

COUNCIL OF THE EUROPEAN UNION



14960/05 (Presse 317)

PRESS RELEASE

2700th Council Meeting

General Affairs and External Relations

General Affairs

Brussels, 12 December 2005

President Mr Jack Straw

Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom

* The 2701st meeting on External Relations is the subject of a separate press release (14961/05).

PRESS

Rue de la Loi 175 B - 1048 BRUSSELS Tel.: +32 (0)2 285 8239 / 6319 Fax: +32 (0)2 285 8026 press.office@consilium.eu.int http://ue.eu.int/Newsroom

14960/05 (Presse 317)

Main Results of the Council

The Council examined draft conclusions prepared by the Presidency for the **European Council** on 15 and 16 December.

The Council adopted conclusions on **EU** enlargement, both on individual countries (Bulgaria and Romania, Croatia and Turkey) and on the EU enlargement strategy. It also reached political agreement on accession partnerships with Croatia and Turkey.

In the field of external relations, the Council, without debate:

- adopted a common position setting the framework for imposing restrictive measures on persons suspected of involvement in the assassination of **former Lebanese Prime Minister** Rafiq Hariri;
- decided to modify the list of persons affected by a visa ban in the Transnistrian region of **Moldova**;
- approved a mandate for the Commission to negotiate a partnership and cooperation agreement with China;
- approved a series of documents in the framework of the implementation of the EU strategy against **proliferation of WMD**;
- adopted EU guidelines on the promotion of **humanitarian law**;
- adopted conclusions on **aid for trade**.

The Council adopted a Regulation aimed at improving the quality of statistical data used in application of the EU's excessive deficit procedure, and a Directive extending until 2010 the 15% minimum standard rate of VAT.

It also adopted a decision confirming the order of EU Council **Presidencies** until 2018.

CONTENTS¹

PARTICIPANTS		
ITEMS DEBATED		
OPERATIONAL PROGRAMME FOR 2006	8	
PREPARATION OF THE EUROPEAN COUNCIL 15-16 DECEMBER	9	
– Draft conclusions	9	
– Global approach to migration	10	
Mediterranean and the Middle East	10	
– EU budgetary framework for 2007-13	10	
ENLARGEMENT - Council conclusions	11	

[•] 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.

[•] The documents whose references are given in the text are available on the Council's Internet site http://ue.eu.int.

[•] 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 abovementioned Council Internet site or may be obtained from the Press Office.

OTHER ITEMS APPROVED

EXTERNAL RELATIONS

_	Afghanistan - Council conclusions	13
_	Democratic Republic of Congo (DRC) - Council conclusions.	13
_	Sudan - Council conclusions	15
_	Lebanon - Measures against suspects in the Hariri killing.	17
_	Moldova - Transnistrian region - Restrictive measures	17
_	Extension of mandate of the special coordinator of the stability pact for south-eastern Europe	18
_	Western Balkans- European Partnership.	18
_	Relations with the Middle East and the Mediterranean	18
_	China - agreement on partnership and cooperation	19
_	EU strategy against the proliferation of weapons of mass destruction.	19
_	EU guidelines on children and armed conflict - Council conclusions	21
_	Promotion of international humanitarian law	21
_	Human rights and democratisation in third countries - Council conclusions	22
_	Guidelines on implementation and evaluation of restrictive measures	25
EUI	ROPEAN SECURITY AND DEFENCE POLICY	
_	Presidency six-monthly report on European security and defence policy	25
_	European Defence Agency- Budget for 2006	27
_	Civilian headline goal 2008	27
DE	VELOPMENT COOPERATION	
_	Aid for trade - Council conclusions	27
TRA	ADE POLICY	
_	Tonga - Accession to the WTO	30
_	Korea - Agreement on trade concessions – EU enlargement	30

JUSTICE AND HOME AFFAIRS / EXTERNAL RELATIONS

_	Terrorism - Council conclusions	31
_	External dimension of the area of freedom, security and justice	31
_	EU Counter -Terrorism.	32
ENI	LARGEMENT	
_	Turkey - Accession Partnership	32
_	Croatia - Accession partnership	33
EC	ONOMIC AND FINANCIAL AFFAIRS	
_	15% minimum standard VAT rate	34
_	Quality of EU government accounts - Deficit and debt data	34
_	Taxation of savings income - Exchange of information between Member States *	34
_	VAT - Germany - Cross-border bridges with Switzerland.	35
GE	NERAL AFFAIRS	
_	Proceedings in the Council's different configurations	35
INS	TITUTIONAL AFFAIRS	
_	Order of the Presidencies of the EU Council *	36
API	POINTMENTS	
_	Committee of the Regions	36

PARTICIPANTS

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

Belgium:

Mr Karel DE GUCHT Minister for Foreign Affairs

Mr Didier DONFUT State Secretary for European Affairs, attached to the

Ministry of Foreign Affairs

Czech Republic:

Mr Cyril SVOBODA Minister for Foreign Affairs

Denmark:

Mr Per Stig MØLLER Minister for Foreign Affairs

Germany:

Mr Frank-Walter STEINMEIER Minister for Foreign Affairs

Estonia:

Mr Urmas PAET Minister for Foreign Affairs

Greece:

Mr Petros MOLYVIATISMinister for Foreign AffairsMr Ioannis VALINAKISState Secretary for Foreign Affairs

Spain:

Mr Miguel Ángel MORATINOS CUYAUBÉMinister for Foreign Affairs and CooperationMr Alberto NAVARRO GONZÁLESState Secretary for the European Union

France:

Mr Philippe DOUSTE-BLAZY Minister for Foreign Affairs

Ms Catherine COLONNA Minister with responsibility for European Affairs

Ireland:

Mr Dermot AHERN Minister for Foreign Affairs

Italy:

Mr Gianfranco FINI Deputy Prime Minister and Minister for Foreign Affairs

Cyprus:

Mr George IACOVOU Minister for Foreign Affairs

Latvia:

Mr Eduards STIPRAIS Permanent Representative

Lithuania:

Mr Antanas VALIONIS Minister for Foreign Affairs

Luxembourg:

Mr Jean ASSELBORN Deputy Prime Minister, Minister with responsibility for

Foreign Affairs and Immigration

<u>Hungary</u>

Mr Ferenc SOMOGYI Minister for Foreign Affairs

Malta:

