COUNCIL OF
THE EUROPEAN UNION

EN

17217/09 (Presse 370)

PRESS RELEASE

2984th Council meeting

General Affairs

Brussels, 7 December 2009

Presidents **Mr Carl BILDT**
Minister for Foreign Affairs
Ms Cecilia MALMSTRÖM
Minister for European Affairs of Sweden

P R E S S

Rue de la Loi 175 B – 1048 BRUSSELS Tel.: +32 (0)2 281 6083 / 6319 Fax: +32 (0)2 281 8026
press.office@consilium.europa.eu http://www.consilium.europa.eu/Newsroom

Main results of the Council

*The Council adopted conclusions on EU **enlargement** and on the stabilisation and association process for the **Western Balkans**.*

*As regards **Serbia**, in view of the efforts it has made to cooperate with the International Criminal Tribunal for the former Yugoslavia, the Council agreed to implement the EU-Serbia interim agreement as soon as possible.*

*The Council also approved a second tranche of financing for the EU's **economic recovery plan**.*

CONTENTS[1]

PARTICIPANTS..... 5

ITEMS DEBATED

PREPARATION OF THE DECEMBER EUROPEAN COUNCIL 7

COUNCIL WORK PROGRAMME - TRIO OF PRESIDENCIES 8

ENLARGEMENT/STABILISATION AND ASSOCIATION PROCESS 9

OTHER ITEMS APPROVED

ENLARGEMENT

– Financial package for the accession negotiations with Croatia - *Council conclusions* 21

GENERAL AFFAIRS

– Composition of the European Parliament - Transitional measures.....21

– Implementation of the Treaty of Lisbon 21

– Work in the Council's different configurations 22

ENVIRONMENT

– Sustainable development strategy 22

CIVIL PROTECTION

– Disaster response capacities.....22

BUDGETS

– EU budgetary procedure - Transitional measures.....22

– Economic recovery plan and decommissioning of Kozloduy power plant 23

– Court of Auditors special report - *Council conclusions*.....24

[1] • Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
• Documents for which references are given in the text are available on the Council's Internet site (http://www.consilium.europa.eu).
• Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

TAXATION

– VAT derogations for Latvia, Slovenia, Sweden and United Kingdom 24

TRADE POLICY

– Anti-dumping - Furfuryl alcohol from China 25

TRANSPARENCY

– Public access to documents 25

PARTICIPANTS

The governments of the Member States and the European Commission were represented as follows:

Belgium:	
Mr Steven VANACKERE	Deputy Prime Minister and Minister for Foreign Affairs and Institutional Reforms
Mr Olivier CHASTEL	State Secretary for European Affairs
Bulgaria:	
Ms Rumiana JELEVA	Minister for Foreign Affairs
Czech Republic:	
Mr Jan KOHOUT	Deputy Prime Minister and Minister for Foreign Affairs
Mr Juraj CHMIEL	Minister for European Affairs
Denmark:	
Mr Per Stig MØLLER	Minister for Foreign Affairs
Mr Ulrik VESTERGAARD KNUDSEN	State Secretary
Germany:	
Mr Guido WESTERWELLE	Vice-Chancellor and Federal Minister for Foreign Affairs
Mr Werner HOYER	Minister of State at the Ministry of Foreign Affairs
Estonia:	
Mr Urmas PAET	Minister for Foreign Affairs
Ireland:	
Micheál MARTIN	Minister for Foreign Affairs
Mr Dick ROCHE	Minister of State at the Department of the Taoiseach and at the Department of Foreign Affairs with special responsibility for European Affairs
Greece:	
Mr Dimitris DROUTSAS	Alternate Minister for Foreign Affairs
Spain:	
Mr Miguel Ángel MORATINOS	Minister for Foreign Affairs and Cooperation
Mr Diego LÓPEZ GARRIDO	State Secretary for the European Union
France:	
Mr Bernard KOUCHNER	Minister for Foreign and European Affairs
Mr Pierre LELLOUCHE	State Secretary with responsibility for European affairs
Italy:	
Mr Franco FRATTINI	Minister for Foreign Affairs
Cyprus:	
Mr Marcos KYPRIANOU	Minister for Foreign Affairs
Latvia:	
Mr Māris RIEKSTIŅŠ	Minister for Foreign Affairs
Lithuania:	
Mr Vygaudas UŠACKAS	Minister for Foreign Affairs
Luxembourg:	
Mr Jean ASSELBORN	Deputy Prime Minister, Minister for Foreign Affairs and Immigration
Hungary:	
Mr Péter BALÁZS	Minister for Foreign Affairs
Malta:	
Mr Tonio BORG	Deputy Prime Minister and Minister of Foreign Affairs
Netherlands:	
Mr Maxime VERHAGEN	Minister for Foreign Affairs
Mr Frans TIMMERMANS	Minister for European Affairs

