

Presidency Conclusions

1. The meeting of the European Council was preceded by an exposé by the President of the European Parliament, Mr Josep Borrell, followed by an exchange of views. Subsequently the European Council held a meeting with the Secretary-General of the United Nations, Mr Kofi Annan.
2. The European Council welcomed the President of the Commission, Mr José Manuel Barroso. It congratulated him on the assumption of office of his College and expressed its wish to work closely with the new Commission.
3. The European Council discussed the following items
 - I. Enlargement
 - II. Terrorism
 - III. Financial Framework 2007-2013: principles and guidelines
 - IV. Area of Freedom, Security and Justice: the EU Drugs Strategy 2005-2012
 - V. External Affairs
 - VI. Other issues

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I. ENLARGEMENT

General

4. The European Council welcomed the findings and recommendations presented by the Commission on 6 October 2004 to the Council and the European Parliament in its Regular Reports on Bulgaria, Romania and Turkey, Strategy Paper on Bulgaria, Romania and Croatia, Recommendation on Turkey and document on Issues Arising from Turkey's Membership Perspective.

5. With the accession of ten new Member States to the European Union successfully accomplished, the European Council expressed its determination to continue the process it has engaged in with the candidate countries, thus contributing to Europe's prosperity, stability, security and unity. In this connection, it recalled that the Union's capacity to absorb new members, while maintaining the momentum of European integration, is an important consideration in the general interest of both the Union and the candidate countries.

Bulgaria

6. The European Council recalled that all of the outstanding chapters in the accession negotiations with Bulgaria had been provisionally closed earlier in 2004. It welcomed the successful completion of these negotiations with Bulgaria on 14 December 2004 and accordingly looked forward to welcoming it as a member from January 2007.
7. Taking due note of the relevant assessments and recommendations by the Commission, the European Council considered that Bulgaria will be able to assume all the obligations of membership at the envisaged time of its accession, provided that it continues its efforts to that end and completes in a successful and timely way all necessary reforms and commitments undertaken in all areas of the *acquis*. Safeguard clauses will provide for measures to address serious problems that may arise before accession or in the three years after accession.
8. The European Union will continue to monitor closely Bulgaria's preparations and achievements, including the effective implementation of the commitments undertaken in all areas of the *acquis* and in particular Justice and Home Affairs; to this end the Commission will continue to submit annual reports on Bulgaria's progress towards accession, together with recommendations if appropriate.
9. Anticipating the successful completion by Bulgaria of its preparations for accession to the Union, the European Council called for the finalisation of the Accession Treaty with Bulgaria and Romania with a view to its signing in April 2005 on the occasion of the meeting of the General Affairs and External Relations Council, provided the European Parliament has given its assent.

Romania

10. The European Council noted with satisfaction that progress made by Romania in implementing the acquis and commitments entered into as regards, in particular, Justice and Home Affairs and Competition, has made it possible to close formally all of the outstanding chapters with this candidate on 14 December 2004 and accordingly looked forward to welcoming it as a member from January 2007.
11. Taking due note of the relevant assessments and recommendations by the Commission, the European Council considered that Romania will be able to assume all the obligations of membership at the envisaged time of its accession, provided that it continues its efforts to that end and completes in a successful and timely way all necessary reforms and commitments undertaken in all areas of the acquis, in particular the important commitments regarding Justice and Home Affairs, Competition and Environment. Safeguard clauses will provide for measures to address serious problems that may arise, as the case may be, before accession or in the three years after accession, in particular in the areas of Justice and Home Affairs and Competition as well as Environment.
12. The European Union will continue to monitor closely Romania's preparations and achievements, including the effective implementation of the commitments undertaken in all areas of the acquis, and in particular in the areas of Justice and Home Affairs, Competition and Environment; to this end the Commission will continue to submit annual reports on Romania's progress towards accession, together with recommendations if appropriate.
13. Anticipating the successful completion by Romania of its preparations for accession to the Union, the European Council called for the finalisation of the Accession Treaty with Bulgaria and Romania with a view to its signing in April 2005 on the occasion of the meeting of the General Affairs and External Relations Council, provided the European Parliament has given its assent.

Croatia

14. The European Council noted with satisfaction the progress made by Croatia in preparation for the opening of accession negotiations.
15. Reaffirming its conclusions of June 2004, it urged Croatia to take the necessary steps for full cooperation with ICTY and reiterated that the remaining indictee must be located and transferred to the Hague as soon as possible.
16. It invited the Commission to present to the Council a proposal for a framework for negotiations with Croatia, taking full account of the experience of the fifth enlargement. It requested the Council to agree on that framework with a view to opening the accession negotiations on 17 March 2005 provided that there is full cooperation with ICTY.

