



Brussels, 18 November 2004

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BACKGROUND ¹

GENERAL AFFAIRS and EXTERNAL RELATIONS COUNCIL

Brussels, 22-23 November 2004

*The meeting's **External Relations** session will have a strong emphasis on the **European Security and Defence Policy**, with defence ministers attending the Council (Monday 22 November, 10.30hrs). In the margins, defence ministers will also meet for a **Military Capabilities Commitment Conference** - where the commitment by Member States of contributions to EU battlegroups is expected - as well as for a meeting of the Steering Board of the **European Defence Agency**. Foreign ministers will take part in a **Civilian Capabilities Commitment Conference**.*

*The session on **General Affairs** will feature a first discussion on preparation of the 17-18 December **European Council**, as well the continuation of discussions on the **Financial Framework 2007-2013**.*

*Other **External Relations** issues (Monday afternoon) should include the **Middle East, Ukraine**, and the situation in a number of African countries and regions, incl. **Sudan, Somalia** and **Great Lakes**. On Tuesday 23 November at 10.00hrs, the Council will focus on **development** issues, including in a **public debate** on progress on the EU's contribution to the 2005 UN review of the **Millennium Development Goals**.*

The Presidency will hold a press conference at the end of the Council meeting at +/- 18.00hrs. An intermediate press conference may take place just after lunch. In addition, press conferences on the work of defence ministers are due to be held at +/- 14.30hrs.

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Meetings and events to be held in the margins of the Council:

Monday, 22 November 2004 :

- 09.00 Military Capabilities Commitment Conference
- 10.00 Civilian Capabilities Commitment Conference (followed by Conference + Bulgaria, Romania, Croatia, Turkey, Norway and Iceland)
- 11.00 Steering Board European Defence Agency

¹ This note has been drawn up under the responsibility of the Press Office.

- 12.15 WEAG (Western European Armaments Group) Ministerial Meeting (defence ministers)
- 15.00 Informal meeting of defence ministers EU Troika + Bulgaria, Romania, Croatia, Turkey, Norway and Iceland
- 18.30 EU-Western Balkans Forum *(to be followed at +/- 19.15hrs by signature of agreements opening Community Programmes to all Western Balkans countries, + press moment)*

Ministers will meet with their counterparts from the Western Balkan countries for the second time in the framework of the EU-Western Balkans Forum established by the Thessaloniki Summit in June 2003. The signing of the Agreements on access to Community Programmes will be another milestone in the process bringing these countries closer to the EU.

23 November 2004 :

- 16.00 Co operation Council with South-Africa *(to be followed by press conference at +/- 17.30hrs)*, + political dialogue.

SESSION ON GENERAL AFFAIRS

Preparation of the European Council (Brussels, 16-17 December 2004)

The Council will have a first discussion to draw up an annotated draft agenda setting out the main items the European Council is expected to address on 16-17 December.

The agenda of the European Council is expected to focus on the following items:

- Enlargement
- Terrorism
- Financial Framework 2007-2013: principles and guidelines
- Area of freedom, security and justice: the EU Drugs Strategy 2005-2012
- External affairs.

On enlargement, the European Council is expected to take decisions on outstanding enlargement questions, in particular on the conclusion of negotiations with Bulgaria and Romania and on the opening of negotiations with Croatia and Turkey.

EU financial framework 2007 - 2013

The Council will take note of a progress report on preparation of the EU's financial framework for the 2007-13 period, and will hold an exchange of views on the Commission's proposals as regards financing of the EU's external relations policies.

The progress report covers work carried out on all of the spending categories provided for in the Commission's proposals, namely:

- Heading 1a - Competitiveness;
- Heading 1b - Cohesion;
- Heading 2 - Natural resources;
- Heading 3 - Citizenship, freedom, security and justice;
- Heading 4 - The EU as a global partner;
- Heading 5 - Administration.

Examination of the Commission's proposals has focused on the content of individual policies and the spending amounts they entail with a view to identifying a range of policy choices together with their financial implications. The Presidency's aim is for the European Council to define, at its meeting on 17 December, principles and guidelines for further work on the new financial framework aimed at achieving political agreement next year.

The progress report will be integrated in a report to be drawn up by the Presidency for the European Council, which will also cover progress on a new agreement between the EU's institutions on budgetary flexibility and on the system of own resources for the financing of the EU budget.

Cyprus

The Council is expected to examine a draft Regulation on special conditions for trade with those areas of the Republic of Cyprus in which the Government of the Republic of Cyprus does not exercise effective control as well as a draft Regulation establishing an instrument of financial support for encouraging the economic development of the Turkish Cypriot community. The measures are under consideration following the Council conclusions of 26 April of this year, with a view to putting an end to the isolation of the Turkish Cypriot community and to facilitating the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community.

SESSION ON EXTERNAL RELATIONS

European Security and Defence Policy (ESDP)

The Council will include a significant ESDP component, with the participation of Defence Ministers, who attend GAERC meetings once every six months. The Council will take stock of the overall development of ESDP. A Military Capability Commitment Conference and a Civilian Capability Commitment Conference will be held in the margins of the Council, which is expected to endorse the result of both conferences.

