



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 15 October 2007

13917/07

**PE 319
POLGEN 97**

NOTE

from : General Secretariat of the Council
to : Delegations

Subject : Plenary session of the European Parliament, Brussels, 10 October 2007:
**Preparation of the informal summit of Heads of State or Government
(Lisbon, 18 and 19 October 2007)**

*In the presence of Mr Manuel LOBO ANTUNES, President of the Council, and
Ms Margot WALLSTRÖM, Vice-President of the European Commission*

In his address to the Parliament, Mr Manuel LOBO ANTUNES, President of the Council, informed Members that the legal experts had concluded work on establishing the text of the amending Treaty, including the Protocols and Declarations. The President of the Council commended all participants in the Intergovernmental Conference, including the representatives of the European Parliament, for their important contributions and noted with satisfaction that the timeframes set for the work had been respected. Referring to one Member State's request to reopen certain issues, Mr LOBO ANTUNES said that the Presidency would seek an outcome that was balanced, inclusive and acceptable to everyone. As to the timetable, the General Affairs and External Relations Council would examine the draft Treaty at its meeting on 15 October 2007 with a view to its final adoption at the Intergovernmental Conference in Lisbon on 18 and 19 October 2007. Mr LOBO ANTUNES expressed optimism that the Treaty would be signed under the Portuguese Presidency. Mr LOBO ANTUNES thanked the European Parliament for its prompt response to the European Council's invitation to put forward a draft initiative relating to the future composition of the European Parliament.

Mr LOBO ANTUNES then turned to the subject of the renewed Lisbon Strategy for growth and jobs, the second item on the agenda of the informal summit in Lisbon. He recalled that in March 2007, the European Council had invited the Commission to present an interim report to prepare the next three-year cycle of the renewed Lisbon Strategy. The Heads of State or Government would hold discussions at the summit on the new triannual cycle on the basis of a recently published Commission Communication.

A transcript of Ms LOBO ANTUNES's speech is annexed to this note (ANNEX I).

A transcript of Ms WALLSTRÖM's speech is annexed to this note (ANNEX II).

Mr BROK (PPE-DE, DE), European Parliament representative at the IGC, commended the exemplary cooperation between two Council Presidencies in converting the mandate of June 2007 into a draft Reform Treaty. Following completion of the work by legal experts on the text of the Treaty, Mr BROK was confident that the few remaining issues could be settled in the coming week and that the Reform Treaty could be agreed at the informal EU Summit in Lisbon on 18 and 19 October 2007. Mr BROK reiterated the three EP representatives' support for the mandate, which represented the most that could be achieved in terms of democracy and the EU's capacity to respond to new challenges. He particularly welcomed the extension of the Parliament's co-decision rights to 95% of all policy areas. Mr BROK noted with satisfaction that the contentious issue of opt-outs had been settled acceptably. At the same time, Mr BROK called for clarification of the scope of Article 24 of the draft Treaty, in order to ensure that it did not impinge on the rights of the EP and the jurisdiction of the Court over the transfer of personal data in areas such as PNR. Finally, Mr BROK expressed the Parliament's wish that the High Representative of the Union for Foreign Affairs and Security Policy be appointed only after the new legislature had elected the President of the Commission, in accordance with the new Treaty.

Mr BARÓN CRESPO (PSE, ES), European Parliament representative at the IGC, said that the European Parliament was united in its will to obtain agreement on the new Treaty at the Lisbon summit; the result would be more democracy, greater efficacy and a single legal personality for the EU, the communitarisation of the areas of justice and home affairs and foreign and security policy and greater involvement of national parliaments. Mr BARÓN CRESPO appealed to the President of

the Council to ensure that the provisions on citizenship would be shifted from the Treaty on the Functioning of the Union to the Treaty on the European Union. Furthermore, he emphasised that the fact that the Charter of Fundamental Rights — to be solemnly proclaimed by the three institutions in November 2007— would be legally binding was a *sine qua non* for the Parliament's support of the new Treaty. Mr BARÓN CRESPO also wished to see the provisions relating to social dialogue transferred to the Treaty on the European Union. As to the status of the Ioannina Declaration, Mr BARÓN CRESPO expressed the hope that it would not be further strengthened, arguing that the reintroduction of unanimity in the Council would impede the decision-making process. Finally, Mr BARÓN CRESPO appealed to everyone to work together to achieve a successful ratification of the Treaty.

