for lasting development, as well as regional and economic integration and development assistance provided to the African partner countries. In this context, the EU welcomes the decision taken by the EU and the ACP partners at the Joint Council of Ministers on 2 June regarding the Financial Protocol for 10th EDF (European Development Fund, covering 2008-2013) and has decided on a short-term replenishment of the funds available under the African Peace Facility and to continue this instrument in the period 2008 to 2010. The EU reiterates furthermore its support to the Economic Partnership Agreements as instruments for development, aiming at enhanced regional economic integration and contributing to reducing poverty in the ACP countries. In addition, the EU stresses the importance of current and future initiatives to put in place an EU-Africa partnership on migration and development. The EU also recalls the importance of the conclusion of ambitious action plans, in the framework of the European Neighbourhood Policy, with its Mediterranean partners.

In Sudan, the EU will work for the full and rapid implementation of the Darfur Peace Agreement (DPA) as a precondition for lasting peace and security in Darfur and an end to the suffering of millions of people in Darfur. The EU continues to be deeply concerned by the situation of human rights in Darfur and calls upon the government in Khartoum to end impunity by bringing the perpetrators to justice for crimes committed in Darfur and to stop the violence against internally displaced persons, especially sexual violence against women and girls. Together with other partners in the international community, the EU will continue to provide support to the African Union Mission in Sudan (AMIS), taking into account the new tasks arising from the DPA, and the need to ensure a smooth transition to a UN led operation in Darfur.

The EU calls upon all political forces in the Democratic Republic of Congo (DRC) to continue pursuing their path of peaceful and democratic change in the run-up to the elections, starting on July 30. Building on the EU's long-standing engagement in the DRC, the EU will deploy the military operation EUFOR RD Congo, in response to a request from the United Nations, designed to provide support to MONUC in certain situations. For the same purpose, the EU's police mission in Kinshasa (EUPOL Kinshasa) will be reinforced. The EU will continue to support the ongoing Security Sector Reform through its mission EUSEC RDC, as well as new initiatives to ensure good governance, transparency and a sound post-transition and reconstruction strategy. The ongoing process of securing regional stability through the early holding of the second Summit of the Great Lakes Conference has the full support of the EU.

DECLARATION ON LEBANON

The European Council reaffirms the importance it attaches to the sovereignty, territorial integrity, unity and independence of Lebanon and reiterates its call for Security Council Resolution 1559 to be implemented in full. It welcomes the adoption of Resolution 1680 and calls for its full implementation, particularly as regards the delineation of the Syrian-Lebanese border. In this context, it calls upon Syria to grasp the hand offered by the Lebanese government following the agreements emerging from the Lebanese national dialogue. It is pleased that this national dialogue has been opened and encourages the parties to continue it.

The European Council reaffirms its full support for the work of the International Independent Investigation Commission into the assassination of Rafik Hariri and his escort, and for the action of its head, Mr Serge Brammertz. It welcomes the Investigation Commission's fourth interim report, takes note of the progress recorded in the investigation, which is cause for hope for the Lebanese people. It welcomes the Security Council's adoption of resolution 1686 which extends the mandate of the Independent Investigation Commission for another year and supports the Commission's intention to extend further its tutorial assistance to ongoing investigations into other political assassinations that have been committed in Lebanon since October 2004. It welcomes the Lebanese authorities' excellent cooperation with the Independent Investigation Commission and calls once again on all parties to co-operate with it fully and unconditionally.

The European Council welcomes the adoption of Security Council Resolution 1664 and expresses the hope that negotiations will progress rapidly with a view to the actual setting up of the international tribunal provided for in that Resolution.

The European Council strongly condemns the serious incidents which took place on the Blue Line around 28 May, appeals to all parties to exercise restraint and reminds them of their obligation to strictly respect the Blue Line, including the respective airspaces. The European Council stresses once again the need for the Lebanese State to restore its sovereignty over the whole of its national territory and to exercise the sole right to the use of force on that territory.

The European Council reaffirms its support for the Lebanese government and urges it to undertake the economic and political reforms agreed, so that the international conference to support Lebanon can be held as soon as possible. The implementation of the action plan concluded in the framework of the European Neighbourhood Policy will assist the reform process in the country.

DECLARATION ON TIMOR-LESTE

The European Council expresses its deep concern over the present situation in Timor-Leste. It urges all parties to refrain from any further violence and calls for the rapid re-establishment of political dialogue, security and public order conducive to a return to normalcy in the country.

The European Council believes that the United Nations continues to have a leading role to play in helping the people of Timor-Leste to strengthen internal peace and sustained stability. The agreement in the near future of the mandate of a new and robust UN mission to Timor-Leste, responding to the expectations of the Timorese on the facilitation of political dialogue and reconciliation as well as on the restoration and maintenance of security, will be of major importance so as to ensure that the 2007 elections will be peaceful, free and fair.

The European Union is ready to continue to provide assistance to the people of Timor-Leste to consolidate national independence, peace and democracy. The European Council welcomes the Commission's humanitarian assistance responding to the flash appeal by the United Nations and its readiness to consider stabilisation measures under the Rapid Reaction Mechanism.
