



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 19 June 2009

11225/09

CONCL 2

COVER NOTE

from : Presidency
to : Delegations
Subject : **BRUSSELS EUROPEAN COUNCIL**
 18/19 JUNE 2009

PRESIDENCY CONCLUSIONS

Delegations will find attached the Presidency Conclusions of the Brussels European Council (18/19 June 2009).

In the midst of the deepest global recession since the Second World War the European Council again demonstrated the Union's determination to rise above present difficulties and to look to the future by taking a series of decisions intended to meet, rapidly and effectively, a wide range of challenges.

Convinced that the Lisbon Treaty will provide a better framework for action by the Union in a large number of fields, Heads of State or Government agreed on legal guarantees designed to respond to concerns raised by the Irish people, thus paving the way for them to be consulted again on that Treaty. Heads also took first steps in the process of designating the President of the next Commission.

The economic crisis remains of paramount importance to citizens. The significant measures taken so far in support of the banking sector and the wider real economy have been successful in preventing financial meltdown and in beginning to restore the prospects for real growth. The European Council took a number of decisions intended to lead to the creation of a new financial supervisory architecture with the aim of protecting the European financial system from future risks and ensuring that the mistakes of the past can never be repeated. Top priority must be given to tackling the effects of the crisis on employment by helping people stay in work or find new jobs.

Successfully combating climate change will also contribute to moving to a sustainable economy and create new jobs. The European Council took further steps towards forging the EU's position for the Copenhagen Climate Change Conference at the end of the year. It sent out a strong signal of its intention to maintain a driving role in this process and called on the rest of the international Community to play its full part in bringing about a successful and ambitious outcome at Copenhagen.

European leaders expressed great concern at the dramatic situation in the Mediterranean area and agreed on a number of measures in order to help the Member States in the frontline to respond to the influx of illegal immigrants and to prevent further human tragedies.

The EU's role in the world remains of particular interest to European leaders. The European leaders underlined the strategic importance of transatlantic relations and welcomed the launch of the Eastern Partnership. They also stressed that the Middle East Peace Process remained a top priority for the EU in 2009. The European Council reconfirmed the great importance of stability and security in Afghanistan, Pakistan and the wider region. The European Council adopted the declarations on Iran and the Democratic People's Republic of Korea. In the declaration on Burma/Myanmar leaders called for the immediate and unconditional release of Aung San Suu Kyi.

o
o o

The meeting of the European Council was preceded by an exposé by the President of the European Parliament, Mr Hans-Gert Pöttering, followed by an exchange of views. The European Council warmly thanked Mr Pöttering for the work accomplished during his tenure as President of the European Parliament.

o
o o

I. Institutional issues

Ireland and the Treaty of Lisbon

1. The European Council recalls that the entry into force of the Treaty of Lisbon requires ratification by each of the 27 Member States in accordance with their respective constitutional requirements. It reaffirms its wish to see the Treaty enter into force by the end of 2009.
2. Having carefully noted the concerns of the Irish people as set out by the Taoiseach, the European Council, at its meeting of 11-12 December 2008, agreed that, provided the Treaty of Lisbon enters into force, a decision would be taken, in accordance with the necessary legal procedures, to the effect that the Commission shall continue to include one national of each Member State.
3. The European Council also agreed that other concerns of the Irish people, as presented by the Taoiseach, relating to taxation policy, the right to life, education and the family, and Ireland's traditional policy of military neutrality, would be addressed to the mutual satisfaction of Ireland and the other Member States, by way of the necessary legal guarantees. It was also agreed that the high importance attached to a number of social issues, including workers' rights, would be confirmed.

4. Against this background, the European Council has agreed on the following set of arrangements, which are fully compatible with the Treaty, in order to provide reassurance and to respond to the concerns of the Irish people:
- (a) Decision of the Heads of State or Government of the 27 Member States of the European Union, meeting within the European Council, on the concerns of the Irish people on the Treaty of Lisbon (Annex 1);
 - (b) Solemn Declaration on Workers' Rights, Social Policy and other issues (Annex 2).

The European Council has also taken cognisance of the unilateral declaration of Ireland (Annex 3), which will be associated with the Irish instrument of ratification of the Treaty of Lisbon.

5. Regarding the Decision in Annex 1, the Heads of State or Government have declared that:
- (i) this Decision gives legal guarantee that certain matters of concern to the Irish people will be unaffected by the entry into force of the Treaty of Lisbon;
 - (ii) its content is fully compatible with the Treaty of Lisbon and will not necessitate any re-ratification of that Treaty;
 - (iii) the Decision is legally binding and will take effect on the date of entry into force of the Treaty of Lisbon;
 - (iv) they will, at the time of the conclusion of the next accession Treaty, set out the provisions of the annexed Decision in a Protocol to be attached, in accordance with their respective constitutional requirements, to the Treaty on European Union and the Treaty on the Functioning of the European Union;

- (v) the Protocol will in no way alter the relationship between the EU and its Member States. The sole purpose of the Protocol will be to give full Treaty status to the clarifications set out in the Decision to meet the concerns of the Irish people. Its status will be no different from similar clarifications in Protocols obtained by other Member States. The Protocol will clarify but not change either the content or the application of the Treaty of Lisbon.

