



**COUNCIL OF  
THE EUROPEAN UNION**



16291/06 (Presse 353)

**PRESS RELEASE**

2771st Council Meeting

**General Affairs and External Relations**

**EXTERNAL RELATIONS**

Brussels, 11-12 December 2006

President            **Mr Erkki TUOMIOJA**  
Minister for Foreign Affairs of Finland

\* Some external relations items were adopted without debate at the 2770th meeting on General Affairs (16289/06).

**P R E S S**

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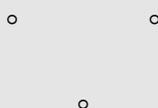
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## Main Results of the Council

The Council adopted conclusions expressing its strong commitment to the maturing of the EU's comprehensive strategic partnership with **China**, noting that for this partnership to develop to its full potential, it must be balanced, reciprocal and mutually beneficial.

The Council reaffirmed the EU's commitment to long-term support for the people and government of **Afghanistan**. It underlined the importance of increasing EU engagement in the rule of law sector, in which the EU is currently examining the opportunities and conditions for a potential civilian ESDP mission in the field of policing.

The Council reached agreement on a decision amending ATHENA, the mechanism to administer the **common costs of EU operations** having military implications.



As part of its meeting on General Affairs, the Council adopted a series of items pertaining to external relations, and the European security and defence policy, including the following.

- The Council reviewed the EU military operation **ALTHEA** in **Bosnia and Herzegovina**. It approved the High Representative's recommendations and underlined the continued need for an EU military presence to provide reassurance and to react to any possible security challenges. It noted that the security situation in BiH has evolved enough to permit the Council to decide in principle on a transition of Operation ALTHEA, subject to a definitive decision set to be taken by the end of February 2007.
- The Council amended and extended the mandate of the EU planning team (**EUPT Kosovo**) regarding a possible EU crisis management operation in the field of rule of law and possible other areas in Kosovo.
- The Council welcomed the significant progress made in restoring peace and stability in the Indonesian province of **Aceh**, notably with the holding of local elections in Aceh on 11 December. It expressed its satisfaction at the important role played by the EU-led Aceh Monitoring Mission (AMM), which will conclude its mandate on 15 December, in monitoring and supporting the peace process.
- The Council approved a concept paper on the monitoring and enhancement of consistent implementation of the EU's strategy against the proliferation of **weapons of mass destruction** through a WMD monitoring centre.

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**OTHER ITEMS APPROVED**

*See press release 16289/06.*

<sup>1</sup>

- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- The documents whose references are given in the text are available on the Council's Internet site <http://www.consilium.europa.eu>.
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the abovementioned Council Internet site or may be obtained from the Press Office.

## **PARTICIPANTS**

The Governments of the Member States and the European Commission were represented as follows:

### **Belgium:**

Mr Karel DE GUCHT  
Mr Didier DONFUT

Minister for Foreign Affairs  
State Secretary for European Affairs, attached to the  
Ministry of Foreign Affairs

### **Czech Republic:**

Mr Alexandr VONDRA

Minister for Foreign Affairs

### **Denmark:**

Mr Per Stig MØLLER

Minister for Foreign Affairs

### **Germany:**

Mr Frank-Walter STEINMEIER

Federal Minister for Foreign Affairs

### **Estonia:**

Mr Urmas PAET

Minister for Foreign Affairs

### **Greece:**

Ms Dora BAKOYANNI  
Mr Ioannis VALINAKIS

Minister for Foreign Affairs  
State Secretary for Foreign Affairs

### **Spain:**

Mr Miguel Ángel MORATINOS

Minister for Foreign Affairs and Cooperation

### **France:**

Mr Philippe DOUSTE-BLAZY  
Ms Catherine COLONNA

Minister for Foreign Affairs  
Minister with responsibility for European Affairs

### **Ireland:**

Mr Dermot AHERN

Minister for Foreign Affairs

### **Italy:**

Mr Famiano CRUCIANELLI

State Secretary for Foreign Affairs

### **Cyprus:**

Mr Yiorgos LILLIKAS

Minister for Foreign Affairs

### **Latvia:**

Mr Artis PABRIKS

Minister for Foreign Affairs

### **Lithuania:**

Mr Petras VAITIEKŪNAS

Minister for Foreign Affairs

### **Luxembourg:**

Mr Jean ASSELBORN

Deputy Prime Minister, Minister with responsibility for  
Foreign Affairs and Immigration