Mr Michael FRENDO Minister for Foreign Affairs

Netherlands:

 Mr Bernard BOT
 Minister for Foreign Affairs

 Mr Atzo NICOLAÏ
 Minister for European Affairs

Austria:

Ms Ursula PLASSNIK Federal Minister for Foreign Affairs

Poland: Mr Stefan MELLER Minister for Foreign Affairs

Mr Fernando DE OLIVEIRA NEVES State Secretary for European Affairs

Slovenia:

Mr Dimitrij RUPEL Minister for Foreign Affairs

Mr Marcel KOPROL State Secretary at the Office of the Prime Minister

Slovakia:

Mr Eduard KUKAN Minister for Foreign Affairs

Finland:

Mr Eikka KOSONEN Permanent Representative

Sweden:

Ms Laila FREIVALDS Minister for Foreign Affairs

United Kingdom:

Secretary of State for Foreign and Commonwealth Affairs Mr Jack STRAW

Mr Douglas ALEXANDER Minister of State for Europe

Commission:

Ms Margot WALLSTRÖM Vice-President

The Governments of the Acceding States were represented as follows:

Bulgaria:

Mr Ivailo KALFIN Deputy Prime Minister and Minister for Foreign Affairs

Ms Meglena KUNEVA Minister for European Affairs

Romania:

Mr Mihai-Razvan UNGUREANU Minister for Foreign Affairs

ITEMS DEBATED

OPERATIONAL PROGRAMME FOR 2006

The Council took note of a presentation by the incoming Austrian and Finnish Presidencies of a draft operational programme of the Council for 2006.

The document highlights the following main issues:

- EU future financing;
- EU constitutional treaty;
- the re-launched Lisbon economic reform agenda;
- policy coordination;
- competitiveness;
- developing the internal market;
- information society, energy, transport, chemicals policy;
- employment, labour law, social policy, health and gender equality;
- environment;
- sustainable development;
- common agricultural policy and fisheries;
- freedom, security and justice;
- EU enlargement;
- human rights.

The two Presidencies will finalise the programme in the light of remarks submitted by delegations.

PREPARATION OF THE EUROPEAN COUNCIL 15-16 DECEMBER

Draft conclusions

The Council examined draft conclusions prepared by the presidency for the European Council meeting to be held in Brussels on 15 and 16 December.

The items to be addressed are as follows:

- The future of Europe;
- EU budgetary framework for the 2007-13 period;
- Africa;
- Global approach to migration;
- Countering terrorism;
- Sustainable development;
- Climate change and sustainable energy;
- Growth and jobs;
- External relations.

The Council requested the Permanent Representatives Committee to finalise any outstanding issues at its meeting on 14 December. The presidency will submit to that meeting draft conclusions on reduced value-added tax rates, with a view to enabling the European Council to reach agreement on the issue. Work on the draft European Council conclusions will also continue as regards external relations.

- Global approach to migration

The Council took note of a paper prepared by the presidency, "Global approach to migration: priority actions focusing on Africa and the Mediterranean", and agreed to submit it to the European Council for adoption.

Mediterranean and the Middle East

The Council took note of a draft declaration on the Mediterranean and the Middle East, and held an exchange of views. It agreed to submit the text to the European Council for adoption.

- EU budgetary framework for 2007-13

The Council took note of ongoing work on the EU's budgetary framework for the 2007-13 period, following an exchange of views at an informal ministerial meeting on 7 December. The Presidency confirmed its intention that the European Council should reach an agreement at the meeting on 15 and 16 December and indicated that it would present a further compromise proposal in the run-up to that meeting.

ENLARGEMENT - Council conclusions

The Council adopted the following conclusions:

"Acceding Countries

The Council welcomed the findings and recommendations presented by the Commission on 25 October 2005 to the Council and the European Parliament in its Comprehensive Monitoring Reports on Bulgaria and Romania. It noted with satisfaction the good progress highlighted in these reports. At the same time, it urged Bulgaria and Romania to address decisively and without delay the concerns highlighted in these reports, and to fulfil all commitments made in the Accession Treaty, in order to enable accession on 1 January 2007 as planned and, thus, the successful completion of the fifth enlargement. It welcomed the intention of the Commission to submit a monitoring report to the Council and Parliament in April/May 2006 in order to review the situation in line with the provisions of the Accession Treaty.

Enlargement Strategy

The Council welcomed and held a preliminary exchange of views on the Commission's Communication on Enlargement presented on 9 November 2005. The Council concluded that the Enlargement Strategy Paper 2005 is a good basis for a necessary, further discussion on enlargement in 2006 and that, meanwhile, it should pay careful attention to the need to:

- anchor and develop support for the enlargement process across the EU. Particular account should be taken of the importance of communication and the views of EU citizens, while paying attention to the important issue of the absorption capacity of the Union;
- apply effective conditionality, at all stages of the process, in a fair and rigorous way;
- reiterate strong encouragement to candidate countries, and other countries in the Western Balkans, along the road to reform and stability by reconfirming their European perspective.

Croatia

The Council recalled its decision to open accession negotiations with Croatia as well as the specific modalities of this process as set out in the Negotiating Framework. The Council welcomed the findings and recommendations presented by the Commission on 9 November 2005 to the Council and the European Parliament in its Progress Report on Croatia, and invited Croatia to make further progress on all the issues identified therein.

The Council welcomed political agreement on the Accession Partnership with Croatia, with the objective of providing support for overcoming particular problems with a view to accession. It underlined its commitment to this process while stressing the importance of Croatia making progress in relation to the priorities identified by the EU in the Accession Partnership, in particular by fulfilling its obligations in respect of the EU and its Member States. It encouraged Croatia to respond to its Accession Partnership by updating its national plan for implementing the identified priorities and recalled that the advancement of negotiations would be guided inter alia by progress in implementing the Accession Partnership.

Turkey

The Council recalled its decision to open accession negotiations with Turkey as well as the specific modalities of this process as set out in the Negotiating Framework. The Council welcomed the findings and recommendations presented by the Commission on 9 November 2005 to the Council and the European Parliament in its Progress Report on Turkey and invited Turkey to make further progress on all the issues identified therein.