Mr DUFF (ALDE, UK), European Parliament representative at the IGC, voiced sharp criticism over the UK opt-outs in the field of police cooperation and judicial cooperation in criminal matters and from the application of the Charter of Fundamental Rights. He raised doubts as to whether these arrangements would stand the proof in practice and also questioned their implications for the rest of the Union. He called for a national debate to discuss why UK citizens were excluded from the benefits of European integration. As to the Ioannina Declaration, Mr DUFF appealed to the Portuguese Presidency and to the Commission to resist pressure to upgrade the transitional provisions on the new voting system in the Council from secondary into primary law.

The following Members spoke on behalf of the political groups:

On behalf of the PPE-DE Group, Mr DAUL (PPE-DE, FR) welcomed the determination of the Portuguese Presidency to seek agreement on the draft Treaty within the prescribed timeframe. He emphasised that the Parliament supported the text to be submitted to the IGC in Lisbon, because it reflected a balanced compromise and also because of the recognition that the EU of 27 members could not function effectively on the basis of the Treaty of Nice. Mr DAUL drew attention to the principles of efficacy, transparency, subsidiarity and citizens' participation in the EU.

On behalf of the PSE Group, Mr SCHULZ pointed to the important responsibility that fell to the Portuguese Presidency in concluding the treaty reform process in Lisbon to the satisfaction of all.

He commended the draft Treaty because it corresponded to the mandate set in June 2007. Once adopted, the Reform Treaty would have to be ratified by all Member States; this required a further common effort, in the view of Mr SCHULZ. He believed that failure to ratify the Treaty would mean an end to the EU.

On behalf of the ALDE Group, Mr WATSON (ALDE, UK) gave his fullest support to the Presidency and encouraged it to stand strong at the Lisbon summit, fiercely awaited by certain governments. He said that certain shortcomings in the Treaty, like the lack of reference to symbols or the fudging of the issue of voting in the Council, could be accepted with a view to finding compromise; however, he firmly rejected the UK and Polish opt-outs, the downgrading of provisions on citizenship and the levelling-down of data protection in the area of CFSP. Mr WATSON also said that those who were unable to compromise on the Treaty should contemplate on an "amicable divorce".

For the UEN Group, Mr SZYMAŃSKI (UEN, PL) showed understanding for the UK and Polish opt-outs from the application of the Charter of Fundamental Rights, which reflected wariness of the effects of the ECJ's interpretation of the Charter. As to the Ioannina mechanism, Mr SZYMAŃSKI defended Poland's legitimate right to exercise influence in EU decision-making.

Ms FRASSONI (Verts/ALE, IT), for the Greens Group, declined any responsibility for the text of the Treaty, which had been drawn up behind closed doors, escaping democratic oversight. Although support for the Amending Treaty was not in question, Ms FRASSONI expressed her deep regret that the Constitutional process had been frustrated.

Mr WURTZ (GUE/NGL, FR) expressed his group's opposition to the draft Treaty, because the criticisms made of the Constitutional Treaty had not been taken into consideration. He also criticised the manifest difference in the provisions relating to the internal and external aspects of the transfer of personal data, the obscurity of certain provisions of the Treaty, and the lack of transparency in the proceedings of the IGC. Mr WURTZ called on Member States to hold referenda for the ratification of the Treaty.

Mr BONDE (IND/DEM, DK), on behalf of the IND/DEM Group, denounced the hypocrisy of European leaders, in their attempt to "sell" the text of the Constitution under the title of a "mini-treaty".