Turkey

17. The European Council recalled its previous conclusions regarding Turkey, in which, at Helsinki, it agreed that Turkey was *a candidate state destined to join the Union on the basis of the same criteria as applied to the other candidate states* and, subsequently, concluded that, if it were to decide at its December 2004 meeting, *on the basis of a report and recommendation from the Commission, that Turkey fulfils the Copenhagen political criteria, the European Union will open accession negotiations with Turkey without delay.*

18. The European Council welcomed the decisive progress made by Turkey in its far-reaching reform process and expressed its confidence that Turkey will sustain that process of reform. Furthermore, it expects Turkey to actively pursue its efforts to bring into force the six specific items of legislation identified by the Commission. To ensure the irreversibility of the political reform process and its full, effective and comprehensive implementation, notably with regard to fundamental freedoms and to full respect of human rights, that process will continue to be closely monitored by the Commission, which is invited to continue to report regularly on it to the Council, addressing all points of concern identified in the Commission's 2004 report and recommendation, including the implementation of the zero-tolerance policy relating to torture and ill-treatment. The European Union will continue to monitor closely progress of the political reforms on the basis of an Accession Partnership setting out priorities for the reform process.
19. The European Council welcomed Turkey's decision to sign the Protocol regarding the adaptation of the Ankara Agreement, taking account of the accession of the ten new Member States.
- In this light, it welcomed the declaration of Turkey that "the Turkish Government confirms that it is ready to sign the Protocol on the adaptation of the Ankara Agreement prior to the actual start of accession negotiations and after reaching agreement on and finalising the adaptations which are necessary in view of the current membership of the European Union".
20. The European Council, while underlining the need for unequivocal commitment to good neighbourly relations welcomed the improvement in Turkey's relations with its neighbours and its readiness to continue to work with the concerned Member States towards resolution of outstanding border disputes in conformity with the principle of peaceful settlement of disputes in accordance with the United Nations Charter. In accordance with its previous conclusions, notably those of Helsinki on this matter, the European Council reviewed the situation relating to outstanding disputes and welcomed the exploratory contacts to this end. In this connection it reaffirmed its view that unresolved disputes having repercussions on the accession process, should if necessary be brought to the International Court of Justice for settlement. The European Council will be kept informed of progress achieved which it will review as appropriate.

21. The European Council noted the resolution adopted by the European Parliament on 15 December 2004.
22. The European Council welcomed the adoption of the six pieces of legislation identified by the Commission. It decided that, in the light of the above and of the Commission report and recommendation, Turkey sufficiently fulfils the Copenhagen political criteria to open accession negotiations provided that it brings into force these specific pieces of legislation.

It invited the Commission to present to the Council a proposal for a framework for negotiations with Turkey, on the basis set out in paragraph 23. It requested the Council to agree on that framework with a view to opening negotiations on 3 October 2005.

Framework for negotiations

23. The European Council agreed that accession negotiations with individual candidate states will be based on a framework for negotiations. Each framework, which will be established by the Council on a proposal by the Commission, taking account of the experience of the fifth enlargement process and of the evolving *acquis*, will address the following elements, according to own merits and specific situations and characteristics of each candidate state:

- As in previous negotiations, the substance of the negotiations, which will be conducted in an Intergovernmental Conference with the participation of all Member States on the one hand and the candidate State concerned on the other, where decisions require unanimity, will be broken down into a number of chapters, each covering a specific policy area. The Council, acting by unanimity on a proposal by the Commission, will lay down benchmarks for the provisional closure and, where appropriate, for the opening of each chapter; depending on the chapter concerned, these benchmarks will refer to legislative alignment and a satisfactory track record of implementation of the *acquis* as well as obligations deriving from contractual relations with the European Union.

- Long transition periods, derogations, specific arrangements or permanent safeguard clauses, i.e. clauses which are permanently available as a basis for safeguard measures, may be considered. The Commission will include these, as appropriate, in its proposals for each framework, for areas such as freedom of movement of persons, structural policies or agriculture. Furthermore, the decision-taking process regarding the eventual establishment of freedom of movement of persons should allow for a maximum role of individual Member States. Transitional arrangements or safeguards should be reviewed regarding their impact on competition or the functioning of the internal market.
- The financial aspects of accession of a candidate state must be allowed for in the applicable Financial Framework. Hence, accession negotiations yet to be opened with candidates whose accession could have substantial financial consequences can only be concluded after the establishment of the Financial Framework for the period from 2014 together with possible consequential financial reforms.
- The shared objective of the negotiations is accession.