Nomination of the President of the Commission

6. The Heads of State or Government agreed unanimously on the name of Mr. José Manuel DURÃO BARROSO as the person they intend to nominate as President of the European Commission for the period 2009-2014.
7. The Prime Minister of the Czech Republic and the Prime Minister of Sweden, as the present and the incoming Presidents of the European Council, will have discussions with the European Parliament in order to determine whether the Parliament is in a position to approve that nomination at its July plenary session.
8. In the light of these discussions, the Council, in the composition of Heads of State or Government, will, on the basis of Article 214(2), 1st subparagraph, of the EC Treaty, formalise its decision on the nomination of the person it intends to appoint as President of the Commission.
9. The process of nomination of the other persons who will be appointed as members of the Commission can only be initiated when the legal basis for the nomination procedure has become clear.

Transitional measures on EP

10. The European Council recalls its Declaration of December 2008 on transitional measures concerning the composition of the European Parliament. It agrees that these transitional measures will contain the elements described in Annex 4. Once the condition set in its Declaration of December 2008 is met, the necessary steps to implement these measures will be taken by the Presidency.

II. Economic, financial and social situation

11. The European Union, like the rest of the world, still faces the effects of the deepest and most widespread recession of the post-war era. It is imperative for the EU to continue to develop and implement the measures required to respond to the crisis. This should be done by building on the important achievements of the past months in line with the European Economic Recovery Plan agreed last December, which will amount to an overall budgetary support of around 5% of GDP in 2009/2010. As evidenced by the Council's report assessing national recovery measures (10771/09), the significant measures taken by governments and central banks are contributing to limiting the negative effects of the downturn and helping to safeguard jobs. They also pave the way towards a sustainable economic recovery.
12. The European Council reaffirms its strong commitment to sound public finances and to the Stability and Growth Pact. Future developments remain uncertain. The economic and budgetary outlook forecast by the Commission in early May will be discussed by the Council (ECOFIN). The European Council re-iterates its determination to do what is necessary to restore jobs and growth. It is important that consolidation keeps pace with economic recovery. There is a clear need for a reliable and credible exit strategy, inter alia by improving the medium-term fiscal framework and through coordinated medium-term economic policies.
13. The European Council supports the adoption of the new budgetary measures in Latvia aiming at sizeable fiscal consolidation this and next year. It stresses that rigorous implementation of the measures adopted together with credible medium-term strategy will deliver a successful outcome of the current adjustment programme. The European Council strongly supports the intention of the Commission to propose the swift disbursement of the next instalment of the Community balance-of-payments assistance in the framework of the adjustment programme.

14. The European Council discussed the current situation on the dairy market. It invited the Commission to present an in-depth market analysis within the next two months, including possible options for stabilising the dairy market, while respecting the outcome of the Health Check.

Building a new order in financial markets

15. The Council's report on the effectiveness of financial support schemes (10772/09 + ADD 1) underlines the extent to which state guarantees and recapitalisation operations have been crucial in preventing a meltdown of the financial sector and have played a positive role in protecting the interests of depositors. By supporting the flow of credit to the real economy they also contribute to protecting jobs.
16. Although this coordinated strategy at the EU level has been effective in stabilising financial markets, the operating environment of the financial institutions remains challenging and credit flows continue to be constrained. Governments must therefore stay alert to possible further measures which may be needed to recapitalise or to clean up balance sheets. The ongoing EU-wide stress-testing exercise will help to better assess the financial system's resilience, contribute to enhancing confidence of financial markets and facilitate coordinated policy measures at EU level. All actions must be consistent with single-market principles, ensure a level playing field and take into account a credible exit strategy. The Commission is invited to continue to monitor the measures taken in support of the financial sector and to provide further guidance on the return of the banking sector to viability.
17. The financial crisis has clearly demonstrated the need to improve the regulation and supervision of financial institutions, both in Europe and globally. Addressing the failures exposed by the present crisis will contribute to preventing future ones. It will also help restore confidence in the financial system, in particular by enhancing the protection of depositors and consumers, and will thus facilitate the recovery of the European economy.