Austria:	
Mr Michael SPINDELEGGER	Federal Minister for European and International Affairs
Poland:	
Mr Radosław SIKORSKI	Minister for Foreign Affairs
Mr Mikołaj DOWGIELEWICZ	State Secretary, Office of the Committee for European Integration
Portugal:	
Mr Luis AMADO	State Minister and Minister for Foreign Affairs
Mr Pedro LOURTIE	Secretary of State for European Affairs
Romania:	
Mr Bogdan MAZURU	State Secretary for European Affairs
Slovenia:	
Mr Samuel ŽBOGAR	Minister for Foreign Affairs
Mr Mitja GASPARI	Minister without Portfolio, responsible for Growth and European Affairs
Slovakia:	
Mr Miroslav LAJČÁK	Minister for Foreign Affairs
Finland:	
Mr Alexander STUBB	Minister for Foreign Affairs
Ms Astrid THORS	Minister for Migration and European Affairs
Sweden:	
Mr Carl BILDT	Minister for Foreign Affairs
Ms Cecilia MALMSTRÖM	Minister for European Affairs
Mr Frank BELFRAGE	State Secretary at the Ministry of Foreign Affairs
Ms Maria ÅSENIUS	State Secretary to Minister for EU Affairs
United Kingdom:	
Mr David MILIBAND	Secretary of State for Foreign and Commonwealth Affairs

---

Commission:	
Mr Olli REHN	Member

General Secretariat of the Council:	
Mr Pierre de BOISSIEU	Secretary-General

High Representative:	
Ms Catherine ASHTON	High Representative of the Union for Foreign Affairs and Security Policy

ITEMS DEBATED

PREPARATION OF THE DECEMBER EUROPEAN COUNCIL

The Council examined draft conclusions prepared by the presidency for the European Council meeting to be held on 10 and 11 December.

Issues to be addressed by the European Council, set out in an annotated draft agenda issued in November (*doc. 15525/09*), include:

– institutional issues;

– climate change: working towards an agreement at the UN conference in Copenhagen.

– the economic, financial and employment situation, comprising in particular exit strategy with regard to measures taken during the economic and financial crisis and supervision of financial markets;

– justice and home affairs (Stockholm programme).

The draft conclusions will be reviewed by the presidency in the light of the Council's discussion.

COUNCIL WORK PROGRAMME - TRIO OF PRESIDENCIES

The Council took note of the presentation, by the Spanish, Belgian and Hungarian delegations, of a draft 18-month programme for the Council, prepared by the next three presidencies (*doc. 16771/09*).

The presidency trio will carry out their functions on the basis of the Treaty of Lisbon, which entered into force on 1 December, endeavouring to ensure a smooth functioning of the new rules and provisions. This will require close cooperation with the new President of the European Council and the High Representative who will chair meetings of the Foreign Affairs Council.

The draft programme covers the period from January 2010 to June 2011.

ENLARGEMENT/STABILISATION AND ASSOCIATION PROCESS

The Council adopts the following conclusions:

"ENLARGEMENT STRATEGY

1. In line with the renewed consensus on enlargement approved by the European Council on 14 and 15 December 2006, and the conclusions of 8 December 2008, the Council welcomes the Commission communication dated 14 October 2009 on Enlargement Strategy and Main Challenges 2009-2010, and takes due note of the conclusions and recommendations therein. The enlargement process gives strong encouragement to political and economic reform in the enlargement countries and reinforces peace, democracy and stability in Europe.

