



Brussels, 24 February 2006

BACKGROUND¹

GENERAL AFFAIRS and EXTERNAL RELATIONS COUNCIL

Monday 27 February in Brussels

The Council will start at 10:00 hrs with a session on general affairs focusing on preparations for the March European Council and on follow-up work on the EU budgetary framework for 2007-13.

*A session on external relations will follow, focusing on the **Western Balkans** as well as (during the lunch of ministers) the **Middle East, Iran** and reactions in the Muslim world to publications in European and other media.*

The presidency will hold a press conference at the end of the meeting.

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In the margins of the Council:

17:00 Signature of EU-Switzerland memorandum of understanding on a Swiss financial contribution to the EU;

18:00 EU troika meeting with Serbia and Montenegro, *to be followed by a press conference..*

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¹ This note was prepared under the responsibility of the press office.

SESSION ON GENERAL AFFAIRS

Preparation of the spring European Council - Lisbon strategy on growth and jobs

The Council will examine an annotated draft agenda prepared by the presidency for the European Council to be held in Brussels on 23 and 24 March.

The European Council is due to focus on its annual review of the strategy for growth and jobs that it established at Lisbon in March 2000 and re-launched last spring.

The presidency's intention is for the European Council to highlight the need to implement commitments on jobs and growth entered into last year, and to identify a series of priority actions to be implemented before the end of 2007, thus providing a firm foundation for launching a second cycle in the Lisbon strategy in the spring of 2008.

The presidency does not intend that the European Council discuss any other subject, although it will review the international situation if necessary.

EU budgetary framework for 2007-13 - Inter-institutional agreement on budgetary discipline

The presidency will brief the Council on progress on negotiations with the European Parliament on a proposal for renewal of an agreement between the EU institutions on budgetary discipline and improvement of the EU's annual budgetary procedure.

The Commission's proposal, whilst maintaining the main features of the current inter-institutional agreement (IIA), is aimed at updating and simplifying various agreements and joint declarations on budgetary matters. It takes account of the agreement reached by the European Council on 16 December on the EU's budgetary framework for the 2007-13 period.

In a working document submitted on 15 February, the Commission also examines issues that are not included in its proposal but it considers of importance in the negotiations.

At a meeting on 21 February, representatives of Parliament, Council and Commission examined the proposals as regards matching political priorities and financial needs, improving the structure and flexibility of the budget, and improving the quality and efficiency of EU funding. They agreed to continue work with a view to reaching agreement on the IIA and the 2007-13 budgetary framework in April.

A further "trilogue" meeting is scheduled for 21 March.

SESSION ON EXTERNAL RELATIONS

Fees for the administrative costs of processing visa applications

The Council will examine the external policy aspects of a draft decision on fees for the administrative costs of processing visa applications

Western Balkans

The Council will discuss the situation in the Western Balkans and inter alia hear a report by Commissioner Rehn on his recent visit to the region. It is due to adopt conclusions dealing with:

- ***Serbia and Montenegro:*** progress made in improving the conditions for the proposed referendum in Montenegro; and remaining open issues with a view to providing the process with the necessary legitimacy.
- ***Serbia and Montenegro/Kosovo:*** Kosovo Status process, including the meeting between Belgrade and Pristina on decentralisation held recently under the auspices of the UN Status Envoy; importance of continued standards implementation, particularly regarding the protection of minority communities.
- ***Cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY):*** against the background in particular of recent comments by the ICTY chief prosecutor about unsatisfactory cooperation by Belgrade, need for full cooperation by Serbia and Montenegro as well as by Bosnia and Herzegovina with the ICTY to be achieved to ensure that negotiations on the Stabilisation and Association Agreements are not disrupted; need for decisive action to be taken to bring the remaining fugitive indictees to justice.

Iraq

At lunch, Ministers will discuss the latest developments in Iraq and be briefed on the issue of EU representation in Baghdad.

