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NOTE

from : The future German, Portuguese and Slovenian Presidencies
to : Delegations

Subject : 18-month Programme of the German, Portuguese and Slovenian Presidencies

Delegations will find attached the 18-month Programme endorsed by the GAERC on 11 December 2006, as amended to take into account comments made by delegations and the outcome of the European Council on 14/15 December 2006.

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<p style="text-align: center;">18 MONTH PROGRAMME</p> <p style="text-align: center;">OF THE GERMAN, PORTUGUESE AND SLOVENIAN PRESIDENCIES</p>

INTRODUCTION

This document sets out the combined programme of the German, Portuguese and Slovenian Presidencies covering the period January 2007 to June 2008. It is presented in three parts. The first part contains the strategic framework for the programme, setting it in a wider context, and specifically within the perspective of more long-term objectives running into the subsequent three Presidencies. For this reason, in accordance with the revised Council rules of procedure, the future French, Czech and Swedish Presidencies have been consulted on this section. The second part contains a list of specific priorities for the three Presidencies in each policy area, and the third part is a comprehensive programme setting out the issues which are expected to be covered during the 18 month period.

The three Presidencies will work closely with each other with a view to best achieving the objectives set out in the programme. To this end they will also cooperate with the other institutions of the European Union and in particular with the Commission and the European Parliament on the basis of their respective competences.

PART I

STRATEGIC FRAMEWORK

The European Council meeting of June 2006 agreed on a two-track approach to the development of the Union. This will continue to guide the future Presidencies in their overall strategy. It means that the Union has to be ready to meet the many existing and new challenges facing Europe over the next few years and respond in order to deliver the tangible results that citizens expect. At the same time it has to take forward the reform process in order to ensure that the enlarged Union has the capacity to function effectively.

In March 2007 the Union will commemorate the 50th anniversary of the Treaty of Rome in Berlin. This will be an opportunity for the EU Leaders to reaffirm their commitment to Europe's values and ambitions and confirm their shared commitment to deliver them.

A report will be submitted by the Presidency to the June 2007 European Council containing an assessment of the state of discussions with regard to the Constitutional Treaty and explore possible future developments, as well as set out how this work could be taken forward.

The report will be subsequently examined by the European Council. The outcome of this examination will serve as the basis for further decisions on how to continue the reform process. The future Presidencies are committed to ensuring that the necessary steps to that effect will have been taken during the second half of 2008 at the latest, as agreed by the European Council. This is also important given the need to prepare for the European parliamentary elections, as well as to pave the way for the Commission's mandate in 2009.

Enlargement has brought considerable benefits through its contribution to peace, stability and prosperity in Europe. The next few years will be an opportunity to consolidate the basis of the existing Union of twenty-five (and shortly twenty-seven) Member States. This means ensuring the full integration of Bulgaria and Romania into the Union's structures and taking forward work to ensure that all of the newer Member States have the opportunity to become part of the Schengen area as soon as possible. Likewise, the next few years could see the further enlargement of the euro area as more Member States fulfil the convergence criteria set out in the treaties.

The future Presidencies will work to achieve progress in the accession negotiations already underway, as well as to build on the wider commitments already entered into by the Union. Every effort should be made to protect the cohesion and the effectiveness of the Union. They will also aim at a strengthening of the Union's relations with the countries on its eastern and southern borders, in particular through the mechanism of the European Neighbourhood Policy.

The Presidencies will continue their efforts to strengthen cooperation within the framework of the Northern Dimension as well as with EFTA States and members of the European Economic Area.

Europe can only bring its weight to bear if it is economically powerful. Europe must regain its economic dynamism in order to safeguard growth and jobs in the long term, also against the background of globalisation. A high degree of sustainable coherence and competitiveness in the European Union will be an important factor in helping to secure continued economic growth and more and better jobs. The future Presidencies will attach particular importance to better address the challenges of globalisation while preserving the social dimension of the European Union.

Reviewing the single market will be a priority. The revised Lisbon Strategy for growth and jobs has an ambitious and wide-ranging agenda covering economic, social and environmental objectives, as reflected in the Integrated Guidelines, comprising the Broad Economic Policy Guidelines and the Employment Guidelines. The aim is to exploit synergies and ensure overall coherence between the different policy strands. Its new three year cycle will begin in 2008. Thereafter consideration will need to start on the future of the strategy beyond 2010.

Economic growth can only deliver long-term prosperity if it is sustainable. So the renewed EU Strategy for Sustainable Development adopted in 2006 will remain key to future policy-making. The Strategy itself will be monitored closely throughout this period and followed up on a regular basis. In this context the future Presidencies will give particular emphasis to climate change and to halting biodiversity loss by 2010.

An important aspect of the Union's future prosperity and solidarity is the use of the Union's financial resources. These will be the subject of a full and wide-ranging review by the Commission covering all aspects of expenditure, including the Common Agriculture Policy, and of resources, including the UK rebate, to report in 2008/2009. This review will provide the basis for decisions by the European Council.

The Presidencies aim at pushing forward the process of simplification of existing legislation and will foster efforts towards better regulation and the elimination of unnecessary administrative burdens.

Over the coming years the Union will increasingly be confronted by a number of major challenges. The European Council has decided that it will establish an Energy Policy for Europe in Spring 2007. The implementation of this policy will be a priority over the next few years. It will require a high degree of solidarity amongst the Member States themselves, as well as a high degree of responsibility for each Member State, so that the Union's internal policies are coherent and able to deliver, and the Union is able to speak with a single voice with strategic partner countries. Linked to this will be the issue of climate change, where work will continue within the framework of the United Nations Framework Convention on Climate Change and its Kyoto Protocol with the aim of reaching agreement on the arrangements for 2012 and beyond.

The demographic challenge is well known. Over the next few years this will be a key issue requiring action on a number of fronts. It is an obvious area where, independent of possible action at the Community level, Member States can learn from each other's experiences. The future Presidencies will work closely with each other and with the Commission to examine how best to facilitate this process.

The future Presidencies will focus on developing the area of freedom, security and justice in line with The Hague Programme, and taking into account the outcome of the stocktaking of the Action Plan due by the end of 2006. Particular attention will have to be devoted to the issue of migration, and notably the problems of illegal immigration and trafficking of human beings. This is likely to become an ever more important issue for the Union, as pressure from both the south and east of Europe is set to increase. It will require a coherent approach and a mix of policies, helping tackle some of the problems at source, notably through dialogue with countries of origin and neighbouring countries, but also through closer internal cooperation and stricter controls at the Union's external borders. These policies shall take into account the efforts for a coherent approach to migration and integration policy in the European Union. The internal security of Europe will also be a key objective for the future Presidencies. They will focus on intensifying and consolidating the work on combating terrorism and organized crime.

The future Presidencies will devote special attention to promoting intercultural dialogue in order to foster mutual understanding between people of different background and cultures (complementary with the events which will take place in 2008, the year of intercultural dialogue).

The future Presidencies will ensure that the EU continues to work effectively in support of global peace and stability, in particular through cooperation with the UN. To this end the Union will further develop its external relations with a wide range of countries and multilateral organisations. The future Presidencies will work to ensure that this network of relations becomes more vital and more focussed, in particular where key strategic partners, with meetings at the highest level, are concerned. Work will continue on ensuring that all the external instruments available to the Union are used in a coherent and effective manner. This will help guarantee that the Union is able to respond effectively in conflict prevention, crisis management and post-conflict rehabilitation situations in order to secure peace and stability. The future Presidencies will also contribute to reinforcing the European Union's development policy as a key element of its future external action as a whole.

The future Presidencies will continue to support a rules-based system of international trade and will take forward work on the trade policy agenda, emphasising in this context the urgency of a successful conclusion of the Doha Development Agenda negotiations.

PART II

PRIORITIES

Future of the Union

1. The three Presidencies attach particular priority to the reform process of the EU. The German Presidency will present a report to the European Council during the first half of 2007, based on extensive consultations with the Member States. This report should contain an assessment of the state of discussion with regard to the **Constitutional Treaty** and explore possible future developments. The report will subsequently be examined by the European Council. The outcome of this examination will serve as the basis for further decisions on how to continue the reform process, it being understood that the necessary steps to that effect will have been taken during the second semester of 2008 at the latest.
2. Work following the recent **enlargement** will focus on consolidating the basis of the existing Union of twenty-seven Member States by ensuring the full integration of Bulgaria and Romania into the Union's structures. The three Presidencies will also take forward work on opening the way for all of the newer Member States to become part of the Schengen area as soon as possible and allowing for the further enlargement of the euro area as more Member States fulfil the convergence criteria set out in the treaties.

The three Presidencies will work to achieve progress in the accession negotiations already underway, as well as to build on the wider commitments already entered into by the Union.

The Lisbon Strategy: ensuring its comprehensive implementation in its economic, social and environmental dimensions

Implementing the revised Lisbon Strategy on Growth and Jobs is a key element to strengthen EU competitiveness, job creation and growth in a sound environment. The three Presidencies will work towards this end.

3. The **completion of the Internal Market**, which is key to implementing the Lisbon Strategy, requires continued efforts. Thorough implementation of the National Reform Programmes will also be of crucial importance in the context of the renewed Lisbon Strategy. The three Presidencies will make every effort to advance or conclude work on a number of priority issues. These include the follow-up of the Internal Market Strategy in the first half of 2007 and improving framework conditions for European businesses, in particular SMEs. The liberalisation of the European market for postal services, the revision of the European legal framework for telecommunications and the implementation of the Action Plan on Financial Services are expected to boost economic activity in these specific areas. The further harmonisation of company law, improving the European patent system, the comprehensive revision of community customs legislation through a modernised Customs Code, the ongoing preparatory work for the common consolidated tax base for company taxation as well as the fight against tax evasion and fraud will be other important issues. Priority will also be given to the "new approach" for technical standardisation and mutual recognition on the basis of Commission proposals expected by the end of 2006, to promoting clusters and innovation poles, to public procurement and to the follow-up of the Commission's communication on e-Government. The three Presidencies are determined to make every effort to further promote consumers' interests, to guarantee a high level of consumer protection and to strengthen consumer confidence.
4. The overall aim of an EU industrial policy is to strengthen **competitiveness and the innovation capacity** of European companies and to improve the framework conditions for manufacturing in the EU, especially for SMEs. The three Presidencies will continue to implement the cross-sector and sector-specific industrial policy initiatives announced in the Commission communication of October 2005.
5. As far as **external aspects of competitiveness** are concerned, the three Presidencies will pay particular attention to public procurement markets, to developing an effective legal framework for the protection of intellectual property rights and to trade related aspects as well as to the improvement of market access conditions to third countries.

