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Bilag
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Journalnummer
400.C.2-0

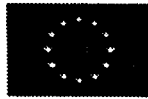
Kontor
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10. juni 2004



Til underretning for Folketingets Europaudvalg vedlægges Formandskabets reviderede udkast til kommenteret dagsorden (udkast til DER-konklusioner) vedrørende Det Europæiske Råds møde i Bruxelles den 17.-18. juni 2004, 10218/04 (EN).

P. B. Olsen



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 9 June 2004

10218/04

LIMITE

POLGEN 26

NOTE

From : The Presidency

To : Permanent Representatives Committee/Council

Subject : *European Council (17-18 June 2004)*
– *Draft Conclusions*

Following discussions on the initial draft annotated agenda, the Presidency now submits draft Conclusions for further consideration in advance of the European Council.

The Presidency recalls that on the occasion of the European Council Heads of State or Government will meet in an InterGovernmental Conference which is expected to reach agreement on the new Constitutional Treaty.

The European Council is also expected to

- nominate the person it intends to appoint as the next President of the Commission;
- designate the Secretary-General of the Council/High Representative for CFSP and the Deputy Secretary-General of the Council for the period as from 18 October 2004.

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DRAFT CONCLUSIONS

The European Council reviewed progress across a range of areas and set out guidelines for future policy development in each of these areas.

The meeting was preceded by an exposé by the President of the European Parliament, Mr Pat Cox, followed by an exchange of views.

I. AREA OF FREEDOM, SECURITY AND JUSTICE; FIGHT AGAINST TERRORISM

1. The citizens of Europe increasingly look to the Union to deliver practical advances in the Justice and Home Affairs area based on our common shared values of liberty, respect for human rights and fundamental freedoms, and the rule of law.
2. The European Council welcomes the Commission report on the progress achieved under the five year Tampere programme, which demonstrates the substantial progress made in creating a genuine area of freedom, security and justice.
3. It notes that a number of further important steps have been taken in the first half of this year. These include the adoption of the Asylum Qualifications Directive and the political agreement reached on the Asylum Procedures Directive; the political agreement on the Directive on the admission of third country nationals for studies and related purposes; the adoption of the Regulation on a European Enforcement Order for uncontested claims; and the general agreement on the text of the Framework Decision on the mutual recognition of confiscation orders.
4. The European Council believes that the time has now come to launch the next phase of the process of creating an area of freedom, security and justice. It therefore invites the Council and the Commission to prepare proposals for a new programme for the coming years to be considered by the European Council before the end of 2004.

5. The new programme must be commensurate with the scale of the challenge and with the expectations of our citizens. It should be practical, building on work underway arising from the Tampere programme and an evaluation of first generation measures. It should also be grounded in the general principles of need for European added value and respect for the principles of subsidiarity and proportionality. At the same time, the multi-year programme should make substantial progress towards enhancing mutual confidence and promoting common policies. This will involve addressing the priority areas identified in the Commission's Communication as well as other areas where action at European level is judged necessary and beneficial.
6. Momentum must be maintained pending adoption of the new programme. The European Council underlines in particular a number of priorities in the asylum and immigration area. The new European Borders Agency, on which the Regulation is close to finalisation, should become operational as soon as possible in 2005. The Council and the Commission are invited to consider further proposals for a financial instrument for return management so as to ensure greater efficiency. Council is also invited to examine proposals contained in the Commission's Communication on entry to the Union of persons in need of international protection, as well as in the Communication on the relations between legal and illegal immigration.
7. Drug abuse is a scourge which must be vigorously confronted. The Council is invited to submit proposals no later than December 2004 for a new EU Drugs Strategy for the period 2005-2012. The proposals should have regard to the Commission's final evaluation of the 2000-2004 Drugs Strategy and Action Plan as well as the outcome of the recent Dublin Conference on an EU Strategy on Drugs/The Way Forward.

Fight Against Terrorism

8. At its Spring session, in the aftermath of the Madrid bombings, the European Council adopted a wide-ranging Declaration on Terrorism. It reaffirms its determination to confront the terrorist threat relentlessly and comprehensively. The appointment of an EU counter-terrorism co-ordinator has already improved co-ordination and visibility of the EU's actions in this field.