The Council is expected to adopt a set of conclusions touching upon a broad range of ESDP issues, including operations (operation ALTHEA in Bosnia and Herzegovina to be launched on 2 December), civilian and military capabilities and the European Defence Agency.

- **Military Capabilities** - The Council is expected to endorse the results of the Military Capability Commitment Conference. A key element in this conference is likely to be the initial commitment by Member States of contributions to the EU *battlegroups*.

The battlegroups, as part of the EU's rapid response elements, are one of the main objectives of the Headline Goal 2010, under which Member States have committed themselves to being able by 2010 to respond with rapid and decisive action applying a coherent approach to a whole spectrum of crisis management operations, with emphasis on interoperability, deployability and sustainability.

The battlegroup is the minimum military effective, credible, rapidly deployable, coherent force package capable of stand alone operations or of being used for the initial phase of larger operations. It is based on a combined arms, battalion size force, reinforced with combat support and combat service support elements. A battlegroup may be formed by a framework nation or by a coalition of Member States. Battlegroups have to be associated with a force headquarters and with pre-identified operational and strategic enablers such as strategic lift and logistics. They will be built on assets and capabilities held at a readiness of 5-10 days. They will be employable across the full range of tasks listed in the Treaty on European Union (the "Petersberg tasks") and those identified in the European Security Strategy. To qualify as an EU battlegroup, force packages will have to meet commonly defined and agreed standards.

The aim is for an initial battlegroup capability to be available in early 2005 and complete development (full operational capability) in 2007.

Member States are expected to make initial commitments for EU battlegroups at the 22 November Conference.

Other aspects to be addressed at the Commitment Conference include:

- the evaluation of the *European Capability Action Plan (ECAP)* launched in 2001, setting out the way ahead for this initiative, taking into account the establishment of the European Defence Agency and the growing tasks the EDA is called upon to carry out in the field of capabilities;
 - the definition of a *global approach on deployability*, an initiative aimed at more effective use of available assets and mechanisms for strategic transport, a key enabler for rapid response;
 - the initiative by five Member States to establish a *European Gendarmerie Force*, which will be first and foremost at the disposal of the EU (the initiative will be welcomed by both the military and the civilian capability conferences).
- **Civilian Capabilities** - The Council is expected to endorse the declaration of the Civilian Capabilities Commitment Conference and to note the need to address important issues critical to the success of future ESDP missions, such as the establishment of appropriate operational planning and mission support capabilities within the Council Secretariat as well as the identification of procurement needs in planning processes.

The demand for civilian instruments in the ESDP framework is increasing. The EU is currently conducting three civilian ESDP missions as well as a monitoring mission. Other missions are under consideration.

In this context, the Conference is likely to reiterate the strong commitment of Member States to

the further development of civilian capabilities and to welcome the capabilities brought by the ten new Member States in the area of civilian crisis management. While voluntary commitments in terms of personnel have exceeded European Council targets, shortcomings (in areas like mission planning/mission support, availability to deploy at short notice and procurement) still need to be addressed.

- **European Defence Agency** - The Council is expected to provide guidelines for the EDA Steering Board, which will meet in the margins of the Council for its second meeting since the creation of the EDA in July of this year.

The EDA Steering Board is expected to adopt the EDA's 2005 budget - expected to be around 20 million euro -, as well as the Agency's work programme for 2005, including activities for the EDA's four main directorates (Capabilities, Research & Technology, Armaments, Industry/Market).

The EDA Steering Board comprises of Defence Ministers of participating Member States.

ATHENA financing mechanism

The Council is expected to examine ways in which the existing procedures under the ATHENA mechanism for the financing of the common costs of EU-led military operations can better meet the needs of EU Rapid Response. It is due to provide guidance with a view to identify the most appropriate ways and means to finance the EU Rapid Response.

Africa - security

The Council is expected to adopt conclusions on security and stability in Africa, reconfirming the EU's support for UN actions as well as for the objective of the African Union (AU) and African sub-regional organisations to promote peace and security on the continent. In this context, the Council is due to agree on an action plan for ESDP (European Security and Defence Policy) support to peace and security in Africa.

Note - As a separate item, the Council is expected to adopt conclusions on the setting up and training of an **Integrated Police Unit (IPU) in Kinshasa** (Democratic Republic of Congo) and preparations for an ESDP Police Mission to monitor, mentor and advise the IPU after its initial training phase.

Situation in individual African countries and regions

The Council is also expected to discuss the situation in a number of African countries and regions, and in certain cases to adopt conclusions:

- Somalia

(The Council is due to review recent developments in Somalia, in particular the agreement on a Transitional Federal Charter, the establishment of the Transitional Federal Parliament, the appointment of Abdullahi Yusuf Ahmed as President of the transitional government and the appointment of Ali Mohamed Ghedi as Prime Minister. It is expected to express the EU's readiness to work with the UN and others in supporting the peace and reconciliation process and the transition to a federal state in Somalia. The Council is due to adopt conclusions.)