6. The three Presidencies will continue to promote **financial and economic policies oriented towards growth and stability**. To this end priorities will focus on ensuring the efficient and effective management of economic policy, namely through continuing to apply the Stability and Growth Pact in an economically sound manner, with an increased focus on the long term sustainability of Member States' public finances, and through improving the quality of public finances.
7. **Further developing the European social model, promoting equal opportunities and a European policy of gender mainstreaming**, as well as improving education and training systems will be key objectives. In this area emphasis will be put on addressing the demographic challenge, the intensification of social dialogue, the social impact assessment and the further development of minimal social standards. Health policy plays a crucial role as better prevention and cross-border health care bring direct benefit to European citizens. The three Presidencies consider the implementation of the European Year of Equal Opportunities for All (2007) as a good opportunity to highlight achievements and further work to be done in this area.
8. In the field of **employment**, the evaluation of the 10th anniversary of the European Employment Strategy in 2007 as well as the review of the Employment Guidelines in 2008 will offer the opportunity to identify the elements for the revision of the Employment Strategy.
9. **Better regulation and elimination of unnecessary administrative burdens** will be a cross-cutting priority of the three Presidencies. Building on the initiative of the six preceding Presidencies, they will step up efforts in this area with a clear focus on reducing administrative burdens and costs for SMEs. Pushing forward the process of simplification of existing legislation and making use of comprehensive impact assessments for new legislative proposals will play a key role in this regard. The three Presidencies expect the external evaluation of the impact assessment system and the Commission's proposals for reducing administrative burdens to provide valuable input for making significant progress in this field.

10. **Secure, sustainable and competitive energy supply** will be high on the agenda of the three Presidencies. The centre piece of action in this policy field will be the adoption and implementation of the Energy Action Plan which will address all the aspects ensuring a future-oriented energy policy which is conducive to sustainable development:: continued liberalisation of energy markets, reduction of import dependency and greenhouse gas emissions by improving energy efficiency and strengthening the role of renewable energies, diversification of energy sources and supply routes as well as the intensification and diversification of external relations in the field of energy.

11. **Promoting research, knowledge and innovation** is key to stimulating growth, competitiveness and creating jobs. The three Presidencies will strive for an innovative Europe. The implementation of the 7th Framework Programme for Research and the Programme for Lifelong Learning will play a crucial role in this regard. Particular attention will also be paid to basic research with regard to application. The establishment of the European Institute of Technology and the elaboration of a European Space Policy could contribute to promoting cutting-edge technology in the EU. Other priorities for the three Presidencies will be to promote the role of universities in this area and the enhancement of human resources dedicated to science and technology as well as to reinforce international cooperation in science and technology.

12. The **protection of the environment** will be another priority concern where the three Presidencies will dedicate considerable effort to developing a EU position with a view to a balanced and fair post-2012 regime in line with the EU's objective to limit the temperature increase to 2 degrees above pre-industrial levels. In this context, the further development of the European Climate Change Programme and its mitigation measures across sectors and the emission trading scheme will be of the utmost importance. The protection and sustainable use of biodiversity both in the light of the 9th Conference of the Parties of the Convention on Biological Diversity and through incorporating biodiversity decisions into the market ("business and biodiversity") will also be high on the agenda of the Presidencies. The follow-up to the Commission report on water policy, with a particular focus on water scarcity and drought and further improvements of air quality and waste policy will be other important priorities.

13. The three Presidencies will pay particular attention to the **development of an integrated maritime policy** which aims at enhancing positive synergies between the various policy fields concerned.

Strengthening the area of freedom, security and justice

14. A particular priority during this period will be **asylum and immigration policy**. Apart from the strengthening of cooperation between asylum services and the evaluation of the first phase of asylum legislation, the three Presidencies will implement the Global Approach to Migration. This includes extending and deepening the dialogue between countries of origin, transit and destination and negotiating effective readmission agreements, as well as ensuring proper follow-up to the Commission report on legal migration within a coherent approach to migration and integration policy in the European Union.
15. A high priority will also be given to the **effective protection of the Union's external borders** through the implementation of SIS II and the extension of the Schengen area, the strengthening of FRONTEX and the implementation of the Visa Information System. The three Presidencies will continue to implement the action plans under the **Counter-Terrorism Strategy**.
16. On **police cooperation**, a high priority will be given to strengthening Europol and further developing the EU information system. In the fight against international organised crime, emphasis should be placed on the trafficking of human beings. Work in the area of **judicial cooperation** will focus on the removal of obstacles to cross-border activities and on making progress on the mutual recognition of judicial decisions. A particular priority will be the development of a **European Civil Protection Policy**, whilst respecting the responsibilities of Member States. The **external relations** aspects of Justice and Home Affairs will also be developed and strengthened.

Enhancing the external role of the EU in the areas of security, development and economic relations

17. The three Presidencies will work to ensure the continued development of a **European area of security and stability**.

They will continue to develop the European perspective of the countries of the Western Balkans in particular through a further development of the Stabilisation and Association process.

Relations with the Union's neighbours to the east and the south will also be strengthened: this will be achieved through an enhancement of the mechanisms of the ENP and developing cooperation in the economic, cultural and social areas with the partners of the Barcelona Process.

Efforts will continue to be devoted to helping to solve the Middle East Crisis.

Strengthening the strategic partnership with Russia will constitute a priority for the three Presidencies, as will work to intensify relations with Central Asia.

18. The development of **ESDP** will continue through further work on military and civilian capabilities and effective civil-military coordination.
19. The three Presidencies attach particular importance to strengthening **transatlantic relations** as well as with other strategic partners such as **Japan, China, India** and **ASEAN**. They will prepare the 2nd EU-**Africa** summit, expected to take place under the Portuguese Presidency, with the goal of developing relations with African. They will also hold an EU-**Latin America** and Caribbean summit under the Slovenian Presidency.

20. A key priority will be the strengthening of **trade** relations in the light of the outcome of the Doha Round, and continuing work on the integration of the ACP countries into the world economy. The conclusion of the Economic Partnership Agreements as conducive tools for development will be high on the agenda.

Work will also focus on improving policy coherence in the interest of **development**. There will be continued effort to achieve better complementarity between donors.

21. The future Presidencies will work on improving cooperation between the EU and **international organisations**, in particular the **UN** and **NATO**.

PART III

COMPREHENSIVE PROGRAMME

DEVELOPMENT OF THE UNION

The Constitutional Treaty

1. The three Presidencies will take forward the two-track approach agreed at the June 2006 European Council. This means focussing on the one hand on making best use of the possibilities offered by the existing treaties in order to deliver concrete results that citizens expect, and on the other hand, to take forward work on the basis of the mandate set by the European Council. In particular, the German Presidency will during the first half of 2007 present a report to the European Council, based on extensive consultations with the Member States and containing an assessment of the state of discussions with regard to the Constitutional Treaty and exploring possible future developments. The report will subsequently be examined by the European Council. The outcome of this examination will serve as the basis for further decisions on how to continue the reform process. The Portuguese and Slovenian Presidencies will assume responsibility in this regard, it being understood that the necessary steps will have been taken during the second half of 2008 at the latest.
2. In March 2007 the Union will commemorate the 50th anniversary of the Treaty of Rome. This will be an opportunity for the EU leaders to reaffirm their commitment to Europe's values and ambitions and confirm their shared commitment to deliver them.

Enlargement

3. The three Presidencies will actively work to ensure the full integration of Bulgaria and Romania into the Union's structures from their date of accession.

4. The three Presidencies will pursue the enlargement process in line with the enlargement strategy decided by the European Council of 14/15 December.
5. The Union's existing commitments to the process of enlargement will be fully respected. In particular, the accession negotiations with Turkey and Croatia will continue in accordance with the provisions set out in the negotiating frameworks and the Council conclusions of 11 December 2006. The Presidencies will ensure that there is close monitoring of progress in all areas, in particular as regards respect for the Copenhagen criteria.
6. Progress by the former Yugoslav Republic of Macedonia in meeting the various commitments and conditions required in order to open accession negotiations will be closely monitored. Any decision to begin negotiations will depend on the results of this process, which will be supported by the European Union.

Schengen Area

7. The three Presidencies will also take forward work on opening the way for all of the newer Member States to become part of the Schengen area as soon as possible.

Enlarging the Euro Area

8. Slovenia joins the Euro area on 1 January 2007. Thereafter some Member States might apply for membership of the **European Exchange Rate Mechanism II**, while others could fulfil the requirements for the **adoption of the euro**. The three Presidencies will ensure a thorough appraisal by the Council of any such cases and in particular of any convergence reports by the Commission and the European Central Bank on the basis of the criteria set out in the European Community Treaty, including those relating to stable macroeconomic developments and a high degree of sustainable convergence.

GENERAL ECONOMIC CONTEXT/POLICY COORDINATION

Improved economic policy coordination

9. Sleek and well-mapped-out multilateral surveillance processes are essential for efficient fiscal and economic policy coordination among the Member States. The three Presidencies will accordingly seek to streamline both **budgetary surveillance** and the **assessment of stability and convergence programmes**. Together with effective Broad Economic Policy Guidelines, including country-specific recommendations, these policy instruments must be aimed at promoting stable economic development in all Member States and at achieving a high degree of coherence, particularly in Member States of the Euro area. In this context, the quality of statistics should continue to be an important issue.

Quality of Public Finance

10. The three Presidencies also want to set the stage for a **qualitative improvement of public finances**. Globalisation and demographic developments require Member States and the European Union as a whole to rethink how public money is spent and how best to achieve long-term economic and fiscal sustainability. The quality of public finances in national and EU policy making is key to contributing to growth and employment in line with the Lisbon strategy. The three Presidencies will therefore encourage a debate on **public expenditure**, with a view to enhancing education, innovation, and productivity. In so doing, they will seek to promote an exchange of information as well as to identify best practices, including measuring public expenditure efficiency. In this context, the Presidencies will also explore ways to further **modernise public administrations** so as to foster solid economic performance, budgetary discipline and sound financial management in Member States and in the European Union.

Stability and Growth Pact

11. The three Presidencies will also ensure that the revised Stability and Growth Pact continues to be applied in an economically sound manner, both with regard to the excessive deficit procedures and in the area of deficit prevention, with an increased focus on the **long-term sustainability of Member States' public finances**.

GROWTH AND JOBS

Implementation of National Reform Programmes

12. In March 2005, the European Council reinvigorated the Lisbon Strategy by setting its priorities to foster sustainable growth and jobs in order to cope with challenges arising from ageing populations and the rapid pace of globalisation. To guarantee a high level of commitment, national ownership has been made the main element of the new governance process. This ownership takes the material form of the National Reform Programmes submitted by Member States.

In 2007 the first governance cycle of the revised Lisbon Strategy will end. Member States' second implementation reports on their National Reform Programmes are to be submitted in Autumn 2007. As these reports will be key to updating the Broad Economic Policy Guidelines and Employment Guidelines, and for defining country-specific recommendations, the three Presidencies will prepare the Council to appraise them proficiently and draw conclusions to be adopted by the Spring European Council in 2008.

The new three-year cycle of the Lisbon Strategy (2008-2010)

13. The new cycle will start in January 2008, with the Commission delivering its Strategic Report. This will be examined by the relevant Council configurations and discussed by the 2008 Spring European Council, taking into account the evaluation of the implementation of the National Reform Programmes and the horizontal conclusions. Based on a Commission proposal, the Integrated Guidelines for the new cycle, including country-specific recommendations, will then be formally adopted in June 2008.

The three Presidencies will seek to promote the appropriate initiatives in order to contribute to the evaluation and preparation of the review of the renewed Lisbon Strategy and closely cooperate to ensure a smooth transition from the first to the second cycle.