9. The European Council welcomes the report on implementation of its 25 March Declaration. Good progress has been achieved in the interim. Notable steps include completion of work on the Directive on compensating victims of crime; the Regulation introducing new functions for the Schengen Information System, including in the fight against terrorism; the Council Decision establishing the Visa Information System; the Directive on the obligations of carriers to communicate passenger data; and on the Europol and Eurojust Agreement.
10. The European Council welcomes the Council's revised Action Plan/Roadmap and urges the institutions and Member States to fulfil outstanding commitments within the deadlines established. It will review implementation of the Action Plan/Roadmap twice a year, beginning at its December 2004 meeting.
11. The European Council welcomes the report by the Secretary-General/High Representative on integrating in the Council Secretariat an intelligence capacity on all aspects of the terrorist threat and requests him to implement such arrangements as soon as possible. It also requests the SG/HR to keep this question under review and report on progress to the December 2004 European Council.
12. On the practical and operational front, the European Council welcomes the establishment of the Counter Terrorism Task Force within Europol; the steps being taken to encourage the flow of criminal intelligence to Europol; the decision taken to reinforce working structures in the Council; and the decisions of heads of the security forces of the Member States to meet regularly in the Counter-Terrorist Group format. It requests the Council to take forward work on proposals for reinforcing the Police Chiefs Task Force's operational capacity with a view to adoption of new arrangements no later than December 2004.
13. Work must now move ahead with a real sense of urgency in a number of priority areas. The Commission has published a substantial Communication on Information Policy for law enforcement and is invited to bring forward proposals as quickly as possible. The Council is called upon to draw up a coherent overall approach for further strengthening of the fight against terrorist financing by December 2004, on the basis of proposals by the High Representative and the Commission. By June 2005, Council should complete negotiations on the initiatives on exchange of information and cooperation concerning terrorist offences and on retention of communications data. Negotiations should be completed by December 2005

on the initiative on simplifying the exchange of information and intelligence between law enforcement agencies.

14. The Council and the Commission are invited to assess the capabilities of Member States to cope with the consequences of any type of terrorist attack; to identify best practices and to propose the necessary measures. Existing cooperation on civil protection should be enhanced, reflecting the will of Member States to act in solidarity in the case of terrorist attack. By the end of this year, on the basis of proposals by the SG/HR and the Commission, Council is asked to prepare an overall strategy to enhance the protection of critical infrastructures, in particular in the field of transport.

An integrated approach

15. The European Council underlines the importance of making use of the wide ranging instruments of the European Union in the context of addressing all the factors which contribute to terrorism. It emphasises the need to ensure that the fight against terrorism is fully integrated into EU external relations policy. It invites the Council, on the basis of proposals by the Secretary General and in association with the Commission, to make concrete proposals to the December European Council on how this is most effectively achieved.
16. The European Council emphasises that solidarity and international cooperation are integral to combating terrorism. The Union will continue to develop initiatives for closer cooperation with international organisations, particularly the UN, and to maintain the closest possible coordination with the United States and other partners. Combating terrorism must be a key element in political dialogue with third countries, with particular emphasis on ratification and implementation of International Conventions, preventing the financing of terrorism, addressing factors which contribute to terrorism, as well as non-proliferation and arms control.

II. ENLARGEMENT

Bulgaria and Romania

17. The European Council underlines that Bulgaria and Romania are an integral part of the ongoing round of enlargement which saw ten new Member States join the Union on

1 May 2004. The Union recalls that the guiding principles which applied to the accession negotiations with the ten new Member States continue to apply to Bulgaria and Romania, which are part of the same inclusive and irreversible enlargement process.