2. The enlargement countries have been affected, to different degrees, by the global economic recession. The Council confirms that the EU will continue to help them to alleviate the impact of the crisis and prepare for sound recovery. The implementation of EU-related reforms underpins the efforts of the enlargement countries in this regard.

3. Coherent implementation of the renewed consensus on enlargement which is based on consolidation of commitments, fair and rigorous conditionality, better communication and the EU's capacity to integrate new members, continues to form the basis for EU action at all stages of the enlargement process, with each country being assessed on its own merits. The rule of law, in particular the fight against corruption and organised crime, as well as strengthening administrative capacity, remains a major challenge which the enlargement countries need to address from an early stage of the process. The Council underlines that problems affecting the freedom of expression and the media need to be tackled as a matter of urgency. The Council continues to attach importance to the quality of the enlargement process and invites the Commission to make use of all instruments of the enlargement process, in particular benchmarks and impact studies.

4. The Council points out that the negotiating chapters for which technical preparations have been concluded will be opened or closed provisionally in line with the rules of an Inter-Governmental Conference, according to established procedures and in line with the Negotiating Framework.[1]

5. The Council welcomes the support provided to the enlargement process through financial assistance, in particular in the form of the Instrument for Pre-Accession (IPA), and emphasises the essential link between enlargement policy priorities and financial assistance, in line with the results from the recent conferences designed to improve aid effectiveness, and-welcomes the efforts by the Commission to-closely align IPA annual programmes with the priorities identified in the Progress Reports.

Turkey

6. The Council welcomes Turkey's continued commitment to the negotiation process. Positive steps have been registered in the areas of the judiciary, civil-military relations and cultural rights. The Council now expects that the implementation of the National Programme for the Adoption of the Acquis, as well as the appointment of a full-time Chief Negotiator, will further focus the Turkish government's reform efforts.

7. Furthermore, the Council is encouraged by the government's democratic initiative, including on the Kurdish issue. This should lead to concrete measures guaranteeing all Turkish citizens full rights and freedoms and should significantly improve the situation in the South-East. The Council welcomes the government's efforts towards building of a national consensus, which will also be beneficial to the reform process, including the work on a constitutional reform.

---

[1] For Turkey the opening and provisional closing of chapters is made subject to the Council conclusions of 11 December 2006.

8. The Council invites Turkey to step up the pace of reforms and to implement measures which have been started. Further efforts to ensure that Turkey fully meets the Copenhagen criteria are required in a number of areas, including freedom of expression, freedom of the press, freedom of religion in law and in practice for all religious communities, respect for property rights, trade union rights, rights of persons belonging to minorities, civilian oversight of the military and women's and children's rights, anti-discrimination and gender equality. The Council welcomes the declared intention of the government to step up its efforts in the fight against torture and ill-treatment, including on the issue of impunity.

9. The Council notes that the negotiations have reached a more demanding stage requiring Turkey to step up its efforts in meeting established conditions. By advancing in the fulfilment of opening and closing benchmarks and of the requirements specified in the Negotiating Framework, which cover inter alia implementation of the Accession Partnership and compliance with the obligations stemming from the Association Agreement, Turkey will be able to accelerate the pace of the negotiations.

10. Turkey is an important regional player, inter alia for the security in the Middle East and the Southern Caucasus and plays a key role in energy supply and the promotion of dialogue between civilisations. The Council thus welcomes the significant diplomatic efforts made to normalise relations with Armenia, resulting in the historic signature of protocols for the normalisation of relations in October 2009. It looks forward to the ratification and implementation of the protocols as soon as possible. The Council welcomes that in July 2009 Turkey signed the Intergovernmental Agreement on the Nabucco gas pipeline and underlines that the timely completion of the Southern corridor remains one of the EU's highest energy security priorities.