The Council welcomed political agreement on the Accession Partnership with Turkey, with the objective of providing support for overcoming particular problems with a view to accession. It underlined its commitment to this process while stressing the importance of Turkey making progress in relation to the priorities identified by the EU in the Accession Partnership, in particular with regard to the need for political reforms and by fulfilling its obligations in respect of the EU and its Member States. It encouraged Turkey to respond to its Accession Partnership by updating its national plan for implementing the identified priorities and recalled that the advancement of negotiations would be guided inter alia by progress in implementing the Accession Partnership. The Council also recalled that it would ensure a follow-up in 2006 on the progress made on relevant issues set out in the Declaration of the EC and its Member States of 21 September 2005."

OTHER ITEMS APPROVED

EXTERNAL RELATIONS

Afghanistan - Council conclusions

The Council adopted the following conclusions:

"The Council warmly welcomed the EU-Afghanistan Joint Declaration of 16 November 2005 (14519/05). Since the fall of the Taliban in November 2001 Afghanistan has taken major strides forward. The European Union and its Member States have been leading partners in this stabilisation process, pledging over 3 billion Euro in aid from 2002-2006 and making significant contributions to Afghanistan's security and development.

The Council stressed its determination to strengthen this Partnership and remains committed to long-term support for the Government and people of Afghanistan. Together with policies already agreed within the EU, the Joint Declaration would form the basis for this - outlining increased cooperation based on Afghan ownership across a range of areas, including support to: political and economic governance; security sector reform and justice sector reform; counter-narcotics; development; human rights, civil society and refugee return; education and culture; as well as regular political dialogue. EU Member States would also continue, as appropriate, to make substantial military and civilian contributions in Afghanistan.

The Council underlined that this is a crucial period in Afghanistan's development and stabilisation. The EU is therefore determined to work closely with Afghanistan and with the wider international community to ensure the successful launch of the Afghanistan Compact in London in January 2006 and, in particular, to support a continued role of the United Nations. To help ensure this, the Council invited the High Representative and the Commission to present as soon as possible recommendations for action in those areas highlighted by the Joint Declaration, in order to further enhance EU engagement with Afghanistan."

Democratic Republic of Congo (DRC) - Council conclusions

The Council adopted the following conclusions:

"The Council reaffirms its commitment to a peaceful, democratic and prosperous DRC, as part of a stable Great Lakes region.

The forthcoming referendum on 18 December represents a first historic step in the progress towards democracy in the DRC. The Council welcomes the high turnout in the enrolment of voters, which illustrates the democratic aspirations of the Congolese population. The Council underlines the need for all parties to work to ensure that the referendum passes off peacefully and successfully, and notes that this should be a democratic, transparent and accountable process. The EU will monitor the referendum through an Electoral Observation mission. The Council recalled that the transition in the DRC should be concluded by 30 June 2006, in line with the Global and Inclusive Agreement.

The Council notes the need for the DRC Parliament to adopt the electoral law without delay. In this context it is vital that, as proposed by the independent electoral commission, the agreed timetable of elections before June 2006 is adhered to and that, in the run-up to the elections, political parties and politicians sign up to, and respect, the electoral code of conduct. The Council notes the need for the media to act responsibly in this regard, and for the DRC authorities to guarantee the freedom of expression and security of journalists.

The Council furthermore notes that a stable security environment for elections requires a significant increase in the capacity of the Congolese integrated army and police, and that the EU is playing an important role in this respect through its mission to provide support to security sector reform, EUSEC RD/Congo, and through its police mission, EUPOL Kinshasa. The Council reiterates the need for commitment by the DRC government to reform the army and to ensure that soldiers receive adequate pay and support, including for their dependants, once they are integrated into the new army. In that context, the Council recalls its contribution to the reform of chain of payments of the Congolese army, through a specific programme launched on 1 December 2005 in the framework of EUSEC/RD Congo.

It calls on the DRC authorities urgently to take action on this project. The Council also underlines the importance of further progress on security sector reform, which will be vital for the Congolese army, with the backing of MONUC, to maintain pressure on the Congolese and foreign armed groups that pose a threat to security in the region.

The Council notes that the successful completion of the transition process is not only essential for the peaceful, long-term, democratic development of the DRC but also for fostering peace and stability throughout the Great Lakes region. The Council urges all countries concerned to continue their efforts in support of the transition process in the DRC and to improve regional cooperation, while fully respecting the sovereignty and territorial integrity of all countries in the region. In this context, the Council encourages all the countries in the Great Lakes region to create a political environment conducive to the holding of the International Conference on the Great Lakes Region as soon as feasible in 2006, in order to speed up the entry into force of the Pact on Stability, Security and Development.

The Council reiterates its strong support for the ICC and its view that there should be no impunity for genocide, crimes against humanity or war crimes. The Council regards the issuing of the warrant by the ICC, in the framework of its enquiry on Uganda as a first historic step and calls on all governments involved to continue to cooperate with the ICC in order to facilitate the progress of the investigation in the DRC and the arrest of the individuals subject to the warrant delivered by the Court

The Council reiterates its full support to the Comite International d'Accompagnement de la Transition (CIAT), and encourages the Transitional Institutions of the DRC to continue cooperating with this body with a view to achieving full success of the political transition. The Council reiterates its commitment to continuing to provide political, technical and logistical support through the transition process and beyond, but notes that, for this support to be effective, there needs to be a clear commitment by the government to good governance and, reflecting the desire of the Congolese people, to see progress towards lasting peace and stability in their country."

Sudan - Council conclusions

The Council adopted the following conclusions:

- "1. The Council reaffirmed its commitment to a democratic, peaceful and prosperous Sudan.
- 2. The Council welcomed the formation, on 30 October, of the Assessment and Evaluation Commission (AEC) to monitor the implementation of the Comprehensive Peace Agreement (CPA). It noted with concern, however, that implementation of the Agreement was behind schedule, and called on all the political forces in Sudan to facilitate a speedy transition to peace throughout the country, within the framework of the CPA. The Council reiterated the ongoing support of the EU for the CPA process, including through the involvement of Member States, the Commission and the EU Special Representative in the AEC. The Council also welcomed the ongoing deployment of the UN Mission in Sudan (UNMIS).