Mr Nicolas SCHMIT

Minister with responsibility for Foreign Affairs and  
Immigration

### **Hungary:**

Ms Kinga GÖNCZ

Minister for Foreign Affairs

### **Malta:**

Mr Michael FRENDU

Minister for Foreign Affairs

### **Netherlands:**

Mr Bernard BOT

Minister for Foreign Affairs

### **Austria:**

Ms Ursula PLASSNIK

Federal Minister for Foreign Affairs

### **Poland:**

Ms Anna Elżbieta FOTYGA

Minister for Foreign Affairs

### **Portugal:**

Mr Luís AMADO

Ministro de Estado, Minister for Foreign Affairs

**Slovenia:**

Mr Dimitrij RUPEL  
Mr Janez LENARČIČ

Minister for Foreign Affairs  
State Secretary at the Government Office for European  
Affairs

**Slovakia:**

Mr Ján KUBIŠ

Minister for Foreign Affairs

**Finland:**

Mr Erkki TUOMIOJA  
Ms Paula LEHTOMÄKI

Minister for Foreign Affairs  
Minister for European Affairs, Foreign Trade and  
Development

**Sweden:**

Mr Carl BILDT  
Ms Cecilia MALMSTRÖM

Ministry for Foreign Affairs  
Minister for European Affairs

**United Kingdom:**

Ms Margaret BECKETT  
Mr Geoff HOON

Secretary of State for Foreign and Commonwealth Affairs  
Minister of State for Europe

**Commission:**

Mr Olli REHN  
Ms Benita FERRERO-WALDNER

Member  
Member

**General Secretariat of the Council:**

Mr Javier SOLANA

Secretary-General/High Representative for the CFSP

The Governments of the Acceding States were represented as follows:

**Bulgaria:**

Mr Ivailo KALFIN

Deputy Prime Minister and Minister for Foreign Affairs

**Romania:**

Mr Mihai-Răzvan UNGUREANU

Minister for Foreign Affairs

**ITEMS DEBATED****EU-CHINA STRATEGIC PARTNERSHIP - Council conclusions**

The Council adopted the following conclusions:

- "1. The Council is strongly committed to the maturing of the EU's comprehensive strategic partnership with China. For this partnership to develop to its full potential, it must be balanced, reciprocal and mutually beneficial. The partnership is increasingly focused on addressing global challenges, and China plays a key role in the effective international response to these issues. The EU and China have important international commitments and responsibilities, and must both work hard to deliver them, in the interest of wider international security and stability and to strengthen an effective, fair, just and rules-based multilateral international system, with the United Nations at its centre.
2. The Council welcomes the Commission communication "EU-China: closer partners, growing responsibilities" and the Commission working paper "Competition and Partnership" and broadly endorses their recommendations. They are an important contribution to the continuing development of an integrated and coherent EU policy towards China, confirming that the EU should actively support China's emergence as a successful and responsible member of the international community. Taken together, these conclusions, the communication and the working paper constitute a comprehensive review and restatement of EU policy towards China. The Council also welcomes the Commission's communication on Hong Kong and Macao.
3. The Council welcomes the agreement in September 2006 to launch negotiations on a single and over-arching Partnership and Co-operation Agreement as the practical basis for the comprehensive strategic partnership. This agreement must encompass the full scope of the bilateral relationship, including further strengthening of cooperation in political, trade and investment issues, and should be forward-looking and reflect priorities outlined in both these conclusions and the communication. The Council looks forward to the timely conclusion of negotiations of the new comprehensive agreement.
4. The Council reaffirms the great value provided by ongoing dialogue with China at many levels, covering an increasing range of bilateral and international issues, and endorses the recommendation that the Member States and the Commission take stock of existing sectoral dialogues. Dialogues must be focused and deliver practical results, with benchmark setting and with follow-up mechanisms.