11. The Council further welcomes the beginning of the reinforced dialogue on migration with Turkey and calls for concrete steps to be taken rapidly, in particular as regards readmission and border control, in accordance with the conclusions of the European Council of June and October 2009. The Council welcomes the start of a new round of talks on an EU-Turkey readmission agreement and stresses that adequate implementation of already existing bilateral readmission agreements remains a priority.

12. In line with the Negotiating Framework and previous European Council and Council conclusions, the Council underlines that Turkey needs to commit itself unequivocally to good neighbourly relations and to the peaceful settlement of disputes in accordance with the United Nations Charter, having recourse, if necessary, to the International Court of Justice. In this context, the Union urges the avoidance of any kind of threat, source of friction or actions which could damage good neighbourly relations and the peaceful settlement of disputes. Furthermore, the EU stresses again all the sovereign rights of EU Member States which include, inter alia, entering into bilateral agreements, in accordance with the EU *acquis* and international law, including the UN Convention on the Law of the Sea.

13. Recalling its conclusions of 11 December 2006 and the declaration of 21 September 2005, the Council notes with deep regret that Turkey, despite repeated calls, continues refusing to fulfil its obligation of full non-discriminatory implementation of the Additional Protocol to the Association Agreement. In the absence of progress on this issue the Council will maintain its measures from 2006, which will have a continuous effect on the overall progress in the negotiations. Furthermore, Turkey has not made progress towards normalisation of its relations with the Republic of Cyprus. The Council invites the Commission to monitor closely and specifically report on all issues covered by the declaration of the European Community and its Member States of 21 September 2005 in its forthcoming annual report. On this basis, the Council will continue to closely follow and review progress made, in accordance with its conclusions of 11 December 2006. Progress is now expected without further delay.

14. As emphasised by the Negotiating Framework, the Council also expects Turkey to actively support the ongoing negotiations aimed at a fair, comprehensive and viable settlement of the Cyprus problem within the UN framework, in accordance with the relevant UN Security Council resolutions and in line with the principles on which the Union is founded. Turkey's commitment and contribution in concrete terms to such a comprehensive settlement is crucial.

Croatia

15. The Council commends Croatia for the considerable efforts it has made over the past year and the good overall progress made, in particular in meeting the benchmarks set in the negotiations. The Council also refers to the conclusions on a Financial package for the accession negotiations with Croatia. Negotiations are now entering their final phase.

16. The Council underlines that building on the progress made, Croatia still has to make significant improvements in the judiciary, the public administration and the fight against corruption, not least to create a solid basis for the full implementation of the acquis. Croatia will also need to step up reform efforts in the fight against organised crime, to ensure rights of persons belonging to minorities, including refugee return, and war crimes trials to build up a convincing track record in these areas. Furthermore, enhanced efforts to establish the required instruments for management and control of Community financial instruments and to develop the infrastructure, equipment and resources to effectively manage the external border will be needed.

17. The Council underlines that addressing these reforms and meeting all benchmarks in a timely manner, thereby fulfilling all the requirements of membership, notably concerning the judiciary and fundamental rights, will be essential for Croatia if it is to meet its objective of concluding negotiations next year.

18. The Council notes the generally good cooperation of Croatia with the International Criminal Tribunal for the former Yugoslavia (ICTY) on the majority of requests while reiterating that full cooperation remains essential in line with the Negotiating Framework. The Council welcomes the creation of a new inter-agency task-force, but notes with regret that the Prosecutor of the ICTY has not yet been able to report substantial progress regarding the request for certain key military documents. The Council calls on Croatia to take the necessary steps to complete a comprehensive and credible investigation into these issues without further delay.

19. The Council welcomes the signing of the Arbitration Agreement on the border issue with Slovenia in Stockholm on 4 November 2009 and the ratification by the Croatian Sabor of the same agreement on 20 November 2009 and encourages Croatia to build on this progress in its efforts towards solving all outstanding bilateral issues, in particular border disputes, bearing in mind the importance of good neighbourly relations.