- 3. The Council condemned the continuing violence in Darfur. Despite the courageous and inspiring efforts by the AU troops and the humanitarian community to assist the victims of the conflict, because of the ongoing violence, the circumstances in which so many of the people of Darfur continue to live remain unacceptable. In this context, the Council expressed concern that the vital delivery of relief supplies was being hampered by the continuing outbreaks of violence. The Council also recalled the killings, on 8 October, of members of the African Union force (AMIS) and noted that, if they were carried out by any of the parties to the conflict, they may constitute a war crime. The Council called for those responsible to be held to account and for any evidence collected in relation to such crimes to be passed to the International Criminal Court (ICC). The Council urged all parties to cooperate with the ICC in accordance with UN Security Council Resolution 1593. The Council also urged all sides to rein in their fighters; to respect international law, including human rights, and humanitarian law; and to abide by the N'Djamena Ceasefire Agreement and the Abuja Protocols.
- 4. The Council also called for continued United Nations Security Council engagement on Sudan. It also called for full use to be made of existing measures including urgent and full implementation of sanctions as decided by the Security Council in Resolution 1591. Noting the EU Arms Embargo in Sudan, the Council is ready to support the extension by the Security Council of the UN arms embargo on Darfur to the whole of the country. The Council encouraged the countries of the region to work together as good neighbours.
- 5. The Council recalled that the EU continues to support AMIS, both through a commitment of further funding (70m Euro) from the African Peace Facility, and the agreement to extend the civilian-military supporting action to AMIS for a further six-month period. The Council noted the importance of continued co-operation with the African Union (AU) on AMIS to ensure a predictable funding pattern; and of continuing EU engagement, including through EU participation in the forthcoming AU-led assessment mission in Darfur.
- 6. The Council commended AMIS on its achievements to date and urged Member States to look at what further practical help they could provide to enhance its capacity and effectiveness. The Council furthermore reconfirmed the EU's willingness to continue its assistance to AMIS in the context of an enhanced dialogue with the AU on a medium term strategy for security in Darfur. The dialogue should aim at a constructive and supportive EU role in this process and should constitute a building block towards a shared approach for the future EU-AU partnership, including on regional security issues.

- 7. The Council reiterated that the only solution to the crisis in Darfur is a political one. It welcomed the formation of a joint committee including all Darfur rebel movements to agree on a common negotiating strategy for the Abuja talks and called on the movements to live up to this commitment. The Council further welcomed the presence of the Sudan People's Liberation Movement (SPLM) in the Government of National Unity delegation to Abuja talks at their resumption on 29 November, and expressed its hope that this step would lend a new dynamic to the process.
- 8. The Council called on all parties to put aside their local, regional and national rivalries, and to negotiate flexibly and constructively so that a pragmatic solution, that leads to a sustainable peace agreement and security on the ground, can be reached during this round."

Lebanon - Measures against suspects in the Hariri killing

The Council adopted a common position setting out the framework for imposing restrictive measures against persons suspected of involvement in the assassination of former Lebanese Prime Minister Rafiq Hariri (14485/05).

The common position is aimed at implementing United Nations Security Council Resolution 1636(2005) acknowledging the report of the UN international investigation commission on the terrorist bombing in Beirut that killed 23 people, including Rafiq Hariri.

UNSCR 1636(2005) imposes measures to prevent the entry into or transit through EU Member States' territories of persons suspected of involvement in the planning, sponsoring, organising or perpetrating of the terrorist bombing, and the freezing of their funds and economic resources.

The list of persons and entities affected by the restrictive measures will be established in accordance with the list registered by a committee of the Security Council established by UNSCR 1636(2005).

On 7 November, the Council adopted conclusions on Syria and Lebanon deploring Syria's failure to cooperate fully with the investigating team and calling upon Syria to cooperate unconditionally with the investigators.

Moldova - Transnistrian region - Restrictive measures

The Council adopted a Decision implementing common position 2004/179/CFSP on restrictive measures against the leadership of the Transnistrian region of Moldova (15061/05).

The Decision reduces the list of persons (from ten to two) affected by visa restrictions in order to take account of the improvements in the situation of Latin-script schools in some areas of the Transnistrian region.

In February 2004 the Council adopted common position 2004/179/CFSP imposing restrictive measures applying to the leadership of the Transnistrian region, banning the entry into or transit through EU territory of those members of the leadership responsible for preventing progress in arriving at a political settlement of the conflict in Transnistria. Travel restrictions remain in place against 17 members of the leadership in Transnistria in this respect.

In August 2004, the Council expanded the scope of the restrictive measures to persons held responsible for the intimidation campaign and the closure of Latin-script Moldovan schools and established a new list of persons subject to the visa-ban.

Extension of mandate of the special coordinator of the stability pact for south-eastern Europe

The Council adopted a Decision appointing Dr Erhard Busek as special coordinator of the stability pact for south-eastern Europe for 2006 (14952/05). Dr Busek has been special coordinator since 2001.

Western Balkans- European Partnership

The Council gave its political agreement on draft Decisions on the principles, priorities and conditions contained in the European partnership with Albania (15273/1/05), Bosnia and Herzegovina (14719/1/05), the former Yugoslav Republic of Macedonia (15274/1/05) and Serbia and Montenegro including Kosovo (15275/1/05).

Relations with the Middle East and the Mediterranean

The Council approved a six-monthly implementation report on the EU's strategic partnership with the Mediterranean and the Middle East and invited the European Council to take note of it.

The report sets out the progress that has been achieved under the strategic partnership since the June 2005 European Council as well as next steps. It contains two sections: the Mediterranean region and the countries east of Jordan.

China - agreement on partnership and cooperation

The Council decided to authorise the Commission to open negotiations with the People's Republic of China on a partnership and cooperation agreement and approved negotiating directives to that end.

The aim is to establish an agreement encompassing all aspects of EU-China relations in order to further strengthen cooperation and trade and investment relations and to work for the integration of China into the international system.

The new agreement would replace the trade an economic cooperation agreement concluded in 1985 and co-exist with existing sectoral agreements. It would be based the respect for democratic principles and fundamental human rights, as laid down in the universal declaration on human rights and other instruments, as well as for the principle of the rule of law.

Under the agreement, the EU and China would hold dialogues aimed at promoting cooperation in all areas of mutual interest; they would undertake to remove barriers to trade and investment, promote sustainable development and cooperation with the aim of finding balanced solutions to global issues such as climate change.