SUSTAINABLE DEVELOPMENT

Sustainable Development Strategy

14. The Council will closely monitor the implementation of the EU Strategy for Sustainable Development as renewed in 2006. According to the new governance cycle, the Commission will present its first progress report on SDS, including future priorities and actions, based on a set of sustainable development indicators, in Autumn 2007. The Presidencies will ensure comprehensive discussions in the Council on progress made, on the basis of which the European Council in December 2007 will provide general orientations on policies, strategies and instruments for sustainable development, taking into account priorities and synergies, including in the context of the Lisbon Strategy for growth and jobs.
- At the global level work will continue in particular in the context of the preparation of the EU position for the meetings of the UN Commission on Sustainable Development.

Green Paper on Maritime Policy

15. Building on the work conducted by the Finnish Presidency, the three Presidencies will ensure a broad discussion on the Green Paper and on the proposals resulting from the consultation process which the Commission is expected to present in Autumn 2007. Important contributions to the consultation process and following processes will be the organisation of high-level conferences in May and October 2007. They fully subscribe to the aim of developing an integrated maritime policy on the different levels of action which covers all sea-based economic activities, fosters scientific knowledge, growth and employment and, taking into account an ecosystemic approach, strikes a right balance between economic, environmental and social aspects.

RESEARCH, KNOWLEDGE AND INNOVATION

Research

16. The three Presidencies attach great importance to research activities which are a key element to ensure EU competitiveness. Priority will therefore be given to ensure a timely start and the successful implementation of the 7th Framework Programme for Research and Technological Development as well as the launch of the activities of the European Research Council. Inaugural events will be organised in the first semester of 2007 for the 7th FP and the European Research Council as well as specialised conferences on specific themes of the new FP (nanotechnology, sustainability, biotechnology, research infrastructure, security research, humanities and social sciences). The Presidencies will pay due attention to work linked directly or indirectly to the Framework Programme, such as the analysis of the results achieved by the implementation of the 6th Framework Programme, analysis of the progress of the 7th FP with regard to its first year of implementation and preparatory work on the mid-term review of the work of the European Research Council. Programmes to be undertaken by some Member States with Community support under Article 169 of the Treaty as well as envisaged Commission proposals for Joint Technology Initiatives will be examined.

Other strategic topics to be addressed are: establishment of the European Institute of Technology, preparing the start of the construction of ITER, development of the European Space Policy.

17. The Presidencies will endeavour to foster a better environment and better conditions for research activities, by addressing issues such as: achieving the 3% target for investment in research; practical advice for new Member States on financing research infrastructure by combining resources from the Structural Fund and the 7th FRP; improvement of knowledge transfer with regard to the application of research; reinforcement of human resources in science and technology; promoting scientific and technological education and culture; encouraging the international dimension of research and technological development; enhancing the role of universities and the mobility and career development of researchers.

Innovation

18. The three Presidencies will take up the integrated Innovation Policy Initiative launched by the Finnish Presidency on the basis of the Commission's umbrella communication, to be followed by initiatives on innovation specific issues, and guidance from the informal meeting of Heads of State or Government at Lahti, and will make every effort to promote innovation in a horizontal manner, including a balance approach between supply and demand. The implementation of the Competitiveness and Innovation Framework Programme (CIP), which brings together Community measures in the fields of entrepreneurship, SMEs, competitiveness, innovation, including non-technological and eco-innovation, information and communication technologies (ICT) and intelligent energy will play an important role in this regard. The Council will examine how the financing of innovation might be improved. The development of regional innovation clusters into world-class innovation centres will be pursued. The objective of an EIT is both to provide an "innovation flagship" and to act as a valuable coordinator in a network of autonomous knowledge and innovation communities. The potential for developing lead markets for innovative products and services needs to be explored and tapped. Particular focus will be given to promoting innovative environmental, pharmaceutical, bio- and nano- and medical technologies as an important stimulus for innovation and employment. Improving the protection of intellectual property rights is an important task for creating a more innovation-friendly business climate.

Education

19. Education and training policies can have a significant positive impact on economic and social outcomes, including sustainable development and social cohesion, in the framework of the Lisbon Strategy.
20. The three Presidencies will actively take forward ongoing work but also take a number of new initiatives in the fields of education and training. The Joint Interim Report of the Commission and the Council on the implementation of the "Education and Training 2010" Work Programme will be prepared in 2007 with a view to its submission to the Spring European Council in 2008; the key messages flowing from this report should indicate fundamental political orientations for the development of this process beyond 2010.

21. The Presidencies will attach considerable importance to the launching of the Community Action Programme in the field of lifelong learning and they will be attentive to a smooth running of this programme, which constitutes a major platform for cooperation and support in the field of education, within the framework of the "Education and Training 2010" Work Programme, with particular emphasis on its three Strategic Objectives and concerning a lifelong learning strategy.
In relation to this, the results achieved by the implementation of the "Socrates" and "Leonardo da Vinci" Community Programmes will be evaluated.
22. The Presidencies recognise increasing both the mobility of learners and workers and the transparency and comparability of national education systems as major objectives. In this context, the Presidencies will strive towards the adoption of the Recommendation on the European Qualifications Framework and take forward the work in the field of vocational education and training e.g. by promoting the work for a European Credit transfer system for Vocational, Education and Training (ECVET)
23. Further issues to be addressed include aspects of lifelong learning (pre-primary and school education, teacher training, adult education and languages) as well as the development of indicators and the promotion of research in the field of education and training.
24. The modernisation of Higher Education will also be an important topic on the agenda. The Commission will publish at the beginning of 2007 a report on progress made in higher education reform. The Presidencies will support further development of the Bologna Process by contributing to the preparation and the follow-up of the ministerial conference, in order to achieve further progress in the priority fields, i.e. the degree system, quality assurance and recognition. Higher education mobility will be the subject of special emphasis through the celebration in 2007 of the 20th anniversary of the "Erasmus" programme.

25. Finally, the Presidencies will attach great importance to the promotion of multiculturalism and integration in the context of EU action in the field of education. In connection with the activities in the framework of the European Year of Intercultural Dialogue (2008), special attention will be given to the role of multilingualism in fostering multicultural understanding and communication.

Telecommunications and Information Society

26. The main focus will be on the revision of the regulatory framework for telecommunications on the basis of a Commission proposal expected at the beginning of 2007. The work on the proposal on international roaming charges will probably be finalised during the first half of 2007. Other important issues the three Presidencies will address are the transition from analogue to digital broadcasting, the radio spectrum policy and the extension of the scope of universal services.
27. The three Presidencies will seek furthermore to begin and finalise work on the forthcoming proposal for a Directive on the full accomplishment of the Internal Market for postal services.
28. Concerning the **Information Society**, the three Presidencies, in cooperation with the Commission, will prepare an Action Plan on eInclusion and will follow up the i2010 Strategic Framework, the Action Plan on eGovernment, the Directive on the re-use of public sector information, the eContent Plus Programme and the Safer Internet Plus Programme and e-Health. Other key concerns to be dealt with are the introduction of an EU wide emergency call number, the Strategy for a secure Information Society and the problem of SPAM messages. Following the Commission Communication concerning the evaluation of the European Network and Information Security Agency (ENISA), foreseen for Spring 2007, the three Presidencies will take forward the discussion about ENISA's future mandate and new legal base.
29. At the international level and in particular in the framework of the World Summit on Information Society the three Presidencies will continue to monitor the implementation and follow-up of the commitments undertaken in Tunis in November 2005, in particular with regard to Internet Governance.

COMPETITIVENESS

30. The Presidencies will actively promote all measures and initiatives – internal and external – which contribute to improving and securing European competitiveness within the framework of an enlarged Union and in an increasingly globalised context.

Internal Market

31. The Presidencies will take further steps towards completing the Internal Market, in order to ensure that it functions smoothly on a level playing field. The Commission's Communication on the Single Market Policy Review, including the new Single Market Strategy, due to be presented in the first half of 2007, will provide an important basis for this work. In the field of free movement of goods, the issues of standardisation, the revision of the new approach and the area of mutual recognition will be addressed and work on the forthcoming proposals, the review of construction products Directive, the electrical safety Directive, the Directive on recreational craft and the GHS (globally harmonised system on the classification and labelling of chemicals) will be taken forward. As far as the construction products Directive (89/106/EEC) is concerned, the three Presidencies will pursue work intended to ensure its uniform transposition and application in order to enhance the effectiveness and quality of the European rules in this area. In the area of public procurement, they will seek to conclude work on the proposal for a revision of the public procurement remedies Directive and the proposals for public and private partnerships and defence public procurement.
32. The three Presidencies will seek to make progress towards the creation of an effective legal framework for EU-based companies for the protection of **intellectual property rights**. They will strive to make progress on an affordable, secure and efficient patent system, including a possible single pan-European dispute resolution system for patents. Work on criminal law protection of such rights will also be taken forward.

Better Regulation

33. The three Presidencies consider better regulation to be a key element in enhancing competitiveness of European businesses and in eliminating unnecessary administrative costs and are therefore committed to take forward and to develop further the six Presidency initiative on better regulation (2004-2006).

They intend to accelerate, wherever possible the ongoing process of simplifying existing Community legislation, to further identify priorities in this field and to give more visibility to the process. The overarching aim is to significantly reduce unnecessary administrative burdens, in particular with special attention to SMEs. Simplification of legislation at national level will also be addressed by launching initiatives to identify and promote the exchange of best practices in Member States.

An issue of major importance will be the development of a consistent methodology to measure administrative burdens which will allow for setting targets and monitoring.

The three Presidencies will make systematic use of impact assessments evaluating the burden on businesses as well as the social and environmental impact of proposed legislation. They look forward in this context to the external evaluation of the Commission's impact assessment system which is expected to be available in the first half of 2007.

The three Presidencies will continue to raise awareness on coordinating, monitoring, improving and pushing forward the process of achieving better regulation.

Statistics

34. The three Presidencies will strive for the provision of high quality, reliable and relevant official statistical information taking into account the principles of the European Statistics Code of Practice. Against the background of the efforts to achieve better regulation and the reduction of EU administrative burdens in general, and in view of the limited resources, the regulatory burden on respondents and national statistical authorities and emerging new data needs in particular, the three Presidencies will aim at playing a strong coordination role in the area of priority setting, cost-transparency and cost-effectiveness.

Competition Policy

35. The three Presidencies will continue work on the State Aid Action Plan, in particular by addressing the expected proposals concerning the procedural Regulation (Council Regulation (EC) No 659/1999) and the enabling Regulation (Council Regulation (EC) No 994/98).

Industrial Policy

36. The overall aim of an EU industrial policy is to strengthen competitiveness and the innovation capacity of European companies and to improve the framework conditions for manufacturing in the EU, especially for SMEs. The Presidencies will continue to implement the cross-sector and sector-specific industrial policy initiatives announced in the Commission communication of October 2005. In this context, the Council will address in 2007 in particular the follow up of the Commission Communication on a competitive automotive regulatory framework, the mid-term review of life sciences and biotechnology strategy and action plan, the communication on raw materials, the report on the competitiveness of the ICT industry, the report on shipbuilding, European Space Policy and the Communication on defence and the mid-term review on industrial policy. Due attention will also be given to the Commission communication addressing specific sectors such as textiles and engineering; in this context, there will be an evaluation, in the second half of 2007, of progress on implementing the EU strategy for the textile sector.

SMEs

37. The revised Lisbon Strategy highlights the key role small and medium-sized enterprises play for growth and employment. The Presidencies will make every effort to contribute to making the "Think Small First" principle a guiding principle in all relevant legislation and to explore possibilities to improve the operating conditions for SMEs. This also includes endeavours to facilitate the access for SMEs to relevant Community programmes such as the 7th Research Framework Programme and the Competitiveness and Innovation Framework Programme. The Presidencies will work on the midterm review of a modern SME policy and its follow-up.