5. The Council expresses its appreciation for China's constructive role in regional security and dialogue organisations, as well as its increasing commitments to UN peacekeeping operations. The Council also appreciates the positive role assumed by China on the DPRK nuclear issue, especially China's instrumental role in the resumption of the Six-Party Talks. It welcomes the association of China to the diplomatic efforts initiated by the EU to resolve the nuclear issue in Iran.
6. The Council reaffirms the EU's significant interest and stake in East Asian stability, security and prosperity. It encourages regional dialogue, cooperation and integration in East Asia as conducive to stability and prosperity, as well as further steps towards resolution of the territorial disputes remaining in the region. The Council also welcomes steps taken to lower military and security tensions in East Asia and believes that further security-related confidence building measures might include greater transparency in equipment development and acquisition, doctrine and planning and wider participation in/observation of military exercises. The Council welcomes deepening dialogue and co-operation with China aimed at supporting stability in East Asia including through multilateral arrangements like the ASEAN Regional Forum (ARF) and the Asia-Europe Meeting (ASEM), including China's role as the host of ASEM7 Summit.
7. The Council notes the importance of China as an emerging donor, and of its integration into the international donor community and underlines the need for coordinated action to achieve the Millennium Development Goals and to implement the Paris Declaration on Aid Effectiveness and other relevant multilateral agreements.
8. The Council intends to begin as soon as possible the structured dialogue on Africa with China as agreed at the September 2006 Summit. This is an area of key strategic interest to both the EU and China, demonstrated by the EU's strategy on Africa and the China-Africa Cooperation Forum in Beijing in November 2006. In support of our common interest and Africa's own commitment to poverty reduction and sustainable development underpinned by peace and security, human rights, good governance, democracy and sound economic management, the EU looks forward to increased cooperation together with China to create new positive realities on the ground. This means working closely with African partners on the basis of national poverty reduction strategies and in accordance with the African Union and New Partnership for Africa's Development principles.

9. Energy security, climate change and protection of environment are top priorities for the EU in achieving sustainable development and are key elements in its relations with China. Collaboration on energy security should be intensified, with a view to creating a stable, secure, efficient and clean energy environment and to promoting open and competitive energy markets. The EU attaches the highest importance to its climate change partnership with China, which should develop its full potential based on the work plan agreed on 19 October 2006. The EU looks forward, in particular, to speeding up cooperation with China on Near Zero-Emissions Coal technology and is committed to intensifying cooperation on other environmental issues, including international cooperation to address illegal logging. China and the EU should also collaborate as closely as possible on multilateral climate change issues, in particular on the further development of the multilateral climate change regime ensuring a broad participation of countries, in accordance with their common but differentiated responsibilities and respective capabilities. The EU also looks forward, as part of UN reform, to continue constructive discussions with China in the process to reinforce international environmental governance, including the possible transformation of UNEP into a UN agency for the environment.
  
10. The Council recognizes the Chinese government's success in developing the economy and reducing poverty substantially. Noting the important proposals made by the Chinese Government to advance the concept of "harmonious society" and balanced social development, the Council will continue to encourage and support China's internal political and economic reform process. The EU will strengthen cooperation to support social rights, corporate social responsibility and sustainable development including through sustainable production and consumption patterns and more efficient use of natural resources. The EU will also help China to implement its international commitments, including to the ILO and under the Kyoto Protocol. The EU will work with China to combat corruption and transnational crime. Furthermore, the EU encourages China to ratify the UNESCO convention on the Protection and Promotion of Diversity of Cultural Expressions. The EU is convinced of the importance of civil society and its freedom of action to the development of China and will continue to provide support to this important sector.

11. The Council reaffirms the high importance the EU attaches to its exchanges with China on human rights, including through the EU-China Human Rights Dialogue. The Council welcomes progress made by China in giving effect to the economic rights of its citizens and the commitment made to reform its criminal justice system. It also appreciates the commitment made by China to fulfil international human rights obligations and to cooperate with UN human rights mechanisms, in particular the UN Human Rights Council. The Council looks forward to strengthened communication and coordination with China within the UN Human Rights Council, with a view to supporting its work. However, the Council continues to have serious concerns about the human rights situation in China and deeply regrets the fact that there has been little progress in a number of areas. The EU urges China to release political prisoners, ensure fair trial provisions, to reform the administrative detention system, to lift severe restrictions on freedom of expression, association and religion as well as on access to information, to respect the rights of persons belonging to the Tibetan, Uighur and other minorities. The EU welcomes proposals to improve judicial oversight of death penalty cases but continues to be concerned about widespread application of the death penalty. The EU urges China to enact its commitment to ratify the ICCPR and accede to the Rome Statute of the International Criminal Court at the earliest possible opportunity. The EU will continue to monitor the human rights situation in China and to work with China for positive change through continued and improved dialogue and cooperation. To further strengthen this dialogue, the EU Member States confirm their willingness to share with China their experiences in relation to promoting and protecting human rights.
12. The Council remains committed to its One China policy. The Council is convinced that stability across the Taiwan Straits is integral to the stability and prosperity of East Asia and the wider international community. The Council welcomes initiatives by both sides aimed at promoting dialogue, practical cooperation and increased confidence building, including agreement on direct cross-straits flights and reductions in barriers to trade, investment and people-to-people contacts. The Council encourages both sides to continue with such steps, to avoid provocation, and to take all possible measures to resolve differences peacefully through negotiations between all stakeholders concerned. The Council encourages both sides to jointly pursue pragmatic solutions related to expert participation in technical work in specialised multilateral fora.
13. The Council reaffirms its willingness to carry forward work towards lifting the arms embargo on the basis of the European Council conclusions of December 2004.