EU strategy against the proliferation of weapons of mass destruction

The Council approved a series of documents dealing with implementation of the EU's strategy against the proliferation of weapons of mass destruction:

- Progress report and updated list of priorities

The Council endorsed a six-monthly progress report on the implementation of the EU strategy against the proliferation of weapons of mass destruction (WMD) and an updated list of priorities for its implementation in the future.

The European strategy against the proliferation of WMD was adopted on 12 December 2003 by the European Council. The six-monthly progress report has been established following coordination between the office of the high representative's personal representative for non-proliferation of WMD and the Commission.

- Joint action on support for OCPW (Organisation for the Prohibition of Chemical Weapons) activities

The Council adopted a joint action on support for the Organisation for the prohibition of chemical weapons (OPCW) activities in the framework of implementation of the EU strategy against the proliferation of WMD, which will expire one year after its adoption (13781/05).

The EU will support activities of the OPCW with the following objectives:

- promotion of universality of the chemical weapons convention (CWC),
- support for full implementation of the CWC by states parties,
- international cooperation in the field of chemical activities, as accompanying measures to the implementation of the CWC.

A financial contribution is set at EUR 1 697 000 and will be funded from the 2006 general budget of the EU.

The joint action is the continuation of a joint action on support for OPCW activities adopted in November 2004, which expired on 22 November.

- Peer review of Member States' export control systems for dual use goods

The Council took note of a report on progress made in 2005 to implement the recommendations of the peer review of Member States' export control systems for dual use goods (15107/05).

Since export controls on sensitive items are a key element in the fight against proliferation of weapons of mass destruction, the EU strategy against the proliferation of WMD adopted by the European Council in December 2003 called for a peer review of Member States' export controls. The peer review was conducted in 2004 and it produced a number of recommendations for further action both at national and EU level.

EU guidelines on children and armed conflict - Council conclusions

The Council adopted the following conclusions:

- "1. The Council welcomes the biennial review of the EU Guidelines on Children and Armed Conflict. It reaffirms its strong commitment to the promotion and protection of the rights of children, and in particular those affected by armed conflict, who are among the most frequent victims of serious human rights violations and abuses.
- 2. The Council welcomes progress made towards the implementation of the Guidelines and endorses the recommendations made in the review. While reaffirming the strategic role of the Council Working Group on Human Rights in the implementation of these Guidelines, the Council notes the need for further mainstreaming of this issue throughout the EU system. It requests its geographical and thematic working groups, civilian and military missions, and all other relevant actors of the EU to redouble their efforts to implement the Guidelines. The Council looks forward to continued close cooperation with the Commission, individual Member States and civil society on this important issue. The Council also stresses that EU action should support and complement the work of the United Nations, including the implementation of UN Security Council Resolution 1612 on children and armed conflict.
- 3. The Council will continue to regularly review progress towards implementation of the Guidelines and action taken in response to the recommendations."

Promotion of international humanitarian law

The Council adopted guidelines on the promotion of international humanitarian law (15246/05).

The objective of these guidelines is to set out operational tools for the EU and its institutions and bodies to promote compliance with international humanitarian law. They are complementary to guidelines and other common positions already adopted within the EU in relation to matters such as human rights, torture and the protection of civilians.

See http://ue.eu.int/human-rights

Human rights and democratisation in third countries - Council conclusions

The Council adopted the following conclusions:

"The Council welcomes the third Annual Review on the implementation of EU policy on human rights and democratisation.

Recalling the high priority the EU has always placed on a strong and constructive EU performance in the UN Commission on Human Rights (CHR) and the Third Committee of the UN General Assembly (UNGA), and its active engagement in preparing for the UN World Summit, the Council reiterates the commitment it expressed in November for the package of UN reforms agreed at the Summit, and in particular reaffirms its support for efforts to reform and strengthen the UN's ability to protect and promote human rights. The Council underlines the EU's continued support for the establishment of a Human Rights Council which is able to address human rights matters swiftly and effectively, and the focus of which is implementation of human rights on the ground as well as advisory services and technical assistance, representing a real improvement on CHR; as well as for General Assembly President Eliasson's plan to adopt a General Assembly Resolution establishing the Human Rights Council and its essential characteristics by the end of 2005. In this regard, the Council stresses that the EU considers it indispensable that certain elements are contained in the Resolution establishing the Human Rights Council, in particular its nature as a standing body; its ability to address urgent and ongoing human rights situations and thematic issues; the retention of the system of Special Procedures; a strong level of NGO participation, and the free standing authority of its decisions.

Noting that the 61st session of the CHR and the 60th session of UNGA Third Committee took place against the backdrop of UN reform, the Council welcomes the progress made in a number of EU priority areas, including the adoption at CHR and UNGA Third Committee of all, except one, of the EU's texts on country situations, and all of the EU's texts on thematic issues. The Council, however, regrets the increasing use of no-action motions, one of which prevented action on the human rights situation in Sudan, and acknowledges that the EU must continue to reflect on how to guarantee wider support from all regional groupings for its Resolutions as well as how to promote further mainstreaming of human rights within the UN system.

The Council welcomes the strong contribution which the Personal Representative of the Secretary General/High Representative for Human Rights has made during his first year in office to the coherence and continuity of EU policy. It notes in particular his activities to promote further mainstreaming of human rights in Common Foreign and Security policy, and to raise awareness of the EU's human rights guidelines. The Council recalls the common responsibility of all its Committees and Working Groups to promote EU human rights policy, including implementation of the guidelines, and invites the SG/HR to consider how his Personal Representative can underpin their efforts to give practical, operational effect to mainstreaming. When considering additional priorities for 2006, the Council also invites the SG/HR to consider the role his Personal Representative can play in supporting EU action within the UN by ensuring that high-level lobbying takes place, and by helping to provide effective follow-up to that action.

The Council welcomes the range of measures taken during 2005 to implement each of the EU's human rights guidelines, noting in particular the lobbying campaign conducted by EU Heads of Mission on behalf of human rights defenders in all areas of the world who are suffering for exercising their freedom of expression. The Council reaffirms the EU's strong commitment to freedom of expression, noting that it underpins many human rights, as well as efforts to build democracy.

The Council believes that such campaigns on particular human rights themes are a useful way to enhance the impact of the Guidelines on human rights defenders, complementing other forms of action by EU heads of mission and the EU institutions. It welcomes suggestions for improving the impact of such campaigns, including by lengthening their timeframe, and integrating key campaign messages across a range of EU activities, consistent with mainstreaming.