18. The European Council welcomes the very substantial progress made by Bulgaria and Romania in the accession negotiations over the past months and reiterates the Union's common objective to welcome the two countries as members of the Union in January 2007, if they are ready.
19. In reaching agreement on a fair and equitable financial package for Bulgaria and Romania at the beginning of the year, the Union paved the way for concluding negotiations on the key financially-related chapters and the accession negotiations with the two countries thus entered a significant phase. Provided that real and effective progress in reforms and preparations on the ground for accession is maintained by Bulgaria and Romania, the Union confirms its determination to bring the accession negotiations to a successful conclusion for both countries in 2004, on the basis of own merits.
20. [The Union notes with great satisfaction that all of the outstanding chapters in the negotiations with Bulgaria have been provisionally closed and that Romania has also made important progress and is substantially closer to achieving this goal. Member States and the Commission will continue to assist Romania in this regard]. The European Council looks forward to the Commission 2004 Regular Report, which will assess the two countries ability to assume all the obligations of membership by accession. With a view to signature of a single Accession Treaty for Bulgaria and Romania as early as possible in 2005, drafting of the Accession Treaty for the two countries will begin in July 2004.
21. Being prepared to assume all the obligations of membership is crucial for Bulgaria and Romania. The Union therefore urges both countries to further intensify their efforts in order to be ready for membership in January 2007. The Union underlines that particular attention should be paid by Bulgaria and Romania to preparations in the areas of administrative, judicial, economic and structural reform, and the full and timely implementation of negotiated commitments. The Union will closely monitor preparations and implementation of commitments undertaken in all areas of the Acquis.

Turkey

22. The European Council welcomes the significant progress made to date by Turkey in the reform process, including the important and wide-ranging constitutional amendments adopted in May. It welcomes the continued and sustained efforts of the Turkish Government to meet the Copenhagen political criteria. In this context, the European Council emphasises the importance of concluding the remaining legislative work and of accelerating efforts to ensure decisive progress in the months ahead in the implementation of reforms at all levels of administration and throughout the country.
23. The European Union will continue to assist Turkey in its preparations and to work towards full implementation of the pre-accession strategy, in particular as regards strengthening the independence and functioning of the judiciary, the overall framework for the exercise of fundamental freedoms (association, expression and religion), cultural rights, the further alignment of civil-military relations with European practice and the situation in the Southeast of the country.
24. The Union reaffirms its commitment that if the European Council decides in December 2004, on the basis of a report and recommendation from the Commission, that Turkey fulfils the Copenhagen political criteria, the EU will open accession negotiations with Turkey without delay.
25. The European Council encourages the Turkish Government to remain firmly committed to macroeconomic and financial stabilisation, including full implementation of the structural reform agenda.
26. [The European Council calls on Turkey to open negotiations with the Commission on behalf of the Community and its 25 member states on the adaptation of the Ankara Agreement to take account of the accession of the new Member States].
27. The European Council welcomes the positive contribution of the Turkish Government to the efforts of the UN Secretary General to achieve a comprehensive settlement of the Cyprus problem.

Croatia

28. The European Council welcomes the Commission Opinion on Croatia's application for EU membership and the recommendation that accession negotiations should be opened. The European Council considered the application on the basis of the Opinion and decided that Croatia is a candidate country for membership and that the accession process should be launched.
29. The European Council decided to convene a bilateral intergovernmental conference with Croatia early in 2005 in order to begin negotiations. In advance of the negotiations, the Council will agree a general negotiating framework, taking full account of the experience of the fifth enlargement process. The European Council requests the Commission to present an evaluation in this regard, before the end of its mandate. It confirms that the negotiations will be based on Croatia's own merits and that the pace will depend solely on Croatia's progress in meeting the requirements for membership. In order to prepare for negotiations, work should begin on an in-depth analytical examination of the acquis, which might best be undertaken in the framework of the Stabilisation and Association Agreement with Croatia.
30. The European Council requests the Commission to prepare a pre-accession strategy for Croatia, including the necessary financial instrument.
31. The European Council emphasises that the achievement of candidate status by Croatia should be an encouragement to the other countries of the Western Balkans. It reaffirms its position that the future of the Western Balkans rests within the European Union. The advance of the individual countries of the region towards European integration will proceed in parallel with the regional approach, which remains an essential element of EU policy. The European Council urges Croatia to continue to make a strong contribution to the development of closer regional cooperation in the Western Balkans.

