



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 22 December 2005

16065/05

POLGEN 51

NOTE

from: The Austrian and Finnish Delegations
to: Delegations

Subject: Operational Programme of the Council for 2006 submitted by the incoming Austrian and Finnish Presidencies

Delegations will find attached the Operational Programme of the Council for 2006 submitted by the incoming Austrian and Finnish Presidencies.

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Introduction

General

This programme sets out the main objectives for the work of the Council in 2006. It is drawn up by the future Austrian and Finnish Presidencies on the basis of the Multi-annual Programme covering the years 2004-2006. Recent debates have underlined the importance of the Union concentrating on issues which matter to citizens in their everyday lives. The two Presidencies will work closely together in order to ensure that the work of the Council during 2006 contributes to economic and social welfare, protection of environment, freedom and security of European citizens as well as strengthening the role of the Union within the world. Work underway on a number of key priorities designed to ensure that the EU responds successfully to the challenges and opportunities of globalisation will be carried forward.

To this end the Presidencies will cooperate with all the Member States within the Council, as well as with the European Parliament and the Commission to enhance overall effectiveness and continuity of the Union's action. Both Austria and Finland will pay particular attention to the smooth and effective functioning of the Council and to ensuring as much transparency as possible in the exercise of the function of the Presidency.

The debate on the future of the European Union

At its meeting in June 2005, the European Council decided to initiate a period of reflection on the future of Europe involving both the Member States through national debates and the institutions of the European Union. One of the main purposes is to stimulate a wide-ranging dialogue in order to identify issues of concern and policy areas where the Union action is regarded necessary to meet the future challenges of Europe. The debate should also focus on exploring ways and means on how decisions can be taken at the lowest possible level while still achieving effective action.

Furthermore, the debate on the European way of life and its values should be carried forward.

The June European Council agreed that an overall assessment of the national debates would be carried out in the first half of 2006. The interim report on the period of reflection submitted to the European Council in December 2005 provides a useful starting point for this assessment. Building on this report, and in the light of the continuing debate, the European Council in June will take stock of the reflection process, and should aim to establish a clearer perspective for the future and agree on how to proceed. Depending on the outcome of this stock-taking, the two Presidencies will ensure adequate follow-up during the remainder of the year.

Future Financing of the Union

The current Financial Perspective expires at the end of 2006. The agreement reached at the European Council in December 2005 provides the framework for the Union's finances over the next financing period. This agreement now needs to be translated in close cooperation with the European Parliament into the necessary legal instruments. It will be for the two Presidencies to ensure that these legal acts are adopted as soon as possible in order to provide the basis for the financing of the Union's policies over the period of 2007-2013.

Working for Growth and Jobs

The Lisbon strategy drawn up in 2000 continues to play an important role in helping the European Union and the Member States to respond to the challenges of ageing and globalisation. Delivering on this response will be one of the main priorities for the Union over the next few years. In 2005 the Lisbon strategy was adapted to help meet the key challenge of delivering on growth and creating jobs as part of the overall objective of strengthening the competitiveness of the European economy and securing the sustainability of the European welfare model.

In 2006 emphasis will be placed on ensuring the success of the new system of governance, and in particular on the implementation of the first national reform programmes, drawn up and negotiated with relevant stakeholders, as well as of action at Union level aimed at complementing national programmes. The Council looks forward to reviewing progress in the existing multilateral framework. Further efforts will be devoted to explaining the need for reform to the public.

Future work at the EU level should focus on growth and employment inducing measures. As an essential element for enhancing economic dynamism in Europe, the Presidencies will pay special attention to completing the internal market, especially for services, telecommunication, energy and financial services. Special emphasis will also be placed on fostering a supportive framework for research and development as well as creating an environment that encourages innovations and strengthens the knowledge based economy and skills. Attractiveness and quality of working life will be highlighted as means to raise the employment rate.

As part of the objective of strengthening the competitiveness of the Union, particular priority will be given to implementing the agenda of better regulation.

Sustainable Development

Economically, socially and ecologically sustainable development is a key objective of the Union policies and actions. The Union Strategy for Sustainable development will be renewed by the European Council in June 2006.

The European Union will pursue combating climate change both at the international and the Union level.

Strengthening the Area of Freedom, Security and Justice

Ensuring freedom, security and justice is one of the main concerns of the European citizens. The Hague Programme adopted in 2004 constitutes the framework for meeting these concerns. Implementing this programme will therefore be one of the priorities in 2006.

Efforts will concentrate on implementing the external aspects of the programme, on stepping up the Union's efforts to combat terrorism and serious crime, to improving the exchange of relevant information, on promoting mutual recognition of judicial decisions and on creating a common asylum policy as well as a common migration management. The Mid-Term Review of the Hague Programme, based on the Commission's assessment report, provides the opportunity to evaluate the programme and to assess what changes might be made so that its objectives are met more effectively.

Further steps will be taken during the year towards extending the free movement of persons by updating the Schengen Information System, and by carrying out a comprehensive evaluation of whether the new Member States fulfil the conditions for full application of the Schengen acquis.

Enlargement

Enlargement allows for the stability and prosperity of the Union to be extended to an increasing number of European countries. It is therefore important both for the Union and the acceding countries that the accession process takes place in the best possible conditions.

In 2006 the monitoring of Bulgaria and Romania will be stepped up as part of the preparations for their accession scheduled for 2007. In addition, the accession negotiations with Croatia and Turkey will be taken forward in accordance with the agreed negotiating frameworks.

Strengthening the role of the Union in the world

With almost half a billion inhabitants, a quarter of world trade and as the world's largest development aid donor, the Union has a significant role to play internationally. The principal objectives of the Union in the area of external relations are the enhancement of security, stability and democracy as well as alleviation of poverty, especially in Africa, addressing other root causes of instability and contributing to an effective multilateral system. The Union will continue in 2006 to pursue these objectives through the coherent and integrated use of the various instruments available.

A number of important summit meetings are scheduled throughout the year. These will help the Union to enhance its strategic partnerships with both the US and Russia, as well as with Latin American and Caribbean countries and with Asian ASEM partners. The Union will also concentrate on stepping up stability beyond its borders by pursuing the stabilization policy with the Western Balkans, developing its relations with its eastern and Mediterranean neighbours by giving more substance to the European Neighbourhood Policy and strengthening the Northern Dimension. The Union will also work with its partners in 2006 to achieve results in the trade talks through the Doha Development Agenda.

1. FUTURE FINANCIAL PERSPECTIVE

The agreement reached in December 2005 on the Financial Perspective 2007-2013 will be followed up. The Council will, on the basis of a proposal from the Commission, open negotiations on a new Interinstitutional Agreement with the aim of reaching a conclusion as early as possible in 2006. This agreement will be consistent with the relevant conclusions of the December 2005 European Council.

In parallel with this, work will continue on the various legal acts which will provide the basis for the financing of the Union's policies during the next financing period. This work will take into account both the outcome of the December European Council and proposals from the Commission on the breakdown of expenditure by instrument. The objective will be to finalize the Interinstitutional Agreement by June 2006 and all the individual legal acts by the end of 2006 at the latest.

2. CONSTITUTIONAL TREATY

In June 2005, following discussions by Heads of State or Government on the process of ratification of the Constitutional Treaty, there was agreement on the need to organise national debates as part of a period of reflection, and to carry out an overall assessment of these debates in the first half of 2006 and to agree on how to proceed. The necessary preparations will be undertaken to enable this assessment to be carried out. It will be followed up as appropriate during the second half of 2006 depending on its outcome.

3. MORE GROWTH AND JOBS – THE RELAUNCHED LISBON STRATEGY

Tackling the challenges of globalisation and demographic change remains at the top of the European Agenda in 2006. The European Council confirmed the validity of the Lisbon Strategy in March 2005 and agreed that it should focus on enhancing sustainable economic growth and creating more and better jobs. Europe must renew the basis of its competitiveness, increase its growth potential and its productivity and strengthen social cohesion, placing the main emphasis on knowledge, innovation and the optimisation of human capital. So the Strategy which is based on a partnership approach must now be effectively implemented in all its dimensions.

In the context of the re-launch, the new Integrated Guidelines for Growth and Jobs 2005-2008 – consisting of the Broad Economic Policy Guidelines and the Employment Guidelines – were approved in June 2005. The reformed governance framework will improve conditions to achieve real progress at Member State level as well as on Community level. Strong political commitment to deliver on the actions included in the National Reform Programmes and the Community Lisbon Programme will be required.

Building on the progress made by previous Presidencies and on the basis of the Commission's first annual progress report, the Presidencies will drive forward the Lisbon Agenda in the European Council and in the relevant Council formations. While fostering macro-economic conditions conducive to stability and sustainable growth, the Presidencies will make every effort to achieve concrete progress on key areas of the Lisbon strategy (i.e. in the area of structural/microeconomic policy and employment policy) and other areas contributing to its successful implementation (see chapters 4 to 9 below). Further work on R&D, universities, demographic challenges and energy will be carried out on the basis of the Commission interim report on the follow-up of the informal meeting of the Heads of State or Government at Hampton Court.

4. GENERAL ECONOMIC CONTEXT / POLICY COORDINATION

STABILITY AND GROWTH PACT

The Council will continue to implement the Stability and Growth Pact, on the basis of the Council report of 20 March 2005, the new Regulations adopted by the Council on 27 June 2005 and the revised code of conduct finalised by the EFC in the Autumn of 2005. 2006 will be a critical year for a number of Member States to bring their budget deficits under control, in accordance with the Recommendations already issued by the Council.