The Council reaffirms that greater respect for human rights in Iran is essential for progress in EU/Iran relations. The Council regrets that Iran has failed to agree dates for a round of the EU-Iran Human Rights Dialogue in 2005, despite the EU's strong and repeated requests. In practice the dialogue has not taken place now since June 2004. The deteriorating human rights situation and the absence of action by the Iranian authorities to reform laws and official practices which allow human rights violations to occur cast serious doubt on their intention to respect the rights and fundamental freedoms of the Iranian people. The Council notes that-despite Iran's failure to engage effectively-the EU remains open to discussing human rights, including by means of the dialogue process. The Council calls upon Iran actively to demonstrate its commitment to human rights and to the dialogue. The Council affirms that, in particular in the absence of evidence that Iran is committed to the EU-Iran Human Rights Dialogue, the EU will continue to use other means to register its human rights concerns, raising in particular the plight of Iran's persecuted human rights defenders. The Council welcomes the adoption of a Resolution on human rights in Iran at UNGA Third Committee, and hopes that Iran will move swiftly to address all the concerns of the international community expressed in it.

The Council welcomes the exchanges with China on human rights at the EU-China Summit; the EU China Foreign Ministers troika; and at two rounds of the EU China human rights dialogue. The Council acknowledges the progress China has made in improving the economic well-being of its citizens and work towards ratification of the International Covenant on Civil and Political Rights (ICCPR). It welcomes in particular the visit of the UN Special Rapporteur on Torture in November, and hopes for the implementation of his recommendations by China. The Council continues to attach importance to other activities to complement the dialogue, including project work and seminars

But the Council remains strongly concerned at other aspects of China's policies, which contravene the spirit of the ICCPR and other international human rights legislation to which China is already a party. The Council urges China to: announce a timetable for ratification of the ICCPR; release political prisoners; reform the administrative detention system; lift severe restrictions on freedom of expression, association and religion; and respect the legitimate rights of the Tibetan and Uighur minorities.

The Council also deplores the continued widespread application of the death penalty and ill-treatment of prisoners. The Council will continue to monitor the human rights situation in China carefully and hopes to see positive changes resulting from the dialogue process, noting that this will help to improve China's international image and reputation, which will attract increasing attention as the Olympic Games approach.

The Council welcomes the establishment of human rights consultations with Russia during 2005. This provides the opportunity for discussion on areas of concern, such as the on-going situation in Chechnya, increasing restriction on civil society, penal and judicial reform, media freedom, and other issues such as racism and xenophobia; as well as for exchanges on common goals in the area of human rights, including in the framework of the Organisation for Security and Cooperation in Europe, the Council of Europe, and the UN. In this context the Council welcomes EU projects for the recovery and reconstruction of the Northern Caucasus and its humanitarian assistance in that area. The Council looks forward to developing these consultations in 2006. The Council notes in particular the lively interest taken by Russian civil society in the 2005 consultations, and hopes that they can be increasingly involved in future consultations.

The Council welcomes the significant role played by the European Commission in implementing the European Initiative for Democracy and Human Rights (EIDHR), and underlines the importance of providing adequate financial means and legal framework under the new Financial Perspectives to continue supporting effective and concrete assistance projects promoting human rights and democracy and strengthening civil society worldwide.

The Council welcomes the continued close cooperation it has enjoyed with the European Parliament and civil society, in developing and delivering its human rights policy during 2005, and looks forward to building on this still further.

The Council reaffirms its commitment to include human rights and democratisation on the agenda for its annual external policy priorities discussion. "

Guidelines on implementation and evaluation of restrictive measures

The Council adopted a revised and updated version of guidelines on implementation and evaluation of restrictive measures in the framework of the EU's Common Foreign and Security Policy (CFSP) (15114/05).

The Council first approved these guidelines in December 2003 (15579/03). The guidelines notably contain standard wording and common definitions that may be used in legal instruments implementing restrictive measures.

EUROPEAN SECURITY AND DEFENCE POLICY

Presidency six-monthly report on European security and defence policy

The Council approved a Presidency report on the European security and defence policy (ESDP) with a view to its submission to the European Council meeting on 15 and 16 December 2005.

The report covers all ESDP questions that have been discussed in the second half of this year and also includes terms of reference for the next Presidency (Austria). It includes the following areas:

- EU civilian and military operational activity;
- development of European military capabilities;
- achievements to broaden and strengthen the work of SATCEN and ISS:

- European Defence Agency;
- development of European civilian capabilities;
- civil-military coordination;
- ESDP support to security sector reform;
- civil-military cell;
- EU-NATO relations;
- cooperation with international organisations;
- dialogue and cooperation with Mediterranean partners in the field of crisis management;
- cooperation with third countries;
- ESDP and Africa;
- implementation of UNSCR 1325 on women, peace and security in the context of ESDP and gender mainstreaming;
- ESDP and the fight against terrorism;
- ESDP and disaster response;
- ESDP training; and
- military exercises.

European Defence Agency- Budget for 2006

The Council agreed to postpone by one year adoption of the first three-year financial framework for the European Defence Agency (EDA) and adopted the budget of the EDA for 2006 which amounts to EUR 22,3 million (15051/05).

In the absence of a financial framework for 2006-2008, adoption of the Agency's budget falls within the powers of the Council acting on a proposal by the EDA steering board.

Civilian headline goal 2008

The Council adopted a civilian capabilities improvement plan.

The plan covers the civilian headline goal process in 2006 and is divided in four sections: general civilian headline goal issues, mission support, rapidly deployable civilian capabilities and civilian headline goal process management issues.

On 21 November, ministers of foreign affairs meeting in the context of the civilian capabilities improvement conference adopted a ministerial declaration. Its annex contained elements for an action plan with the objective of reviewing progress on the enhancement of civilian capabilities and providing direction for the way ahead. (*see press release 14713/05*).

DEVELOPMENT COOPERATION

Aid for trade - Council conclusions

The Council adopted the following conclusions:

"The Council and the representatives of the governments of the Member States meeting within the Council conclude that:

While further liberalisation of world trade through a new WTO agreement will be beneficial for developing countries in general, many of the poorest of these may face adjustment difficulties in the short term, and will need help to take advantage of the opportunities it creates. As their capacity to produce goods competitively for the international market is weak, the international community needs to provide additional support, so that poorer developing countries feel the Doha Round is genuinely in their interests.