18. Significant progress has already been achieved on improving the EU's regulatory framework, in particular with the agreement reached on the Capital Requirements Directive, the Credit Rating Agencies Regulation and the Solvency II Directive. The European Council calls for further progress to be made in the regulation of financial markets, notably on the regulation of alternative investment funds, the role and responsibilities of depositaries and on transparency and stability of derivatives markets. The European Council also calls on the Commission and the Member States to accelerate their work and make rapid progress on countering the pro-cyclical effects of regulatory standards, e.g. as regards capital requirements and impaired assets. It also invites the Member States to take action rapidly on executives' pay and on remunerations in the financial sector, taking account of the recommendations made by the Commission.

19. The communication presented by the Commission on 27 May 2009 and the Council conclusions of 9 June 2009 set the way forward to the establishment of a new framework for macro- and micro-prudential supervision. The European Council supports the creation of a European Systemic Risk Board which will monitor and assess potential threats to financial stability and, where necessary, issue risk warnings and recommendations for action and monitor their implementation. The members of the General Council of the ECB will elect the chair of the European Systemic Risk Board.

20. The European Council also recommends that a European System of Financial Supervisors, comprising three new European Supervisory Authorities, be established aimed at upgrading the quality and consistency of national supervision, strengthening oversight of cross border groups through the setting up of supervisory colleges and establishing a European single rule book applicable to all financial institutions in the Single Market. Recognizing the potential or contingent liabilities that may be involved for Member States, the European Council stresses that decisions taken by the European Supervisory Authorities should not impinge in any way on the fiscal responsibilities of Member States. Subject to this and supplemental to the Council conclusions of 9 June 2009, the European Council agrees that the European System of Financial Supervisors should have binding and proportionate decision-making powers in respect of whether supervisors are meeting their requirements under a single rule book and relevant Community law and in the case of disagreement between the home and host state supervisors, including within colleges of supervisors. ESAs should also have supervisory powers for credit rating agencies. The European Council further emphasizes the importance of ensuring that the new framework supports sound and competitive EU financial markets.
21. The European Council welcomes the Commission's intention to bring forward, by early autumn 2009 at the latest, the legislative proposals to put in place the new framework for EU supervision, fully respecting the balance of competences and financial responsibility and taking full account of the Council conclusions of 9 June 2009. These proposals need to be adopted swiftly in order for the new framework to be fully in place in the course of 2010. The European Council will take stock of progress at its meeting in October 2009 and will if necessary provide further direction.

22. It is equally important to further advance work on building a comprehensive cross-border framework for the prevention and management of financial crises. The European Council invites the Commission to make concrete proposals for how the European System of Financial Supervisors could play a strong coordinating role among supervisors in crisis situations, while fully respecting the responsibilities of national authorities in preserving financial stability and in crisis management in relation to potential fiscal consequences and fully respecting central banks' responsibilities, in particular with regard to the provision of emergency liquidity assistance.

23. The European Union will continue to play a leading role at the global level, in particular within the G20. It calls on its international partners to implement fully the commitments given in Washington and London, in particular as regards providing additional resources to international financial institutions and accelerating the reform of the financial and regulatory framework. The European Council invites the Council and the Commission to ensure that a coordinated EU position is thoroughly prepared in advance of the 24/25 September 2009 G20 Summit. It also calls on the Presidency and the Commission to take up the issue of global regulation and supervision systematically in their contacts with international partners, including at the highest level.

24. Regarding the resources of the IMF, Member States have already stated their readiness to provide fast temporary support to a total amount of EUR 75 bn. In principle, Member States stand ready to take their share of further financing needs, as they arise over the medium term, in line with their economic weight, as reflected by their quota shares, through the New Arrangements to Borrow, in the context of fair burden-sharing at the global level recognizing the necessary link between contribution and representation. To ensure a fair and sustainable recovery for all, the EU reaffirms its commitments to support developing countries in meeting the Millennium Development Goals (MDGs) and to achieve our respective Official Development Assistance (ODA) targets.

Strengthening efforts to support employment

25. The fight against unemployment remains a major priority. Whilst action in this field is first and foremost a matter for the Member States, the European Union has an important role to play in providing and improving the common framework required to ensure that measures taken are coordinated, mutually supporting and in line with single market rules. In this effort we need to safeguard and further strengthen social protection, social cohesion and the rights of workers.

26. The informal Prague Employment Summit discussed concrete actions to help alleviate the employment and social consequences of the crisis. In the context of this discussion three priority areas which should receive particular attention were identified, both within the recovery packages of the Member States and within the initiatives launched at European level: (i) maintaining employment, creating new jobs and promoting mobility; (ii) upgrading skills and matching labour market needs; (iii) increasing access to employment.