Financial services

38. Making marked progress on the EU Strategy for an integrated European market for financial services for 2005-2010 will be a priority. Progress in this area will facilitate cross-border activities, enhance the efficiency and competitiveness of the financial sector and, as a consequence, improve overall investment conditions in the European Union, while ensuring adequate consumer protection and financial stability. In this context, the three Presidencies will **pursue work to further improve the financial stability framework and the efficiency of crisis-management arrangements.**
39. While implementing the Financial Services Action Plan in full, they will dedicate their attention to **deepening market integration in retail financial services** and to developing further the investment fund market in line with the Commission's White Paper. They will also conduct the upcoming **review of the Lamfalussy framework** and continue the evolutionary approach towards further regulatory convergence of financial market supervision.
- Based on a forthcoming proposal from the Commission, the three Presidencies will seek to reach agreement on the wide-ranging **review of the insurance directives (Solvency II)**, with the aim of bolstering the financial health and stability of insurance companies and ultimately improve protection for the policy holders and beneficiaries in the European Union. With a particular view to facilitating financial transactions between Member States, they will step up efforts to **complete a single and efficient European Union Payment System.**

Taxation

40. The three Presidencies propose to advance work on taxation in the European Union in order to increase transparency and simplicity and reduce administrative and compliance costs, thus improving the business environment in the Internal Market and the competitiveness of the European economy as a whole, without putting tax revenues at risk. The three Presidencies will therefore promote the modernisation and simplification of value added taxes and excise duties common rules. The Presidencies will make a particular effort to step up the fight against fraud in the European Union. The three Presidencies will continue as well the work on the common consolidated corporate tax base.

Company law

41. The Presidencies will continue the work towards further harmonisation in the area of company law and corporate governance. Work on the Directives on cross-border transfers of company seats and on shareholders' rights is expected to be finalised not later than in the first half of 2008.

The Council will also start work on legislative proposals as envisaged by the Commission for the period 2006-2008 in its Communication on Modernising Company Law and Enhancing Corporate Governance, concerning corporate governance, groups of companies, abusive pyramids, simplification of the 3rd and 6th Directives, disclosure rules and a European Private Company.

Customs

42. The first priority in this area will be to finalise work on the proposal for a Modernized Community Customs Code and on the proposal on e-Customs aiming at creating a standardised electronic environment for customs administrations and trade.

Further issues to be addressed by the Council will be the amendment of Council Regulation No 515/97 on mutual assistance to ensure the correct application of the law on customs and agricultural matters as well as the future role of customs.

Tourism

43. The main aim of this policy is to create more and better jobs through the sustainable growth of tourism in Europe and to contribute to improving the competitiveness of the European tourism industry. In this context the Presidencies will pay particular attention to the forthcoming Commission proposal for a European Agenda 21 for Tourism, expected in the second half of 2007.

Germany will organize a conference of EU tourism ministers in May 2007. During the same year the annual European Tourism Forum will be hosted by Portugal. The Forum will offer the opportunity to promote good and innovative practices in the area of tourism, essential for the differentiation and attractiveness of European destinations, possibly through the creation of a "European destinations of excellence" award.

ENERGY

44. The three Presidencies will make every effort to further develop a comprehensive, coherent and consistent energy policy for Europe, based on the European Council conclusions of March and June 2006 and the Commission energy package to be tabled at the beginning of 2007, aimed at achieving the EU three core objectives of sustainability, competitiveness and security of supply. On that basis the Council should be able to review the contributions of all energy sources as well as well as of increased energy efficiency, to these three objectives and will give priority to the elaboration and adoption by the Spring European Council 2007 of a prioritised Action Plan contributing to these objectives. This Action Plan will be developed against the backdrop of a systematic analysis of the long term perspective for supply and demand with a view to drawing up strategic conclusions.

45. The EU's external relations in the field of energy will be intensified, by strengthening in particular dialogue between the main producer, transit and consumer countries focusing on security of supply as well as reduction of energy demand by enhancing energy efficiency and promoting renewable energies. The High Representative and the Commission will work closely together on this important issue and duly involve the Member States. Enhanced dialogue with Algeria and Norway will be particularly relevant while special importance will be attached to the making the EU-Russia energy dialogue more effective, including in the framework of the successor to the PCA. Successful implementation of the Treaty establishing the Energy Community, thereby constituting an internal market with the countries of Southeast Europe, is important, as well as deepening energy relations with the Mediterranean Partners.
46. The full opening of the gas and electricity energy markets in July 2007 needs to be accompanied by the improvement of interconnection and better coordination between regulators as well as for the management of the network. A Priority Interconnection and Infrastructure Plan should be adopted, supporting the interconnections required by the Internal Market as well as the development of new supply routes in line with the EU's diversification strategy.
47. Improving energy efficiency through the implementation of an energy efficiency action plan, with a particular focus on buildings, transport and household appliances, and stimulating innovation, research and development in low-emission technologies within the 7th FPR will be strategic elements of an EU energy policy, also contributing to the competitiveness and export potential of European industry.
48. Bearing in mind the Strategy for Sustainable Development in 2006, the promotion of the whole range of renewable energies such as biomass and biofuels, including the implementation of existing targets and the development of medium- and long-term targets, will be another priority of the three Presidencies.

49. Promoting low emission technologies, renewable energies and energy efficiency as conducive to sustainable development in the framework of development cooperation will also be an objective of the Presidencies.
50. Regarding nuclear energy, the consultation process facilitating the choice of instrument(s) that can contribute more effectively to achieving nuclear safety and the safe management of waste will be brought to a conclusion.

TRANSPORT

51. A strong, sustainable and innovative transport sector that brings about efficient traffic flows is an important component of the efforts to achieve the Lisbon goals. The three Presidencies will hold an exchange of views in the Council to identify measures required in this context.

Maritime and inland water transport

52. Work on the different proposals under the Third Maritime Safety Package will be taken forward.

Depending on preliminary work done by the Commission, new dossiers may need to be taken up, e.g. follow-up to mid-term review of short sea shipping, the White Paper on common European maritime space, rights of passengers on board ship and maritime employment. The Portuguese Presidency will hold an informal meeting on the important issue of the development of the Motorways of the Sea and logistics to achieve a more balanced and sustainable transport modal split.

53. Depending on the tabling of proposals by the Commission, the European Action Programme for Inland Waterway Transport (NAIADES) will be implemented by means of concrete measures, thereby enhancing the competitiveness of inland waterway transport in Europe. Efforts will be pursued with a view to strengthening the role of the European Community and its Member States in international fora and in particular in the IMO by means of better coordination.

Land transport

54. As far as **rail transport** is concerned, the adoption of the remaining legislative instruments of the 3rd Railway Package (Common Position adopted by the Council on 24 July 2006) will constitute a major step towards the **realisation of the Single European Railway Area**. The focus will be on the standardised train driver's licence, together with the opening-up of the rail freight market (which has already taken place) and the forthcoming opening-up of the market for passenger services. The draft Regulation on passenger rights should also be brought to a conclusion.
55. The measures announced regarding the optimised use of the rail freight network and the simplification of certification procedures will complement the measures of the 3rd Railway Package. In particular, the relative importance and the standing of rail freight needs to be improved. There is a need to ensure the interoperability of the networks, particularly in the field of technical standardisation, as well as to simplify procedures for the certification of locomotives. Further details will be available once the Commission has presented its communications.
- With regard to **road transport**, urban transport should be made more efficient and environmentally friendly. The focus will be on dealing with the Commission Green Paper on Urban Transport, announced for 2007, and developing appropriate implementation measures, which will also be of importance for integrated urban development. The Regulation on public passenger transport services must be finally agreed.
56. **Safety, economic efficiency and environment friendliness in the passenger car and heavy goods vehicle sector** are priorities in road transport policy. The three Presidencies will thus address a range of harmonisation measures and actively implement the European Road Safety Action Programme. This includes retrofitting heavy goods vehicles with blind spot mirrors. In the field of **e-safety**, a framework favouring key technologies will be discussed, and technical and legal aspects with regard to legislative measures by the EC should be concretised. The following issues will also be taken into account: traffic information systems; driver assistance systems and the law; designing the human-machine interface in vehicles; and e-call (automatic emergency call).

Aviation

57. In the air transport sector, the three Presidencies will use its best efforts to secure the international competitiveness of the European aviation industry. In this context, the main priority is to focus on the **external relations** in particular on relations with the United States. Community coordination for the ICAO Assembly which will take place in Autumn 2007 will be carefully prepared, since that meeting is expected to be a privileged forum for debating measures aimed at reducing the gaseous emissions impact of international civil aviation. To improve **aviation safety**, the Council will pursue the examination of the proposal amending the Regulation on establishing common rules in the field of civil aviation and creating a European Aviation Safety Agency (EASA). The German Presidency's intention is to adopt the Regulation as soon as possible. In the light of actual developments, **aviation security** will be also given priority treatment by the three Presidencies.
58. As far as **regulation of airports** is concerned, the Presidencies will give consideration to the 'airport package' which is announced to be adopted by the Commission in December 2006. This package comprises a proposal on charging for use of airport infrastructure and a communication concerning airports' capacities. In this context the Presidencies will also examine a report by the Commission on the implementation and effects of the directive on ground handling services.

59. As far as **liberalisation of aviation market access** is concerned, the Council will examine the Commission proposal on the review of the 3rd liberalisation package, which includes further liberalisation, simplification of rules as well as healthier competition in the aviation sector (consolidation of Regulations 2407/92, 2408/92 and 2409/92).
60. **SESAR (Single European Sky Air Traffic Management Research)** is the conceptual and technological component of the regulatory framework of the Single European Sky (SES). SESAR is the only way in which it will be possible to enable air navigation services to meet the capacity requirements resulting from the growing volume of air traffic while maintaining safety levels. Following the adoption of the Regulation setting up the Joint Undertaking, the German Presidency will seek political support for the definition phase through Council conclusions, which will then be implemented under the subsequent Presidencies.

Horizontal issues

61. On the basis of the Commission Communication entitled "Freight Transport Logistics in Europe – the key to sustainable mobility" of June 2006, a coherent approach will be formulated as the basis for an action plan on freight transport logistics.

Intermodal issues

62. Work on developing **Galileo** is to be continued, with particular emphasis on carrying forward the concession negotiations. The results of the negotiations with the concessionaire, as well as the final phase of setting up GALILEO's satellite system and its ground stations will be closely monitored, along with the preparation for the exploitation phase and the introduction of EGNOS. In addition, the Commission Green Paper on Galileo applications, cooperation with third countries and the policy for access to the public regulated service will also be on the agenda. Finally, the gradual establishment of the GNSS Supervisory Authority is to be advanced and a decision on where the authority is to be based will have to be taken in due course.

63. Alongside Galileo, **GMES** (Global Monitoring for Environment and Security) is the second significant space initiative in Europe and a major driver of innovation. GMES represents Europe's major contribution to the Global Earth Observation System of Systems (GEOSS). Under the German Presidency, political support will be given to the formal launch, with the subsequent Presidencies giving priority to its implementation.