POSSIBLE UPDATE OF THE BROAD ECONOMIC POLICY GUIDELINES

In close cooperation with the Commission, the Council will review the implementation of the Broad Economic Policy Guidelines and decide on any updating required. This exercise takes place for the first time in the context of the Integrated Guidelines, and on the basis of the National Action Programmes to be drawn up by all Member States. The work will concentrate on the main pillars of economic and fiscal policy in Europe: Ensuring stability-oriented public finances, improving their sustainability and quality, and speeding up economic and structural reforms. A final text of any proposed revisions to the Broad Economic Policy Guidelines will be prepared by the ECOFIN Council and presented to the Spring European Council together with the Key Issues Paper.

ENLARGING THE EURO AREA

The Commission and the ECB have announced that they will forward convergence reports on Member States with a derogation in June 2006. Certain Member States have already declared their interest in adopting the Euro by 2007. The two Presidencies will ensure a thorough examination as early as possible on the basis of the relevant criteria, including stable macroeconomic developments and a high degree of sustainable convergence.

REVIEWING TRANSITIONAL MEASURES

The Council will examine a report by the Commission on the application of national measures by Member States regulating access to the labour markets by Hungarian, Latvian, Polish, Slovak, Czech, Estonian, Slovenian and Lithuanian nationals as stated in the Annexes V, VI, VIII, IX, X, XII, XIII and XIV of the Act of Accession to the European Union 2003.

PROVIDING ADEQUATE EU BUDGETARY MEANS

With respect to the EU budget for 2007, the two Presidencies will implement the new financial framework and the budgetary guidelines set by the Council. Furthermore, during the preparation of the 2007 budget efforts will be made to make best use of all relevant information on the implementation of the 2006 budget and on compliance with the budgetary principles of the new financial regulation. The results of evaluations and the Activity Statement process shall be taken into account in improving the EU budgetary process. The conciliation meeting procedure with the European Parliament will be developed further. Finally, control and fight against fraud will be an important aspect of the work of the Council in order to further improve financial management.

TENS TRANSPORT AND ENERGY FINANCING

The Council is expected to adopt the regulation determining the rules for the granting of Community financial aid in the field of the trans-European transport networks and energy. This proposal is intended to provide a more efficient management of the Community financial aid, as well as act as a catalyst for the completion of the trans-European infrastructures network. It will stimulate trade and bolster the single market, reinforce cohesion and contribute to sustainable development. This regulation should enter into force by the beginning of 2007. It could be adopted before July 2006.

EIB LENDING MANDATE

The Council will adopt a renewed Council Decision granting a Community guarantee to the European Investment Bank against losses under loans for projects outside the Community (Central and Eastern Europe, Mediterranean countries, Latin America and Asia and the Republic of South Africa). The Commission is expected to transmit its proposal in the first half of 2006. This renewed mandate will fix the amounts of the guarantees to be allocated to the different geographical areas of operation of the EIB. It could also include new geographical areas to be covered in view of the enlargement and the new neighbourhood policy. This regulation should be adopted by the end of 2006 in order to enter into force at the beginning of 2007.

STATISTICS

In the area of statistics, the two Presidencies will pursue work on the basis of initiatives which are either currently under negotiation or are awaited, covering among others the use of price statistics for purchasing power parities, statistical classification of economic activities in the EU, structural business statistics and transmission of national accounts data. The two Presidencies also consider as priorities the implementation of European Statistics Code of Practice as well as the reduction of administrative and regulatory burden on national statistical authorities.

5. STRENGTHENING COMPETITIVENESS

The two Presidencies will seek to contribute to create conditions conducive to economic growth and employment creation. For this purpose, the Presidencies will pursue the work on better regulation, policies on the internal market, innovation, enterprise, research, education and training, all of which have been recognised as vital elements of the re-launched Lisbon Strategy. The Competitiveness Council will enhance the European Union's drive for growth and jobs by effectively contributing to a successful delivery of the Lisbon Strategy.

The Council will focus on its legal responsibilities for its core areas, on its horizontal role concerning regulations with important effects on competitiveness as well as on the relevant micro-economic and structural policy issues of the re-launched Lisbon Strategy. It therefore intends to prepare a key issues paper relating to its main priorities.

BETTER REGULATION

The two Presidencies will, in close cooperation with the Commission and the European Parliament, take forward the Regulatory Reform Agenda, as envisaged i.a. by the Joint Statement on Regulatory Reform.

The Presidencies will promote the **horizontal use of impact assessments** in the legislative process and will support the Commission's efforts to further refine its impact assessment process by strengthening the competitiveness dimension while remaining committed to the objectives to promote environmental sustainability and social cohesion. In this context, they will follow closely the **external evaluation of the Commission's impact assessment system** which will be launched in early 2006.

The Presidencies, furthermore, welcome the Commission's commitment to integrate a common method for measuring administrative burdens into the revised guidelines on impact assessment.

The Presidencies will, in close cooperation with the Commission, advance the review of existing European legislation by actively taking forward the **simplification agenda**. In this context, the Presidencies will also endeavour to improve working methods for simplification proposals.

The Presidencies will – on the basis of work started during the UK Presidency – strive to achieve agreement on the reform of the comitology system with a view to ensuring a more appropriate involvement of the European Parliament.

INNOVATION AND ENTERPRISE

Both Presidencies will work towards reaching a final decision on the **Framework Programme for Competitiveness and Innovation (CIP) (2007-2013)** before the end of 2006. This Programme, which aims at stimulating greater investment in innovation, in particular at the level of SMEs, is closely linked to other policy areas (energy, information technologies, research and environment).

In the area of **Innovation and Enterprise**, the Council will give due consideration to the following initiatives likely to be launched or progressed during 2006:

- Communication on the regulatory framework for the automotive industry (CARS 21);
- new aspects of SME policy for growth and jobs;
- a new communication on industrial policy;
- the Research and Innovation Action Plan.

The Competitiveness Council will discuss the implementation of the **European Charter for Small Enterprises**, recognising the important role that small enterprises have in generating growth and jobs. Discussions will take place in the light of the information provided by the Member States in their National Reform Programmes, following streamlining of the reporting system.

Under the relaunched Lisbon Strategy the Commission intends to integrate the Competitiveness Report, the Innovation Scoreboard and the Enterprise Policy Scoreboard into a single **Competitiveness Package**. This is likely to provide an overall assessment during the second half of 2006 of how the Strategy is operating and will serve as a basis for the preparatory discussions leading to input into the 2007 Spring Council.

The Presidencies will discuss growth and employment aspects of tourism. New information and communication technologies as well as tourism and culture will be the key issues.

In the field of **public procurement**, the Council will start work on the proposal for a new Public Procurement Remedies Directive, expected in 2006. The aim of the revision is to guarantee effective and timely review procedures relating to public procurement in the Member States. Work may also begin on a Commission communication concerning public-private partnerships and defence procurement.

Concerning **Competition and State Aid**, the Council will take forward or start work on the proposal for a **revision of Council Regulation (EEC) No 4056/86**, applying the EC competition rules to maritime transport.

Whilst matters on **State aid** are only to a limited extent the subject of Council deliberations, the Commission's Action Plan on State aid contains two points relevant to the Council: Amendment of 994/98, Enabling Regulation for Block Exceptions (2005/6) and amendment of 659/99, Procedural Regulation (2002/8). High priority will be given to settling these issues rapidly and in line with the timetable set out in the Commission's Action Plan on State aid, guided by the principles of reducing the administrative burden in State aid control and allowing the Commission to concentrate on cases with real distortion of competition.

Both Presidencies recognise the important role that **space policy** can play in Europe in terms of industrial and innovation policy. Work on the further development and implementation of an overall European space policy based on the EC/ESA Framework Agreement will be actively taken forward. Further meetings of the "Space Council" in 2006 will ensure continued progress, taking due account of the space research activities proposed under the 7th Framework Programme and of the implementation of Galileo and GMES.

RESEARCH

The Presidencies will make every effort, in close liaison with the European Parliament, to ensure a timely launch of the **7th Framework Programme for Research and Development**. To avoid any gap between the present Framework Programme which expires at the end of 2006 and the new programme, all decisions, covering both the Framework Programme itself, and the accompanying implementing decisions (specific programmes, rules for participation, the Joint Research Centre and activities envisaged under Articles 169 and 171 of the EC Treaty) must be taken well before the end of 2006.

Both Presidencies will continue to monitor and encourage the implementation of the **3% Action Plan**. This process will follow up the Council's discussions on this subject.

With regard to the **International Thermonuclear Experimental Reactor (ITER)** to be built in Cadarache, France, the Commission is expected to submit, at the beginning of 2006, its proposals relating to the conclusion of an international agreement between the participating parties and the creation of a European legal entity. The Presidencies will seek swift adoption of these proposals.

EDUCATION

The **Joint Interim Report on Education and Training 2010** will be finalised in the first half of 2006. In this context, the Presidencies will aim at enhancing the strategic objectives of the process: the quality, efficiency and effectiveness of education, as well as access to education. They will also promote an integrated approach to education and training cooperation, including efficient working methods.

The Council will work towards the final adoption of the **Integrated Action Programme in the Field of Lifelong Learning** (2007-2013), with a view to a timely start of the programme at the beginning of 2007.

The Presidencies will enhance **European cooperation in the field of vocational education and training**. The Council is expected to adopt conclusions on vocational education and training during the second half of 2006. The Finnish Presidency intends to organise a follow-up conference in December 2006.

The two Presidencies will seek final adoption of the European Quality Charter for Mobility and the Recommendation of the Council and the European Parliament on key competences for lifelong learning. They will work on the European Indicator of Language Competence and the European Qualifications Framework.

Depending on Commission preparations, a possible item on the Council agenda will be a recommendation on the quality of teacher training.

INTELLECTUAL PROPERTY RIGHTS

The Presidencies will explore possibilities to make progress towards finding a solution on the **Community Patent** in order to achieve a cost-effective, user-friendly and efficient patent system in the EU.

The Presidencies will work towards finding a compromise solution on the proposal to amend the **Design Directive** for component parts of complex products.