III. FINANCIAL PERSPECTIVES

32. The European Council takes note of the Analytical Report prepared by the Presidency on the basis of preliminary work in the Council; it considers this Report a significant contribution towards clarifying issues and positions and offering feedback to the Commission on its

Communication. Work should now go forward taking full account of the range of positions of Member States and in the light of the forthcoming legislative proposals, with a view to agreeing the new Financial Perspectives within the timeframe envisaged in the Multiannual Strategic Programme. The European Council invites the incoming Presidency to continue work on the issues identified in the Analytical Report, aiming at reaching possible decisions on principles and guidelines at the European Council meeting in December 2004.

IV. ECONOMIC ISSUES, EMPLOYMENT AND ENVIRONMENT

Broad Economic Policy Guidelines and Employment Guidelines

33. The European Council endorses the draft update of the Broad Economic Policy Guidelines and the draft Employment Guidelines and employment recommendations. It welcomes the two major innovations in the economic and employment processes this year: the integration of the ten new Member States into the established policy framework and the incorporation of the policy messages of the report of the Employment Task Force, chaired by Mr. Wim Kok, in the employment recommendations. It emphasises that Member States should ensure that both sets of guidelines are implemented fully and in a coherent manner.

Lisbon reform agenda

34. The European Council welcomes the progress made since its Spring meeting on important measures of direct and tangible benefit to citizens as part of the Union's pursuit of social, economic and environmental goals. In doing so, it acknowledges the good co-operation the Council has enjoyed with the outgoing European Parliament and the Commission during a period of considerable opportunity and challenge. In particular, the European Council wishes to highlight major progress in the following areas:
- the **Financial Services Action Plan**, with the necessary decisions made on its remaining elements relating to transparency and investment services
 - **mobility** of European citizens, businesses and services; through legislation on recognition of professional qualifications, social security co-ordination, free movement, the Europass and the introduction of the European Health Insurance Card

- **intellectual property rights** and arrangements for patentability of computer-implemented inventions, through agreement on measures that will stimulate and protect European innovation.
- **consumer protection**, through measures on enforcement and on unfair commercial practices
- **environmental protection**, through measures on air quality, maritime protection, environmental liability, biodiversity conservation and climate change, including putting in place all the necessary mechanisms for the EU's Emissions Trading Scheme to facilitate compliance with the Kyoto Protocol Goals
- **infrastructural development**, through the decision[s] on Trans-European Networks for Transport and Energy [*note: to be confirmed following the TTE Council on 10 June*].

35. The European Council regrets that it has not proved possible to secure unanimous agreement on the adoption of a Regulation on the Community Patent; a period of reflection should be used to see how the support by all Member States for the principle of a Community Patent might be reflected in the Regulatory Framework.
36. Reflecting the equality goals of the Lisbon agenda, and on the basis of political agreement which has been reached within the Council, the European Council expresses its support for the establishment of a European Gender Institute and invites the Commission to bring forward a specific proposal.
37. The European Council reiterates its call to the Council and the Member States for further efforts to close the delivery gap in the implementation of the Lisbon Strategy.
38. In light of the good initial work carried out on proposals and initiatives that will further contribute to sustainable growth and development, the European Council urges that work proceed quickly, inter alia on the following:
- all necessary arrangements to ensure **better regulation** in the European Union
 - improvements in the area of **corporate governance**
 - the proposed framework Directive on **services**
 - the REACH proposal regarding **chemicals**

- encouragement for the **mobility of researchers**, as an example of practical action to further stimulate innovation
- the review of the **Sustainable Development Strategy**
- further work on **emission reduction strategies** in the context of climate change, and on the promotion of **environmental technologies**
- the implementation of the appropriate measures to reach the agreed target of halting the decline of **biodiversity** by 2010

39. In the run up to the mid-term review of the Lisbon Strategy, the European Council looks forward to the report of the High-level Group to be presented to the Commission by 1 November 2004.