These negotiations are an open-ended process, the outcome of which cannot be guaranteed beforehand.

While taking account of all Copenhagen criteria, if the Candidate State is not in a position to assume in full all the obligations of membership it must be ensured that the Candidate State concerned is fully anchored in the European structures through the strongest possible bond.

- In the case of a serious and persistent breach in a candidate state of the principles of liberty, democracy, respect for human rights and fundamental freedoms and the rule of law on which the Union is founded, the Commission will, on its own initiative or on the request of one third of the Member States, recommend the suspension of negotiations and propose the conditions for eventual resumption. The Council will decide by qualified majority on such a recommendation, after having heard the candidate state, whether to suspend the negotiations and on the conditions for their resumption. The Member States will act in the IGC in accordance with the Council decision, without prejudice to the general requirement for unanimity in the IGC. The European Parliament will be informed.
- Parallel to accession negotiations, the Union will engage with every candidate state in an intensive political and cultural dialogue. With the aim of enhancing mutual understanding by bringing people together, this inclusive dialogue also will involve civil society.

II. TERRORISM

24. The European Council reiterated its unyielding determination to combat the continuing terrorist threat through a comprehensive and integrated approach reinforcing both internal and international cooperation, in accordance with the principles on which the European Union is founded.
25. Democracy and respect for fundamental rights must not be allowed to be undermined by terrorism. Efforts to combat terrorism must respect human rights and fundamental freedoms. The European Council stressed the importance of promoting respect based on universal values, tolerance, inter-faith and cross-cultural dialogue and full participation in society.

26. The European Council reiterated its conviction that in order to be effective in the long run the Union's response to terrorism must address the root causes of terrorism. Radicalisation and terrorist recruitment can be closely connected. The European Council called on the Council to establish a long-term strategy and action plan on both issues by June 2005, building on the report on recruitment recently adopted by the Council. It invited the Secretary-General/High Representative and the Commission to submit proposals to this effect.
27. The European Council called for prompt implementation of measures identified in the *Hague Programme on strengthening freedom, security and justice* relevant to combating terrorism. In particular, the exchange of information between counter-terrorism related services must be improved. Taking into account work underway, the European Council invited the Commission to present proposals based on the principle of availability of information in accordance with the Hague Programme.
28. The European Council welcomed the revised EU Action Plan and additional reports presented by the Secretary-General/High Representative and the Commission on combating terrorism and the progress made since June 2004, which should lead to further concrete results as demonstrated in these contributions, notably:
- the reinforcement of practical and operational cooperation notably through Europol and the Police Chiefs Task Force; better exchange of information between Member States and Europol and Eurojust; the exchange of data on lost and stolen passports with Interpol; the peer evaluations in 15 Member States of the national structures on combating terrorism to be completed for 25 by September 2005. Member States are called upon to report on implementation of recommendations aimed at strengthening these structures;

- concerning judicial cooperation: improved exchange of information from criminal records (to be further developed by the end of 2005 on the basis of the Commission's White Paper); progress on retention of telecommunications data and the European Evidence Warrant (both to be agreed in 2005). The European Council invites the Commission to present proposals for a European Protection Programme – as soon as possible – to protect and assist victims of terrorism, as well as witnesses in terrorism cases;
- as regards border and document security: the enhanced security of EU passports by the inclusion of biometric data (facial image and fingerprints) and the establishment of the European Border Agency (to be operational by May 2005);
- concerning intelligence cooperation, the links established between the Counter Terrorism Group and the re-enforced EU Situation Centre which as of 1 January 2005 will provide the Council with strategic threat assessments based on intelligence from national services; and the improved exchange of information with Europol. The European Council invited the SG/HR to report on progress, including enhanced cooperation between police and security services, also in connection with the SitCen;
- measures to combat terrorist financing, notably agreement on controls on cash entering or leaving the Union and on the third Money Laundering Directive; best practices in implementing financial sanctions against terrorists and their organisations; and the overall strategy paper presented by the SG/HR and the Commission. In particular, the Commission is invited to present to the Council as soon as possible proposals to prevent misuse of charitable organisations for the financing of terrorism and Member States are urged to put forward known names of individuals and groups for inclusion in the European Union list for freezing of assets, thus contributing to the enhancement of the effectiveness of the sanctions system;