Work will be continued on the basis of the recommendation from the Commission on the collective management of copyrights. The Council expects a report from the Commission on the EC legal framework in the field of copyright and related rights.

The Council will seek to adopt a decision on the **accession of the EC to the WIPO Geneva Act** on the International Registration of Designs and an amendment to the Designs Regulation.

6. DEVELOPING A GENUINE INTERNAL MARKET

SERVICES

Given the importance of opening up the internal market for services, the two Presidencies, in close cooperation with the Commission and the European Parliament, are committed to completing the negotiations on the **Directive on Services**. In this process, the Presidencies will take due account of the concerns expressed by the European Parliament and Member States, while trying to keep the scope of the Directive as wide as possible.

Furthermore, the Commission is expected to present a proposal to extend the scope of the Directive 98/34/EC (establishing a procedure for the notification of draft technical regulations) to services. The Presidencies will endeavour to take forward this proposal.

FREE MOVEMENT OF GOODS

The Commission is expected to come forward with a proposal for a decision consolidating and strengthening new approach directives, policies and principles and with a proposal for a regulation on free movement of goods in non-harmonised areas. The two Presidencies will work towards further improving the internal market for goods.

FINANCIAL SERVICES

As regards financial markets, the two Presidencies will devote particular attention to the **implementation of the Financial Services Action Plan (FSAP)** and to measures related to the post-FSAP strategy. Against this background work will focus on the **new legal framework for payment systems** in the internal market (implementing also the special recommendation VI of the FATF) and on improving market access of firms to **clearing and settlement**, as well as on **cross-border merges** on the banking sector (amendment of the Banking Directive 2000/12/EC). In addition, attention will be paid to further improving supervision of cross-border institutions, improving stability and crisis management arrangements and in particular to the review of Directive 94/19/EC **on deposit guarantee schemes**. Assessments will be made on the progress made in the convergence of supervisory practices.

The effort **to fight against the financing of terrorism** and money laundering will continue. Key issues in this respect are the regulation implementing special recommendation VII of the FATF on wire-transfers.

TAXATION

Against the general objective of a more cost-efficient and transparent regulatory framework, EU tax rules need to be partly reconsidered and further developed. In addition, measures are necessary to remove obstacles for cross-border activities and distortions in competition between Member States. With regard to indirect taxes, the two Presidencies will therefore continue initiatives on **simplifying and modernising the VAT system** as well as the excise duties (e.g. alcohol beverages). With respect to direct taxes, work on a common consolidated tax base for companies is expected to be continued at technical and political level. The Presidencies will also support a decision on the Fiscalis 2013 Programme, which is necessary for a coherent development of tax systems in the internal market.

COMPANY LAW

In general, the Presidencies will support the Commission's initiatives on strengthening the credibility and comparability of annual and consolidated accounts. The two Presidencies are committed to completing the work on the **directives on Statutory Audit and Accounting**.

Work towards the adoption of the proposal concerning the **transfer of company's seat** (14th company law directive) and work on the proposal for a **Directive on shareholders' rights** will be carried forward. The Commission's initiatives concerning the future study on an alternative capital maintenance system will be supported.

TECHNICAL HARMONISATION

Concerning the proposal on the **financing of European standardisation**, political agreement on a common position or, possibly, final adoption of the act will be sought for in 2006. The Presidencies will work towards final agreement with the European Parliament on the **Type-approval (Recast) Directive**. This is the last outstanding proposal in this area, other than routine Article 133 Committee Council Decisions (UN/ECE regulations).

FERTILIZERS

The Council will aim to make progress on the proposal for a regulation relating to cadmium in fertilizers which is expected from the Commission in 2006. The regulation establishes maximum limits for the cadmium content of phosphate fertilizers and establishes a number of classes of fertilizers of defined cadmium content. It will be the first time when the allowed amount of heavy metals in inorganic fertilizers is regulated in the EU.

FOODSTUFFS

The Council will aim to reach an agreement with the European Parliament on the Regulation on the **addition of vitamins and minerals** and the Regulation on **nutritional and health claims**. It will also start work on proposals which are expected concerning food improvement agents (**food additives, flavours and enzymes**).

CONSUMERS

The Presidencies will seek to reach an agreement on the **Decision establishing a programme of Community action in the field of health and consumer protection (2007-2013)**.

Due to the cross-cutting nature of consumer protection policy, specific emphasis shall be placed on consumer-relevant developments in other policy areas in order to mainstream consumer interests.

They will continue to deal with the proposed amended **Directive on Consumer Credit** with a view to finding a solution that will ensure a high level of consumer protection and maintain the necessary flexibility for Member States. Commission initiatives aiming at strengthening consumer safety and at reviewing the Consumer Protection Acquis will be supported.

CUSTOMS

In this area, the two Presidencies will take forward work on two proposals:

The proposal for the **modernisation of the Customs Code**. The proposal, which entails a major and general overhaul of the Customs Code originally adopted in 1992, addresses issues concerning the requirements of an electronic environment for customs and trade, the simplification of customs rules, and the changing nature of the tasks performed by the customs authorities.

The proposal for a **Council Decision on e-customs**. The implementation of an electronic and paperless environment for customs being a pre-requisite of the modernised Customs Code, this Decision will identify the actors, the necessary measures and the deadlines for their implementation in order to ensure a Community-wide application of e-customs as soon as possible.

The Presidencies will take forward work on a decision on the Customs 2013 Programme, which is necessary for a coherent development of the Customs Union. The promotion of international cooperation in the field of customs will be continued, as this is a vital issue in relation to international trade and cross-border activities.

7. INFORMATION SOCIETY, ENERGY, TRANSPORT, CHEMICAL POLICY

INFORMATION SOCIETY AND ELECTRONIC COMMUNICATIONS

Efforts will be intensified to ensure that the Information and Communication Technologies play a key role in the context of the revised Lisbon strategy. In this respect the two Presidencies will work to ascertain the successful start of the "i2010 – a European information society for growth and employment" initiative and to facilitate its effective implementation.

Particular attention will be devoted to enhancing security and interoperability of electronic communications and services, in order to strengthen the internal market and European citizenship. To this end the Presidencies will work to strengthen network and information security by considering a Communication expected to be submitted by the Commission, and by taking into account international coordination and follow-up activities concerning Spam. Furthermore, the Presidencies will contribute to the promotion of seamless services and communications by paying special attention to the Commission's communication on sustainability and infrastructure.

Discussions on the review of the legislative framework for electronic communications will start in 2006. Possible legislative proposals are expected from the Commission before the end of 2006.

In addition, the Presidencies are prepared and expecting to work on the following issues:

- A Commission Communication on e-Government;
- A Commission proposal on the revision of the Postal Services Directive to be submitted by the end of 2006;
- Follow-up of the Commission Communication on a European Radio Spectrum Policy agenda expected before the end of 2006;

- The eventual co-ordination and follow-up activities resulting from the outcome of the World Summit on Information Society held in November 2005, with special attention to the issue of Internet Governance given the expiry of the MoU between ICANN and the US-administration in September 2006.

ENERGY

In 2006 work will continue on different aspects, such as internal energy market, security of supply, sustainability of energy production and consumption, international dimension and nuclear issues. The Commission Green Paper on a secure, competitive and sustainable energy policy for Europe will provide a basis for extensive discussion on future energy policy.

Internal energy market

Consideration will be given to further measures on the liberalisation of the electricity and gas markets on the basis of an assessment of their operation, including looking at competition aspects.

Security of supply

Work on the **Decision on TEN-Energy** will possibly be finalised in early 2006. Work to enhance security of supply will be taken forward on the basis of the Communication assessing the implementation of the 2000 Green Paper on Energy Policy. The EU-Russia and EU-OPEC dialogues (see International dimension below) will also contribute to the security of supply.

Sustainability of energy production and consumption

Action will proceed along two lines: improving energy efficiency and promoting renewable energy:

- The Directive on **end-use energy efficiency** and **energy services** will be finalised in early 2006. More generally, work on an Action Plan on Energy Efficiency should proceed on the basis of the consultation launched by the Green paper, to be completed by March 2006, then initiating its assessment and preparation of the Action Plan.

- A strategy for addressing the medium and long term time frame for **renewable energy** beyond 2010 should be developed on the basis of two Communications (financing of renewables, biomass Action Plan), taking into account progress towards 2010 targets on energy efficiency and in climate change negotiations.

International dimension

- The conclusion of the **EU-South East Europe Agreement** establishing an energy community could be achieved during the first semester, following signature (on 25 October 2005).
- Building on the EU-Russia Energy Permanent Partnership Council of 3 October 2005 the **EU-Russia Energy Dialogue** should be further re-invigorated by making progress on the implementation of the energy-related actions listed under the Common Economic Space.
- Particular attention will be paid to the review and update of the energy and nuclear safety chapters of the **Northern Dimension** with a view to adopting its new political document by the end of 2006.
- Continuation of the **EU-OPEC dialogue**, including at Ministerial level, following the 1st meeting in June 2005.

It should also be noted that "Energy for Sustainable Development" will be one of the themes of the UN Commission on Sustainable Development in 2006 and 2007; this should be the occasion for the EU to follow-up on its commitments towards the Millennium Development Goals (MDGs) and as contained in the Johannesburg Plan of Implementation (JPOI).

Atomic questions

The Presidencies attach great importance to a high level of nuclear safety and to appropriate nuclear safeguards. To this end, they will seek to

- give practical effect to the conclusions on **nuclear safety and the safe management of radioactive waste and spent fuel** adopted by the Council on 28 June 2004. This work should be completed, leading to a final report on the consultation process initiated by these conclusions by the end of 2006. A Directive on safe **shipment of radioactive waste** should be adopted in the first semester;
- find a satisfactory resolution of issues affecting the definition of a new approach for nuclear safeguards, clarifying the respective roles of Euratom, Member States and the IAEA.