27. In the current situation, "flexicurity" is an important means to modernise and foster the adaptability of labour markets. Priority should be given to preparing labour markets for future recovery: creating a friendly environment for entrepreneurship and job creation, investing in a skilled, adaptable and motivated labour force and transforming Europe into a competitive, knowledge-based, inclusive, innovative and eco-efficient economy. Social protection systems and social inclusion policies play their role as automatic economic stabilisers and as effective mechanisms for cushioning the social impact of the downturn and for helping people back to the labour market. Particular attention must also be given to the most vulnerable and to new risks of exclusion.

III. Climate change and sustainable development

28. The time has now come for the international community to make the commitments needed to limit global warming to under 2°C. A coherent response to the challenges posed by both climate change and the economic and financial crisis will open up new opportunities and make it possible to move to a safe and sustainable low-carbon economy capable of generating growth and creating new jobs.
29. The European Union once again calls on all parties to cooperate in reaching an ambitious and comprehensive agreement at the Copenhagen Conference and to speed up the pace of negotiations to this end. It underlines the important role of high-level international meetings in advancing discussions and looks forward to a positive contribution from the forthcoming Major Economies Forum and G8 meetings to the United Nations Framework Convention on Climate Change process. To build up this global process the EU has intensified its bilateral dialogue on climate change with key international partners, including at recent summits with Canada, China, Japan, the Republic of Korea, Russia and the USA.
30. The European Union stands ready to play a leading role in this process. It has itself entered into an ambitious and legally binding commitment to reduce its greenhouse gas emissions by 20% by 2020 compared to 1990 levels. Provided that other developed countries commit themselves to comparable emission reductions and that developing countries contribute adequately according to their responsibilities and respective capabilities, the Union is committed, in line with the December 2008 European Council conclusions, to increase its commitment to 30%. The efforts the Union expects of the developed countries and the developing countries, especially the most advanced among them, by 2020 are set out in the conclusions of the Council of March 2009.

31. The European Council endorses the conclusions of the Council of 9 June 2009. All countries except the least developed should contribute to the financing of the fight against climate change in developing countries on the basis of a universal, comprehensive and specific contribution key. One of the main findings of preparatory work in the Council up to date is that the main principles of contribution should be the ability to pay and the responsibility for emissions.¹ The European Union recognises the scale of the effort required and, while underlining the primary role of private financing, will contribute its fair share of international public support for actions for mitigation and adaptation, particularly in the least developed countries. Financing mechanisms should as far as possible build on existing - and, if necessary, reformed - instruments and institutions. Efficient, effective and equitable financing mechanisms must be ensured. This implies the putting into place of comprehensive low-carbon development strategies by developing countries and the establishment of a comprehensive system to measure, report and verify mitigation actions in these countries.
32. The European Council welcomes the intention of the incoming Presidency to develop, in close cooperation with the Commission, a work programme to ensure that there is sufficient time for internal EU coordination and decision-making prior to important international meetings which will prepare the December Copenhagen Conference. It invites the Commission to table proposals, including on financing, as soon as possible and is prepared, subject to developments in international negotiations, to take the appropriate decisions on all aspects of financing at its October meeting.
33. Sustainable development remains a fundamental objective of the European Union, encompassing an economic, a social and an environmental dimension. The European Council invites the Council to examine the Commission's progress report on the implementation of the Sustainable Development Strategy with a view to agreeing as soon as possible on the actions which should be implemented with priority.

¹ This is without prejudice to the internal EU burden-sharing, which will be determined in good time before the Copenhagen Conference.

34. The European Council calls for work to be taken forward rapidly on the Commission's communication on the Baltic Sea region with a view to adopting a Strategy on the Baltic Sea Region at its meeting in October 2009. In this connection, the European Council welcomes the Action Plan on Baltic Energy Market Interconnection as a major contribution to enhancing the energy security of the Union. It also invites the Commission to present an EU strategy for the Danube region before the end of 2010.
35. Security of energy supply continues to be a priority for the European Union. The European Council notes with concern potential problems concerning gas supply from Russia via Ukraine. The European Council is convinced that all parties will honour their commitments in order to avoid repetition of disruption of gas supply to the EU and its Member States. The Council and the Commission will continue to carefully monitor and assess the situation and will report to the European Council whenever appropriate. In this respect, it is of major importance for the EU to continue speaking with one voice with its partners, building upon the results achieved at the energy conference in Budapest, Sofia and Prague.

With a view to the above, the European Council welcomes the agreement reached by the Council on the revised Oil Stocks Directive and looks forward to prompt presentation of the Security of Gas Supplies Directive by the Commission with a view to reaching agreement as soon as possible. At its October meeting, the European Council will take stock of progress regarding energy infrastructures and interconnections as well as crisis mechanisms, in line with the orientations it had agreed last March.