20. The Accession Conferences of October and November 2009 formalised progress made by Croatia over the last year and constitute significant steps forward giving new impetus to the negotiations. In this light, the Council welcomes the setting up of a working group for the drafting of the Accession Treaty of Croatia, to begin its work in December 2009.

Iceland

21. Iceland is a country with long and deep democratic roots, with the potential to make a significant contribution to the EU, both strategically and politically. The country is already closely integrated with the EU in several areas, through its membership of the European Economic Area and the Schengen area.

22. The Council recalls that it invited the Commission in July 2009 to submit its opinion on Iceland's application for membership in the European Union. The application will be assessed according to the principles set out in the Treaty and the criteria defined by the Copenhagen European Council in 1993, as well as the December 2006 European Council conclusions on the renewed consensus for enlargement. The Council agrees to return to the matter when the Commission has presented its opinion.

23. In addition, the Council notes that the inclusion of Iceland as a country eligible for pre-accession assistance, under the Instrument for Pre-Accession (IPA), would contribute to preparations for its candidacy.

Western Balkans

24. The Council had an exchange of views on the Commission's communication entitled "Enlargement Strategy and Main Challenges 2009-2010" and the Commission communication on means to further Kosovo's political and socio-economic development. The Council also discussed the progress reports "former Yugoslav Republic of Macedonia", "Albania", "Montenegro", "Bosnia and Herzegovina", "Serbia" and "Kosovo (under United Nations Security Council Resolution 1244/99)". The Council broadly shares the assessments made by the Commission.

25. The Council reaffirms its full support for the European perspective of the Western Balkan countries, which remains essential for the stability, reconciliation and future of the region. It also reaffirms the need for fair and rigorous conditionality, in the framework of the stabilisation and association process and in accordance with the renewed consensus on enlargement approved by the European Council on 14 and 15 December 2006.

26. The Council recalls that by making solid progress in economic and political reform and by fulfilling the necessary conditions and requirements, the remaining potential candidates in the Western Balkans should achieve candidate status, according to their own merits, with European Union membership as ultimate goal. Further, a country's satisfactory track-record in implementing its obligations under the Stabilisation and Association Agreements, including trade-related provisions, is an essential element for the EU to consider any membership application.

27. The Council stresses the importance of protection of all minorities and encourages the governments of the region to take the necessary action to address these issues. Overall, the Roma minority continues to face very difficult living conditions and discrimination.

28. The Council is very pleased to have decided on the amendments to Council Regulation 539/2001, as it applies to Member States, so as to establish a visa free regime for the citizens of the former Yugoslav Republic of Macedonia, Montenegro and Serbia starting from 19 December 2009. This demonstrates that the implementation of concrete reforms brings tangible benefits for citizens. The Council encourages the Commission to table similar proposals for Albania and Bosnia and Herzegovina as soon as it has assessed that each country meets the benchmarks set out in the Commission's roadmaps.

29. The Council stresses that Kosovo should also benefit from the perspective of eventual visa liberalisation [1] once all conditions are met and invites the Commission to move forward with a structured approach to bring the people of Kosovo closer to the EU.

30. The Council welcomes the Regional Cooperation Council (RCC) initiative to strengthen regional cooperation in South-Eastern Europe, under the political umbrella of the South-East European Cooperation Process (SEECP), to work towards the adoption of a new comprehensive and operational strategy to improve its efficiency and encourages countries in the region to assume increased ownership of the process. The Council recalls that regional cooperation is an essential element of the Stabilisation and Association Process and in fostering good neighbourly relations.

Former Yugoslav Republic of Macedonia

31. The Council welcomes the progress made in a number of important areas and that the country has substantially addressed the key priorities of the accession partnership. The smooth implementation of the Stabilisation and Association Agreement should facilitate further steps. The presidential and local elections of 2009 met most international standards. The implementation of the Ohrid Framework Agreement remains an essential element of democracy and the rule of law in the country. The Council stresses that the reform agenda must be continued. In particular, continued efforts are needed to fight corruption and to ensure the independence and impartiality of the judiciary.

---

[1] Without prejudice to Member States' positions on status.