TRANSPORT

Land transport

Road safety will remain high on the political agenda of the Union in 2006. Possible Commission initiatives and/or legislative proposals concerning safety on the European Transport Network ("Infrastructure Directive"), dead angle mirror and daytime running light will be handled. The Council will continue work on the **Driving Licence Directive**.

The Commission is likely to forward a proposal on cross-border enforcement of road safety legislation.

The Presidencies will continue work on the **Third Railway Package**, taking due account of the European Parliament's view. The evaluations on the implementation of the Directives 2001/12/EC, 2001/13/EC and 2001/14/EC (1st Railway Package) will also be considered.

The Commission has adopted a proposal for **revision of the Regulation on Public Service Obligations**, and depending on the state of the play the Presidencies will examine possibilities to work on the proposal.

The modernisation of technical regulations **in inland navigation** is seen as an important step to increase the safety and competitiveness of this sector. The Commission's Communication on inland navigation will be followed up. Depending on the state of play, the work on the Directive amending Directive 82/714/EC laying down **technical requirements for inland waterway vessels** will continue and work may start on a proposal for a framework **Directive on the carriage of dangerous goods in inland waterways** either on its own, or as a part of the Framework Directive on carriage of dangerous goods on road, rail and inland waterways.

Aviation

External relations in aviation remain a priority topic in the air transport sector. The Presidencies will continue the work on the related dossiers EU-USA, EU-third countries and Member States - third countries. At the same time, the Presidencies will support the Commission's negotiations with third countries on the basis of the horizontal mandate. Any new request from the Commission for mandates to negotiate with third countries will be examined with due attention.

The Commission Communication on the **strengthening of passenger rights** within the European Union will be examined.

The Council will also take forward and possibly finalise the work on the amended proposal concerning the harmonisation of technical requirements and administrative procedures in the field of civil aviation (EU-OPS).

Other initiatives or proposals likely to be addressed in 2006 are the extension of the Mandate of EASA (European Aviation Safety Agency), SESAR (Single European Sky Implementation Programme), as well as revisions of airport capacity, CRS (Computer Reservation System), third liberalisation package, ground handling and aviation security.

Maritime Transport

The Presidencies will examine what progress can be made on the expected **Third Maritime Safety Package**, which will address issues such as Port State control, Flag State initiative, a Community vessel traffic monitoring and information system and legal instruments on liability and compensation. The Presidencies will also explore the possibility of working on the revised proposal on **market access to port services**, taking account of the European Parliament's view.

During the second half of 2006, particular attention will be paid to the issue of Short Sea Shipping, in conjunction with the Commission progress report on the Programme for the Promotion of Short Sea Shipping.

Depending on progress, the Council will continue or finalise work on the regulation on multiannual financing of the EMSA (European Maritime Safety Agency).

Horizontal Issues

Efficient logistics is vital for the competitiveness of Europe and for economically and ecologically sustainable development. There is a need to speed up the establishment of strong Community transport and logistics markets – a logistics cluster. Consequently, during the second half of 2006 great importance will be attached to a forthcoming **Communication from the Commission on logistics**, including an inventory of the present situation and first-stage action plan, and addressing issues such as liability of stakeholders, training, bottlenecks of the networks, security measures in ports and terminals and electronic sealing of containers.

The Council will start discussions on the mid-term review of the White Paper "European Transport Policy 2010" during the first half of 2006.

Depending on progress, the Council will continue or finalise work on the **Marco Polo II** initiative. The Commission may come forward in the course of 2006 with an initiative on **intermodal security**.

The Presidencies will continue to work on different aspects relating to the **European Satellite Radio Navigation System GALILEO**, paying particular attention to security, safety and financial issues as well as services, the international cooperation and the negotiation of the concession contract relating to GALILEO. Consequently, the Presidencies will make every effort to reach final agreement on the proposed regulation on deployment and operation.

CHEMICAL POLICY

The Council is fully committed to reaching a final agreement on the **REACH package** in close cooperation with the European Parliament.

The Commission is expected to give three proposals on restrictions for marketing and use of certain dangerous substances and preparations. The Council aims at achieving agreement on these proposals.

The Commission is expected to adopt in mid 2006 a proposal for a Regulation concerning classification and labelling of hazardous substances and mixtures, implementing Globally Harmonized System of Classification and Labelling of Chemicals. This proposal is closely linked to the REACH Regulation and should therefore be adopted in 2006 so that it could enter into force at the same time with the REACH Regulation.

Recognising the global dimension of a successful EU chemicals' policy, the EU will take a lead in seeking a comprehensive conclusion of SAICM (Strategic Approach to Chemicals Management) during the International Conference on Chemicals Management and will prepare carefully for the Conference of the Parties on Persistent Organic Pollutants (POP) in spring 2006 and of the Rotterdam Convention on Prior Informed Consent (PIC) to be held in autumn 2006.

8. EMPLOYMENT, LABOUR LAW, SOCIAL POLICY, HEALTH AND GENDER EQUALITY

EMPLOYMENT

Following the mid-term review of the Lisbon strategy in 2005, work will initially concentrate on the finalisation of the **2005 Joint Employment Report** to be submitted to the 2006 Spring European Council. As usual, the EPSCO Council will prepare a **Key Messages Paper** to the European Council on employment and social issues. Given that the new Employment Guidelines as a part of the integrated guidelines have been adopted for the period 2005-2008, any updating in 2006 should be strictly limited.

LABOUR LAW, HEALTH AND SAFETY AT WORK

In the area of **working conditions**, the Presidencies will seek final adoption of the Directive amending Directive 2003/88/EC on Working Time in order to solve the problems created by the SIMAP and Jaeger judgments, and may also take up the Temporary Agency Work Directive. The Presidencies will also take up the future of labour law on the basis of the green paper of the European Commission.

In the area of **health and safety at work**, the Presidencies will work on the proposal for a Directive amending the reporting requirements laid down in Directive 89/391/EEC. They will also start work on the expected proposal amending Directive 2004/37/EC on the protection of workers from the risks related to exposure to carcinogens and mutagens at work. A Communication is expected from the Commission late in 2006 on a new Community Strategy on health and safety at work.

SOCIAL POLICY

On **social security issues**, the Council will examine the draft implementing regulation regarding Regulation (EC) No 883/04 on the coordination of social security systems, together with the proposal regarding Annex XI of the parent Regulation. The Presidencies will also work, against the background of the European Year of Mobility for Workers, 2006, on the proposal for a Directive on the portability of supplementary pensions.

In the area of **social protection**, the Presidencies will pursue work on the key question of the sustainability of the European Social Model and, in the context of the streamlining of the three dimensions of social inclusion, pensions and health and long-term care, the Council will adopt early in 2006 the first common objectives for social protection. It will be submitted to the Spring European Council for endorsement in the spring 2006, and implementation will start in the autumn. The Presidencies will seek to finalise the decision establishing a Community programme for employment and social solidarity (PROGRESS). Due attention will be given to the forthcoming Communication on social services of general interest. The Council will also address the social challenges of globalisation.

In the context of the Commission's Green Paper and the forthcoming communication on demographic challenge and intergenerational solidarity, the Presidencies will attach special importance to families, **family policy and reconciliation of work and family life as well as gender equality**. The Presidencies will also highlight **attractiveness and quality of working life** as essential means to reach the objectives of the Lisbon strategy and to raise the employment rate. In this context, due attention will be paid to a systematic approach and action.

Healthy ageing is another challenge in view of major demographic changes which are underway throughout Europe. Living longer is a societal achievement. In this context, it has to be assured that social and health services are prepared to meet the needs of the growing number of elderly citizens and make healthy ageing possible.

HEALTH

Focus will be put on the **Decision establishing a Programme of Community action in the field of Health and Consumer Protection (2007-2013)**. The Presidencies will also pay due attention to work carried out in the relevant Commission and Council Groups with regard to **developments in health care**. The **integration of health into all policies** will be highlighted at Council level.

The Council will continue or start work on legislative proposals such as the Regulations on **medicinal products for paediatric use**, the **revision of legislation on medical devices**, and on **advanced therapies**.

At the international level, in the field of combating tobacco consumption, the first Conference of the parties to the **WHO Framework Convention on Tobacco Control** will start negotiations on protocols to the Convention in February 2006. Due attention will be devoted to **other WHO activities** such as the entry into force of the new International Health Regulations, Children's Environmental Health (the Budapest process) and the European Strategy on Non-Communicable Diseases.

In the field of **communicable diseases** work will focus on HIV/AIDS both inside and outside the Community, also in relation to drug abuse, and **on pandemic preparedness**.

Other issues which will be addressed are the Communication on **nutrition and physical activity**, the **Alcohol Strategy Communication**, **mental health**, **adult-onset diabetes**, **women's health**.

GENDER EQUALITY AND NON-DISCRIMINATION

As far as **equality and non-discrimination are concerned**, the Presidencies will seek the final adoption of the Recast-directive and the Regulation establishing a European Institute for Gender Equality. The Presidencies will also pursue the annual review of progress made in the context of the Beijing Platform for Action and build up health as well as poverty indicators. According to current practice the Presidencies will mainstream gender issues into Council agendas.

Youth

The Presidencies will make every effort to reach final agreement on the **"Youth in Action" programme (2007-2013)** by the end of 2006. The Presidencies will work on the **European Youth Policy**. The objectives and measures will be based on the Commission Communication on European policies concerning youth presented in June 2005. The monitoring of the implementation of the **European Youth Pact** will be integrated into the reporting mechanisms of the Lisbon Strategy. Other items on the Council Agenda will include youth participation and information, youth research and recognition of non-formal and informal learning within the European youth field.