14. The Council welcomes ongoing and increasingly close cooperation and coordination with China on non-proliferation, on the basis of the EU-China Joint Declaration on non-proliferation and arms control agreed at the 2004 EU-China Summit. The Council also appreciates China's ongoing commitment to fighting terrorism, and China's public commitment to respecting, in its counter-terrorism actions, the purpose and principles of the United Nations Charter and the norms of international law, in particular international human rights law, refugee law and humanitarian law. The Council reaffirms its willingness to enhance cooperation with China to promote effective implementation of the UN Global Counter-Terrorism Strategy, adopted by consensus by the UNGA in September 2006.
15. The Council welcomes the Commission's approach to trade and economic relations with China as set out in the Communication and the Working Paper . The Council supports the Commission's strategy of developing the relationship on the basis of open markets, fair competition and compliance with rules. The Council welcomes the fact that the strategy takes into account the different aspects of the relationship, including not only the balance of trade, or exchange rates, but also the comparative advantages available to each side, and social and environmental costs and benefits.
16. The Council acknowledges that trade and economic relations are an increasingly important element of the larger relationship between the EU and China and bring benefit to both. The extraordinary growth of Chinese exports, imports and investments of the past few years is most likely to continue for the foreseeable future. This is a challenge and an opportunity. The challenge for the Union, and also for China, is to manage and deepen the relationship in a sustainable, predictable and balanced way. This is best achieved in partnership, through cooperation, common rules and mutual agreements. The Council emphasises that, building on achievements in the WTO, and in order to remove obstacles to trade and investment, further work on a comprehensive agreement should include ambitious liberalisation of investment and government procurement, facilitation of trade, strong rules on intellectual property, binding commitments to remove technical, sanitary and phytosanitary barriers to trade and the effective protection of geographical indications.
17. The Council reiterates that the rights and obligations of the WTO remain the cornerstone of the EU-China trade relationship. The WTO framework remains the basis for the development of bilateral relations and for solving disputes. Likewise, it is important for China to continue to be engaged in the WTO, implementing fully its obligations and strengthening its support for the multilateral trading system including the Doha Development Agenda, contributing in line with the undoubted benefits it derives from world trade.

18. The Council supports a strong and ambitious European trade policy which will benefit both the EU and China. The Council underlines the need for reciprocity in the EU-China trade and investment relationship. The answer to growing competition with China cannot be to protect the EU from fair competition. Instead the EU should continue to pursue an active policy of openness at home while demanding a similar effort from China. The Council acknowledges that while Chinese access to European markets increases economic growth for both parties, it also brings the need for special attention to help European citizens and business to adapt to these changes. This makes it all the more urgent to make further progress on the Lisbon reform agenda and to pursue the right competitiveness and adjustment policies at home.
19. The Council underlines that reciprocity needs to be achieved by addressing technical, sanitary, phytosanitary, legal and administrative barriers to trade, by addressing non-tariff barriers, notably in goods, services, investment and government procurement. The Council emphasises the importance of actively promoting international environmental, social and safety standards and sustainable development. The Council shares the view that for European access to the Chinese market to be effective, the EU must tackle a wide range of issues, from ensuring sustainable and secure supply of raw materials and energy to distorting subsidies, from lack of access to Chinese government procurement to transparency and the concrete implementation of regulations, from discriminatory industrial policies to the adoption of international standards.
20. The Council emphasises that effective protection and enforcement of intellectual property rights is an important priority for enabling fair competition in open markets that need protection against piracy and counterfeiting. In current conditions where innovation is a key factor in the success of new business, violations of intellectual property rights, non-payment of royalties and forced technology transfers deprive European as well as Chinese innovators of their rewards for investment and risk-taking.
21. The Council considers that concrete actions on the ground can also help create opportunities for European exporters. Trade policy should not only address trade barriers but also be broadly based and look at the whole operating environment in which European companies operate in China. In this respect the Council takes note of the Commission's aim of providing advice to European enterprises, in particular small and medium sized enterprises, regarding in particular intellectual property rights.