There is a need to put in place a substantive, comprehensive and credible "Development Package", including on "aid for trade", to help poor countries gain from measures within the Doha Round, and to communicate this to developing countries in time for the Hong Kong DDA ministerial conference.

Enhanced Integrated Framework

The Integrated Framework for Trade Related Technical Assistance for LDCs (IF) is an important mechanism for helping poor countries use trade-related assistance and infrastructure investment effectively, to stimulate broad based economic growth through trade. However, it needs to find ways to improve its governance, local ownership, alignment with national poverty reduction plans and effective monitoring of results, as well as an expansion if its resources and scope, to make it more effective.

On the understanding that the enhancement of the IF needs to address fully its existing weaknesses, the EU resolves that, within available budgets and with other donors, it will provide resources to enable the enhanced IF to be adequately and predictably funded. Some Member States may alternatively decide to provide aid for the same purpose through other channels.

Trade-Related Assistance

Trade related technical assistance and capacity building as reported by the DAC and WTO covers two broad categories:

- *Trade policy and regulation* covers support for effective participation in trade negotiations, analysis and implementation of trade agreements, trade policy mainstreaming and standards, trade facilitation and customs regimes, support to regional trade arrangements and human resources development in trade.
- *Trade development* covers business development and activities aimed at improving the business climate, access to trade finance, and trade promotion in productive sectors (agriculture, forestry, fishing, industry, mining, tourism, services), including at the institutional and enterprise level.

Within their commitments to future increases in development assistance, Member States will strive to increase the EU's collective spending on trade-related assistance (as so defined), in response to needs prioritised in partner country poverty reduction strategies or development plans, with a view to reaching a figure of \in 1 billion per year by 2010, inclusive of spending on the enhanced Integrated Framework. This would bring the contribution of the EU as a whole, including the Community contribution, to \in 2 billion per year by 2010.

Infrastructure

There is general agreement among aid donors on the importance of infrastructure in facilitating trade, and this is reflected in:

- The European Commission's proposal to increase EU (Community and Member States') aid to infrastructure (including energy and water) through a new Europe-Africa Partnership on Infrastructure, linked to the decision of Member States to increase ODA by € 20 billion per year by 2010;
- The World Bank's plans to increase infrastructure lending by \$1 billion per year to around \$10 billion by 2008;
- The Gleneagles agreement by the G8 "to boost growth, attract new investment and contribute to
 Africa's capacity to trade" through the establishment of the Infrastructure Consortium for Africa,
 jointly supported by African countries and by the European Commission, G8, and key
 multilaterals.

The EU confirms the importance of aid to help improve developing countries' infrastructure, in particular because infrastructure is complementary to trade-related assistance in stimulating exportled growth, and will work towards more effective and increased infrastructure activity, particularly in Africa. Aid for infrastructure should therefore be assessed on qualitative aspects with a view to maximizing its benefit in terms of poverty reduction and environmental protection.

Adjustment

Some developing countries are likely to be faced with adjustment difficulties, notably for the following reasons:

- erosion in trade preferences;
- reduction in government revenue resulting from lower tariffs, and
- increased cost of food imports resulting from reductions in export subsidies, for net food importers.

The importance of providing additional support for trade adjustment and integration was recognised in the Millennium Review Summit outcome. Adjustment issues, related to trade reform, should be part of an overall package of domestic policy reforms and economic planning and financial support. However, developing countries need to be assured of credible assistance and mechanisms to facilitate adjustment.

The EU recognises the need for adequate provision for trade adjustment, notably for countries facing erosion in trade preferences. The IMF and the World Bank should provide transparent monitoring of the impact of erosion in preferences and trade liberalisation on a country by country basis, to allow additional resources to be made available in response, including through the IMF's "trade integration mechanism" and the WB's programmes."

TRADE POLICY

Tonga - Accession to the WTO

The Council, and the representatives of the governments of the Member States meeting within the Council, adopted a Decision supporting the accession of the Kingdom of Tonga to the WTO.

The EU's position will be expressed by the Commission at the sixth ministerial conference of the WTO to be held in Hong Kong from 13 to 18 December, where the accession of this country to the WTO is due to be approved.

Korea - Agreement on trade concessions – EU enlargement

The Council adopted a Decision approving the conclusion of an agreement on trade concessions in order to take account of the accession of the EU's ten new Member States, as well as a Regulation on the implementation of the agreement.

The agreement provides for temporary lower duty rates for imports of certain types of polystyrene, video recorders, video cameras and radio receivers.

The General Agreement on tariffs and trade requires the EU to negotiate compensatory adjustments with third countries that have negotiating rights with any of the acceding Member States if the adoption of the EU's external tariff regime results in an increase in tariffs beyond the level for which that country has bound itself at the WTO.

JUSTICE AND HOME AFFAIRS / EXTERNAL RELATIONS

Terrorism - Council conclusions

The Council adopted the following conclusions:

"The Council reiterated the Union's commitment to a comprehensive approach to combating terrorism, while respecting human rights. It welcomed the progress made in delivering technical assistance to priority countries. Taking this assistance forward would be a key objective for the next six months. It adopted the strategy for the External Relations dimension of Justice and Home Affairs which also calls for closer engagement on counter-terrorism with key countries.

The Council welcomed the continued political dialogue on counter-terrorism with international organisation and key partners, including the US and Russia, and the progress made in broadening this dialogue, including through the agreement on a Counter-Terrorism Code of Conduct at the Barcelona Summit on 27 November.

The Council reiterated its welcome for the World Summit conclusions on terrorism and underlined the need to make every effort to reach agreement in the United Nations on the comprehensive convention on international terrorism during the sixtieth session of the General Assembly. The Council also looked forward to the development of a UN counter-terrorism strategy.

The Council also welcomed agreement to the European Union Strategy and Action Plan for Combating Radicalisation and Recruitment to Terrorism, which provides a comprehensive framework to guide the Union's efforts to address these issues. The Council welcomed the CT Coordinator's six monthly reports on implementation of the Counter-Terrorism Action Plan and Terrorist Finance Strategy and noted that the action flowing from these reports will be considered in the framework of the new revised Action Plan. The Council agreed the EU Counter-Terrorism Strategy which will now be forwarded to the European Council for adoption."