- **Sudan**

(Possible conclusions, with particular reference to the crisis in Darfur and EU support for AU efforts to address it, as well as to the Abuja and Naivasha peace talks.)

- **The African Great Lakes region**

(Possible conclusions.)

- **Ivory Coast**

(Possible conclusions.)

- **Guinea-Bissau**

(under "Other business").

Middle East Peace Process

The Council is expected to discuss the situation in the Middle East, notably in the context of transition in the Palestinian institutions after the death of President Arafat, and in the light of the short-term programme of action prepared by HR Solana and endorsed by the European Council on 4-5 November. HR Solana should also brief ministers on the contacts he has had with Palestinian leaders in Ramallah after the funeral of President Arafat. Ways for the EU to support the upcoming Palestinian presidential elections are likely to be an important issue for discussion. The Council may adopt conclusions.

Iran

The Council may return to relations with Iran in the wake of the agreement reached on 15 November as a result of talks between France, Germany and the UK with the support of the High Representative on the one hand, and Iran on the other hand, concerning the Iranian nuclear issue.

HR Solana noted on 15 November that it was now possible to look forward to the International Atomic Energy Agency's report that Iran's voluntary suspension is being implemented in full. He noted that the agreement was potentially the start of a new chapter in EU-Iran relations, but that it was however only the start, as the parties now needed to work rapidly to produce a solid long-term agreement on the one hand providing lasting confidence in the peaceful nature of Iran's nuclear programme and on the other bringing concrete results in the area of trade, technology exchange and security, as well as in the nuclear dimension.

On 4-5 November, the European Council agreed that the negotiations on an EU-Iran Trade and Cooperation Agreement should be resumed as soon as suspension was verified.

Ukraine

The Council is expected to examine the situation in Ukraine after the run-off of the presidential election on 21 November.

On 4-5 November, the European Council regretted that the first round of the presidential elections on 31 October had not met international standards for democratic elections and called on the Ukrainian authorities to address the noted deficiencies in time before the second round and to create conditions allowing for free and fair elections, in particular by ensuring equal access to state media for both contenders.

Belarus

The Council is due to discuss the situation in Belarus in the light of the lack of progress towards democracy, the rule of law, and respect for human rights, as illustrated by the 17 October elections and referendum and by the subsequent attacks on peaceful demonstrators, opposition leaders and journalists. The Council is likely to examine further measures, building on the EU's established policy, to promote democracy and the rule of law and to address the challenges arising from Belarus' self-isolation. It is expected to adopt conclusions.

EU-China relations

The Council is due to take stock of preparations for the EU-China Summit to be held in The Hague on 8 December 2004.

The Summit will be hosted by the President of the European Council, Prime Minister Jan Peter Balkenende. The EU will further be represented by the future President of the Commission, José Manuel Barroso and the Secretary General/High Representative for Common Foreign and Security Policy, Javier Solana. China will be represented by Premier of the State Council Wen Jiabao.

The leaders will be assisted by the Minister of Foreign Affairs of the Netherlands, Bernard Bot, the future Commissioner in charge of External Relations, Benita Ferrero-Waldner, the Chinese Minister of Foreign Affairs, Li Zhaoxing and the future Commissioner for Trade, Mr. Peter Mandelson.

An EU-China Business Summit will take place in the margins of the Summit.

At the Summit, the EU will seek to broaden the scope of the current EU-China relations. Issues to be addressed could include non-proliferation and arms control, scientific and technological cooperation, trade dialogue mechanisms, Iran's nuclear programme, Afghanistan, Burma/Myanmar and the Korean Peninsula nuclear issue, as well as human rights.

Effectiveness of the EU external action

In the framework of its regular orientation debate on the effectiveness of EU external action, the Council is due to focus on the definition of a common approach for resource allocation to individual countries. On the basis of work by the Commission following the Council orientation debate of January 2004, the approach involves the identification of needs and performance criteria for standard, objective and transparent resource allocation.

UN Millennium Development Goals

- **Review of the MDGs**
- **Cairo agenda on population and development**
- **HIV/AIDS, malaria and tuberculosis**

The Council will take note of a progress report on preparations within the EU on the contributions of the Community and its Member States to the 2005 review of the Millennium Development Goals adopted by the United Nations in 2000.

It will hold a policy debate and is due to adopt conclusions emphasising the need for the EU to provide political leadership at this event.

The Council is due to adopt conclusions on the mid-term review of the 20-year agenda set by the International Conference on Population and Development, held in Cairo in 1994.

It will also hold an exchange of views on the EU's actions aimed at combating the main poverty-related diseases - HIV/AIDS, malaria and tuberculosis - and is due to adopt conclusions requesting the Commission to present an action plan by next April.

Financing development co-operation

The Council will take note of a report from the Council working group on preparatory work regarding the EU's contribution in the follow-up to commitments made at the United Nations conference on the financing of development co-operation held at Monterrey (Mexico) in 2002.

It is due to adopt conclusions requesting its preparatory bodies to continue preparations for a high-level forum on aid effectiveness to be held in Paris next year.

Annual report on EU development policy

The Council is due to adopt conclusions on the 2004 report on development policy and external assistance.