EMPLOYMENT

Employment

64. The 10th anniversary of the **European Strategy for Employment** in 2007 as well as the review of the **Employment Guidelines** in 2008 in the context of the Lisbon Strategy will offer the opportunity to explore how to further strengthen the social dimension of the revised Employment Strategy while ensuring close links between existing processes under the open method of coordination (OMC) and the revised Lisbon Strategy. In this context the three Presidencies envisage that three main issues should be addressed. Firstly, the promotion of the concept of flexicurity in order to achieve a good balance between flexibility on the one hand and security on the other; it will be of great importance to develop a broad but clearly defined approach on flexicurity with a careful balance between the four pillars of labour laws and industrial relations, security, active labour market policies and lifelong learning. Secondly, as a follow-up to the Youth Pact, particular attention should be paid to young people, with particular emphasis on facilitating the transition from school to work and on strengthening the link between education and the labour market; the use of European financial instruments, in particular the European Social Fund, will be of crucial importance in this regard. Thirdly, lifelong learning, a good quality of work for all and improving the integration of older people in the labour market are necessary for European workers to have healthier and more productive working lives and to make active ageing at the end of their working career possible.

65. Finally, the three Presidencies are convinced that there is a need, in general, to improve the process of learning from each other within the framework of the employment strategy and the open method of coordination. These instruments have not been sufficiently exploited so far and their efficiency should be improved. The new streamlined procedure should be used to avoid a bureaucratisation of the process and facilitate the interlink between experts and practitioners. The involvement and information of social partners and civil society will also need to be improved.
66. The exchange of information and experiences on integration of young and older people into the labour market and on the employment of disabled people will be intensified and the " European Year of Equal Opportunities for all" (2007) could be used to raise awareness on issues related to equal opportunities in the labour market.

Labour law

67. The three Presidencies will ensure continuity in the development of a modern, social and sustainable labour law at the level of the European Union. In this context special attention will be given to the follow-up to the Commission Communication on the Community strategy on health and safety at work as well as to the Green Paper on the future of labour law.

Existing Directives on safety at work and workers' protection will be evaluated and, on the basis of Commission proposals, amended or codified.

SOCIAL POLICY, HEALTH AND CONSUMERS

Social Policy

68. The overarching aims of the three Presidencies will be to strengthen the European social model as an integral part of the Lisbon Strategy, thus improving its visibility and enhancing the acceptance of the EU, and to ensure the sustainability of social protection systems. Within these parameters, the following issues will be addressed in particular: further work on the combination of working flexibility with social protection and employment security ("flexicurity"); a better reconciliation between work, family and private life; an adequate infrastructure for child-care, support for older people and people with disabilities; the challenges arising from demographic trends and changes, in particular the ageing of our societies and low birth rates; the promotion of social inclusion and the fight against poverty as a distinctive mark of the European project.
69. The discussion concerning the future of social services in an increasingly liberalised internal market will also form a part of the social political debate on the EU level in the years to come. Following up on the current communication of the European Commission will require close cooperation between the incoming Presidencies.
70. Concerning the coordination of social insurance systems and retirement provision, the three Presidencies will intensify work on the pensions portability Directive and regularly up-date the Regulation on the coordination of social security schemes.

Youth

71. The implementation of the European Pact for Youth and the Commission Communication on European policies concerning youth of June 2005 will be the main bases for developing initiatives and policies for young people. The 2007 and 2008 Spring European Councils will take stock of the implementing measures and provide future orientations for the Youth Pact. The Presidencies will promote the social participation and professional integration of young people. For the implementation of this priority they will work on questions related to the provision of equal opportunities for all young people, fostering their entrepreneurship and voluntary engagement and the promotion of diversity as well as intercultural dialogue among young people. In these areas the exchange of good practices and a better knowledge and understanding of youth are crucial. The evaluation of the results of the Youth Programme 2000-2006 and the successful launch of the new "Youth in Action" Programme (2007-2013) will be of major importance for further developing a European Youth Policy.

Demographic Change

72. All the Member States are confronted with major demographic and hence social and economic changes. Rising life expectancy and low birth rates have implications for the state, the society, men and women, young and older people as well as families. Demographic change confronts Member States with a complex set of interrelated challenges. However, it also brings opportunities for everyone. A positive response is required, by addressing the opportunities and challenges, the necessary policy measures and other actions as well as the principles for reform.

73. A better reconciliation between work, **family** and private life as well as an adequate child-care infrastructure are part of the Lisbon Strategy and part of a sustainable family friendly policy. The three Presidencies are convinced that in the context of the demographic change in Europe, families, in all their diversity, and birth-friendly policies are priorities. Hence the need to raise awareness and to intensify the exchange of views and experience on family-friendly policies. In doing so, however, it needs to be borne in mind that family policies are essentially a matter of national competence with significantly different approaches in the Member States. In order to achieve the Presidencies' aims, the emphasis must be put on establishing learning partnerships and learning from the wide plurality of approaches across Member States. Against this shared background, the German Presidency will work toward making family friendliness a trademark of the European Union. In this context, it will propose to establish an "alliance for families" in the EU serving as a platform for the exchange of views and knowledge on family friendly policies that helps to strengthen families in all regions of Europe and thus secures their future. The Portuguese Presidency will focus on enhancing reconciliation of work, family and private life for both women and men as well as on care services for children, older people and people with disabilities. The Slovenian Presidency will work towards an integrated approach in order to secure a family-friendly environment, promote family life and create a child-friendly society.

74. There is an urgent need to take decisions both in the political sphere and in society in general in order to tackle the challenge resulting from **ageing societies**. The three Presidencies will therefore draw attention to the potential that demographic change can bring, especially as far as older people are concerned. They will take up the discussion initiated by the communication on demographic change and will continue the measures already implemented in this area in order to develop an effective European strategy to cope with the challenges of demographic change and to make better use of new opportunities. Along these lines, the German Presidency will emphasize the role of older people as active participants in the economy and the labour market ("silver economy"), bearing in mind their potential to contribute to the economic and social development of our societies. The Portuguese Presidency will underline the relevance of active and quality ageing both for the economy and the labour market and for social purposes in the context of renewed employment strategies and new approaches, e.g. flexicurity as well as the need to promote sustainability of social protection systems. The Slovenian Presidency will concentrate on the consequences that the ageing society has both on individuals and the society as a whole, stimulating discussions on what can be done to promote inter-generational solidarity, and the integration of elderly population in all spheres of domestic and social life.

Health

75. The three Presidencies are committed to actively pursue work on the wide range of Community activities which aim to contribute to a high level of health for all citizens, focusing on health promotion, disease prevention, innovation and access to healthcare. Final agreement on the new Public Health Programme should be reached in the first half of 2007 and discussions on a new European Health Strategy will be initiated as soon as the Commission has submitted its Communication.

In the field of health promotion and disease prevention, the Presidencies will address specific health issues such as promotion of mental health, alcohol abuse and alcohol related harm, injury prevention, healthcare associated infections and promotion of healthy diets and physical activity, in particular for children and adolescents.

Pandemic disease planning and preparedness as well as the continuous combat against HIV/AIDS will remain high on the agenda.

Concerning access to healthcare, the existing inequalities affecting migrants and gender inequalities will be addressed.

76. In connection to health related differences between Member States, particular attention will be paid to an integrated approach to tackle cancer in EU policies and activities, including the evaluation of cancer screening.

Work on the proposal for a Regulation on advanced therapy medicinal products and on the revision of the medical devices Directive will be conducted with the aim of strengthening innovation in this field and to improve security and quality for patients. Final agreement should be reached at the latest in the first half of 2008. Work on the initiatives on the donation and transplantation of organs is also expected.

The three Presidencies will seek to advance work on a Community framework for healthcare services.

77. Careful attention will be paid by all three Presidencies to future developments at the international level, in particular to cooperation within the World Health Organisation (WHO) in the field of tobacco control (Framework Convention on Tobacco Control) and in the implementation of the International Health Regulations (IHR).

Consumers

78. Priorities will be to implement the new programme of Community action in the field of consumer policy (2007-2013) and to discuss and to follow up the EU Consumer Policy Strategy to be submitted by the Commission in the first half of 2007. In this context, increasing the safety of new technologies, strengthening cross-border consumer rights and improving market transparency and consumer information will be key concerns for the three Presidencies.

Strengthening European consumer protection law will be another focus. The three Presidencies will seek to conclude the work on the proposal for the Directive on consumer credit. The revision of individual Directives in the area of contractual consumer protection should in the future be embedded in the comprehensive and systematic review of contractual consumer protection law.

79. The three Presidencies aim to conclude work on the recently submitted package of proposals on food improvement agents (food additives, flavours, enzymes and common procedure). They will also take up work on the announced proposals on novel foods and nutrition labelling. Another priority will be to implement of the initiative on "Better Training for Safer Food".

Culture and audiovisual

80. **In the field of culture**, the three Presidencies will promote discussion on the contribution of cultural activities, in particular cultural industries and services to growth competitiveness and employment, and therefore to the goals of the Lisbon Strategy while respecting and encouraging the diversity of cultures.
81. They shall seek to ensure that the necessary conclusions be drawn from the outcome of a survey on this matter. The forthcoming Commission Communication on the role of culture in Europe, including the cultural compatibility of other actions and policies of the E.C. as foreseen in the Treaties will be thoroughly analysed, giving rise to a possible political declaration on the political, economical and social significance and added value of culture in Europe. In order to streamline activities and to achieve an adequate degree of co-ordination and consistency in the cultural field the three Presidencies intend to act in accordance with a multi-annual work plan that will cover a time-period of several Presidencies. The Year of Intercultural Dialogue (2008) will be prepared and launched by several high-profile events. Throughout the 18 month term, valuable input into the work of the Council will be made by a series of expert conferences, e.g. on cultural industries, statistics, cultural tourism, long-term archiving, digitisation and cultural diversity.

82. The foreseeable entry into force of the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions will also be on the agenda during the period concerned.
83. The 2007-2013 Culture and the Europe for Citizens support programmes will be launched early in 2007.
84. The Presidencies will also aim to ensure that the proper implementing decisions are taken with regard to the Community Action for the European Capital of Culture (2007-2019).
85. The activities of the Council in the **audiovisual field** will focus on efforts to modernise the European legal framework for the media. In particular the three Presidencies will seek to finalise work on the revision of the Television without Frontiers Directive and on the revision of the Cinema Communication of 2001. The new Media programme covering the period 2007-2013 will be launched early in 2007.

Sport

86. Various issues of common interest may be brought to the attention of the Council: the contribution of sport and sport events to economic development, education and employment, the role of sport in promoting public health, cooperation between Member States on anti-doping activities, the EU international sport policy and cooperation in sport science.

GENDER EQUALITY

87. Gender equality policies are instrumental to growth and employment and the European Pact on Gender Equality, agreed at the European Council in March 2006, is intended to provide the framework for action in this area. Removing structural inequalities between women and men and measures to facilitate the reconciliation of work and family life will help to release the employment potential of women.