32. The Council notes that the Commission recommends the opening of accession negotiations with the former Yugoslav Republic of Macedonia and will return to the matter during the next Presidency.

33. Maintaining good neighbourly relations, including a negotiated and mutually acceptable solution on the name issue, under the auspices of the UN, remains essential. The Council is encouraged by recent positive developments concerning the relations between Greece and the former Yugoslav Republic of Macedonia.

Albania

34. The Council welcomes the progress achieved in certain areas, in particular electoral reform and the smooth start of the implementation of the Stabilisation and Association Agreement. Parliamentary elections met most international standards but some shortcomings remained and the ODIHR recommendations need to be followed up. Strengthening the rule of law and notably the fight against organised crime and corruption, as well as the proper functioning of state institutions, especially the independence of the judiciary, remain urgent challenges for Albania. Administrative and enforcement capacity require further strengthening, and independence of the administration needs to be ensured. More efforts should be made to improve conditions for media freedom. The Council notes that Albania has made progress in fulfilling the benchmarks set in the framework of the visa liberalisation dialogue. The Council encourages Albania to continue its constructive role in the stability of the region. The EU also calls on all political parties in Albania to pursue a constructive political dialogue, including in parliament.

35. The Council recalls that it invited the Commission in November 2009 to submit its opinion on Albania's application for membership in the European Union. The application will be assessed according to the principles set out in the Treaty and the criteria defined by the Copenhagen European Council in 1993, as well as the December 2006 European Council conclusions on the renewed consensus for enlargement. The Council agrees to return to the matter when the Commission has presented its opinion.

Montenegro

36. The Council welcomes the progress achieved in many areas, in particular the smooth implementation of the Interim Agreement. Parliamentary elections met almost all international standards but some shortcomings remain and the ODIHR recommendations need to be followed up. Montenegro will need to intensify its efforts regarding the consolidation of the rule of law, including independence of the judiciary, and to show sustainable results in the fight against organised crime and corruption. Strengthening administrative capacity in order to effectively enforce legislation remains a major challenge for Montenegro. More efforts should be made to ensure freedom of expression, in particular as regards media.

37. The Council recalls that it invited the Commission in April 2009 to submit its opinion on Montenegro's application for membership in the European Union. The application will be assessed according to the principles set out in the Treaty and the criteria defined by the Copenhagen European Council in 1993, as well as the December 2006 European Council conclusions on the renewed consensus for enlargement. The Council agrees to return to the matter when the Commission has presented its opinion.

Bosnia and Herzegovina

38. The Council remains concerned by developments in the political situation and calls on Bosnia and Herzegovina to urgently speed up key reforms. A shared vision of the common future of the country by its leadership, and the political will to meet European integration requirements, are necessary if progress is to be made. The Council notes that Bosnia and Herzegovina has made progress in fulfilling the benchmarks set in the framework of the visa liberalisation dialogue. The Council takes good note of the satisfactory implementation of the Interim Agreement as a whole.

39. The Council calls on Bosnia and Herzegovina to meet the outstanding objectives and conditions which remain necessary for the closure of the OHR, in line with the statement by the Peace Implementation Council on 18 and 19 November 2009. The Council reaffirms its full support for the HR/EUSR, Valentin Inzko. The Council stresses that it will not be in a position to consider an application for membership by Bosnia and Herzegovina until the transition of the OHR to a reinforced EU presence has been decided. While underlining that constitutional reform is not part of the conditions for closure of the OHR, Bosnia and Herzegovina needs to undertake an initial set of constitutional changes to create a functional state and align its constitutional framework with the European Convention on Human Rights. In particular, the country will need to be in a position to adopt, implement and enforce the laws and rules of the EU. These reforms would contribute to the further EU integration of the country.

Serbia

40. The Council welcomes Serbia's commitment to EU integration by undertaking key reforms in line with European standards and by gradually building up a track-record in implementing the provisions of the Interim Agreement with the EU. The Council notes that the Office of the Prosecutor of the ICTY is satisfied with the current level of efforts undertaken by Serbia's authorities in their cooperation and insists that Serbia maintain these efforts in order to achieve additional positive results. Recalling the Council conclusions of 29 April 2008, the Council decides that the Union will start implementing the Interim Agreement. The Council will turn to the next issue – ratification of the Stabilisation and Association Agreement – in six months time.