V. EXTERNAL AFFAIRS/CFSP/ESDP

European Security Strategy

40. The European Council reiterates that the European Security Strategy adopted at the European Council in December 2003 provides a key framework for policy formulation. Work in the four priority areas and with the strategic partners identified in the document has been taken forward over the past six months.
41. The European Council particularly welcomes the focus on effective multilateralism, with transmission of the EU's contribution to the UN Secretary General's High Level Panel on Threats, Challenges and Change; work undertaken to implement the EU-UN Joint Declaration on Co-operation in Crisis Management of 24 September 2003; and joint commitments on support for effective multilateralism made with key regional partners. It also looks forward to the proposals to be submitted by the SG/HR and the Commission on concrete steps designed to promote the development of a rules-based international order.
42. In another of the key priority areas of the European Security Strategy, the European Council adopted a comprehensive policy towards Bosnia and Herzegovina, setting out practical arrangements to enhance the coherence and effectiveness of the EU's engagement in support of the European perspective of the country.

43. The remaining two priorities of the European Security Strategy – the Fight against Terrorism and developing a Strategic Partnership with the Mediterranean and Middle East – are addressed elsewhere in these Conclusions.

Addressing Policy Challenges

44. The Union is taking significant steps to meet a range of key policy challenges. The European Council endorses the Presidency report on EU activities in the framework of conflict prevention; incoming Presidencies are invited to build on the substantial progress made so as to make the Union more coherent, capable and active in this area. In the human rights area, the European Council welcomes the adoption of EU Guidelines on Human Rights Defenders and the adoption of a strategy for implementation of the EU Guidelines on Children and Armed Conflict. The European Council also reaffirms its commitment to use all instruments at its disposal in the fight against proliferation of weapons of mass destruction; it endorses the report on the implementation of the EU Strategy on Proliferation of WMD and adopted a Declaration on Criminal Sanctions in WMD-related materials.
45. The Union must continue to strengthen its leadership role in the fight against global poverty. The European Council expresses its concern at the faltering progress towards the achievement of the Millennium Development Goals. It reiterates that the EU will intensify its efforts at the United Nations in support of attempts to accelerate progress towards the achievement of the Goals.
46. The European Council again draws attention to the continuing ravages of HIV/AIDS in many of the world's poorest countries : despite some progress, the pandemic is rolling back decades of development effort in Africa and is also spreading at an alarming rate in some other areas. The European Council welcomes the Ministerial Conference on HIV/AIDS in Europe and Central Asia hosted by the Presidency in Dublin on 23/24 February and calls for vigorous follow up by the Union and relevant regional bodies on the outcome of this Conference.

A More Active and Capable European Union

47. The European Council endorses the Presidency progress report on ESDP, which includes the mandate for the incoming Presidency.

48. It welcomes the substantial progress on preparations for a military ESDP mission in follow on to SFOR in Bosnia-Herzegovina. It requests the incoming Presidency and the SG/HR to take forward the operational planning for the ESDP mission, should NATO decide to terminate SFOR at its forthcoming summit meeting in Istanbul.
49. The European Council notes the successful conduct of the two ongoing ESDP missions – the EU Police Mission in Bosnia-Herzegovina and Operation Proxima in the Former Yugoslav Republic of Macedonia. It also welcomes progress being made towards deployment of the first EU Rule of Law mission under ESDP which is to commence shortly in Georgia.
50. Concrete progress is being achieved towards enhancing EU capabilities, with the Headline Goal 2010 paper particularly noteworthy. The European Council endorses the Action Plan for Civilian Crisis Management and welcomes the steps taken to further improve EU capacity to undertake military rapid response operations for crisis management. It notes that important steps have been taken on identification of modalities under which the EU could provide military capabilities in support of the UN; the incoming Presidency and the Secretary General/High Representative are invited to continue contacts with the UN on this issue.
51. [The European Council welcomes the adoption of the Joint Action providing for the establishment of the European Defence Agency].

Establishing new Partnership Initiatives

European Neighbourhood Policy

52. The European Council welcomes the Commission's proposals for a European Neighbourhood Policy (ENP). Enlargement has brought the Union closer to its neighbours to the east and to the south. The European Council reiterates the importance it attaches to strengthening co-operation with these neighbours, on the basis of partnership and joint ownership and building on shared values of democracy and respect for human rights.