22. The Council reconfirms that facilitating people-to-people exchange, inter alia through tourism, is a priority in EU-China relations. The Council welcomes progress in the implementation of the tourism agreement (Approved Destination Status, ADS) and encourages the further intensification of cooperation at the appropriate levels. At the same time, combating illegal migration, including human trafficking, remains an EU priority. The Council emphasises the importance of progress on the readmission negotiations between the EU and China, as well as concrete cooperation on readmission, which would contribute to continued dialogue with China on visa facilitation.
23. The Council endorses the recommendations of the Commission regarding the importance of greater expertise and knowledge of China in the EU, inter alia to enable better policy formulation and decision-making. The Council also encourages greater people-to-people links and supports efforts to give greater visibility in China to EU policies and activity."

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Over lunch, ministers briefly addressed the issue of the China arms embargo.

**WESTERN BALKANS - Council conclusions**

The Council adopted the following conclusions:

- "1. The Council had an exchange of views on the Commission's Progress Reports covering Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Montenegro, Serbia, and Kosovo, as defined by the UN Security Council Resolution 1244. The Council shared the assessment by the European Commission.
2. The Council welcomed the progress achieved in the region and reaffirmed that the EU's policy towards the Western Balkans is based on a clear European perspective and a fair and rigorous conditionality as set out in the Stabilisation and Association Process and the Thessaloniki Agenda. In this context, the Council also recalled the relevant parts of the European Council conclusions of December 2005 and June 2006, including full cooperation with the ICTY. To further support this progress the Council called for a swift and effective implementation of the priorities identified in the European Partnerships, which will continue to be a key tool for guiding the countries' efforts in moving closer towards the EU.

**Albania**

3. The Council welcomed the entry into force of the SAA Interim Agreement with Albania. It encouraged Albania to focus on establishing a sustained and effective track record in implementing the Interim Agreement as well as the Stabilisation and Association Agreement. While noting recent encouraging steps, the Council stressed the importance of further determined action and continued progress on judicial, political and economic reforms, including the fight against organised crime and corruption and the full respect of independent judicial institutions, as well as freedom of the media. The Council stressed that the government and the opposition need to work together constructively to ensure the free and fair conduct of the forthcoming local elections.

**Bosnia and Herzegovina**

4. While noting the progress made on the negotiations for a Stabilisation and Association Agreement, the Council regretted that a number of important issues remain to be tackled by Bosnia and Herzegovina. The Council recalled that Bosnia and Herzegovina's performance in all the areas set out in the General Affairs and External Relations Council conclusions of 12 December 2005 will be jointly reviewed by the Council and the Commission before the negotiations can be concluded. The Council calls upon all parties in Bosnia and Herzegovina to work together in order to overcome the remaining obstacles as soon as possible.

### **The former Yugoslav Republic of Macedonia**

5. The Council welcomed the continued progress made by the former Yugoslav Republic of Macedonia but regretted that the pace of reforms has slowed down in 2006. In particular, the country needs to intensify its efforts in implementing the reforms of the police and judiciary, the fight against organised crime and corruption. It needs to secure the independence and capacity of the public administration. It also has to sustain its efforts in implementing the Ohrid framework agreement and in complying with the obligations of the Stabilisation and Association Agreement. The Council welcomed the political dialogue recently resumed by the government and the opposition, and encouraged the parties to step up their cooperation in order to further implement reforms.