On 22 February, HR Solana firmly condemned the bomb attack against the Al-Askari Holy Shrine in Samarra, as well as the random killings and the attacks against mosques in Baghdad and elsewhere in Iraq. Calling for an end to violence, he urged all parties to allow the process of forming a government to continue peacefully and to build a multi-confessional and peaceful society.

Reactions in the Muslim world to publications in European and other media

As a lunch item, Ministers are expected to express deep concern at the events that followed the publication of cartoons in a number of European and other media. The Council should also reaffirm the fact that freedom of expression is a fundamental right and an essential element of a democratic discourse, while at the same time reiterating its conviction that it should be exercised in a spirit of respect for religious and other beliefs.

The Council should also

- condemn the violent acts and threats against European citizens and property and express solidarity with those countries whose citizens and mission have come under attack;
- welcome the recent visit by High Representative Solana in the Middle East and Gulf and other contacts with Islamic leaders;
- express the EU's intention actively to promote dialogue in mechanisms such as the Euro-Med process (including the Anna Lindh Foundation) and ASEM, as well as in the framework of initiatives like the Alliance of Civilisations and in cooperation with international partners such as the OIC (Organisation of the Islamic Conference).

Middle East peace process

At lunch, and following a presentation by HR Solana on his recent visit to the region, Ministers are expected to address developments in the Middle East peace process following the Palestinian Legislative Council (PLC) elections of 25 January, including the current efforts to form a new Palestinian government and the question of financial support to the Palestinian Authority (PA).

Earlier this week, High Representative Solana welcomed the speech made by President Abbas, who had presented the future Prime Minister with a series of points for the programme of action before forming a new government: recognition of all the agreements signed by the PA, agreement to continuing negotiations on the basis of the Road Map, recognition of Israel, and renunciation of violence.

HR Solana also referred to the Quartet conference call of 20 February, when principals had agreed on continued support to the PA until the new government is formed and continued support to the Palestinian people. Once the government is formed, they will analyse the situation, against the clear the conditions set out by the Quartet for a full and complete relationship with the PA after the new government is in place.

Iran

At lunch, ministers are expected to discuss Iran, including the nuclear issue, on which the Council should in particular:

- welcome the resolution adopted on 4 February by the IAEA Board of Governors and support the Board's decision to involve the UN Security Council;
- regret Tehran's decision to limit cooperation with the IAEA and deplore Iran's resumption of enrichment-related activities;
- reaffirm the EU's continued support for a diplomatic solution.

The Council should also discuss the recent attacks on European diplomatic missions in Tehran. It is expected to adopt conclusions.

Democratic Republic of Congo

The Council is expected to adopt conclusions recalling the importance of completing the transition process in the Democratic Republic of Congo (DRC) and underlining the fact that the forthcoming electoral process will be a key step to that effect. Following a request by the UN, the Council is considering how best to provide support to the UN in ensuring a stable and secure environment for the elections.

Other business

- Child soldiers, at the request of France;
- Latin America and negotiations with Mercosur, at the request of Spain.

Items to be agreed without discussion

- **Aceh Peace process / Aceh Monitoring Mission** - conclusions welcoming the substantial progress made in restoring peace in Aceh and commending the EU-led Aceh Monitoring Mission (AMM). Decision by the Council, following an invitation by the Government of Indonesia, supported by GAM (Free Aceh Movement), to extend the AMM for a further period of three months until 15 June 2006.
 - **EU-Latin America relations** - conclusions on the communication from the Commission on "A stronger partnership between the EU and Latin America".
 - **Sudan/Darfur** - conclusions voicing concern at the security situation; EU readiness to support the African Union (AU) and the UN in a smooth and effective transition to a possible UN operation.
 - **Switzerland** - conclusions on a contribution of CHF 1 billion by Switzerland to the EU's new member states. Approval of agreements on Switzerland's participation in EU audiovisual programmes, in the European Environment Agency and the European environment information and observation network, on statistical cooperation and on extension to the EU's new member states of the EU-Switzerland agreement on the free movement of persons.
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