- conclusions on strengthening civil protection capacity on prevention, preparedness and response to terrorist attacks and the establishment of a Solidarity Programme regarding the consequences of terrorist threats and attacks. Further assessment of the capabilities that Member States could make available to the Civil Protection Mechanism in the event of an attack is required by June 2005, as well as further assessment and development of civil protection capabilities, including joint exercises and coordination of public information, and improved availability of medical resources. A European Programme for critical infrastructure protection with potential trans-boundary effects should be established before the end of 2005;
- progress on external policies through counter terrorism clauses in agreements with third countries which should be made operational as soon as possible; within the framework of intensified transatlantic cooperation, the implementation of the 2004 EU-US Declaration on combating terrorism; the conceptual framework and action points on the ESDP dimension of the fight against terrorism; and strengthening cooperation with priority third countries through dialogue and assistance as well as fostering regional cooperation. The Council and the Commission are called upon to set up a network of national experts to respond to requests for technical assistance by third countries.

29. The European Council urged all Member States to implement effectively on a priority basis the measures agreed by the European Union and other relevant international organisations, and urged the Council and the Commission to continue their efforts to implement the EU Action Plan and respect its deadlines.

30. The European Council requested the General Secretariat of the Council, together with the Commission, to submit a further progress report including any recommendations they may wish to make on improving delivery and/or additional efforts and initiatives in June 2005.

III. FINANCIAL FRAMEWORK 2007-2013

Principles and Guidelines

31. The European Council took note of the Presidency Progress Report on the intensive work undertaken on the Commission's 2007-2013 Financial Framework proposals, including the Interinstitutional Agreement/flexibility and own resources.
32. The European Council confirmed that the new Financial Framework, to be agreed in comprehensive negotiations, should provide the financial means necessary to address effectively and equitably future challenges, including those resulting from disparities in the levels of development in the enlarged Union. Policies agreed in accordance with the Treaty shall be consistent with the principles of subsidiarity, proportionality and solidarity. They should also provide added value. Expenditure for individual policy areas must be seen in the context of the overall expenditure level, and such expenditure must be seen in the context of the overall negotiation including the question of own resources.
33. The next Financial Framework should attest to determined efforts towards budgetary discipline in all policy areas within a general context of budgetary consolidation in the Member States. This objective will be ensured in particular by maintaining a strict demarcation between broad policy areas and a balanced ratio of commitments to payments. As existing measures to ensure budgetary flexibility have worked well, at this stage additional flexibility arrangements are not deemed necessary.
34. The European Council endorsed the Commission proposal to maintain the ceiling for the own resources at the current level of 1,24% of EU GNI. The European Council took note of the presentation by the Commission of the report on the operation of the own resources system as well as the proposal to introduce a generalised correction mechanism, in the light of the various positions expressed up to now. It called on the Commission and the Council to continue the examination of all issues arising in this connection, including a possible simplification of the system.

35. The incoming Presidency in cooperation with the Commission is invited to press ahead with the work towards establishment of the next Financial Framework. Further work on the Financial Framework should take full account of the range of positions of Member States on the Commission's proposals and the Progress Report including the building blocks and issues at stake and will comply with the timeframe of the Multiannual Strategic Programme, including the aim of reaching political agreement by June 2005.
36. The incoming Presidency is furthermore invited to take all necessary steps to establish appropriate contacts with the European Parliament.

IV. AREA OF FREEDOM, SECURITY AND JUSTICE

EU Drugs strategy 2005-2012

37. The European Council adopted the Drugs strategy 2005-2012, which will be included in the Hague Programme. The Strategy will be a key instrument to effectively confront drugs use and trafficking with a view to ensuring a high level of health protection, wellbeing and social cohesion, as well as a high level of security for the general public. The European Council invited the Commission to present to the Council a proposal for an Action Plan for implementation of the Strategy in 2005-2008 with a view to its adoption by the Council early in 2005 and to prepare an evaluation of its implementation in 2008.

Immigrant integration policy

38. Recalling its conclusions of June 2003 and November 2004, the European Council welcomed the establishment of common basic principles for immigrant integration policy of the Member States. These are to be the basis of a comprehensive framework on immigrant integration, taking into account the legal, political, economic, social and cultural diversity of Member States. They need to be developed in the light of shared experiences. The European Council noted that effective integration policies and exchange of best practices within the Union can contribute to this, and in this respect welcomed the outcome of the Ministerial Conference on integration which paid special attention to youth susceptible to radical influences.

39. The European Council furthermore welcomed the outcome of the Ministerial Conference on Urban Policy and recognised the importance of urban areas for promotion of social inclusion.