IV. Illegal immigration

36. Recent events in Cyprus, Greece, Italy and Malta underline the urgency of strengthening efforts to prevent and combat illegal immigration in an efficient manner at the EU's Southern maritime borders and thus prevent future human tragedies. A determined European response based on firmness, solidarity and shared responsibility is essential, in line with the European Pact on Immigration and Asylum and the Global Approach to Migration. Their implementation must be stepped up, in particular as concerns cooperation with countries of origin and transit. All activities in the Western Mediterranean region and at the Eastern and South-Eastern borders need to continue.
37. In view of the present humanitarian emergency, concrete measures need to be quickly put in place and implemented. The European Council calls for the coordination of voluntary measures for internal reallocation of beneficiaries of international protection present in the Member States exposed to specific and disproportionate pressures and highly vulnerable persons. It welcomes the intention of the Commission to take initiatives in this respect, starting with a pilot project for Malta. It urges the Council and the European Parliament to reach agreement allowing for the rapid establishment of the European Asylum Support Office. The European Council also underlines a need for strengthened border control operations coordinated by FRONTEX, clear rules of engagement for joint patrolling and the disembarkation of rescued persons, and increased use of joint return flights. In this context it calls for strong action to fight effectively against organised crime and criminal networks involved in trafficking of human beings.

38. The European Council underlines the need for a significant strengthening of the cooperation with the main countries of origin and transit. It invites the Commission to explore concrete cooperation with third countries in line with earlier mandates adopted by the Council. The effectiveness of the EU's readmission agreements need to be increased as part of the overall EU external policies. Concluding the negotiations on the EC readmission agreements with key countries of origin and transit such as Libya and Turkey is a priority; until then, already existing bilateral agreements should be adequately implemented.
39. The European Council urges the Council to take the above fully into account when preparing the new multi-annual framework programme in the area of Freedom, Justice and Security. The European Council invites the Commission to submit further proposals to the next meeting of the European Council, based on an appropriate response to these problems.

V. External relations

40. The European Council adopted Declarations on Pakistan and Afghanistan (Annex 5), on Burma/Myanmar (Annex 6), on DPRK (Annex 7) and on Iran (Annex 8).
41. The European Council welcomes the launch of the Eastern Partnership. It reiterates its conviction that further implementation of this initiative, in both its bilateral and multilateral dimensions, is important and mutually beneficial to the EU and the Eastern Partners, helping to bring prosperity and stability to citizens of all countries involved. It calls upon the Commission and incoming Presidencies to continue their work in line with the Joint Declaration of the Prague Summit of 7 May 2009.

42. The Middle East Peace Process remains a top priority for the EU in 2009. The European Council endorses the conclusions adopted at the Council meeting of 15 June.
43. The European Council reaffirms the strategic importance of transatlantic relations as underlined at the informal EU-US Summit held in Prague on 5 April 2009. The European Council welcomes the 15 June 2009 joint statement on the closure of the Guantánamo Bay detention facility, which gives further strong impetus to counterterrorism cooperation based on shared values, international law, respect for human rights and the rule of law. Furthermore, the European Council welcomes the fact that the US proposed to enhance cooperation between the US and the EU on energy issues. The European Council also looks forward to deepened cooperation with the US on climate change, regional issues, economic affairs and development.
-

DECISION OF THE HEADS OF STATE OR GOVERNMENT OF THE 27 MEMBER STATES OF THE EU, MEETING WITHIN THE EUROPEAN COUNCIL, ON THE CONCERNS OF THE IRISH PEOPLE ON THE TREATY OF LISBON

The Heads of State or Government of the 27 Member States of the European Union, whose Governments are signatories of the Treaty of Lisbon,

Taking note of the outcome of the Irish referendum of 12 June 2008 on the Treaty of Lisbon and of the concerns of the Irish people identified by the Taoiseach,

Desiring to address those concerns in conformity with that Treaty,

Having regard to the Conclusions of the European Council of 11-12 December 2008,

Have agreed on the following Decision:

SECTION A

RIGHT TO LIFE, FAMILY AND EDUCATION

Nothing in the Treaty of Lisbon attributing legal status to the Charter of Fundamental Rights of the European Union, or in the provisions of that Treaty in the area of Freedom, Security and Justice affects in any way the scope and applicability of the protection of the right to life in Article 40.3.1, 40.3.2 and 40.3.3, the protection of the family in Article 41 and the protection of the rights in respect of education in Articles 42 and 44.2.4 and 44.2.5 provided by the Constitution of Ireland.

SECTION B

TAXATION

Nothing in the Treaty of Lisbon makes any change of any kind, for any Member State, to the extent or operation of the competence of the European Union in relation to taxation.

SECTION C

SECURITY AND DEFENCE

The Union's action on the international scene is guided by the principles of democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law.

The Union's common security and defence policy is an integral part of the common foreign and security policy and provides the Union with an operational capacity to undertake missions outside the Union for peace-keeping, conflict prevention and strengthening international security in accordance with the principles of the United Nations Charter.