### **Montenegro**

6. The Council noted the progress Montenegro has made in putting in place the legal and institutional set-up required by its new competences as an independent state. The Council encouraged Montenegro to adopt a new constitution, in line with European standards. It stressed the need for further efforts in enhancing the administrative capacity and pursuing judicial reform and fight against organised crime and corruption. The independence of the judicial system and of the media need to be further strengthened.

### **Serbia**

7. The Council welcomed the progress in Serbia, notably in further strengthening the administrative capacity and ensuring macroeconomic stability. The Council called on Serbia to carry forward its reform agenda and in particular to intensify efforts to reform the judiciary and ensure its independence and improving civilian oversight of the security sector. The Council, confirming its conclusions of October 2006, underlined its readiness to support Serbia in its European course.

### **Serbia/Kosovo**

8. The Council noted progress in Kosovo in the transfer of responsibilities to the provisional institutions of self government, while recalling the crucial importance of further effective implementation of the Kosovo Standards. Enhanced efforts are needed to create an administrative environment that will allow for further approximation towards European standards. The Council stressed the need for further efforts in full respect of the rule of law and the independence of the judicial system, fight against organised crime and corruption, macroeconomic stability, and in particular, the protection of minorities and cultural heritage. Progress on all these issues will remain important".

**AFGHANISTAN - Council conclusions**

The Council adopted the following conclusions:

- "1. The Council reaffirms the EU's commitment to long-term support for the people and government of Afghanistan. The core principles of EU engagement are to promote Afghan leadership, responsibility and ownership and to foster the development of a democratic, secure and sustainable Afghan State. The Afghanistan Compact and the Joint EU-Afghanistan Political Declaration remain a comprehensive framework for EU engagement with Afghanistan.
2. Since 2001 Afghanistan has achieved very significant progress, including the establishment of representative political institutions, the emergence of free media, the building of security-sector institutions, road reconstruction, significant gains in the health and educational sectors, improvements in human rights and in the status of women, and more recently the appointment of a professional Supreme Court.
3. However, the Council recognizes that Afghanistan is at a critical juncture, as serious challenges, which threaten to undermine achievements to date, remain. These challenges have in some cases become more acute in the fields of security, drug production, human rights, rule of law, governance, justice, anti-corruption and economic development. Urgent, coordinated steps must be taken by the Afghan government with the support of the international community to face up to these challenges. The EU will continue to play its part.
4. The Council encourages the Government of Afghanistan to take decisive steps to fulfil its commitments under the Afghanistan Compact. It should take urgent action to pursue substantive reform and bring about major improvements in governance, at both central and local levels.
5. In 2002-2006, the EU, as the second largest donor, contributed collectively € 3.7 billion in aid to Afghanistan, amounting to one third of the aid provided by the international community. Member States have played leading coordinating roles in particular sectors and have made large contributions to security, including through current provision of around half the International Security Assistance Force (ISAF) amounting to over 16 000 troops, and participation in Provincial Reconstruction Teams (PRTs).

6. Reconstruction and development assistance will remain an important element of EU support to Afghanistan with the aim of fostering tangible improvements for the Afghan people in their everyday lives and contributing to stability and security in the country. The Council welcomes the Commission's intention to continue support for rural development, the health sector and the Afghan National Police through the Law and Order Trust Fund for Afghanistan (LOTFA) by building on the current programme of assistance. Monitoring of ongoing programmes should enable the incorporation of lessons learnt into future projects. Progress with the reconstruction process in Afghanistan will also require flexibility in implementing assistance programmes. In coordination with other international actors, the EU should improve the impact of its assistance, through greater coordination, flexibility, coherence and more vigilant monitoring and ensure that assistance reaches all parts of the country.
7. The Council underlines the importance of increasing EU engagement in the rule of law sector. Progress on the rule of law, including police and justice both at central and at provincial level, is essential to the security and long term stability of Afghanistan. The Council notes that a Fact-Finding Mission is currently in Afghanistan to examine the opportunities and conditions for a potential civilian ESDP mission in the field of policing with linkages to the wider rule of law. The Council looks forward to considering options for the future of the overall EU engagement, taking into account the mission's findings.
8. The Council welcomes the Commission's intention to increase contributions for justice reform and local governance under the planned Country Strategy for 2007 - 2013. The Provincial Reconstruction Facility in support of provincial governance will be launched in early 2007. It will provide funding for some civilian activities conducted by Member States, such as governance and small scale infrastructure, through Provincial Reconstruction Teams (PRTs) led by or with substantial assets from EU Member States. It should provide a valuable contribution to the stabilization of Afghanistan, in particular at provincial level.
9. All EU efforts need to take place within an integrated and comprehensive approach. A stronger focus on governance and the rule of law should complement and reinforce action in other inter-linked areas, such as security-sector reform, human rights and democratisation, anti-corruption, counter-narcotics, rural development, budget support for the Afghan State and support for regional cooperation.
10. The EU encourages the development of regional cooperation through political dialogue, increased economic links and confidence-building measures between Afghanistan and all its neighbours, including Central Asian States. The EU calls on Afghanistan and Pakistan to deepen relations and to cooperate closely to deal with insecurity in border areas, while urging Pakistan to build on current efforts to prevent the use of its territory by the Taliban.