V. EXTERNAL AFFAIRS

40. The European Council reiterated its commitment to the European Security Strategy, which it adopted one year ago. Drawing on its orientations, the Union has successfully increased its ability to make an impact on a global scale. The European Council invited the incoming Presidency to continue to implement the Strategy in cooperation with the High Representative and the Commission and to mainstream its orientations into all relevant European policies.

Addressing key concerns

41. The European Council endorsed the report on the implementation of the EU Strategy on Proliferation of Weapons of Mass Destruction (WMD) and noted the progress in this respect in the relations with third countries and cooperation with the IAEA and the OPCW. It reaffirmed its commitment to use all instruments at its disposal to counter the threat of proliferation of WMD and their means of delivery.
42. The European Council welcomed the agreement reached with Iran regarding nuclear issues and future cooperation on 15 November, following negotiations with France, Germany and the UK supported by the High Representative. It underlined that sustaining the full suspension of all enrichment related and reprocessing activities was essential for the continuation of the overall process. It supported further efforts with a view to reaching an agreement on long-term arrangements. The European Council confirmed its conclusions of 5 November 2004 on the resumption of the negotiations on a Trade and Cooperation Agreement after recent verification of suspension. The European Council confirmed the Union's readiness to explore ways to further develop political and economic cooperation with Iran, following action by Iran to address other areas of concern of the EU regarding the fight against terrorism, human rights and Iran's approach to the Middle East Peace Process.

43. The European Council reaffirmed its objective of a secure, unified, prosperous and democratic Iraq that will work constructively with its neighbours and the international community to meet common challenges. It reiterated its determination to support the Iraqi authorities and people, i.a. through elections support, financing of UN protection, reconstruction assistance, strengthening the criminal justice sector and promoting respect for the rule of law, and developing political and trade cooperation with Iraq. The European Council expressed the EU's full support for the political transition process leading to a democratically and constitutionally elected Iraqi Government as set out in UN Security Council Resolution 1546. It emphasized the importance of a broad, inclusive political process for the general elections in January 2005.
44. The European Council congratulated President Karzai on his inauguration and welcomed his commitment to continue democratic reform, and underlined the EU's long-term commitment to the reconstruction, development and stabilisation of Afghanistan. The EU will continue to support the ongoing democratisation process, including next year's parliamentary and local elections, the counter-narcotics efforts, the judicial and security-sector reform and Disarmament, Demobilisation and Reintegration.

Building stronger ties with our neighbourhood

45. The European Council reaffirmed its commitment to the full implementation of the Thessaloniki agenda, which underlines that the future of the countries of the Balkans is within the European Union. The recent ministerial meetings of the EU-Western Balkans Forum served to assess progress achieved and identify challenges ahead. The European Council underlined that the progress of each country towards European integration depended on its own efforts in meeting the Copenhagen criteria and the conditions of the Stabilisation and Association Process, in particular on key issues such as democracy, the rule of law, respect for human rights, rights of persons belonging to minorities, and full cooperation with the ICTY. In addition, in this process regional cooperation will remain an essential element of EU policy.

46. The European Council noted with satisfaction the progress made within the framework of the European Neighbourhood Policy (ENP). A first series of Action Plans jointly prepared with Jordan, Morocco, Tunisia, Moldova, Ukraine, Israel and the Palestinian Authority were successfully finalised. As concerns Ukraine, the European Council reiterated the paramount importance of free and fair elections, as reflected in the action plan. It welcomed the agreement reached by the Council on the content of the action plan which will be forwarded to the EU-Ukraine Cooperation Council as soon as developments in Ukraine make it possible to envisage implementation of its provisions. The EU looked forward to working together with partners to implement reforms and other agreed priorities, and to start adopting Action Plans for the countries in the Southern Caucasus during the next year. The EU will take steps to communicate and demonstrate benefits of the ENP to the Belarussian population and will support the strengthening of civil society and the process of democratisation. The European Council also looked forward to the start of consultations with a view to adopting Action Plans with the remaining Mediterranean partners whose Association Agreements have entered into force or which have ratified their Association Agreements. The European Council invited the Commission and the High Representative to report regularly on progress accomplished.
47. The Barcelona Process, enhanced by the ENP, is the main tool for partnership, cooperation and dialogue with the Mediterranean Region. The European Council welcomed the decision taken by the Euromediterranean Conference of Foreign Ministers in the Hague to declare 2005 as year of the Mediterranean. The Barcelona Process can make a major contribution towards the process of modernisation and reform generated from within the societies concerned. The 10th anniversary of the Barcelona Declaration will serve to strengthen and relaunch the Euromed process.
48. The European Council welcomed the progress made with the other countries of the Middle East region and invited further consultations with governments and other stakeholders concerned. It called on the relevant bodies of the Council to continue the work towards strengthening relations with these countries in all relevant political, economic, social and cultural fields.