41. The Council stresses that the reform agenda must be continued. Strengthening the rule of law, fight against corruption and accelerating economic reforms remain important. A constructive approach towards regional cooperation, including trade, remains essential. In terms of cooperation with EULEX, the Council welcomes the signing of the protocol on police cooperation but stresses that further efforts are needed, especially with respect to the operation of EULEX in the north of Kosovo. The Council restates its view that Serbia, with its strong administrative capacity, can accelerate its progress towards the EU, including candidate status, as soon as all necessary conditions are met.

Kosovo

42. The Council notes that stability has been maintained in Kosovo but the overall situation remains fragile. The Council welcomes the calm and orderly conduct of the recently held local elections and emphasizes the great significance of correct and full completion of the remaining election process. The Council stresses that major challenges remain. These include the rule of law, the fight against corruption and organised crime, the strengthening of administrative capacity, the protection of Serb and other minorities, as well as religious and cultural heritage, and enhancing dialogue and reconciliation between the communities. The Council expects Kosovo to cooperate with EULEX and to ensure support for EULEX's work. A constructive approach towards regional cooperation, including trade, remains essential.

43. The Council recalls that, in its conclusions of December 2008, it welcomed the Commission's intention to present a study examining means to further Kosovo's political and socio-economic development. In that regard, the Council welcomes the Commission communication. The Council takes good note of the proposals to make use of Community instruments to assist Kosovo's political and socio-economic development in line with the European Council conclusions of December 2007 and June 2008. The Council invites the Commission to report back on progress in this regard. The Council further invites the Commission to take the necessary measures to support Kosovo progress towards the EU in line with the European perspective of the region. In particular, the Council attaches importance to measures related to trade and visa, without prejudice to Member States' positions on status. The Council also encourages the Commission to open up for Kosovo taking part in Union programmes, integrating Kosovo into the economic and fiscal surveillance framework, activating the IPA second component, and strengthening the Stabilisation and Association Process dialogue."

******

Regarding Serbia, recalling its decision of 29 April 2008, on the basis of a proposal from the Commission and having regard to the efforts made by Serbia's authorities to cooperate with the International Criminal Tribunal for the former Yugoslavia, the Council decided that the interim agreement with the Republic of Serbia should be implemented as soon as possible. The interim agreement will enter into force in accordance with article 59 thereof.

OTHER ITEMS APPROVED

ENLARGEMENT

Financial package for the accession negotiations with Croatia - *Council conclusions*

The Council adopted conclusions set out in document *16920/09*.

GENERAL AFFAIRS

Composition of the European Parliament - Transitional measures

The Council agreed to submit to the European Council a proposal by the Spanish government for amendment of the EU protocol on transitional provisions as regards the composition of the European Parliament (*17196/09*).

As agreed by the European Council in December and June, the proposal is to amend article 2 of the protocol in order to increase provisionally the 736 seats filled in the June 2009 European Parliament elections by 18 additional seats, bringing the total number of members to 754 until the end of the 2009-2014 legislative term.

The additional seats will be distributed as follows: Bulgaria, Italy, Latvia, Malta, the Netherlands, Poland, Slovenia and the United Kingdom, one seat each, France, Austria and Sweden two seats each and Spain four seats (as was indicated in the June 2009 European Council conclusions).

Implementation of the Treaty of Lisbon

The Council took note of a report by the presidency on progress in implementation of the Treaty of Lisbon.

The report will be submitted to the European Council (10 and 11 December) *(17033/1/09 REV1)*.

Work in the Council's different configurations

The Council took note of a report by the presidency on proceedings in the Council's different configurations (*16744/09*).

ENVIRONMENT

Sustainable development strategy

The Council took note of a report by the presidency on the 2009 review of the EU's sustainable development strategy *(16818/09)*.