Culture

The common objective of the Presidencies is to ensure that the co-decision procedure on the proposal for a decision establishing the **Culture Programme (2007-2013)** will be completed by the end of 2006.

The Presidencies will also seek final adoption of the Decision establishing a Community action for the **"European Capital of Culture"** and the Decision concerning the launching of the year 2008 as a **European Year of Intercultural Dialogue** as well as the Decision concerning the **Citizens for Europe Programme (2007-2013)**.

The Presidencies will ensure a continuous and sustained implementation of the **Work Plan for Culture 2005-2006**. The particular focus in 2006 will be the contribution of creativity and cultural industries to European growth and cohesion (a policy document to be presented for the European Council) as well as the mobility of works of art and art collections and exhibitions (the preparation of an Action Plan on European collection mobility).

Audiovisual

In this area, the two Presidencies aim to reach final agreement on the proposal for the **Media programme (2007-2013)**. They will engage in starting and speeding up the negotiations for a revised "**Television without Frontiers**" Directive and aim at reaching agreement on the proposal as soon as possible.

9. ENVIRONMENT

General

Work will focus on climate change, biodiversity, air quality and waste, both at the internal and international levels. Efforts will continue on integrating environmental considerations into other Community policies and in taking up cross cutting issues, such as sustainable production and consumption.

6th Community Environment Action Programme

The **6th Community Environment Action Programme** (decided by the Parliament and the Council in 2002 for a period of ten years) foresees a mid-term review of its implementation in the fourth year of its operation (2006). However, since the examination of the thematic strategies (as the backbone of the 6th EAP) is starting later than initially expected, the timeframe for the mid-term review will have to be adjusted accordingly. Both Presidencies are committed to taking this review forward as far as possible.

In the first half of 2006, all seven **thematic strategies** to be submitted by the Commission in the framework of the 6th Community Environment Action Programme will be with the Council: air quality, waste prevention and recycling, sustainable use of natural resources, marine environment, urban environment, soil protection and the sustainable use of pesticides. Several of these strategies will be accompanied by legislative proposals. For strategies which are not accompanied by legislative proposals, the Council will use appropriate means to focus and advance the political discussion.

Of the seven thematic strategies priority will be given to **air, waste, natural resources, urban and marine environment**. The Council will take forward relevant legislative proposals as far as possible in the co-decision procedure with the European Parliament.

Air quality / atmosphere

In the field of air quality, the Council will aim to improve the consistency and effectiveness of the regulatory framework on the basis of the Commission proposal for a Directive on ambient air quality and cleaner air for Europe. Amending legislation in order to promote more ambitious emission standards for motor vehicles and heavy vehicles (EURO V and EURO VI) will also be taken forward as well as the review of the directive of fuel quality.

The EU will strive to maintain the positive momentum of international cooperation in protecting the ozone layer during the 18th COP to the Montreal Protocol in autumn 2006.

Waste

Concerning waste, the main objective is to clarify and consolidate Community legislation in order to improve implementation.

The EU will strive to maintain the positive momentum of international cooperation in waste management during the 8th Conference of the Parties to the Basel Convention in autumn 2006.

Water

Once adopted, new Commission proposals on flood risk management and priority substances (water quality) will be taken forward.

To underline its global commitment on water issues, the EU will take a proactive role in the 4th World Water Forum in spring 2006.

ONGOING LEGISLATIVE WORK

The Council intends to conclude work on the financial instrument for the environment (**LIFE Plus** Regulation), the Directive on an Infrastructure for Spatial Information in Europe (**INSPIRE**) and the **Groundwater Directive**. Work will be finalised on the Regulation of certain fluorinated greenhouse gases, the Batteries Directive and the Regulation of the Århus Convention.

CLIMATE CHANGE

Climate change will remain a high priority on the Council's agenda. Work will include the **review of the Emission Trading Directive** and the new phase of the European Climate Change Programme (ECCP), which will contribute to the achievement of the Kyoto commitments by the Community and the Member States. Depending on the Commission timetable for a legislative proposal on Aviation Emissions the Council will start the discussion on this dossier. On the **international level**, the emphasis will be on starting a process aimed at a global agreement on the development of a global climate regime after 2012, in line with the decisions taken by the Conference of the Parties (COP 11) of the UNFCCC (United Nations Framework Convention on Climate Change) and the COP/MOP 1 of the Kyoto Protocol in Montreal. Key tasks in this respect will be the preparation of and the participation in the meetings held in conjunction with the Conference of the Parties (COP 12) of the UNFCCC (United Nations Framework Convention on Climate Change) and the COP/MOP 2 of the Kyoto Protocol and their subsidiary bodies. Climate change will also continue to be a regular part of the EU's agenda in its transatlantic dialogue and other contacts (including summits) with third countries.

BIODIVERSITY

Both Presidencies are committed to following up the **Communication on Biodiversity**. The aim is to promote the EU target of halting the decline of biodiversity by 2010.

In addition, preparatory work is necessary for the 8th Conference of the Parties (COP8) to the Convention on Biological Diversity (CBD) and the 3rd Meeting of the Parties to the Cartagena Protocol on Biosafety (MOP3) (Brazil, spring 2006). To enhance further the EU's leading role in its commitment on a global scale, we will work to secure the EU's priorities at COP8 and MOP3, which will address crucial issues for the successful implementation of both treaties and the global achievement of the 2010 biodiversity target.

ENVIRONMENTAL TECHNOLOGIES

The two Presidencies, in close cooperation with the European Commission, will seek to make progress on the implementation of the Environmental Technologies Action Plan (ETAP), which will also be the subject of the Environment Ministers' informal meeting during the first half of 2006. In addition, the two Presidencies will follow up ongoing work on linking environmental technologies with public procurement, including the discussion of performance targets.

GLOBAL ENVIRONMENTAL GOVERNANCE

The Council will continue to be committed to improved environmental governance at the global level, in order to follow up the decision taken at European Council level in June 2005 and the outcome of the September 2005 Millennium Review Summit. At the 9th Special Session of the UNEP Governing Council in February 2006 the EU will take the lead in promoting environmental issues on global level and any follow-up required by the September 2005 Millennium Review Summit will provide opportunities to pursue EU efforts in this field.

10. SUSTAINABLE DEVELOPMENT

Sustainable development is a fundamental objective under the Treaties aimed at ensuring that meeting the needs of the present generation will not compromise those of future generations. It is an overarching concept guiding all Union policies, actions and strategies and requires economic, environmental and social policies to be designed and implemented in a mutually reinforcing way. It requires trends that threaten the future quality of life to be curbed if not reversed.

On the basis of the Declaration on Guiding Principles for Sustainable Development adopted by the European Council in June 2005 and the Commission's communication, the European Council will adopt a renewed, ambitious and comprehensive strategy in June 2006 comprising targets, indicators and an effective monitoring procedure which should integrate the internal and external dimensions and be based on a positive long-term vision. This renewed strategy should bring together the Community's sustainable development priorities and objectives in a clear, coherent strategy that can be communicated simply and effectively to citizens.

Being aware of the wide range of interests the decision by the European Council on the renewed strategy will be based on the preparatory work of the concerned Council formations. The opinions expressed by the European Parliament, the Economic and Social Committee and the Committee of the Regions will also be taken into account in an appropriate way.

Both Presidencies will continue efforts to take proper account of sustainability considerations in all internal and external Community policies, and take up cross cutting issues, such as sustainable production and consumption. Outreach and information sharing will be assisted by the Green Diplomacy Network.

As a contribution to an environmentally sustainable development in the Alpine Region, Austria will, during its Presidency, carry forward proposals for the ratification of protocols to the Alpine Convention in the areas of transport and agriculture.

At the global level, the Council will prepare actively the next sessions of the United Nations Commission on Sustainable Development (UNCSD) in spring 2006 and in 2007 which will focus on the strategic themes of energy for sustainable development, climate change, air pollution/atmosphere and industrial development. The EU will take a leadership role in taking forward this important agenda.

11. COMMON AGRICULTURAL POLICY/FISHERIES

An innovative, competitive and sustainable European Model of Agriculture

The **consolidation of the newly reformed CAP** is a priority of the two Presidencies. It is important to give a signal of stability and reliability to the European farming community while at the same time recognising the need to start reflecting on the challenges facing the CAP in the last years of the decade.

A further very important priority for both Presidencies will be the **contribution of the European Model of Agriculture to the Lisbon strategy**. The reformed CAP contributes to delivering jobs and growth because it is more competitive and market oriented; it supports innovation, promotes environmental protection and creates new employment opportunities and stability in the rural areas of Europe.

The **simplification of the CAP** is also a matter of great importance to the Council. The Commission's report on Simplification and Better Regulation of the CAP was presented to the Council in autumn 2005. Possible legal proposals will be dealt with by the Council during 2006.

In particular the Council will finalise the **reform of the sugar market organisation**. In addition, the Council will decide on proposals that are expected from the Commission for important **reforms of the market organisations** of fruit and vegetables and, possibly, wine and bananas. In co-decision with the European Parliament, the Council will seek to conclude work on Commission proposals to amend current legislation on spirit drinks. The Council will also decide on Commission proposals for adjustments to the arrangements for the flax and hemp sectors. The proposals on promotion of agricultural products will be dealt with by the Council before the end of 2006. WTO aspects relevant for Agriculture will be followed by the Council by way of dialogue and transparent participation with stakeholders.

Taking into account the particular sensitivity of GMOs the Council will seek progress on the question of **coexistence between organic, conventional and GMO agricultural production**. A Commission's report is expected to be presented on this question.

On the basis of the Commission's Action Plan on biomass and the expected Communication on bio fuels, the Council will take stock of the role renewable energy sources play within the CAP and will review the energy crop support arrangements during 2006.