It does not prejudice the security and defence policy of each Member State, including Ireland, or the obligations of any Member State.

The Treaty of Lisbon does not affect or prejudice Ireland's traditional policy of military neutrality.

It will be for Member States - including Ireland, acting in a spirit of solidarity and without prejudice to its traditional policy of military neutrality - to determine the nature of aid or assistance to be provided to a Member State which is the object of a terrorist attack or the victim of armed aggression on its territory.

Any decision to move to a common defence will require a unanimous decision of the European Council. It would be a matter for the Member States, including Ireland, to decide, in accordance with the provisions of the Treaty of Lisbon and with their respective constitutional requirements, whether or not to adopt a common defence.

Nothing in this Section affects or prejudices the position or policy of any other Member State on security and defence.

It is also a matter for each Member State to decide, in accordance with the provisions of the Treaty of Lisbon and any domestic legal requirements, whether to participate in permanent structured cooperation or the European Defence Agency.

The Treaty of Lisbon does not provide for the creation of a European army or for conscription to any military formation.

It does not affect the right of Ireland or any other Member State to determine the nature and volume of its defence and security expenditure and the nature of its defence capabilities.

It will be a matter for Ireland or any other Member State, to decide, in accordance with any domestic legal requirements, whether or not to participate in any military operation.

SECTION D

FINAL PROVISIONS

This decision shall take effect on the same date as the Treaty of Lisbon.

**SOLEMN DECLARATION ON WORKERS' RIGHTS, SOCIAL POLICY AND
OTHER ISSUES**

The European Council confirms the high importance which the Union attaches to:

- social progress and the protection of workers' rights;
- public services;
- the responsibility of Member States for the delivery of education and health services;
- the essential role and wide discretion of national, regional and local authorities in providing, commissioning and organising services of general economic interest.

In doing so, it underlines the importance of respecting the overall framework and provisions of the EU Treaties.

To underline this, it recalls that the Treaties as modified by the Treaty of Lisbon:

- establish an internal market and aim at working for the sustainable development of Europe based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment;
- give expression to the Union's values;
- recognise the rights, freedoms and principles set out in the Charter of Fundamental Rights of the European Union in accordance with Article 6 of the Treaty on European Union;

- aim to combat social exclusion and discrimination, and to promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child;
- oblige the Union, when defining and implementing its policies and activities, to take into account requirements linked to the promotion of a high level of employment, the guarantee of adequate social protection, the fight against social exclusion, and a high level of education, training and protection of human health;
- include, as a shared value of the Union, the essential role and the wide discretion of national, regional and local authorities in providing, commissioning and organising services of general economic interest as closely as possible to the needs of the users;
- do not affect in any way the competence of Member States to provide, commission and organise non-economic services of general interest;
- provide that the Council, when acting in the area of common commercial policy, must act unanimously when negotiating and concluding international agreements in the field of trade in social, education and health services, where those agreements risk seriously disturbing the national organisation of such services and prejudicing the responsibility of Member States to deliver them; and
- provide that the Union recognises and promotes the role of the social partners at the level of the European Union, and facilitates dialogue between them, taking account of the diversity of national systems and respecting the autonomy of social partners.

NATIONAL DECLARATION BY IRELAND

Ireland reaffirms its attachment to the aims and principles of the Charter of the United Nations, which confers primary responsibility for the maintenance of international peace and security upon the United Nations Security Council.

Ireland recalls its commitment to the common foreign and security policy of the European Union, as approved on several occasions by the Irish people through referendum.

Ireland confirms that its participation in the European Union's common foreign and security policy does not prejudice its traditional policy of military neutrality. The Treaty on European Union makes clear that the Union's security and defence policy shall not prejudice the specific character of the security and defence policy of certain Member States.

In line with its traditional policy of military neutrality, Ireland is not bound by any mutual defence commitment. The Treaty on European Union specifies that any decision by the Union to move to a common defence would have to be taken by unanimous decision of the Member States and adopted in accordance with their respective constitutional requirements. The Constitution of Ireland requires that a referendum be held on the adoption of any such decision applicable to Ireland and this requirement will not be affected should Ireland ratify the Treaty of Lisbon.

Ireland reiterates its commitment to the ideal of peace and friendly cooperation amongst nations and to the principle of the peaceful resolution of international disputes. It reaffirms its strong commitment to conflict prevention, resolution and peacekeeping, and recalls the record of achievement of its personnel, military and civilian, in this regard.

It reiterates that the participation of contingents of the Irish Defence Forces in overseas operations, including those carried out under the European common security and defence policy requires (a) the authorisation of the operation by the Security Council or the General Assembly of the United Nations, (b) the agreement of the Irish Government, and (c) the approval of Dáil Éireann, in accordance with Irish law.

