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#### OUTCOME OF PROCEEDINGS

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| From: | General Secretariat of the Council |
| On:   | 15 October 2018                    |
| To:   | Delegations                        |

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| Subject: | Connecting Europe and Asia – Building blocks for an EU strategy<br>- Council conclusions (15 October 2018) |
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Delegations will find in the annex the Council conclusions on connecting Europe and Asia – Building blocks for an EU strategy, as adopted by the Council at its 3643rd meeting held on 15 October 2018.

**Council conclusions on connecting Europe and Asia****– Building blocks for an EU strategy**

Better connectivity will create new opportunities for citizens and businesses and open new avenues for higher living standards, political dialogue and civil society ties. It is therefore in the interest of the two continents to become better connected, to the benefit of local populations and future generations. The EU has the capacity and the will to do more in connectivity and cooperate with partner countries in developing connectivity partnerships of equals with them. The EU and its Member States will reach out to partners in Europe and Asia in view of doing so.

The EU will promote an approach for connectivity which is sustainable, comprehensive, and rules-based, and will advance investment and trade. This European approach based on high standards of social and environmental protection and inspired by the EU's internal market, enables countries to achieve higher levels of quality of life while guaranteeing respect for individual rights. The EU wishes to develop this approach with our partners, in the spirit of cooperation and mutual benefit.

The Council recognises that the world faces many pressing challenges, most importantly to sustainable development and to the rules-based international order, and believes that they can only be addressed through increased cooperation. In this endeavour, the EU has a crucial role to play as one of the world's largest economies and trade partners, and a forerunner to regional cooperation and connecting people, founded on the respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including rights of persons belonging to minorities and equality between women and men, and defending international law, multilateralism, transparency and accountability.

In this context, the Council welcomes the Joint Communication "Connecting Europe and Asia – Building Blocks for an EU strategy" by the High Representative and the European Commission, which together with these conclusions, provides the basis for a policy framework for EU engagement in the field of Euro-Asian connectivity. The Council underlines that this strategy should have a broad geographical focus, covering Europe and Asia, and should be coordinated with the strategies and policies already in place or in preparation. The Council recalls that connectivity is also an integral part of the enlargement and neighbourhood policies.

The Council recalls its conclusions of 17 October 2016 on the Global Strategy for the European Union's Foreign and Security Policy (EUGS), which underscored the need for the EU to be guided by its shared values, interests, principles, and priorities in a more contested, connected and complex world, standing united and building on its achievements, particularly with regard to a connected Asia.

The Council agrees that connectivity can spur growth, jobs and investment as well as open markets, and free and fair trade. It can contribute to a transition towards a low-emission economy and, therefore, progress towards the commitments under the Paris Agreement. Better connectivity can also help countries implement the 2030 Agenda, reach the Sustainable Development Goals, and harness private sector innovation and develop new business models to this end. In this context, the Council recalls the goals set and the commitments made in the Addis Ababa Action Agenda and the European Consensus on Development.

The Council emphasises the importance for the EU to promote an approach which is sustainable, comprehensive, and rules-based, in line with EU's values and interests. This approach needs to be economically, fiscally, environmentally and socially sustainable, open and inclusive, with high standards of transparency and good governance. It should be comprehensive, covering transport, energy and digital links as well as people-to-people connections. It should reinforce a rules-based, multilateral international order, delivering quality infrastructure, a level playing field, including in public procurement, and equal access for businesses while protecting intellectual property rights.

Based on these principles, the EU, informed by its experience in promoting and regulating connectivity, should contribute to creating connections and networks for Europe and Asia, fostering open and inclusive partnerships, and contribute with its investment instruments to sustainable development and financing of projects of common interest, including through public-private partnerships.

The Council underlines the importance of developing a communication plan, which has to accompany this connectivity strategy, rendering the political will and efforts of the EU and its Member States visible.

The Council recalls the importance of the principles of sustainable connectivity in the field of transport. The Council supports working towards connecting the extended Trans-European Network for Transport (TEN-T) with networks in Asia. It also supports the recent connectivity initiatives of the Commission in the Western Balkans and the Eastern Partnership countries and is committed to their swift implementation. It underscores the need to increase transport security and customs cooperation. Transport is becoming increasingly multimodal and new opportunities for improving existing and developing new Euro-Asian transport networks are emerging, including the East-West rail connections and new maritime routes.

The Council welcomes progress in ongoing negotiations on Air Transport Agreements with partners in Europe and Asia and calls for further progress in this regard. It also underscores the need to move towards the long-term decarbonisation in air transport. When it comes to maritime transport, the Council stresses the EU's commitment to freedom of navigation, decarbonisation and clean shipping as well as the need for continued investment in maritime infrastructure, transport security and oceans governance. The Council supports pursuing pertinent maritime transport agreements.

In terms of digital connectivity, the Council underscores the EU's commitment to a free and open internet and universal and affordable access to it. It supports measures to enhance the protection of consumers' rights and personal data, as well as cybersecurity and to reduce the digital divide between more and less developed areas in Europe and Asia, including through the Digital4Development strategy. It welcomes the progress made in adopting the Regional Roaming Agreement with Eastern Partnership countries.