49. The European Council welcomed the start of the implementation of the EU Strategic Partnership with the Mediterranean and the Middle East. It reiterated the importance of the commitment of the partners concerned to engage in reform and recognised that the EU's relations with these countries have distinct characteristics that merit a differentiated approach.
50. The European Council adopted separate declarations on Ukraine and the Middle East Peace Process (Annexes I and II).

An international order based on effective multilateralism

51. The European Council welcomed the statement by the United Nations Secretary-General and saluted the work he and the UN Secretariat were doing in many fields. It welcomed the report of the United Nations Secretary-General's High Level Panel on Threats, Challenges and Change, in particular the comprehensive approach to collective security. The follow-up to the European Security Strategy regarding effective multilateralism and a rule-based international order, as requested by the European Council in June, should aim at supporting the efforts of the UN Secretary-General. The EU is firmly determined to play a major role within the UN.
52. The European Council welcomed the decision to appoint a Personal Representative of the SG/HR on Human Rights in the area of CFSP as a contribution to the coherence and continuity of the EU Human Rights policy, with due regard to the responsibilities of the Commission.
53. The European Council underlined the importance of strengthening the social dimension of globalisation in the light of the report of the World Commission on the Social Dimension of Globalisation and the initial proposals made by the Commission in its communication on the issue.

Working with partners

54. The European Council underlined its commitment to strengthening the strategic dialogue with its transatlantic partners with a view to formulating joint approaches. For well over 60 years, the transatlantic partnership together with European integration has been a leading force for peace and prosperity. Today, both Europe and America face new threats and challenges. Against this background, the European Council recalled that, as stated in the European Security Strategy, the transatlantic partnership is irreplaceable. The European Council looked forward in this respect to President Bush's forthcoming visit to Europe. It welcomed the initiative of a yearly Justice and Home Affairs ministerial troika with the US and the broad participation of the stakeholders on both sides of the ocean in the consultations on the further deepening of transatlantic relations.
55. The importance the EU and Russia attach to their strategic partnership, based on common values and shared interests, was underlined at the latest EU-Russia Summit. Considerable progress was made on the creation of the four Common Spaces and, with a view to the next EU-Russia Summit in Moscow in May 2005, the European Council looked forward to adopting a comprehensive and balanced package of roadmaps as soon as possible. In parallel, work towards the implementation of elements on which agreement has been reached provisionally should start as early as possible.
56. The European Council welcomed the outcome of the Summit meetings with ASEM, the Republic of Korea and India, which broadened and deepened the relationships with the Asian partners. It invited the Council and the Commission to initiate the development of the Action Plan with India to be endorsed at the 6th EU-India Summit in New Delhi in 2005. The European Council also called on the Council and the Commission to intensify the cooperation with Indonesia including in the fields of counter-terrorism, interfaith dialogue, reforms and sustainable development.

57. The European Council welcomed the results of the seventh EU-China Summit that took place in The Hague on 8 December. It invited the Council and the Commission to further explore the feasibility of a new EU-China framework agreement and possible cooperation on issues such as re-admission and market economy status. The European Council confirmed that EU-China relations have developed significantly in all aspects in the past years. It is looking forward to further progress in all areas of this relationship as referred to in the EU-China Joint Statement, in particular, the ratification of the International Covenant on civil and political rights. In this context the European Council reaffirmed the political will to continue to work towards lifting the arms embargo. It invited the next Presidency to finalise the well-advanced work in order to allow for a decision. It underlined that the result of any decision should not be an increase of arms exports from EU Member States to China, neither in quantitative nor qualitative terms. In this regard the European Council recalled the importance of the criteria of the Code of Conduct on arms exports, in particular criteria regarding human rights, stability and security in the region and the national security of friendly and allied countries. The European Council also stressed the importance in this context of the early adoption of the revised Code of Conduct and the new instrument on measures pertaining to arms exports to post embargo countries ('Toolbox').
58. During the past six months the EU strengthened its cooperation with the African Union (AU) and sub-regional organisations, including ECOWAS, SADC and IGAD. The European Council underlined its commitment to continued contributions by the EU to improvement of the situation on the African continent, notably in Sudan, the Great Lakes region, West Africa and Somalia. The EU will continue to assist the AU mission in Darfur and the peace and transition process in the Great Lakes region, as set out in recent GAERC conclusions. It welcomed the establishment of federal transitional institutions in Somalia and will continue to assist them, as set out in recent GAERC conclusions. Following the adoption of restrictive measures taken against the Côte d'Ivoire on the basis of UNSCR 1572, the European Council welcomes and supports the mediation efforts undertaken in the name of the African Union and ECOWAS through the mission to the Côte d'Ivoire by President Thabo Mbeki with which the European Union has been associated. The European Council welcomed increased regional ownership and underlined that the EU will continue to strengthen its ties with the AU and sub-regional organisations, notably in the field of peace and security.