Among individual speakers, Mr LEINEN (PSE, DE), praised the Portuguese Presidency for having stood firm on the mandate given to the IGC, resisting requests to open up discussion on issues such as the status of the ECB or the access of foreign students to university education. He regretted, however, the fragmentation of common policies through opt-outs by certain Member States.

Mr VOGGENHUBER (Verts/ALE, DE) questioned how opt-outs from the EU Charter of Fundamental Rights, which restated the EU's common values, could be accepted. Mr PINIOR (PSE, PL) protested against the opt-out from the application of the Charter of Fundamental Rights in respect of Poland. Mr ZIELENIEC (PPE-DE, CZ), expressed support for the French President's initiative for a committee of wise men to discuss the EU's long-term future, once the ratification process of the Reform Treaty was concluded.

Mr PINHEIRO (PPE-DE, PT) commented on the renewed Lisbon Strategy, believing that the Commission needed to be given more responsibilities to make a success of the Strategy.

In his final address, Mr LOBO ANTUNES emphasised that the Presidency would seek an agreement that enjoyed the support of all parties and did not exclude anyone. It was important to create a spirit of cooperation among Member States in order to face common challenges together.

In reply to Members, Ms WALLSTRÖM promised the Commission's support in finding a pragmatic and satisfactory solution to the appointment of the High Representative. As to the question of the protection of personal data under the CFSP, Ms WALLSTRÖM said that, in the view of the Commission, the PNR Agreement with the US would not come under Article 24 of the draft Treaty.

**Speech of Mr Manuel LOBO ANTUNES, State Secretary for European Affairs, President of the Council to the European Parliament
Brussels, 10 October 2007**

Mr. President,

Ladies and Gentlemen Deputies,

As you know, the IGC Group of Jurists has finished its work on the 3rd, having been able to reach an agreement on the drawing up of the entire text of the project for the Treaty, its Protocols and Declarations.

The negotiations on the legal wording of the text have then been concluded.

Allow me to say that the balance of this negotiating process has been, until now, extremely positive. Although we are dealing with a very sensitive political issue, with very complex technical and juridical contents, it was possible to conclude negotiations while respecting the previously defined schedule. For that, it is of the utmost importance to acknowledge the engagement of all partners, including the representatives of the European Parliament Elmar Brok, Enrique Barón Crespo and Andrew Duff, whose contribution in this task has been invaluable.

It is no secret that some Member States may still want to debate a few issues. The Presidency is strongly engaged in continuing to actively work in the search for acceptable and reasonable solutions for everyone. We don't want nor shall we leave anyone excluded. In the European Union we follow our path together.

It is then essential that, besides the determination of the Presidency to search for solutions, everyone involved also shows political will, in order to move forward for a better future in the Union.

The Presidency has booked a discussion on the project of the Reform Treaty for the next GAERC (General Affairs and External Relations Council) meeting on 15 October. Our objective is clear:

- (i) to reach a political agreement at the Lisbon Informal Summit on 18 and 19 October and
- (ii) to sign the Reform Treaty during this semester. It is towards these goals that we have been working and we shall continue to do so.

I must also acknowledge the readiness with which the European Parliament answered the request of the June's European Council to present, until October, a proposal for its drawing up.

It is then with great regard that the Portuguese Presidency takes note of the progress in the work and efforts developed by rapporteurs Alain Lamassoure and Adrian Severin in the elaboration of the report we submit today to the House. The definition of the European Parliament's position is very important for the good progress of the Intergovernmental Conference's work, which should be finished during the Informal Summit in Lisbon, next 18 and 19 October.

We hope that an agreement on this issue may be reached among all the deputies and that a proposal may be presented during this Summit, thus following the prescribed schedule.

As we all know, this is a very complex matter that needs to be handled with the utmost sensibility.

Mr. President,

Ladies and Gentlemen Deputies,

Due to its present-day relevance and following the line of the Hampton Court tradition, the Portuguese Presidency of the European Union has decided to dedicate part of the next Informal Summit to the Lisbon Strategy.