Ireland notes that nothing obliges it to participate in permanent structured cooperation as provided for in the Treaty on European Union. Any decision enabling Ireland to participate will require the approval of Dáil Éireann in accordance with Irish law.

Ireland notes also that nothing obliges it to participate in the European Defence Agency, or in specific projects or programmes initiated under its auspices. Any decision to participate in such projects or programmes will be subject to national decision-making and the approval of Dáil Éireann in accordance with Irish law. Ireland declares that it will participate only in those projects and programmes that contribute to enhancing the capabilities required for participation in UN-mandated missions for peace-keeping, conflict prevention and strengthening international security, in accordance with the principles of the United Nations Charter.

The situation set out in this Declaration would be unaffected by the entry into force of the Treaty of Lisbon. In the event of Ireland's ratification of the Treaty of Lisbon, this Declaration will be associated with Ireland's instrument of ratification.

Transitional measures to be taken concerning the composition and number of members of the European Parliament

(a) The following 18 seats will be added to the 736 seats filled in the June EP elections:

| | | | |
|----------|---|----------------|----|
| Bulgaria | 1 | Netherlands | 1 |
| Spain | 4 | Austria | 2 |
| France | 2 | Poland | 1 |
| Italy | 1 | Slovenia | 1 |
| Latvia | 1 | Sweden | 2 |
| Malta | 1 | United Kingdom | 1. |

(b) In order to fill those additional seats, the Member States concerned will designate persons, in accordance with their national law and on the condition that they have been elected through direct universal suffrage, notably either in an ad hoc election, or with reference to the results of the European elections of June 2009, or by having their national parliament appoint, from among its midst, the requisite number of members.¹

¹ In such a case, the rule forbidding multiple office-holding, provided for in the Act concerning the election of representatives of the European Parliament by direct universal suffrage, will apply.

DECLARATION ON PAKISTAN AND AFGHANISTAN

The European Union attaches great importance to stability and security in Afghanistan and Pakistan and the wider region. Afghanistan and Pakistan each face complex and urgent challenges. While the EU reconfirms its specific ties with both countries individually, some of these challenges are closely interlinked and can only be solved through collaboration between those with a stake in the stability, security and development of the region. The EU welcomes and continues to support the increasing dialogue between the Governments of Afghanistan and Pakistan and encourages further development of recent moves towards improving their relationship.

Pakistan

The European Union welcomes the successful outcome of the recent Summit between the EU and Pakistan, which marks a step towards the development of a strategic dialogue. The EU and Pakistan are committed to the primary objective of fighting terrorism and combating radicalisation. The EU recognises Pakistan's major progress in transition to democratic civilian rule and will continue to help with institution-building to further strengthen and reinforce democratic structures in Pakistan. The European Commission has taken a commitment to provide 72 mil. EUR in humanitarian aid and to use a further 50 mil. EUR to support rehabilitation and reconstruction so bringing the total support to displaced people in Pakistan to over 120 mil. EUR.

The EU and the Government of Pakistan will now focus on the follow-up to the Summit. In this context, the European Council underlines the importance of sustainable economic development for further progress in Pakistan and of significantly enhancing the EU trade relationship with Pakistan, including through a possible free trade agreement in the long term. The EU will enhance the dedicated trade dialogue to take work forward. The EU will maintain its support for efforts aimed at promoting trade liberalisation in South Asia and will encourage Pakistan to facilitate intraregional trade, in particular with India and Afghanistan.

The EU welcomes Pakistan's resolve to step up counter-terrorism efforts and recognises the sacrifices which the Pakistani people and armed forces are making, notably during ongoing operations in North-West Frontier Province. The European Union expresses confidence that a successful outcome would greatly strengthen the democratically elected government in achieving its political and development objectives. The EU underlines the importance of an immediate humanitarian response to the crisis in Swat and stands ready to provide further assistance, in order to enable displaced persons to return to their homes. The EU will support the Government of Pakistan in implementing a comprehensive rehabilitation and reconstruction plan for the region.

Afghanistan

The EU reaffirms its long-term commitment to supporting Afghanistan on its path to security, stability and prosperity, while stressing that primary responsibility for the development of the country lies with Afghan authorities.

Recognising the challenging environment in which the first Afghan-led election process will take place, the EU attaches the greatest importance to the holding of credible, inclusive and secure presidential and provincial elections in Afghanistan in line with international standards, which would strengthen the support of the Afghan people for their institutions. It is particularly important that the state exercise its authority with impartiality and integrity to ensure that no candidate is unfairly disadvantaged. Political legitimacy is at the heart of further progress in Afghanistan. Afghan politicians have an important role to play by reaching out to voters and encouraging Afghans to exercise their right to choose their own leaders by participating in the August elections. The EU also calls on candidates to use the campaigning period to present policy manifestos, which inform and engage the population in the political process. As part of international efforts, the EU remains committed to supporting the elections and will deploy a team of international observers to Afghanistan.