88. The European Pact for Gender Equality should be implemented on a European as well as on a national level. The EU Commission's "Road Map" on Gender Equality 2006-2010 identifies future goals and measures of the EU for the promotion of gender equality. In this context the reconciliation of work, family and private life responsibilities is of crucial importance. The three Presidencies accordingly will pay particular attention to the following issues: achieving greater participation of men in family life and better participation of women in working life, the latter objective to be fostered by eliminating the gender pay gap, increasing women's employment rates and increasing participation of women in top decision-making positions; eliminating gender stereotypes, including with regard to education, training and culture, and promoting girls and young women in society; protecting vulnerable categories such as migrant women and girls against discrimination and enabling them to better participate in social, professional and political life; implementing gender mainstreaming in all relevant activities. As follow-up to the Beijing Platform for Action, the German Presidency will consider the question of "women and education" and prepare relevant indicators, the Portuguese Presidency will develop indicators on the "feminisation of poverty", and the Slovenian Presidency will prepare indicators with a focus on the situation of girls and young women in society.

STRUCTURAL AND COHESION POLICY

89. The new financing period for EU structural funds aimed at increasing prosperity by sustainable development, including economic growth and improvement of prospects for employment in the EU, will be inaugurated by an event with representatives of the regions on 9 May 2007.
90. The Presidencies will initiate a debate aimed at analysing and evaluating the preceding programming period in the light of the 4th Cohesion Report to be presented by the Commission in accordance with Article 159 of the Treaty. Spatial development aiming at the mobilisation of the growth potential of European regions, in the light of the Lisbon and EU Sustainable Development Strategies, and a better use of the potential inherent in the territorial diversity of Europe will be addressed, i.a. at informal ministerial meetings on territorial cohesion.

91. The Presidencies also believe that an integrated urban policy, in accordance with the Community strategic guidelines on cohesion, is a prerequisite for sustainable cities and the implementation of the EU Sustainable Development Strategy. In general, regional and urban policies should be dovetailed more with sectoral policies. Concerning the development of deprived urban areas the following strategies will be discussed: strategies for upgrading the physical environment; strengthening the local economy; integrating migrants into the local community; pursuing proactive policies on children, young people, education and training in deprived urban neighbourhoods.

Regarding the outermost regions, there will be an evaluation of progress achieved in the implementation of the specific measures set out in the 2004 Commission Communication on a stronger partnership for the outermost regions; furthermore, revisions of certain legal acts concerning those territories will be made, such as the specific customs regime applicable to the Canary Islands and Fisheries Regulations.

COMMON AGRICULTURAL POLICY / FISHERIES

Agriculture

92. Through its decisions on the reform of the Common Agricultural Policy in 2003 and on the Financial Perspectives 2007-2013 the EU laid out the future long-term course for an agriculture spread throughout the European territory, economically and socially sustainable, environmentally friendly and market-orientated.

93. Following on from the reform of the CAP begun in 2003, the Presidencies will focus attention on the reform of the **Common Market Organisations** for fruit and vegetables, wine, and bananas and the preparation of the review of the CMOs for milk and milk products as well as dried fodder. The simplification of the CAP, in particular in the field of documentation and control requirements and by merging the 21 CMOs into a single CMO, will be of major importance with a view to reducing administrative burdens, *inter alia* on smaller and medium-sized agricultural undertakings.

94. Subject to the outcome of the Commission's studies, further work may be conducted on risk and crisis management in agriculture.
95. As regards the promotion of agricultural products, the Presidencies' focus will be on simplifying and improving the effectiveness of the current measures.
96. The Presidencies attach great importance to fostering **rural development** by securing and creating jobs through diversification, promoting local initiatives, realigning support measures and improving the framework conditions for the use of non-food crops as raw materials and fuel. The Council will therefore press ahead with the implementation of the Biomass Action Plan and the Strategy to promote Biofuels.
97. With a view to securing a sustainable use of **forestry resources**, improving the competitiveness of forestry products and preserving biological diversity, further efforts will be made to fully implement the EU Forestry Action Plan and the EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT). In addition, the Presidencies will continue to promote a substantial role of the EU in forest-related international processes, in particular the United Nations Forum on Forests (UNFF) and the International Tropical Timber Organisation (ITTO).
98. In order to ensure a high level of **food safety and healthy nutrition**, the Presidencies will make every effort to take actively forward the work in the different fields in order to promote a healthy lifestyle, including a balanced diet and regular physical activity. In the **veterinary field**, the Action Plan on Animal Welfare will be implemented and the road map for the Animal Health Strategy will be established with particular regard for zoonoses and possible consequences on the Veterinary Fund. Other issues to be addressed in this context will be the review of the legislation on substances having hormonal action, the revision of the rules on maximum residues limits of veterinary medicinal products in food of animal origin, on animal by-products and on the prevention, control and eradication of BSE/TSEs.

99. In the area of **plant protection and plant health**, the Council will push forward further harmonisation and a high level of protection. The focus here will be on the EU Strategy on the Sustainable Use of Pesticides, the relevant Framework Directive as well as the extensive amendment to the Pesticide Directive. Also on the agenda will be the replacement of the existing legislation concerning the placing of plant protection products on the market, intended to thoroughly revise the provisions for considering the safety of active substances, harmonised at EU level and for the authorisation of plant protection products.
100. The three Presidencies will promote work on the issue of **co-existence** of genetically modified crops and conventional farming. They will also press on with the evaluation of the existing legislation on the placing on the market of GM food and feed in order to achieve the best level of safety in this domain.
101. At the international level, the three Presidencies will maintain the active role of the EU in relevant international organisations, and in particular in the Food and Agriculture Organisation of the United Nations (FAO), notably as regards the process of reform of this organisation.
102. Furthermore, the Presidencies will deal with the so-called "health-check" of the CAP following the Commission's reports on the Single Payment Scheme.

Fisheries

103. The three Presidencies are committed to promoting the conservation and sustainable management of fisheries resources. Thus, the decisions on the TACs and quotas and on multi-annual recovery plans will aim at providing sustainable economic, environmental and social conditions. The modernisation and simplification of Regulations on technical measures and on the control system of the CFP will be on the agenda and agreement will be sought on the introduction of a Community eco-labelling scheme for fisheries products. Work on future maritime policy will pursue an integrated approach in order to ensure the continued protection of fisheries resources and to bring about an efficient sustainable use of marine ecosystems. The reform of the Common Market Organisation for fisheries products is expected to fall within the 18 month period.
- Finally, efforts will be undertaken to improve the conditions for fish farming in all its aspects.
104. At the international level, the Presidencies will promote an active role of the EU in international and regional Fisheries Organisations and pursue the goal of maintaining stable fisheries relations with third countries on a sustainable basis.

ENVIRONMENT

105. The Union will continue to work to ensure a high level of protection of the environment by conserving natural resources, by using resources more efficiently and by taking into account environmental aspects in all relevant policies. In the context of the 6th Environment Action Programme, work in the framework of the Thematic Strategies on air, waste, marine environment and the sustainable use of natural resources will be advanced and the work on the soil and the pesticides strategies will be taken forward.

Climate change

106. As one of the great challenges for the future, climate change will remain a high profile priority for the Union, which is determined to take a lead in the global efforts to address climate change. Discussions on the following questions will be taken forward: on the EU position for a balanced and fair post-2012 regime, in line with the EU's objective to limiting the temperature increase to 2 degrees above pre-industrial levels; on the further development of the European Climate Change Programme and its mitigation measures in other sectors and of the Emission Trading Scheme on the basis of the Commission's review report; on the integration of air transport in emission trading. Efforts have to be increased in particular regarding CO₂ emissions from vehicles and in further developing carbon capture and storage as well as sustainable forest management. At the external level the three Presidencies will contribute to ensure the EU's leading role in the international fora, in particular at the 2007 Conference and meeting of the Parties to the United Nations Climate Change Framework Convention and Kyoto Protocol.

Water scarcity and drought will be important issues to be addressed.

Biodiversity

107. The three Presidencies will continue work on all initiatives and measures designed to contribute to the protection of biodiversity. In particular they will promote and implement measures on the basis of the Commission Communication on Halting Biodiversity Loss by 2010 – and Beyond and of its Action Plan.

At the international level, the three Presidencies will do their utmost to advance the agenda of the Convention on Biological Diversity in preparing the intersessional meetings and its 9th Conference of the Parties which will be held in 2008 and for which the EU's active involvement and good coordination are crucial. EU's priorities include progress in access and benefit sharing issues, forest biodiversity and protected areas, including marine biodiversity as well as financing of global nature protection. Particular attention will also be given to the Meeting of the Parties to the Cartagena Protocol where the issues of liability and redress and capacity building will be among the most important subjects. Furthermore the Presidencies will coordinate the participation of the Member States to the Conference of the Parties to CITES in June 2007. It will be important to ensure in-depth preparation of the meeting of the Conference of the Parties to the Bonn Convention on Migratory Species of Wild Animals and the Ramsar Convention on Wetlands in late 2008 and of the next Conference of the Parties to CITES which will take place in The Hague in June 2007.

Environmental technologies

108. Further implementation of the Environmental Technologies Action Plan will remain high on the agenda in this area. Here the Council will deal with the different proposals aiming at further reducing exhaust emissions and noise emissions from cars and non-road mobile machinery. An informal ministerial meeting on innovative resource and energy efficient environmental technologies, to be held in June 2007, is expected to give valuable impetus to further progress in this area with a view to a more eco-innovative policy of the EU.

International environmental governance

109. In the context of discussions in the UN General Assembly on follow-up to the 2005 World Summit Outcome, the three Presidencies will continue to attach high priority to the exploration of a more coherent institutional framework for environmental activities within the UN system, including a more integrated structure building on existing institutions, as agreed at the Summit. The three Presidencies will continue promoting the EU position on the transformation of the UN Environment Programme (UNEP) into a UN specialised agency or UNEO.

AREA OF FREEDOM, SECURITY AND JUSTICE

110. All three Presidencies attach a high priority to developing the area of freedom, security and justice, based on The Hague Programme and its Action Plan as reviewed and updated in December 2006. One of the main challenges will be to ensure the enlargement of the Schengen area.

Asylum, migration, visa policy and borders

111. On **asylum**, work will focus on assessing the first stage of the Common Asylum System followed by implementation of the second stage. Attention will also be given to developing practical cooperation between Member States' asylum authorities. The three Presidencies will in particular promote concrete measures such as instruction and training programmes, and will ensure the necessary follow-up to the Commission's ideas for introducing a uniform mechanism for the assessment of applications for international protection.
112. On **migration**, the three Presidencies will work to ensure a regular dialogue and pursue practical cooperation between countries of origin, transit and destination. They will continue with the implementation of the "Global Approach to Migration" and the 2006 Action Plan "Priority Actions focussing on Africa and the Mediterranean". They will aim to implement measures already agreed, in particular follow-up to the feasibility study on a Southern Maritime Border Surveillance System, on a Mediterranean Network of Coastal Patrols and the establishment of Rapid Reaction Teams. Furthermore the three Presidencies will seek to implement the additional regional focus on eastern and south-eastern neighbouring regions of the EU, laid down in the Global Approach to Migration, thus stressing its balanced character.
113. The three Presidencies will assess the state of negotiations on **readmission agreements** and on visa facilitation agreements with third countries and review the implementation of existing agreements. Work will also focus on improving practical cooperation on the return of third country nationals residing illegally in the territory of a Member State.