In terms of energy connectivity, the Council highlights the need to address climate change, in line with the Paris Agreement, as well as the ongoing, market-driven transformation towards renewable energy, which is increasing the demand for electricity interconnections and thus regional cooperation in Europe and Asia. The Council also calls for better integrated energy markets and further harmonisation of regulatory frameworks with non-EU countries, while preserving energy security. The Council invites the Commission to explore ways in which the EU can further contribute to these aims.

As for people-to-people connectivity, the Council takes the view that the cooperation between the EU and Asia in the fields of education, research, innovation, culture and tourism, is an integral part of the strategy, with youth as vital actors. Enhancing connections in these fields through exchanges, joint projects and other collaborations, such as twinning of cities, will result in better knowledge based development, greater appreciation and awareness of cultures. It will also improve mutual understanding and bring the people of Europe and Asia closer together.

The Council notes that the EU's development cooperation policies contribute to sustainable financing and the facilitation of investment. The Council considers that the EU should work together with its European and Asian partners on the regulatory environment, public finance management, and the mobilisation of domestic resources and should provide technical assistance to these ends.

In order to promote regional cooperation and enhanced market access, a level playing field, transparency and sustainable financing and international standards, and to ensure the interoperability of networks, the Council considers that the EU should expand its dialogue and create synergies on Euro-Asian connectivity with all relevant partners, notably with China (building on the existing EU-China Connectivity Platform) and Japan. Furthermore, the Council sees cooperation with ASEAN and its member states, such as the EU-ASEAN Transport dialogue, as enabling concrete block to block connectivity projects. Sustainable connectivity should also become a key element of EU strategies on India and Central Asia.

In this context, the Council calls for strengthened cooperation at the regional level between the EU and Asia. The EU should consider developing regional approaches for sustainable connectivity identifying opportunities for cooperation. Regional cooperation is a key aspect of the EU's approach to Eastern Partnership and Central Asia as well as to cooperation on the Black Sea, the Baltic Sea, and the Mediterranean, including Adriatic, on which it can build. In this regard, the Council welcomes the Three Seas Initiative. The Council underlines the value of the Asia-Europe Meeting (ASEM), bringing together the main actors from across Europe and Asia. At the upcoming ASEM12 Summit, the EU will promote sustainable connectivity and advance cooperation with key Asian partners.

The Council sees the need for more concerted and coordinated action by the EU and its Member States to strengthen the international institutional framework governing connectivity. Where appropriate, the EU will strengthen its partnerships with international organisations, such as OSCE, OECD, and UNECE, and promote a wider adoption of international agreements related to connectivity, where appropriate, to promote sustainability, quality infrastructure, free and fair trade, investment, and the interoperability of networks. The Council also calls for closer cooperation between international and European standardisation organisations. The Council considers that the EU should strengthen its bilateral and regional partnerships on sustainable connectivity.

The Council calls for closer cooperation between the EU and the G7 and the G20 partners to promote sustainable connectivity and quality infrastructure, and looks forward to working with the French Presidency of G7 and the Japanese Presidency of G20 in 2019 in this regard.

Noting that infrastructure is largely financed through domestic means, the Council agrees that the EU should pursue cooperation with partners on resource mobilisation and debt sustainability. It should strengthen its mechanisms for financing sustainable connectivity, fostering private and public investment, in close cooperation and coordination with its Member States and their public and private financial institutions and Multilateral Development Banks.

The Council also underscores the link between the financial aspects of connectivity and the regional and global financial architecture. The Council supports strengthening the EU's cooperation and coordination with Multilateral Development Banks, in close collaboration with the Member States which already participate in those institutions. Alongside the European Investment Bank and the European Bank for Reconstruction and Development, the International Monetary Fund, the World Bank, the Asian Development Bank and the Asian Infrastructure Investment Bank are all of importance.

The Council believes that strengthened cooperation between European public and private financial institutions and their counterparts in Asia will result in better corporate governance and higher lending standards, which would bring tangible benefits to lenders and debtors alike. More sustainable finance could also help maximize positive impact on society and help address issues such as climate change

The Council recognises the importance of improving opportunities for businesses, conditions for trade, enhancing market access and transparency and ensuring a level playing field, including through European economic diplomacy, and trade and investment agreements. It underlines the need to pursue better possibilities to allow business to innovate for sustainability and develop business models to meet needs in the context of the 2030 Agenda, for example by elaborating sustainable procurement or promote the increased use of life cycle analysis. The EU will encourage a wider accession to the WTO's General Procurement Agreement as well as the ongoing work of the International Working Group on Export Credits.

The Council invites the High Representative and the Commission to pursue work on the implementation of the priorities identified in the Joint Communication and these Council conclusions, in close cooperation with Member States, and consistent with EU policy in other areas. It calls on the European Commission and the High Representative to regularly report to the Council on the implementation of the Joint Communication and will revert back to the issue as appropriate.

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