11. The EU will continue to support the central role of the United Nations Assistance Mission in Afghanistan (UNAMA) in coordinating donors' civilian efforts and will, together with UNAMA, NATO and other key actors, including the international financial institutions, work towards effective cooperation and coordination within the international community and with the Government of Afghanistan. In this context the Council underlines the importance of an effective and well functioning Joint Coordination and Monitoring Board (JCMB). The Council follows with interest the idea of creating a Contact Group.
12. The EU will work to enhance internal coordination on the strategic objectives of its engagement, including on new initiatives, with a view to strengthening the coherence, synergy and visibility of increased EU engagement in Afghanistan. The Council stressed the importance of close coordination between the EU Special Representative (EUSR), the European Commission and the Member States on the ground and supported a strengthened role for the EUSR.
13. The Council will regularly review the implementation of EU policy towards Afghanistan."

**MIDDLE EAST**

Over lunch, ministers discussed the Middle East peace process with a view to the 14 and 15 December meeting of the European Council, on the basis of a presentation by High Representative Javier Solana, who visited the region recently. Commissioner Benita Ferrero-Waldner informed ministers on the need to extend the Temporary International Mechanism for aid to the Palestinian people, which will expire at the end of the month. Ministers agreed that its operation should be extended for a further three months.

**IRAN**

Over lunch, ministers discussed the state of play regarding work on a draft UN Security Council resolution on the Iranian nuclear issue. Security Council resolution 1696 of 31 July 2006 made suspension of enrichment-related activities a mandatory measure and expressed the intention to adopt appropriate measures under Article 41 of Chapter VII of the UN Charter in the event of Iranian non-compliance with Security Council requests.

**CONTROL OF ARMS EXPORTS**

Over lunch, ministers discussed a draft common position defining common rules governing the control of exports of military technology and equipment. The draft common position builds on the EU code of conduct on arms exports introduced in 1998.

**ATHENA REVIEW**

The Council reached agreement on a draft decision amending ATHENA, the mechanism to administer the common costs of EU operations having military implications.

The decision amends the February 2004 decision establishing ATHENA by introducing a series of technical modifications and by reviewing the different categories of items to be borne by ATHENA (operational common costs relative to the active phase of operations always borne by ATHENA ; operational common costs relative to the active phase of a specific operation borne by ATHENA when the Council so decides; and operational common costs borne by ATHENA when requested by the Operation Commander and approved by the Special Committee).

## **PRESIDENCY REPORT ON ESDP**

The Council approved the text of the draft presidency report on European Security and Defence Policy (ESDP) and agreed to transmit it to the European Council for endorsement.

## **OTHER BUSINESS**

### – *Belarus*

The Council had a brief exchange of views on the Commission proposal for a Council regulation temporarily withdrawing access to generalised tariff preferences (GSP) status for the Republic of Belarus.

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## **EVENTS IN THE MARGINS OF THE COUNCIL**

The following meetings were held in the margins of the Council:

- Stabilisation and association council with the former Yugoslav republic of Macedonia (16591/06);
- EEA Council (16634/06);
- Conference on accession of Croatia to the EU.

The accession conference agreed to the opening and provisional closure of negotiation chapter 26 on education and culture. Given that the EU considers Croatia's state of preparedness to be good in all areas covered by this chapter, and given the limited scope and particular nature of the EU *acquis* in this domain, the EU noted that this chapter does not require further negotiation at this stage.

**OTHER ITEMS APPROVED**

**See press release 16289/06.**

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