114. Work will continue on a European Strategy for **legal migration**, based on the proposals from the European Commission, as well as on developing principles for a coherent approach to migration and integration policy.
115. On **visa policy**, the three Presidencies will concentrate on ensuring the effective launch of the European Visa Information System (VIS) as well as taking forward work on Common Application Centres. They will also aim to continue development of Community law, and will consider proposals for consolidating and updating the existing "acquis" on the issuing of Schengen visas by way, in particular, of the proposed Community Code on visas. They will continue to work on the harmonisation of biometric data in passports, visas and other official documents, and will promote better cooperation between Member States' consulates. They will also continue efforts to ensure full visa waiver reciprocity.
116. On **border management**, high priority will be given to the launching of SIS II in order to pave the way for the eventual abolition of internal border controls. The three Presidencies will actively pursue work on the establishment of an integrated system for managing external borders. The Council will need to examine the evaluation of FRONTEX which is due to be submitted by the Commission by the end of 2007. To this end, the European Borders Agency should be supported in order to ensure that it can fully live up to its role in joint return measures.

Fighting trafficking of Human Beings

117. The Commission has been actively addressing the problem of trafficking in human beings, of which women continue to be the primary victims. It is important to develop an action plan underlining the importance of the gender perspective in prevention strategies.

Integration and Intercultural dialogue

118. Particular priority will be given to developing a coherent approach to integration policy and to fostering mutual understanding between people from different backgrounds and cultures through dialogue. This will include exchanging views on experience on integration policy and implementing the conclusions of the Council of 1-2 December 2005 on this issue.

Exchange of information

119. The three Presidencies will work on improving the exchange of information, as highlighted as a priority under The Hague Programme. Agreement should be reached on a data protection framework decision. An assessment of the European data protection Directive will also be carried out. Work will be carried out on setting a limited number of priorities for the Community statistical programme (2008-2012) and consultations will be held on a possible Regulation on an EU census in 2010/2011.

Fighting terrorism

120. The fight against terrorism remains a top priority of the three Presidencies. They will intensify cooperation in this area through continued implementation of the EU Counter-Terrorism Strategy. Work will continue on implementing the Strategy on the fight against terrorist financing and on the comprehensive strategy against radicalisation and recruitment into terrorism. Particular focus will be given to a number of specific measures such as exchange of information on those suspected of terrorist activity, improving the system for monitoring the manufacture of explosives, and cooperation in combating the use of the Internet for promoting terrorist activity.

Fighting drugs

121. The three Presidencies will continue the implementation of the EU Drugs Action Plan 2005-2008. As regards the external component of the drugs activities, priority attention will be paid to combating opium poppy cultivation in Afghanistan and the trafficking routes as well as to developing cooperation frameworks with the Latin America and Caribbean countries and with Russia.

Law enforcement cooperation

122. The three Presidencies will continue work on improving operational cooperation between the Member States and with European structures such as Europol, focussing on concrete measures. They will concentrate in particular on developing and expanding the European information network by giving police and security authorities the necessary access to EU information systems (SIS, VIS, EURODAC, CIS and the customs investigation database (FIDE)). Attention will be given to the transforming of the Treaty of Prüm into the legal framework of the EU to improve access of Member States to each other's national databases and cross-border cooperation in preventing and combating all forms of serious crimes. The improved access to national databases will be an integrated part in the development of the principle of availability.

An evaluation of the European Crime Prevention Network (EUCPN) paving the way for improving crime prevention strategies is scheduled to start in 2008.

Police and Customs Cooperation

123. The Presidencies will work to strengthen Europol by enhancing its legal framework and by improving its capacity to share and analyse information. Measures for expanding the scope of Europol to include additional serious criminal offences will be considered. An evaluation of the Naples II Convention will be carried out, and the new Action Plan on Customs Cooperation 2007-2008 will be launched. Cooperation at the European level between customs and police authorities will be enhanced, and an integrated risk management system will be developed.

Strengthening civil rights

124. Creating an area of freedom, security and justice requires protecting and, in equal measure, securing the rights of the citizens. Since the adoption of the Tampere Program in 1999, the primary focus of the work in the field of justice has been the adoption of common criminal law provisions and enhancing judicial cooperation. The second aspect – securing civil rights – is indispensably connected with the first, and has been expressly resumed by the Hague Programme, which has returned it to the foreground. The three Presidencies wish to make progress with this approach. For this reason, they will strive to make significant progress on the Framework Decision on certain procedural rights in criminal proceedings as well as the future Framework Decisions on the presumption of innocence and on judgments rendered in absentia, and to bring these to a conclusion to the extent possible.
125. Racism and xenophobia must be combated in a clear and unambiguous manner. The three Presidencies plan to resume the stalled negotiations on the Framework Decision on racism and xenophobia.
126. The principle of mutual recognition must be partially placed in more precise terms. The Presidencies will for example initiate discussions on the horizontal issue of the scope of categories of offences which the Council asked for when agreeing on the Framework Decision on the European Evidence Warrant.

Increasing legal certainty for citizens and the business sector

127. The three Presidencies will continue to work to improve judicial cooperation in order to create greater legal certainty for citizens when they travel to, live or work in, another Member State. Specifically they will seek to conclude work on the regulation on applicable law in matters of contractual obligation (Rome I), and finalise the Rome II Regulation on non-contractual obligations. Work will also continue on the applicable law relating to divorce (Rome III) and the recognition and enforcement of claims related to maintenance. Discussion on the legal issues which are posed in the international context of matrimonial property regimes and the law of succession and wills will begin as soon as concrete proposals for rules have been presented by the Commission.

128. The three Presidencies will focus in particular on the issue of coherence. One substantive aspect of this is the work on a common frame of reference for European contract law.

Strengthening the justice system and practical cooperation

129. The three Presidencies strive to support initiatives which will assist in enhancing cooperation between courts and judicial authorities in both criminal and civil law. This applies primarily to law enforcement. Especially since the Framework Decision on the European arrest warrant, several instruments have been adopted that have improved and strengthened judicial cooperation. The three Presidencies would like to continue on that path and thereby address practical issues of judicial cooperation. This includes, for example, cross-border supervision of probation. The enforcement of criminal sentences in other Member States goes in the same direction. Furthermore, work will continue on developing a computerised system for the exchange of information on criminal convictions. The model project initiated by Germany, France, Belgium and Spain on networking criminal registers forms the basis for work on the Framework Decision on implementation and substance of exchanges of information from the criminal registers of the Member States. Work on solving conflicts of jurisdiction through increased coordination, i.a. via Eurojust, will be undertaken. Discussion on questions concerning direct communication between the judicial authorities of various Member States will begin. Promoting electronic communication on legal matters ("E-Justice") is of crucial significance here. The same applies to the training of judicial professionals, on European Union law, in the area of judicial cooperation.

External Relations

130. The Presidencies will take forward work on the implementation of the "Strategy for the External Dimension of the JHA", focussing on extending cooperation with all those countries covered by the European Neighbourhood Policy in order to help combat illegal immigration, drug and arms trafficking, terrorism, organised crime and corruption. They will implement the common area of freedom, security and justice with Russia as well as strengthen the strategic partnership with the US and the wider framework of the Transatlantic Dialogue. In this context, they will attach particular attention to the renegotiation of the agreement between the EU and the US on the processing and transfer of passenger name record (PNR) data, considering that the current interim agreement will, in principle, expire on 31 July 2007. The possibilities offered by Article 24 and 38 of the Treaty will be explored.

Civil Protection

131. Work will continue in order to develop integrated and coordinated EU crisis management arrangements for dealing with cross-border crises. It is intended that a European Programme for Critical Infrastructure Protection (EPCIP) be agreed and a Critical Infrastructure Warning and Information Network (CIWIN) established; these will also play a role in the fight against terrorism. The enhancement of detection and early warning disaster systems will be considered. Cooperation with the UN on civil protection disaster relief interventions in third countries will be intensified.

EXTERNAL RELATIONS

132. The objective of peace and international security will be pursued through the development of the Common Foreign and Security Policy (CFSP) including the European Security and Defence Policy (ESDP). The EU's approach will continue to be guided by the European Security Strategy (ESS) and the strategies based on it to address terrorism, proliferation of weapons of mass destruction, regional conflicts, state failure and organised crime. All of the EU's policy instruments, including trade policy and development policy, have a role to play in achieving this objective and will be used in a coherent and integrated manner.

ESDP/Crisis management

133. The three Presidencies will continue to work on the development of the strategic partnership between the EU and NATO, and on strengthening cooperation with key partners (notably the US, Russia, the African Union, the OSCE and the UN).
134. Work will continue on the planning of the ESDP police and rule-of-law mission in Kosovo in order to prepare for its launch in the event of a conclusion to the status negotiations. Operation ALTHEA in Bosnia and Herzegovina and EUPM will need to be reviewed. Depending on developments (parliamentary elections in October 2006, broader regional developments) and the results of the Periodic Mission Review, a decision may be required on a possible troop reduction of the ALTHEA operation. Decisions may also be required on the EU Border Support Team in Moldova/Ukraine, the EUJUST LEX rule-of-law mission, the EU BAM Rafah mission, the EUPOL COPPS, the AMIS Assistance mission, on EUPOL KINSHASA and EUSEC DR Congo in the wider context of possible further SSR activities in the DRC, and on the border support elements of the Special Representative for the South Caucasus. The three Presidencies will also be prepared for other decisions which may need to be taken regarding new or ongoing missions.
135. The three Presidencies will continue work on the implementation of the Battlegroups concept. They will continue work on the further development of the rapid response capabilities in a joint perspective and will explore the scope for review of the EU Military Rapid Response Concept (EU MRRC). On capabilities, work will focus on developing both military and civilian capabilities through the implementation of the Headline Goal 2010 and the Civilian Headline Goal 2008. In the context of the Military Headline Goal 2010 and in accordance with the EU's CDM, work will concentrate on the finalisation and presentation of the Progress Catalogue 2007 and on the necessary follow-on steps towards full implementation of the Headline Goal 2010. The Joint Action establishing the European Defence Agency will be revised, and revisions may also be carried out to the Joint Actions related to the European Satellite Centre and the EU Institute for Security Studies (ISS).

136. The three Presidencies will work to ensure effective coordination of military and civilian strategic planning and command, in particular through the improved use of the Civ-Mil Cell. EU crisis management exercises will be prepared and run with a particular effort on rapid response, comprehensive planning and EU-UN cooperation. The planning and conduct of a CME-CMX exercise together with NATO is a shared priority. Work will be taken forward to streamline and ensure consistency in training of civilian planners and staff for ESDP operations.

Counter-terrorism

137. A high priority of the three Presidencies will be the continued implementation also of the external dimension of the EU Counter-Terrorism strategy. Particular emphasis will be placed on strengthening cooperation with the UN and NATO and other international fora such as the OSCE and the Council of Europe, through political dialogue, targeted action towards priority third countries, the inclusion of effective counter-terrorism clauses in third country agreements, and ensuring the full implementation of existing commitments.

Non-proliferation and Disarmament

138. Work will continue on the implementation of the EU strategy against the Proliferation of Weapons of Mass Destruction. Particular priority will be devoted to improving and strengthening the international regimes in this area. Preparations will begin on the NTP review conference in 2010, and an international conference will be held to mark the 10th anniversary of the entry into force of the Chemical Weapons Convention (CWC). Efforts will be devoted to the implementation and strengthening of the CWC.

139. The Council will further develop multilateral instruments for the control of small arms and light weapons and continue to implement the EU SALW strategy. It will aim to strengthen the Ottawa Convention on anti-personnel landmines as well as the Convention on the Use of Certain Conventional Weapons (CCW). It will work to improve transfer controls and export regimes in key areas such as Eastern Europe, the Western Balkans, Africa and Latin America.