Promoting food safety, animal welfare, animal health, plant protection and animal nutrition

The Presidencies will put a strong emphasis on the **prevention of animal diseases**, by seeking to make progress on the review of the BSE policy and Community measures for the control of Avian Influenza and diseases of aquaculture animals. Furthermore, the Council will reflect on European strategies on animal welfare and animal health.

The Council will enhance a smooth functioning of the **European Food Safety Authority (EFSA)**. This includes the question of financing, the EFSA's Management Board and the forthcoming report setting out the results of the independent external evaluation of EFSA.

On the basis of two closely related proposals from the Commission, the Council will play an active role in revising legislation concerning the placing of plant protection products on the market and also on the establishment of a thematic strategy on the **sustainable use of pesticides** up to 2012. In doing so, an appropriate balance must be found between consumer safety, environmental protection and the needs of the industries concerned.

Work on the proposed revision of **organic farming legislation** will also continue in line with the European Action Plan on Organic Food and Farming, with the aim of introducing principles for this sector, simplifying existing provisions and improving the circulation of organic produce.

Other issues to be dealt with are the proposed amendments to the **Regulation on geographical indications** in the light of the conclusions of the WTO Panel on GIs.

The Council will continue its work concerning the **relationships between EU and third countries**, especially the negotiations on a veterinary agreement between the EU and Russia and the functioning of the veterinary agreement between the EU and the US.

On the **international level**, the Council will continue to participate in the work of the Codex Alimentarius by coordinating the EC position on proposed global food safety standards. The Council will also continue to participate actively in other international fora, coordinating the EC position for meetings of the Interim Commission for Phytosanitary Measures (ICPM) and the International Union for the Protection of New Varieties of Plants (UPOV).

Forestry issues

The Council will continue its work on sustainable forest management, by moving forward with the implementation of the **Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan** and by striving for an international instrument to protect the world's forests within the multilateral framework of the **United Nations Forum on Forests**.

The Council will also reconsider the scope of the current **Forest Focus Regulation**, which will be included in the new Life+ Regulation, and it will examine the **EU Forest Action Plan** that the Commission is expected to present by mid-2006 and it underlines the social, economic and ecological importance of forestry and the need to improve co-ordination, communication and co-operation in all policy areas with relevance to the forest sector.

Fisheries sector

The Council will make every effort to finalise work on the new **European Fisheries Fund** as well as on the **Community financial measures for the implementation of the Common Fisheries Policy and in the area of the Law of the Sea**. Against this background, the Council will focus on implementing the new policy framework aimed at bringing about a greater sustainability in the fisheries sector, by finalising or making progress on a series of proposals concerning conservation measures (recovery plans and management plans), increased control, enforcement and inspection (inter alia remote sensing) and third country fisheries partnership agreements. The Council is looking forward to receiving the Commission's **Green Paper on a future EU Maritime Policy**.

The Council will also fix the TACs and quotas for 2007, taking into account economic, social, environmental and sustainability considerations.

12. AREA OF FREEDOM, SECURITY AND JUSTICE

The Hague Action Plan will provide the framework for the two Presidencies. A key priority in 2006 will be the **mid-term review of the Hague Programme**, taking into account the Commission's first annual implementation report. It presents an opportunity to evaluate the progress and coherence of the Programme and the Action Plan as a whole, and if necessary to adjust priorities.

Of particular importance will be the establishment of a system for objective and impartial evaluation of the implementation of EU measures aimed at establishing a European Area of Freedom, Security and Justice. This work will be based on a Communication and a proposal by the Commission.

Strengthening freedom

In 2006 work will continue under this part of the Action Plan on promoting the right of all EU citizens to move and reside freely in the territory of the Member States. This calls for a focus on the associated question of further developing policy on asylum, migration and border controls. The Council will continue to work on the Framework Programme "Solidarity and Management of Migration Flows" under the new Financial Perspectives.

In the field of asylum, work will continue on the second phase of the development of a common European asylum system with the aim of establishing a **common asylum procedure** and a **uniform status** for those who are granted asylum or subsidiary protection. This work will be based on legislative proposals put forward by the Commission, and will take account of the evaluation of the first-phase legal instruments.

Work will continue on the Union's policy on **legal migration**, with particular attention being devoted to the follow-up to the Green Paper on an EU approach to managing economic migration. The Council will pursue discussions on the Plan on Legal Migration. It will also address the issue of integrating third country nationals legally resident in the territory of the Member States.

Addressing **illegal immigration and trafficking in human beings** will be a priority for the Council. Concrete work on these matters will be based on the Action Plan on human trafficking and on the plan developed and adopted by the Council and the Commission in 2005 in accordance with the Hague Programme. In 2006 the Council will consider a proposal from the Commission for a Directive establishing minimum standards on return. It will also aim to strengthen and improve the action of the Union in the area of the readmission of third country nationals who are illegally resident.

The two Presidencies will place particular emphasis on the issue of **border control**. The Council will continue and intensify its work in the development of the **integrated management of external borders** and strengthened co-operation with transit countries, in particular to give political guidance and support the work of the newly-established European Border Agency (Frontex). Development of operational cooperation between Member States will continue within the framework of the European Borders Agency, as well as between Member States and third countries. Following the adoption of the Schengen Borders Code, the Council will work on the creation of a practical handbook to assist border guards in their duties.

During 2006 the Council will continue its work on the new **Schengen Information System (SIS II)** in order to finalise the relevant legal instruments as well as the work on the technical platform of the SIS II and other technical aspects related to the establishment of SIS II. The two Presidencies will commence the evaluation of the implementation of the Schengen acquis not related to SIS II in the new Member States in order to prepare for the planned adoption of the Council decision on the lifting of controls at the internal borders with and between the new Member States.

On **visa policy**, work will focus on the revision of the Common Consular Instructions, and on the use of new technologies, especially the technical implementation of the VIS and the introduction of biometric identifiers. The Community may start negotiations with further third countries on visa facilitation agreements, if deemed appropriate.

Strengthening security and improving preparedness

The two Presidencies will promote the **sharing of information** among law enforcement and judicial authorities. This work will be based on a Commission Proposal on adequate safeguards and effective legal remedies for the transfer of personal data in the context of police and judicial cooperation in criminal matters, as well as on a Proposal on the establishment of a principle of availability of relevant law enforcement information.

The continuing development of **Operational co-operation** between the law-enforcement authorities of the Member States, particularly at the internal borders of the Member States, will be a high priority. Emphasis will be placed on the elaboration of an intelligence-led law enforcement model.

In strengthening a coherent overall approach to combat **terrorism**, emphasis shall be placed on the implementation of existing decisions and strategies and the effective utilisation of existing structures. Consideration will be given to the future development of Europol and enhancing the relationship between **Europol** and **Eurojust**.

While continuing work on the prevention and fight against organised crime, the two Presidencies will also aim to strengthen the **prevention and control of crime in general**. An important element in this will be the establishment of a **network of anti-corruption authorities** in order to improve the cooperation in the fight against corruption. A debate on the future development of **CEPOL** will be launched on the basis of the results of the second evaluation. A decision should be taken during 2006 at the latest on the strengthening and professionalisation of the European Union **Crime Prevention Network**, including its establishment as a legal personality. The Council will examine the anticipated Commission communication on an action plan on **EU crime statistics**.

The implementation of the **multi-annual Action Plan for Customs Cooperation** (3rd pillar) will be continued. In taking the decision whether to adopt a new action plan by the end of 2006, the review of the implementation of The Hague Programme shall be taken into account.

Work will continue on the protection of critical infrastructure and on the implementation of the Integrated **EU emergency and crisis coordination arrangements** for crises with cross-border effects within the EU (EU-ICMA) in order to meet the deadline of July 2006. The two Presidencies will also ensure the follow-up to the Commission's final assessment expected by the end of 2005 on civil protection assets and capabilities available in case of a major terrorist attack. The development of the EU's ability to respond to **disasters of different origin** will continue, including through the development of an EU Rapid Reaction Capability. The Council will in particular aim to reach agreement on a Community Mechanism and a Regulation on a Rapid Response Instrument.

Work will also continue on the **Tsunami Action Plan** which focuses on areas where the EU can provide added value for European citizens in the event of major crises: enhanced consular cooperation, disaster relief coordination including the coordination of military capacities that can be used for disaster relief, as well as humanitarian aid. Efforts will include the necessary coordination structures and mechanisms in Brussels as well as enhanced cooperation between Member States.

Consular protection

In the light of recent emergency situations due to terrorist attacks and severe natural disasters in third countries, the two Presidencies will continue work on improving cooperation in the consular and visa field in order to ensure the best possible consular protection of EU-citizens in third countries.

Strengthening justice

An essential element to judicial cooperation in both civil and criminal law is the **principle of mutual recognition**. A key element of the work on strengthening the Area of Justice is to create a "European judicial culture" based on diversity of the legal systems of the Member States and unity through European law. To this end, the two Presidencies will support work on **the networking of judges and judicial authorities**.

During 2006, the Council will work towards concluding the initiative for a Framework Decision on the application of the principle of mutual recognition to the enforcement of sentences, the proposal for a Framework Decision on taking account of convictions in the Member States of the European Union in the course of new criminal proceedings, and the proposal for a decision on a computerised system of exchange of information on criminal convictions.

The two Presidencies will attach particular importance to the strengthening **the efficiency of justice** and **effective access to justice** in civil matters. It is intended that the proposal on conflicts of laws regarding non-contractual obligations (Rome II), the draft regulation on the European payment order and the draft directive on alternative dispute resolution (ADR) shall be finalised and adopted during 2006. Furthermore, work will continue on the draft regulation on conflict of laws regarding contractual obligations (Rome I) and the draft regulation on small claims.

Drugs

The Council will continue work on implementing the EU Action Plan on Drugs 2005-2008 which was adopted by the Council in June 2005.