CIVIL PROTECTION

Disaster response capacities

The Council endorsed a report by the presidency on reinforcement of the EU's capacities to prevent and respond to disasters *(16696/09)*.

BUDGETS

EU budgetary procedure - Transitional measures

The Council adopted a declaration agreed jointly with the European Parliament and the Commission on transitional measures applicable to the EU's budgetary procedure after the entry into force of the Treaty of Lisbon.

Economic recovery plan and decommissioning of Kozloduy power plant

The Council adopted decisions on:

– the second tranche of financing (EUR 2.4 billion) under the European economic recovery plan (total amount, EUR 5 billion), and

– the decommissioning of the Kozloduy nuclear power plant in Bulgaria.

The first decision amends the multiannual financial framework (*17045/09* + *16794/09* + *16794/09 COR 1*) and the second mobilises a total of EUR 195 million from the EU's budgetary flexibility instrument (*16872/09* + *16793/09*).

The European Parliament, the Council and the Commission reached a political agreement on the decisions at a conciliation meeting on 18 November.

The revision of the multiannual financial framework implies an increase of the ceiling of sub-heading 1a of the budget (competitiveness for growth and employment) for 2010 by EUR 1 779 million in commitments and a reduction of the ceilings of other headings in total by the same amount:

– the ceilings of five budgetary headings and sub-headings in 2009 are reduced by a total amount of EUR 1 489 million, including EUR 1 306 million under heading 2 (preservation and management of natural resources), EUR 174 million under heading 5 (administration), of which a net amount of EUR 16.5 million is contributed by the Council; the remaining EUR 9 million comes from a reduction of the ceilings in sub-heading 1a (EUR 3 million), sub-heading 1b (cohesion for growth and employment: EUR 1 million) and sub-heading 3a (freedom, security and justice: EUR 5 million);

– three budgetary headings for 2010 are decreased by a total amount of EUR 290.5 million, consisting of EUR 158 million in heading 2, EUR 126.5 million in heading 5 and EUR 6 million in sub-heading 1b.

With regard to the flexibility instrument, EUR 120 million are earmarked for financing projects in the field of energy under the European economic recovery plan and EUR 75 million for the decommissioning of the Kozloduy nuclear power plant.

The measures cover the timetable for the budgetary procedure, inter-institutional cooperation on amending budgets and transfers (*16792/09*). They are applicable until replaced by new legislation (a new regulation on the multiannual financial framework and an amended financial regulation), to be adopted in 2010.

Court of Auditors special report - *Council conclusions*

The Council adopted conclusions set out in document *16653/09*.

TAXATION

VAT derogations for Latvia, Slovenia, Sweden and United Kingdom

The Council adopted decisions authorising Latvia, Slovenia, Sweden and the United Kingdom to apply measures derogating from the directive on the EU common system of value-added tax (VAT).

By way of derogation from article 193 of the VAT directive, Latvia is authorised to continue to designate the recipient as the person liable to pay VAT in the case of timer transactions (*15981/09*).

By way of derogation from article 167 of the directive, Slovenia, Sweden and the UK are allowed to postpone the right of deduction of VAT in respect of taxable persons until it has been paid to the supplier of goods or services. The taxable persons concerned must have opted for a scheme under which VAT on their supplies becomes chargeable on receipt of the payment. Under the scheme, their annual turnover must not exceed EUR 400 000 for Slovenia, SEK 3 million for Sweden and GBP 1.5 million for the UK (*15982/09*, *15979/09*).

TRADE POLICY

Anti-dumping - Furfuryl alcohol from China

The Council adopted a regulation imposing a definitive anti-dumping duty on imports of furfuryl alcohol originating in China following an expiry review pursuant to regulation 384/96 *(16188/1/09 REV 1)*.

TRANSPARENCY

Public access to documents

The Council adopted:

– the reply to confirmatory application no. 25/c/01/09, the Danish, Finnish and Swedish delegations voting against (*15144/09*);

– the reply to confirmatory application no. 26/c/01/09, the Swedish delegation voting against (*15433/09*); and

– the reply to confirmatory application no. 27/c/01/09 (*15472/09*).