Extending the area of security and peace

140. The three Presidencies will ensure that the EU continues to work effectively in support of peace and stability, in particular through cooperation with the UN and NATO. It will focus on assisting in the areas of conflict prevention and post-conflict reconstruction and stabilisation and transitional justice.

Western Balkans

141. Particular attention will be paid to supporting and consolidating the Stabilisation and Association Process for the Western Balkans as a means of making the European perspective of these countries more tangible. There will continue to be close monitoring of each country's progress towards meeting the conditions and requirements set out in the Copenhagen criteria and in the Process itself.

142. The three Presidencies will work to ensure the Union's continued commitment to the European perspective of the Western Balkans, including the strengthening of economic relations with the region. The main challenge during this period will be the completion of the Kosovo status negotiations and the implementation of the outcome, including the EU's future role and presence in Kosovo. An international donors conference for Kosovo is planned, as is a Western Balkans Forum meeting of Foreign Ministers. Work will continue with a view to concluding negotiations on Stabilisation and Association Agreements with Montenegro and Bosnia-Herzegovina and negotiations with Serbia will continue as soon as full co-operation with the ICTY has been established. Until the ratification of the Stabilisation and Association Agreement with Albania is completed by all Member States, an interim agreement will be in place. The Presidencies will continue to prepare and implement the transition from the Office of the High Representative (OHR) in Bosnia and Herzegovina to increased local ownership, supported by a reinforced EU presence. In line with the commitments of the 2003 Thessaloniki Summit and the Salzburg meeting of 2006, the Presidencies will continue the work on making the EU perspective more tangible and concrete, inter alia by increasing people-to-people-contacts through visa facilitation agreements, parallel with readmission agreements. The Presidencies will also continue to support regional co-operation and local ownership of the various regional fora, not least the planned enlargement of CEFTA (Central European Free Trade Area) to all Balkan states.

Neighbourhood Policy and Barcelona Process

143. The three Presidencies aim at substantially strengthening and enhancing the Union's European Neighbourhood Policy (ENP) with regard both to its eastern and mediterranean neighbours as a tool in support of political and economic reform in the countries neighbouring the European Union in order to promote security, stability and prosperity. Emphasis will be put on evaluating the Action Plans mid-term reports and implementing ENP Action Plans already in force, making full use of the new ENP Instrument. In this context, negotiations should be completed on an enhanced PCA with Ukraine. The EU will thus present an attractive and broad offer for cooperation with its neighbours, including intensifying cooperation within specific sectors by concluding sectoral agreements. In view of the enlargement of the EU through the accession of Romania and Bulgaria, which extends the EU to the Black Sea, the prospects for developing a regional dimension for the Black Sea region would be explored.

144. Relations with the Mediterranean countries will also be developed within the framework of the Barcelona Process. Efforts will be devoted to further implement the Five Year Work Programme i.a. by endeavouring to finalise trade negotiations with a view to completing the Euro-Mediterranean free-trade area by 2010, by organising a high-ranking conference on employment and social dialogue in spring 2007 and by further exploring the ESDP dimension of the relationship. In addition to the regular meeting of EuroMed Foreign Ministers a special meeting of EuroMed Ministers devoted to migration will be held during the second half of 2007. The next Euro-Mediterranean Energy Conference will agree on the priorities for energy cooperation in the period ahead.

Middle East

145. The three Presidencies will continue to support all efforts towards a successful outcome for the Middle East Peace Process. They will remain committed to supporting the institutional building process of the Palestinian Authority. The EU will continue, in particular through its participation in the Quartet, to press for the implementation of the roadmap.

Iraq

146. Work will continue on strengthening the EU's relations with Iraq, with the objective of achieving the goals of long-lasting security, stability and unity of the country. Consideration of the possibility of a contractual relationship with Iraq will be taken forward.

Iran

147. The Council will continue to follow closely developments in Iran, and in particular the issue of the development of Iran's nuclear programme and its cooperation with the IAEA. It will maintain its endeavours to obtain assurances as to the peaceful purposes of such a nuclear programme and will be guided by the final objective of building a long-term relationship based on confidence and cooperation.

Afghanistan

148. The three Presidencies will take forward work on the implementation of the EU-Afghan joint declaration (political dialogue). An evaluation of cooperation under the "Afghanistan Compact" will be carried out.

North Korea

149. The three Presidencies will continue to follow closely the developments regarding the nuclear crisis on the Korean Peninsula and actively discuss the situation with its international partners. They will continue to support the Six-Party-Talks as the format for finding a solution to the crisis and will monitor progress in the talks to assess further EU engagement.

Relations with strategic partners and regions

Transatlantic relations

150. The three Presidencies will aim to intensify the transatlantic dialogue and cooperation across a wide spectrum of areas, with a particular focus on non-proliferation, conflict prevention, crisis management and post-conflict peace-building, with the aim of examining further ways of working together. The aim will be to agree a substantive declaration on cooperation in crisis management and then to focus on its implementation. There will also be consultations and cooperation on a range of current and potential conflicts. Promotion of democracy and the rule of law will be important elements of this dialogue.

151. The three Presidencies will strengthen the Transatlantic economic partnership through the implementation of the work programme under the Transatlantic economic initiative, putting the focus especially on regulatory cooperation, innovation and technology, trade and security, energy, capital markets and intellectual property rights.

Russia

152. The Council will strengthen the strategic partnership with Russia, based on common values and mutual trust, in view of a genuinely co-operative partnership in foreign policy and security matters as well as in the field of energy. It will concentrate on concluding and implementing a new Partnership and Cooperation Agreement with Russia, and continue working on the implementation of the road maps of the four Common Spaces.

Central Asia

153. The Council will work on the elaboration of an EU strategy on Central Asia as well as on its swift implementation.

Asia

154. The Council will place particular attention to developing and strengthening its relations with Japan, China and India namely through summit meetings with these countries. With Japan, the focus will be on reinforcing the political and security dialogue and on regional cooperation. Talks with China will concentrate on negotiating a new Framework Agreement and on developing a new strategic partnership. Relations with India will focus on deepening economic relations and on the implementation of the Joint Action Plan.

155. The Council will also follow developments in Asia in the area of non-proliferation, notably in the context of its relations with India and Pakistan. It will promote the strengthening of cooperation with multilateral organisations, in particular ASEAN, and support the development of the enlarged dialogue in the ASEM format.

Gulf countries

156. Relations with the Gulf countries will concentrate on the implementation of the EU-GCC Free Trade Agreement which is expected to be concluded in 2006, and on the launch of a security dialogue.

Africa

157. The three Presidencies will focus on the implementation of the EU's strategy for Africa (taking into account its implementation report, and the finalisation of the Joint Strategy with the Africa partners, due for adoption under the Portuguese Presidency.

158. The Union will continue to develop its cooperation with the African Union and other African subregional organisations and will continue to support NEPAD. It will work with all these partners to help prevent and mediate in conflicts in Africa. Particular attention will be devoted to strengthening relations with South Africa.

Latin America

159. The Presidencies will continue to develop the EU's relations with Latin America, in particular through the Fifth EU-Latin America and Caribbean Summit due to take place under Slovenian Presidency. Negotiations with MERCOSUR will continue with the aim of concluding an association agreement. The three Presidencies share the objective of launching negotiations and concluding an association agreement with Central America. The Council will follow closely the regional economic integration process within the Andean Community with the aim of launching negotiations once the necessary conditions are met. Particular attention will be given to developing a specific political dialogue with Brazil and Mexico.

Multilateral Cooperation

160. The three Presidencies will work in support of an effective multilateral system based on international law and on the United Nations Charter. They will work for the continued active participation of the EU in multilateral fora, particularly the United Nations, and will promote multilateral solutions to common problems.

161. Work will focus also on strengthening the coherence and visibility of the EU within the OSCE, and increase synergies between the OSCE, EU and Council of Europe.

162. The three Presidencies will also work to promote close cooperation with the international financial institutions, in particular with the International Monetary Fund and the World Bank.

Human Rights

163. The Union will strengthen its efforts to protect and promote human rights and fundamental freedoms. The three Presidencies will attach a high priority to mainstreaming human rights into the Union's external policy, with particular attention to the EU Human Rights Dialogues and Consultations with China, Iran and Russia, as well as to the implementation of the EU guidelines in the field of Human Rights.

Trade

164. The EU's trade policy agenda during this period will be determined largely by the outcome of the Doha negotiations. In any event the three Presidencies will continue to support a rules-based system of international trade. Taking into account the Commission communication "Global Europe competing in the world", they will press for better market access and reinforcement of rules in third countries, including public procurement markets, and improved protection of intellectual property. They will also focus on strengthening trade relations with particular countries and regions as well as the external dimension of competitiveness, in the light of discussions on the Commission's communication on the Union's Strategy for Market Access, due by the end of 2006.

165. Attention will also be given to the further harmonisation of export controls and GSP. The three Presidencies will continue to work on fostering a level playing field regarding the access of EU-exporters to export finance and export credit insurance and to promote the interest of non-OECD countries in established international guidelines and disciplines.

Development Policy

166. With a view to strengthen the EU's contribution to all aspects of sustainable development, poverty reduction and achieving the international agreed development goals, including the Millennium Development Goals (MDG), the three Presidencies will concentrate on firmly implementing the European Consensus on Development as well as the EU's Monterrey commitments, not least its commitments to increasing its Official Development Aid (ODA) according to plans. They will further strive to improve the effectiveness and efficiency of European aid and to strengthen understanding, commitment and ownership of Europe's development partners. In doing so, the three Presidencies will maintain a close dialogue process with NGOs and other civil society stakeholders. Gender equality, women's empowerment and social equity are essential cross-sectorial dimensions of international cooperation, and as such to be adequately considered and mainstreamed in the EU's development efforts.
167. The three Presidencies will furthermore work on the promotion of policy coherence in the interest of development, pursuing the rolling work programme on Policy Coherence for Development. One of the coherence areas to be taken up in that framework will be better coherence between Development and Migration.
168. Work will also be continued to focus on achieving a better complementarity between donors. This will include developing methods and principles towards an operational division of labour between the Community and its Member States as well as between Member States and translate those into concrete action on Community and Member State level. The three Presidencies will also address issues of global relevance to development, such as energy, including renewable energy, climate change and sustainable management of natural resources as well as the issue of fragile states, the situation of children and women in armed conflict as well as poverty related and sexually transmittable diseases.

169. Also in the area of Development Policy, a special focus of the three Presidencies will be on Africa, the continent being both, strategically crucial to overall MDG achievement, and at the same time of special importance to Europe as our immediate neighbour. The three Presidencies will thus strongly focus on implementing the EU's Strategy for Africa and will actively support framing and implementing an EU-Africa Joint Strategy which will constitute a common basis and shared vision of EU-Africa relations for the years ahead. In implementing the EU strategy for Africa, particular attention should be given to gender equality in all partnerships and in national development strategies.
170. The three Presidencies will attach particular importance to working towards further integrating the African, Caribbean and Pacific (ACP) partner countries into the global economy. They will work to conclude negotiations on the Economic Partnership Agreements (EPA) and contribute to their implementation as conducive tools for development. They will furthermore strive to implement the EU's commitments on Aid for Trade without delay.
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