The EU remains committed to promoting rule of law and good governance in Afghanistan and urges the Government of Afghanistan to give the utmost priority to the achievement of significant progress in this area, especially at sub-national level. Building Afghan capacity and ownership, within the police as well as within the civilian sectors, remains at the core of EU's engagement in Afghanistan. In this respect, the EU police mission EUPOL Afghanistan is a key contribution of active EU engagement in Afghanistan, currently mandated to deploy up to 400 international personnel to monitor, mentor, advise and train in the area of police and the wider rule of law. The European Council underlines the importance of the prospect of a deployment of the European Gendarmerie Force in Afghanistan within the NTMA, as a complementary initiative in building up police capacity. The EU will follow through on its commitment in March to examine what it can do strategically and practically to build Afghan capacity in delivering the rule of law and assist the Government of Afghanistan to strengthen its respect for human rights and governance.

The EU emphasises that the Afghan Compact and the Afghan National Development Strategy (ANDS) continue to provide the relevant framework for the political, social and economic development of Afghanistan, with UNAMA's coordinating role at the centre of the efforts of the international community. In this regard, the EU, as a major partner for reconstruction and development, intends to enhance and consolidate its commitment to Afghanistan, through the EC's and Member States' actions.

DECLARATION ON BURMA/MYANMAR

The European Council calls for the immediate unconditional release of Aung San Suu Kyi, who has tirelessly defended universal values of freedom and democracy. Unless she is released, with all other political prisoners, the credibility of the 2010 elections will be further undermined. The EU will respond with additional targeted measures. We urge Burma/Myanmar to embark on a genuine transition to democracy bringing peace and prosperity to its people.

In this regard the European Council welcomes the clear calls from neighbouring countries for a free, fair and inclusive political process. Moreover, the EU reiterates its strong support for the UN Good Offices Mission and for the personal engagement of the Secretary General Ban Ki Moon, including his early visit to Burma/Myanmar.

DECLARATION ON THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA (DPRK)

The European Council condemns firmly the most recent nuclear test and the launches using ballistic missile technology carried out by the DPRK. These violations of Security Council resolutions present a great threat for the peace and stability in the Korean peninsula as well as regional and international security.

In this context, the European Council welcomes the unanimous adoption of the resolution 1874 of the United Nations Security Council which reinforces international sanctions towards the DPRK leadership.

The European Council invites the Council and the European Commission to transpose this resolution in a robust way and without delay in order to reinforce the coercive measures aimed at the North Korean leaders and entities linked to them. The European Council insists on the importance of a swift and efficient implementation of all these measures, including those aimed at cargoes inspections bound for, and/or out of the DPRK.

The European Council calls on the DPRK to refrain from any violations of relevant United Nations Security Council resolutions, to implement them and to engage in dialogue and cooperation, including the early resumption of the Six Party Talks.

DECLARATION ON IRAN

The European Council endorsed the Conclusions adopted by the Council on 15 June. It stressed that the outcome of the Iranian elections should reflect the aspirations and choices of the people of Iran. The European Council reiterated that questions over the conduct of the elections were issues that the Iranian authorities should investigate.

The European Union is observing the response to the protests across Iran with serious concern. It firmly condemns the use of violence against protesters resulting in the loss of lives. The European Council urged the Iranian authorities to ensure that all Iranians are granted the right to assemble and to express themselves peacefully. The authorities should refrain from the use of force against peaceful demonstrations. The European Council condemned the crackdown against journalists, media outlets, communications and protesters, which are in contrast to the relatively open and encouraging period in the run up to the election.

The European Council also stressed the importance of Iran engaging with the international community on all issues of concern, in particular over the issue of Iran's nuclear programme, in the spirit of mutual respect and full recognition of Iran's international obligations.

Reference documents submitted to the European Council

- Report on the effectiveness of the financial support schemes, adopted by the Council on 9 June 2009 (10772/09 + ADD 1)

- Report on the European Economic Recovery Plan, adopted by the Council on 9 June 2009 (10771/09)

- Conclusions on international financing for climate action, adopted by the Council on 9 June 2009 (10827/09)

- Conclusions on strengthening EU financial supervision, adopted by the Council on 9 June 2009 (10862/09)

- Conclusions on the Middle East Peace Process, adopted by the Council on 15 June 2009 (11046/09)

- ESDP Presidency Report (10748/09)

- Conclusions on "European Conscience and Totalitarianism" adopted by the Council on 15 June 2009 (10710/1/09 REV 1)