External dimension of the area of freedom, security and justice

The Council adopted, in accordance with an agreement reached by the Justice and Home Affairs Council on 1 December, a strategy for the external dimension of the EU's area of global freedom, security and justice (15446/05).

EU Counter - Terrorism

The Council agreed on the following documents which will be transmitted to the European Council for adoption:

- an EU strategy for combating radicalisation and recruitment to terrorism (14781/1/05);
- an EU counter-terrorism strategy (14469/4/05); and
- a report on implementation of the action plan to combat terrorism (14734/1/05).

ENLARGEMENT

Turkey - Accession Partnership

The Council reached a political agreement on a draft Council Decision on the principles, priorities and conditions contained in the accession partnership with Turkey (15278/05).

The revised accession partnership is an important document to focus preparations for accession and to adapt priorities to the evolving needs.

On 3 October, the Member States started negotiations with Turkey on its accession to the EU. The advancement of the negotiations will be guided by Turkey's progress in preparing for accession, which will be measured, inter alia, against the implementation of the Accession Partnership, as regularly revised.

An accession partnership with Turkey was adopted by Council in 2001 and 2003. The Commission's 2004 recommendation on Turkey stressed that a revised accession partnership should be proposed in 2005. In December 2004, the European Council concluded that the EU would continue to monitor closely progress of the political reforms on the basis of an accession partnership setting out priorities for the reform process.

In order to prepare for membership, Turkey is expected to develop a plan with a timetable and specific measures to address the priorities of this accession partnership.

Implementation of the accession partnership will be examined and monitored in the bodies established under the association agreement and by the Council on the basis of annual reports by the Commission.

The Council will adopt the Decision at a later meeting, without discussion, after finalisation of the text.

Croatia - Accession partnership

The Council reached a political agreement on a draft Council Decision on the principles, priorities and conditions contained in the accession partnership with Croatia (15280/05).

The accession partnership is an important document to focus preparations for accession and to adapt priorities to the evolving needs.

Negotiations with Croatia on its accession to the EU started on 3 October. The advancement of the negotiations will be guided by Croatia's progress in preparing for accession, which will be measured, inter alia, against the implementation of the partnership, as regularly revised.

The new accession partnership updates the previous partnership - the European partnership with Croatia adopted by the Council in September 2004 - on the basis of the findings of the 2005 Commission's progress report on Croatia. It identifies new priorities for action which are adapted to the country's specific needs and stage of preparation and will be updated as necessary. The accession partnership also provides guidance for financial assistance to the country.

In order to prepare for further integration with the European Union, Croatia is expected to develop a plan with a timetable and specific measures to address the priorities of this accession partnership.

Implementation of the accession partnership will be examined using the mechanisms established under the stabilisation and association process, notably the annual progress reports presented by the Commission.

The Council will adopt the Decision at a later meeting, without discussion, after finalisation of the text.

ECONOMIC AND FINANCIAL AFFAIRS

15% minimum standard VAT rate

The Council adopted a Directive extending until the end 2010 the minimum standard rate of value added tax at 15% (14308/05 and 15225/05 ADD1).

The Directive maintains the minimum standard rate of VAT applicable in EU Member States currently in force, that was normally due to expire on 31 December 2005, for a further period long enough to cover the ongoing strategy to simplify and modernise current EU legislation on VAT. The current minimum level of VAT is set at 15% by Directive 77/388/EEC.

The standard rate of VAT is fixed by each Member State as a percentage of the taxable amount and is the same for the supply of all goods and services.

Quality of EU government accounts - Deficit and debt data

The Council adopted a Regulation aimed at improving the quality of government accounts to be used for the application of the EU's excessive deficit procedure (EDP), in particular as regards government deficit and debt data (10524/2/05).

See 15674/05

Taxation of savings income - Exchange of information between Member States *

The Council agreed on the use of a new standard format for the exchange of information as regards the taxation of savings Directive (2003/48CE), to be used by EU Member States from 2008 onwards, and on the use of CCN-Mail 2 as the channel for the exchange of information in 2006 and 2007 (15306/05).

VAT - Germany - Cross-border bridges with Switzerland

The Council adopted Decisions authorising Germany to conclude two agreements with Switzerland that include provisions derogating from EU rules on turnover taxes in order to cover the building and the maintenance of two frontier bridges (14923/05 and 14921/05).

By way of derogation from Directive 77/388/EEC, goods imported from Switzerland into Germany will not be subject to VAT, provided they are used for the building or the maintenance of the bridge across the Rhine between Laufenburg (Baden-Württemberg, Germany) and Laufenburg (Switzerland), and for the maintenance of the bridge across the Wutach between Stühlingen (Baden-Württemberg) and Oberwiesen (Switzerland).

These derogations do not apply to goods imported for the same purposes by a public authority.

GENERAL AFFAIRS

Proceedings in the Council's different configurations

The Council took note of a report from the Presidency on proceedings in the Council's different configurations (15213/05).

INSTITUTIONAL AFFAIRS

Order of the Presidencies of the EU Council *

The Council adopted a Decision establishing the order of the presidencies of the EU Council until June 2018 (15256/05 and 15377/05 ADD1 + ADD2).

The order is as follows:

Austria	January – June	2006
Finland	July – December	2006
Germany	January – June	2007
Portugal	July – December	2007
Slovenia	January – June	2008
France	July – December	2008
Czech Republic	January – June	2009
Sweden	July – December	2009
Spain	January – June	2010
Belgium	July – December	2010
Hungary	January – June	2011
Poland	July – December	2011
Denmark	January – June	2012
Cyprus	July – December	2012
Ireland	January – June	2013
Lithuania	July – December	2013
Greece	January – June	2014
Italy	July – December	2014
Latvia	January – June	2015
Luxembourg	July – December	2015
Netherlands	January – June	2016
Slovakia	July – December	2016
Malta	January – June	2017
United Kingdom	July – December	2017
Estonia	January – June	2018

APPOINTMENTS

Committee of the Regions

The Council adopted a Decision appointing Mr Jean-Claude Van Cauwenberghe, Membre du Parlement wallon, as a member of the Committee of the Regions for the remainder of the term of office, which ends on 25 January 2006.