External dimension

Particular emphasis will be placed on implementing the Strategy on all external aspects of the Union policy on freedom security and justice, based on the measures developed in the Hague Programme. The two Presidencies have identified the following issues as matters of particular priority in 2006: **the European Neighbourhood Policy, the Western Balkans**, the implementation of **the EU/Russia Common Space of Freedom, Security and Justice**, further development of the **Enhanced Security Dialogue (ESD)** with the United States in combating terrorism and the continuation of implementation of the **EU-US Declaration on Combating Terrorism**.

As agreed in the European Council in December 2005, the Council will take forward the actions included in the Commission's communication on the "Global approach to migration: Priority actions focussing on Africa and the Mediterranean".

13. ENLARGEMENT

Bulgaria/Romania

Monitoring of the commitments undertaken in the accession negotiations will continue with the objective of both countries acceding to the Union in January 2007. Preparations for accession within the framework of the Europe agreements, as well as targeted pre-accession assistance, will continue.

Croatia/Turkey

Following the start of accession negotiations and depending on results in the screening procedure, the first negotiating chapters will be opened in accordance with the agreed negotiating framework. Each candidate country will be treated individually on its own merits.

The Council will examine a Commission proposal for a revised Accession partnership.

Former Yugoslav Republic of Macedonia

Following the granting of candidate status in December 2005 to the former Yugoslav Republic of Macedonia, further progress of compliance with the Copenhagen political criteria and effective implementation of the Stabilisation and Association Agreement by the country will be closely followed.

14. EXTERNAL RELATIONS

Building up the European Union's capabilities for external action and strengthening its international position

Making the Union's practices and decision-making procedures more efficient

The two Presidencies will promote the strengthening the Union's external action by focusing on the consistency and efficiency of the Union's activities and decision-making procedures. Coordination in third countries and in international organisations will be strengthened.

Contributing to International Security

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 work will 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. The Union's policy instruments will be used in a coherent and integrated manner.

The Presidencies will work closely with the Secretary General/High Representative and the European Commission in order to ensure an adequate follow-up to the deliberations at the Heads of State or Government Informal Summit in Hampton Court on the Union's role in the world.

Since security and prosperity depend on an effective multilateral system based on international law and in particular on the United Nations Charter, the EU will continue its active participation in multilateral fora, especially the United Nations, and will promote multilateral solutions to common problems. Emphasis will be put on the follow-up to the UN Summit of September 2005.

ESDP

The EU's ability to act in conflict prevention, crisis management and post-conflict stabilisation as well as capacity building will be further strengthened. One particular aim is to further improve the coherence and complementary functioning of military and civilian means, including rapid reaction instruments.

In the area of **military crisis management**, particular attention will continue to be paid to the running of the EUFOR operation Althea in Bosnia and Herzegovina. The six-monthly reviews of the operation in 2006 will need to take account of both the wider EU presence in Bosnia and Herzegovina and the expected evolution of the international community's involvement. EU support to the African Union mission in Darfur will continue. Depending on decisions by the African Union on the future of this mission, the Council will need to decide in 2006 on the nature of future EU involvement.

In the area of **civilian crisis management**, the Union will continue the ongoing civilian missions. The Council will need to decide on transition and follow-up for those civilian operations which will come to an end. Work will continue on the development of new areas of civilian ESDP.

The two Presidencies will put particular emphasis on further enhancing the military as well as civilian **capabilities** which Member States put at the disposal of the EU's crisis management in the framework of ESDP. The implementation of the headline goals 2010 (military) and 2008 (civilian) will be advanced.

In the field of **military capabilities**, particular attention will be devoted to the preparation of the Force and Progress Catalogue and the building up of the rapid reaction capability. Efforts will continue in particular to prepare for the full operational capability of the Battle Groups as of 1 January 2007, and work will be pursued on further improving rapid reaction capabilities. Particular priority will also be given to ensuring the full operability of the European Defence Agency (EDA) in all its areas, including defence material cooperation and the role of EDA within the comprehensive capability development process.

Work on the improvement of **civilian capabilities** will continue, and an effective follow-up process will be launched to ensure that capability requirements can be met and maintained. The framework for Civilian Response Teams implementation will be further developed. The CRT concept will be further developed and implemented with a view to initial readiness by the end of 2006. Work on qualitative aspects of civilian crisis management capabilities as well as the dialogue with NGOs will be continued.

The Presidencies will aim at further enhancing **EU Civil Military Co-ordination (CMCO)**, in particular by ensuring the most effective use of the civilian/military cell for ongoing and future crisis management operations. Conceptual frameworks may have to be adapted to be aligned with the work carried out by the cell.

The EU will plan and conduct a **Crisis Management Exercise (CME 06)** in the second half of 2006. Combining civilian and military assets, this exercise will concentrate on testing crisis management procedures in rapid response operations, particularly involving the use of Battle Groups. In the first half of 2006 an Exercise Study on a military evacuation scenario will take place.

Aiming at increased coherence between the military and civilian elements in preparing for ESDP operations, particular importance will be attached to the development and implementation of **ESDP Training**.

The implementation of the conflict prevention programme will be continued with the aim of applying a comprehensive approach to conflict prevention and management as well as to post conflict stabilisation and reconstruction.

To ensure effective EU crisis management, **cooperation with international organisations**, in particular the UN, NATO, OSCE, Council of Europe and the African Union and other regional organisations, will be further developed. Work will continue in order to improve the functioning of the EU-NATO strategic partnership in crisis management. Implementation of the EU-UN Joint Declaration on cooperation in crisis management will also remain a priority. The EU will explore possibilities to further enhance transatlantic co-operation in crisis management.

Implementation of the Action Plan for ESDP support to Peace and Security in Africa will be promoted in line with the EU strategy on Africa.

Work could start on negotiations of an EU-OSCE Joint Declaration on common fields of cooperation.

Terrorism

The two Presidencies place a high priority on the **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. The Council will also pursue the objective of integrating the fight against terrorism into EU External Policy, in particular through efforts to deepen international consensus and co-operation at the UN and other international fora, such as NATO, OSCE and the Council of Europe, through political dialogue and targeted action towards priority third countries, as well as through the inclusion of effective counter-terrorism clauses in agreements with third countries, and ensuring implementation of existing commitments. The work to implement the conceptual framework on the ESDP dimension of the fight against terrorism will continue, in particular with a view to identifying recommendations on interoperability between military and civilian assets.

Non-proliferation and Disarmament

The Council will continue to **implement the EU strategy against the Proliferation of Weapons of Mass Destruction** on the basis of priorities endorsed by the European Council in December 2004. Efforts to enhance the role of the EU in contributing to the progress in disarmament and arms control in multilateral fora will continue. In the field of nuclear non-proliferation and disarmament, the Council will be guided, inter alia, by its Common Position in relation to the Review Conference on the Non-Proliferation Treaty in 2005.

The Council will work towards establishing a coordinated EU approach to the Review Conference of the UN Programme of Action on small arms and light weapons, Review Conference of the Convention of Certain Conventional Weapons and the Review Conference of the Biological Weapons Convention that are due to take place in 2006.

The Joint Actions in support of the IAEA and the OPCW will be reviewed and possibly expanded. The Council may consider similar initiatives to strengthen other elements of the multilateral non-proliferation system, inter alia in the biological field.

The Council is expected to adopt actions in order to contribute to disarmament and non-proliferation initiatives in the context of the G8 Global Partnership and of the Action Plans of the Neighbourhood Policy. It will continue to work for the inclusion of a "non-proliferation clause" in new and existing agreements in line with its policy of reinforcing this aspect in the framework of the EU's external relations. The EU will continue its work in order to strengthen international export control regimes.

The Union will work on the basis of a new strategy in order to combat the illicit accumulation and trafficking of SALW and their ammunition.

Strengthening multilateral cooperation and development policy

In general, the two Presidencies will aim to enhance the **coherence of external relations** both in the EU's internal decision-making and in the EU's action in different international organizations (UN, Bretton Woods, WTO, OECD), in the fields of security and development and trade and development as well as economic issues. They will seek to promote multilateral structures and mechanisms, and to work for increased coherence and complementarity between the policies of the Community and the Member States. They will also enhance the partnership for development with the ACP countries through advancing the negotiations of the Economic Partnership Agreements.

The two Presidencies will work to ensure effective **follow-up to the UN World Summit** of September 2005, including the discussion on how to further UN Reform, in particular in the economic and social sector.

Emphasis will be placed on the implementation of the EU commitments in the context of the outcome of the Millennium Declaration Review, with particular attention to Africa. The Presidencies will also ensure follow up to the Monterrey commitments on aid volume and aid effectiveness, including actions agreed in the Paris High Level Forum and the EU Ad hoc Working Group on Harmonisation. Work will also continue on the implementation of the EU Development Policy Statement 2005.

Building on the basis of the Helsinki Process, emphasis will be placed on promoting dialogue between governments, civil society organisations and the corporate sector on global governance, as well as including the social dimension of globalization in the Union's external policies in the light of the recommendations of the World Commission on the Social Dimension of Globalization.

Preparations will take place in 2006 for the UNCTAD XI Implementation Conference, UNGA Special Session on HIV/AIDS, LDC III Implementation Conference and for the UN high-level meeting on Immigration and Development.

Trade Policy

The two Presidencies will continue to work towards a **successful conclusion to the Doha Development Agenda**. The Union will further pursue its aims to achieve an ambitious and balanced outcome in all areas of the negotiations, notably better market access in goods and services, stronger WTO rules to strengthen a rules-based and more predictable world trading system, poverty reduction through a better integration of developing countries into the trading system and measures to promote sustainable development. The Union will continue to engage constructively with other WTO members to achieve these objectives and to contribute to the better management of globalization.

EU-Russia; Northern Dimension; European Neighbourhood Policy; Middle East

Russia

Work will continue in 2006 on the **implementation of the road maps of the common spaces**.