59. The European Council reiterated the EU's commitment to the consolidation of the bi-regional strategic partnership with Latin America and the Caribbean. In this regard, the European Council confirmed the EU's willingness to make further progress based on efforts from both sides with a view to finalising the EU-Mercosur negotiations and welcomed the expected launching in January 2005 of the joint assessments of the respective integration processes of Central America and the Andean Community, as called for in the Declaration of the EU-LAC Guadalajara Summit.

ESDP

60. The European Council welcomed the successful start of the EU military operation Althea in Bosnia and Herzegovina on 2 December, which underlines the Union's pledge to stability and security in this country and is a practical example of the strategic partnership in crisis management with NATO. It also noted the successful conduct of the three ongoing ESDP missions – the EU Police Mission in Bosnia and Herzegovina, EUPOL Proxima in the former Yugoslav Republic of Macedonia and the Rule of Law Mission Themis in Georgia. It requested the incoming Presidency and the SG/HR to take forward, in close cooperation with the UN, the preparations for a police mission and for a possible security sector reform mission currently being examined, in the Democratic Republic of Congo and for a possible integrated police, rule of law and civilian administration mission for Iraq, which is expected to start after the January 2005 elections.

61. The European Council endorsed the Presidency Report on ESDP, including the mandate for the incoming Presidency, and welcomed in particular the progress in the development of military and civilian capabilities reflected in this report, including decisions on EU battlegroups (as part of rapid response elements) as well as on the adoption of an ambitious work programme and the budget for 2005 for the European Defence Agency. The European Council endorsed the Civilian Headline Goal 2008.

62. The European Council endorsed the detailed proposals for the implementation of the document titled "European Defence: NATO/EU consultation, planning and operations", allowing for the civilian/military cell to begin its work as scheduled including for the establishment of an operations centre which should be available by January 2006 latest. The proposals also serve as a basis for agreement with NATO on the establishment as scheduled of a small EU cell at SHAPE and NATO liaison arrangements to the EUMS.

International cooperation

63. The European Council emphasised the importance of ensuring a coherent contribution of EC ODA to poverty eradication in all developing countries. In this context, whilst honouring existing commitments, the European Council underlined the need to find ways to increase the focus on the poorest, with a specific focus on Africa.

64. The European Council confirmed the full commitment of the European Union to the Millennium Development Goals (MDGs) and to the need to ensure progress towards achieving them, especially in Sub-Sahara Africa. In that respect, the European Council welcomed the consultation by the Commission of individual Member States with a view to presenting to the Council (GAERC) in April 2005 concrete proposals on setting new and adequate ODA targets for the period 2009-2010, while taking into account the position of new Member States. The European Union will also explore innovative ways of financing based upon proposals submitted by the Commission with a view to the 2005 high level Event.

65. The European Council called, in the framework of achieving the MDGs, for further strengthening of policy coherence for development by making wider and more systematic use of existing mechanisms for consultation and impact assessment and procedures to screen all relevant policies for their impact on developing countries.

66. The European Council reiterates the importance of implementation of the Cairo/ICPD Agenda and the fight against HIV/AIDS for achieving the Millennium Development Goals. It welcomes the progress that has been made in this area and urges the Commission and Member States to increase their commitment in preparation for the UN High Level event.

VI. OTHER ISSUES

Commonly shared values

67. The European Council noted with approval the series of public debates hosted by the Presidency, engaging participants with wide-ranging backgrounds and experience, on the European identity and the concept of commonly shared values as foundation of European integration and cooperation.
68. The European Council took note of the results of this series of debates, of the report of the Education Council on Education and Citizenship and of the follow up initiatives and welcomed further initiatives to advance the values which contribute to active citizenship in the Union. The European Council invited the European Commission to consider the results of the debates and the main findings of the report when preparing its future Citizens' Programme and its communication strategy for 2005.

Consular cooperation

69. The European Council confirmed the importance of intensified consular cooperation. It welcomed the agreement reached in the Council on pooling consular resources and cooperation both in normal times and in times of crises, thus helping Member States to deal more effectively with the increasing demand for consular services.