53. The European Council welcomes enhanced dialogue with all ENP partners and notes that the forthcoming Summit on 8 July will provide an opportunity to take stock of EU Ukraine relations. It also welcomes the inclusion of Armenia, Azerbaijan and Georgia in the ENP. This gives the EU another important instrument to promote progress on the wider reform agenda in each of these countries. It views strengthened support for civil society in Belarus as a means towards creating a democratic, stable and prosperous country.
54. The European Council now invites the Council and the Commission to take the work forward. It notes that the Commission will present by July proposals for action plans, which have been prepared in consultation with the partner countries, for consideration by the Council.

Strategic Partnership with the Mediterranean and the Middle East

55. The European Council endorsed the Report of the Presidency, SG/HR and Commission on the EU's Strategic Partnership with the Mediterranean and the Middle East, which will establish a consistent basis for the EU's policies towards the countries concerned by setting out general principles and objectives.
56. The objective of this Strategic Partnership is to promote the development of a common zone of peace, prosperity and progress in the Mediterranean and the Middle East. It sets out a concrete policy agenda under which, through partnership and dialogue, the Union will seek to:
- Promote political reform, good governance, democracy and human rights;
 - Stimulate trade and economic cooperation, economic liberalisation and people to people contacts;
 - Promote conflict prevention and resolution in the Mediterranean and the Middle East and measures to combat terrorism, proliferation of weapons of mass destruction and illegal immigration.

57. The European Union reiterates its view that it will not be possible to fully build a common zone of peace, prosperity and progress unless a just and lasting settlement of the Arab-Israeli conflict is found. However, progress on the resolution of the conflict cannot be a pre-condition for confronting the urgent reform challenges facing our partners in the Mediterranean and the Middle East, nor vice versa.
58. The European Council recognises that the challenges identified cannot be addressed by maintaining the status quo. It welcomes the fact that this understanding is shared by the countries of the Mediterranean and the Middle East. Their commitment to reform has been expressed both in their consultations with the Union and through public statements such as the Tunis Declaration of the Arab League Summit of 22/23 May 2004 and the earlier Alexandria and Sana'a Declarations.
59. The European Union will pursue these goals with its partners primarily through existing structures and arrangements. The Euro-Mediterranean Partnership and the European Neighbourhood Policy will remain the cornerstone of the Union's framework for relations with the Mediterranean countries. The EU will also strengthen relations with members of the Gulf Cooperation Council and other countries of the Middle East. It will ensure that regional and bilateral assistance programmes under these instruments and frameworks reflect and contribute to the achievement of the objectives outlined above.
60. The European Council reaffirms the readiness of the EU to work with the US and other partners in cooperating with the countries concerned. It looks forward to reviewing the Middle East Peace Process and exploring the possibilities for coordinating our respective efforts to assist the reform process at the coming EU-US Summit on 26 June 2004.
61. The European Council will monitor development under the Strategic Partnership, and will review its progress and future direction in June 2005.

Working with Strategic Partners

62. The Union is continuing to develop its relationship with key strategic partners through productive co-operation across a range of issues as well as through Summit meetings. The European Council expresses its confidence that the strength, depth and significance of the

EU-US relationship will be demonstrated in a successful EU-US Summit on 26 June. Substantial progress has been made over the recent period in EU-Canada relations, particularly at the Summit in Ottawa on 18 March. The continuing importance of the EU-Japan relationship will be marked at the EU-Japan Summit on 22 June.

63. The European Council welcomes the outcome of the EU-Russia Summit on 21 May, including the agreement reached in relation to preparations for Russia's accession to the WTO. The Summit followed extension of the Partnership and Co-operation Agreement to the enlarged Union; the EU now looks forward to ratification without delay of the PCA Protocol. It also welcomes the Russian government's commitment to early signature and ratification of agreements on Russia's borders with Estonia and Latvia. The European Council emphasises that a full agenda lies ahead with our Russian partners, including the priority of developing the four "common spaces". Following President Putin's commitment to speed up Russia's movement towards ratification of the Kyoto Protocol, the European Council invites the Commission to engage with the Russian authorities on the potential benefits of ratification.
64. The European Council reiterates its commitment to further developing its strategic relationship with China based on shared understanding and dialogue.