This will include development of implementation and monitoring mechanisms, implementation of the 1st Common Space taking into account future Russian membership of the WTO and further consideration of the free trade perspective, strengthening environmental cooperation by organizing a Permanent Partnership Council (PPC), and implementation of the visa facilitation and readmission agreements.

The Presidencies are committed to continuing the EU/Russia dialogue on human rights in the form of biannual consultations.

Decisions will be required on future contractual arrangements within the context of the Partnership and Cooperation Agreement (PCA).

The Presidencies will aim at ensuring adequate funding for the EU-Russia cooperation from appropriate financing instruments, including the European Neighbourhood and Partnership Instrument (ENPI), and creating well-functioning administrative procedures for cross-border cooperation.

The Northern Dimension

The two Presidencies will aim at negotiating a **successor to the current Northern Dimension Action Plan** which expires at the end of 2006. This will need to be negotiated and agreed in conjunction with Russia and other ND partner countries who are involved in the process.

European Neighbourhood Policy

The two Presidencies will aim to ensure the **development of the European Neighbourhood Policy** (ENP), including its financing, as a tool in support of regional stability and the EU Security Strategy. In 2006 the Council will be required to carry out a mid-term review of the ENP Action Plans for the first group of neighbourhood countries.

The EU will continue to support reform in Ukraine to align itself to EU norms and standards, with a focus on the EU-Ukraine Summit in the second half of 2006. The EU will pay close attention to the parliamentary elections in March. Discussions on enhanced contractual relations between EU and Ukraine may take place after the review of Ukraine's action plan in 2006. Efforts will be made to complete visa facilitation and readmission negotiations with Ukraine early in 2006. The EU will continue to support Ukrainian accession to the WTO, and will look to begin talks on an FTA once Ukraine is a member.

The Union may also consider reviewing the existing PCA with Moldova with the aim of adapting it to the developing relationship between the Union and Moldova. It will continue its engagement in the resolution of the Transnistria conflict, in particular through the work of the EU Special Representative.

The Union will work with Armenia, Azerbaijan and Georgia to begin implementation of the ENP Action Plans. The Council may consider a troika mission to the Southern Caucasus to add momentum to this process. It may also look at enhancing the role of the EU Special representative in the Southern Caucasus, aiming eventually at his permanent presence in the region. Efforts should continue to ensure the support of the EU in helping to solve regional conflicts in the Southern Caucasus and to enhance border controls in Georgia.

The Council should be ready to consider adjusting the EU's policy towards Belarus depending on the conduct and outcome of the presidential elections in 2006.

As regards the Mediterranean Area, the Council will be called to adopt the action plans for Egypt and Lebanon in 2006.

Within the framework of the **Barcelona Process**, the VIII Euro-Mediterranean Conference of Foreign Ministers will take place in Finland in the second half of 2006. The two Presidencies will work to ensure a successful outcome to this Conference.

The Council will ensure the implementation of the association agreement with Algeria and continue the dialogue with Syria. The Council may also consider including Libya in some activities of the Euromed-Partnership, depending on Libya's attitude towards the Barcelona Process.

The Union will continue to pursue the objectives of the **Strategic Partnership for the Mediterranean and the Middle East**, primarily through existing structures and arrangements and present regular reviews.

The Union will extend the mandate of the SR for Central Asia and will try to continue the regional dialogue with Central Asia.

Middle East

The Union will continue its efforts to help resolve the Middle East crisis, in particular through its participation in the quartet. It will continue to press for full implementation of the road-map.

The Council will continue to follow closely developments in Iran, in particular in relation to Iran's nuclear programme, and its cooperation with the IAEA.

In the Gulf region, the Council attaches importance to concluding the negotiations on a Free Trade Agreement with the Gulf Cooperation Council in good time before the 16th Joint Council and ministerial meeting due to take place during the first half of 2006.

The Union will continue to work to strengthen its relationship with the government and people of Iraq with the aim of achieving the goal of security and stability, including through continuing political dialogue, and work on a possible contractual relationship.

Western Balkans

The **Stabilization and Association Process** (SAP) will remain the basic framework for the development of the EU's relations with the Western Balkans through to their future accession. In 2006, the Council will continue to follow closely political developments in each of the Western Balkan Countries in order to ensure continuing stabilisation in the region and full cooperation with ICTY by all countries concerned. Work will also focus both on the implementation of existing SA Agreements and the preparation of new Agreements.

The implementation and development of the Thessaloniki agenda will continue with specific regard to each country's progress, and, with particular attention to combating organized crime and corruption, promoting economic development, regional free-trade, energy and visa facilitation issues. Work will also continue on enhancing regional and cross-border cooperation with a view to strengthening the regional ownership in the regional initiatives such as the Stability Pact.

In light of the negotiations on the future status, the implementation of Kosovo's "Standards" will have to be closely monitored. The negotiation process is conducted under the authority of the United Nations Special Envoy in close consultation with the EU representative. In the course of this process, the EU has to define its heightened role following the status determination. Priority areas in which the EU could take over additional functions include policing and the rule of law.

Transatlantic relations

USA

Over the past EU-Presidencies the EU -US partnership has been subject to a substantial consolidation and enhancement, further utilizing the wide potential of creating a strategic and effective cooperation. It will be a key issue for the Austrian and Finnish Presidencies to pursue and intensify these efforts in order to further operationalise this partnership. The Union aims at a robust, action oriented, visible and timely EU-US cooperation.

The Union will ensure follow up of the June 2005 EU-US Summit declarations and continue to deepen the strategic dialogue with the US in a forward looking manner. It will especially focus on key issues of the bilateral and international agenda such as the implementation of the Economic Initiative, climate change, promoting democracy and stability, conflict resolution and good governance in – amongst others – Eastern and South Eastern Europe, the Middle East Peace Process, Weapons of Mass Destruction and counter terrorism. The EU-US Summit which is due to take place during the first half of 2006 will be an opportunity to bring forward this important agenda.

Canada

The **EU-Canada Summits** will provide an opportunity to continue and deepen the already excellent EU-Canada cooperation in important issues such as effective multilateralism and follow up of the UN Summit, the realization of the Millennium Development Goals, environmental and northern issues, including the arctic environment, climate change, international governance and cooperation with Africa. An important objective in 2006 will be striving to conclude the Canada-EU Trade and Investment Enhancement Agreement (TIEA).

Asia

The 7th ASEM Finance Ministers' Meeting in Austria in April 2006 and the 6th **ASEM summit** in Finland in the second half of 2006 should help reinforce political, economic, environmental and cultural cooperation within the framework of the Euro-Asian partnership.

A major objective of the Union will be to implement and strengthen its partnerships with China, India and Japan. Further action will be taken to advance the wide-ranging agenda for co-operation with China, including preparations towards a new EU-China framework agreement. The strategic partnership with India will be implemented on the basis of the EU-India political declaration and action plan adopted in 2005. The EU-Japan summit will be the main opportunity to promote the Union's relations with Japan across a range of areas.

The Union will also continue to offer its support to Asian countries dealing with political, economic and humanitarian challenges. In this respect, continued co-operation and dialogue with and within multilateral bodies such as ASEM, ASEAN, ARF and SAARC will be a particular priority.

Latin America and the Caribbean

The Union will continue to strengthen and deepen its strategic partnership with this region. The EU-LAC-summit will take place in Vienna in May 2006. It is foreseen that **a number of multilateral political and social issues, questions of development as well as bi-regional cooperation** will be focus of the Summit discussions.

Every effort will be made to take forward, and possibly conclude, negotiations between the EU and MERCOSUR on an Association Agreement. The Council is also expected to decide whether to open negotiations with the Andean Community and Central America on Association Agreements.

During 2006 the Union will continue negotiations with the Caribbean Members of the ACP-countries on Economic Partnership Agreements, with a view to ensuring their early and successful conclusion.

Africa

The two Presidencies will cooperate closely with the African Union and regional organisations to ensure a better structured and deepened EU/African dialogue, taking into account the wish to have an EU/AU summit as soon as possible. Special attention will be given to effective crisis management in Africa, assisted by the EU. They will work towards strengthening the Africa Peace Facility with substantial, long-term, flexible, sustainable funding and will also promote the implementation of the Action Plan for ESDP Support to Peace and Security in Africa. The Presidencies will work towards the implementation of the EU Africa Strategy, adopted by the European Council in December 2005, and will monitor the implementation of the EU commitments in the context of the Millennium Declaration Review, as well as take forward the UK Presidency initiatives on Africa.

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The Union will continue its negotiations with the African Members of the ACP-countries on Economic Partnership Agreements.

15. HUMAN RIGHTS

The Union will continue and reinforce its efforts to protect and **promote human rights and fundamental freedoms**. The two Presidencies will in particular work to improve the coherence and consistency of the EU's human rights policy in its internal matters as well as in external affairs.

Mainstreaming human rights

A high priority will be attached to mainstreaming human rights into the EU's external policy. Particular attention will be paid to the EU's human rights dialogues and consultations with China, Iran and Russia as well as to the implementation of EU guidelines in the field of human rights (on human rights defenders, death penalty, torture and children and armed conflict). The EU will promote human rights through multilateral fora, whereby a main focus will be the implementation of the decisions by the High Plenary Meeting of the General Assembly on the establishment of a Human Rights Council to replace the Commission on Human Rights.

EU Fundamental Rights Agency

The Council is expected to conclude negotiations on the Commission proposal for extending the mandate of the existing European Monitoring Centre on Racism and Xenophobia in Vienna into a European Fundamental Rights Agency. The Agency, which will play a major role in enhancing the coherence and consistency of the EU human rights policy, should become operational on 1 January 2007.

Data Protection

A Commission Communication concerning the evaluation of Directive 95/46/EC on the protection of individuals with regard to the processing of personal data and on the free movement of such data (data protection directive) will be discussed.