EU Human Rights Agency

70. The European Council called for further implementation of the agreement by the representatives of the Member States meeting within the European Council of December 2003 to establish an EU Human Rights Agency which will play a major role in enhancing the coherence and consistency of the EU Human Rights policy.

European External Action Service

71. The European Council welcomed the fact that, following the signature of the Constitutional Treaty, work on the European External Action Service has begun by the Presidency, Secretary-General/High Representative and the Commission.
72. It invited the Secretary-General/High Representative, the Commission and the Member States to continue this preparatory work, in particular by identifying key issues, including the scope and structure of the future service. To ensure the full involvement of Member States in this process, regular discussions will take place in Coreper, in preparation of the General Affairs and External Relations Council.
73. The European Council invited the Secretary-General/High Representative and the Commission to prepare a joint progress report on this preparatory work to its June 2005 meeting at the latest, and to take appropriate steps to keep the European Parliament informed.

DECLARATION ON UKRAINE

1. The leaders and people of Ukraine are to be commended for having found a peaceful solution to the political crisis in their country. This was done within the legal framework of Ukraine and respecting territorial integrity of the country. The European Council compliments the leaders and people of Ukraine on their willingness to work with international facilitators to this end. It is now of utmost importance that the positive developments are sustained and that the Ukrainian electorate can now freely decide on the candidate of its own choice.
2. Therefore, the European Council calls on the Ukrainian authorities to ensure that the rerun of the second round of presidential elections on 26 December 2004 is held in accordance with OSCE and Council of Europe standards for democratic elections. The European Union and its Member States will offer their fullest support to OSCE/ODIHR in observing the elections, including by sending a substantial number of international observers.
3. The European Union welcomes the close cooperation between international facilitators of the European Union, the Council of Europe, the OSCE and neighbouring countries, including the Russian Federation, in encouraging the parties to find a political solution.
4. The European Union stresses the strategic importance of Ukraine as a key neighbour and partner of the EU. The European Union and Ukraine have a common interest in further reinforcing their political, economic and cultural ties. The European Council therefore underlines that the EU aims at an enhanced and distinctive relationship by making full use of the new opportunities offered by the European Neighbourhood Policy.

5. The European Council welcomes the recent endorsement by the Council of the Action Plan with Ukraine. Following the completion of free and fair presidential elections an early EU-Ukraine Cooperation Council will be organised to launch the Action Plan and lay the basis for more intensive cooperation. The European Council also looks forward to concrete proposals by the Secretary-General/High Representative and the Commission for ways to strengthen cooperation with Ukraine, making full use of the Action Plan, thus enhancing its relationship with the European Union.

DECLARATION ON THE MIDDLE EAST PEACE PROCESS

1. The European Council welcomes recent efforts made by the Palestinian leadership to ensure a democratic transition in the occupied Palestinian territories. It encourages both Israelis and Palestinians to continue to co-operate closely, including in the area of security, with a view to the Palestinian Presidential elections in January. The EU will support the electoral process financially, technically and politically, and its observer mission - in liaison with other members of the Quartet and of the international community - will help to verify that the electoral process is democratic, free and fair. The European Council also welcomes and supports the Palestinian Authority's intention to hold legislative and local elections.

2. The European Council reiterates its commitment to the achievement, through the process outlined in the Roadmap, of a negotiated two-State solution resulting in the emergence of an independent, democratic, and viable Palestinian State living side by side in peace and security with Israel and its other neighbours. The parties should seize this opportunity to accelerate the implementation of the Roadmap and re-launch a meaningful political process.

3. The European Council, recalling established EU positions, and in co-operation with the Quartet and the international community, expresses its willingness to support an Israeli withdrawal from the Gaza Strip and part of the northern West Bank as a first step in the overall process in accordance with the conditions laid out by the European Council in March 2004. It equally expresses its commitment to intensified peace efforts by working closely together with both parties and all neighbouring countries. The European Union will continue to implement the short-term programme of action which was endorsed by the European Council in November and which covers elections as well as the areas of security, reforms, and the economy. The success of these actions would be enhanced by the fact that they are placed within the broader political perspective.

4. The European Council invites the High Representative and the Commission to present regular reports on the progress in the implementation of the short-term programme of action and the results of the High Representative's consultations with the parties, the international community and the other members of the Quartet. The European Council encourages the parties and the donors to maintain their current positive and co-operative attitude. The commitment by the EU and the international community to support the Palestinian economic and social reconstruction will continue to be a key factor.

5. The European Council recalls that a comprehensive peace must also include Syria and Lebanon. It also recalls the importance of the implementation of the UNSC Resolution 1559 (2004).