Regional Relationships

65. The European Council reaffirms its commitment to deepen the dialogue with regional partners. It welcomes recent progress in the EU-Africa dialogue, including the productive outcome to the Ministerial Troika in Dublin on 1 April, and encourages further efforts to develop and upgrade this dialogue. The new spirit of self-help exemplified by NEPAD provides a real impetus. The successful launching of the African Peace Facility, as well as work within the ESDP framework, establishes a basis for closer and more effective co-operation between the EU and Africa in the vitally important area of conflict prevention.
66. The European Council also welcomes the reinforcing of the EU-Latin America and Caribbean relationship at the Summit in Guadalajara, Mexico on 28/29 May and underlines its commitment to fully developing the potential of this relationship.

Specific situations of concern

67. The European Council considered a number of specific situations of concern, including the extremely grave situation in Darfur, Sudan; the instability in the Democratic Republic of Congo; and the situation in Afghanistan in the lead-up to the elections in October. It endorses the statements on these situations made by the Council at its meeting on 14 June.

Iraq

68. The European Council welcomes United Nations Security Council Resolution (xxxx) and notes with particular satisfaction the role accorded to the UN through this Resolution. It welcomes the successful formation of the interim Iraqi Government and stressed that the goal of this time-limited transition process is the appointment of a fully democratic Government, following free and fair elections based on a new Constitution adopted by the people of Iraq. It calls on all parties in Iraq to assist the interim Government and the UN in their efforts. It reiterates in the strongest term, its condemnation of terrorist attacks and hostage taking and expresses the hope that the new political momentum will bring an end to the death and destruction.
69. The European Council endorsed the medium term strategy for the EU's relations with Iraq. It notes that this strategy will provide a framework within which the EU can fulfil its commitment to assist the Iraqi people as they enter a new era in the history of their country.

Iran

70. The European Council stresses the Union's desire to move towards a closer relationship with Iran, on the basis of positive developments in relation to Iran's nuclear programme and improvement in the human rights situation in Iran. It notes the ongoing work of the IAEA in Iran and urges full cooperation with the Agency in a spirit of full transparency in relation to its nuclear programme, with a view to solving all outstanding questions. The European Union will continue discussion in light of IAEA Director-General El-Baradei's recent report and the outcome of the IAEA Board of Governors meeting currently taking place in Vienna.

Middle East Peace Process

71. The European Council reviewed recent developments in the Middle East. It expresses concern at the continuing violence affecting both Israelis and Palestinians. It repeats its call for an end to terrorist attacks which have claimed many innocent lives. While recognising Israel's legitimate right to self defence, it recalls the obligation on Israel to exercise this right within the parameters of international law. It expresses deep concern at the continuing humanitarian crisis in the Occupied Palestinian Territories and called on the Israeli Government to take urgent action to alleviate the suffering of Palestinians.
72. The European Council welcomes the outcome of the Quartet meeting held in New York on 4 May; it also welcomes the renewal of the Beirut Peace Initiative of the League of Arab States at the Summit meeting held in Tunis on 22/23 May and the League's rejection of acts of violence against civilians without discrimination.
73. [The European Council noted the new proposals for an Israeli withdrawal from the Gaza Strip. Such a proposal could represent a significant step towards the implementation of the Roadmap, provided that it is implemented in accordance with the elements identified in the conclusions of the European Council of March 2004.]
74. [The European Council welcomed the security plan announced by the Palestinian Authority] and remains ready to support the Palestinian Authority in taking responsibility for law and order, and in particular, in improving the capacity of its civil police and law enforcement capacity.
75. The European Council reaffirmed its conviction that the current impasse in the peace process can only be overcome through negotiations between the parties. A political perspective is essential to the peace process. The remaining issues between Israel and its neighbours Syria and Lebanon must also be resolved in any final comprehensive peace settlement.