As it is known, with the objective of preparing the new triennial cycle of the renewed Lisbon Strategy, the European Council from March 2007 invited the Commission to present an intercalary report in the autumn 2007, taking into consideration its proposal of Integrated Guidelines for Growth and Employment (2008-2010), to be presented at the end of the year.

The Communication presented last week by the European Commission is the answer to this mandate. It is a vision paper intended to pave the way for the debate on the new cycle.

It was a document prepared by the Commission, but its making is the result of an intense collaboration work between the Portuguese Presidency of the European Union and this institution, as well as with Slovenia, taking already into consideration the preparation of next spring's European Council.

In this context, the document is an excellent base to stimulate the debate among Heads of State and Government.

In its main points, the Communication stresses that the revised Lisbon Strategy must continue to be the adequate framework for the answer that Europe must give to the hardest challenges we all face, such as globalisation.

The determined objectives and the priority areas that were chosen in 2005 are still adequate. Since it is a long-term strategy, the new cycle should broadly preserve the necessary stability to consolidate results. But making the best of the dynamics created by the progress already achieved, the acceleration of reforms must become a priority.

Correspondingly, the globalised context, in constant evolution, demands a projection of the EU's political and economic objectives beyond its borders. That is why the external dimension of the Lisbon strategy must be broadened. This should certainly be the tendency to develop in the debate of the Heads of State and Government at the informal meeting. The EU has the economic and political conditions that simultaneously allow it to influence the globalisation process and find a consistent answer to its challenges.

During the Portuguese Presidency of the European Union there will also be a debate on the vision paper, namely at the ECOFIN and Competitiveness Councils. Various other formations of the Council will discuss relevant themes for the future of the Lisbon Strategy. There will also be a debate at the EP, at the Committee on Regions, the Economic and Social Committee and with social partners.

Taking into consideration the orientations of the informal Summit and the debates in all these fora, the Commission will present in December, to be debated and adopted at the European Council in the spring 2008, a set of documents on the new cycle, including a proposal of integrated directive lines for 2008-2010 and new initiatives to be launched in the framework of the new Lisbon Communitarian Programme.

Thank you very much.

**Speech of Ms Margot WALLSTRÖM, Vice-President of the European Commission
to the European Parliament
Brussels, 10 October 2007**

Mr President, last year I spoke to Parliament about what the Commission saw as the motor of progress in today's European Union and we outlined the so-called 'twin-track' approach – an activist policy agenda and an ambitious approach to the Treaty reform were goals that supported each other. There was a lot of consensus in that debate, and I think there were three reasons for that.

First of all, it reflects a degree of maturity in the European Union, because Europe today touches on so many areas of people's lives, and this has created expectations. Retreating into a lowest-common-denominator Europe would be a big mistake. Second, I think that the challenge of communicating Europe with and to our citizens demanded a fresh approach, with a more profound awareness of how Europe relates to their social needs, their economic aspirations and their underlying values. Finally, this new approach was based not just on political instinct: it was grounded in the work launched by the Commission in its Plan 'D' for Democracy, Dialogue and Debate, in which so many Members of this Parliament took such an active part.

The informal European Council next week will be the twin-track approach in action. On the one hand, we should see the heads of state and government concluding the Intergovernmental Conference (IGC) and agreeing a new Reform Treaty. On the other, the Presidency has signalled its intention to deepen the debate on how Europe responds to globalisation.

So, to start with the Reform Treaty: we now have a text in front of us and this is a major achievement. I want to pay tribute to the work of the Portuguese Presidency, as we have to the German presidency, for the way they have moved the process forward calmly and steadily, showing great commitment.

Like my colleague from the Presidency, I also want to pay tribute to Parliament for its constructive role in this last phase. We have worked well together, and, thanks to Mr Brok, Mr Barón Crespo and Mr Duff, we have a better Treaty, in terms of its provisions on rights and citizenship. We will also be giving the Charter of Fundamental Rights full status through a formal proclamation.

Remember how many said that an EU of 27 would never be able to agree a treaty text again. We are on the verge of proving them wrong yet again. The determination of all of us to reach agreement also points to a Europe with plenty of ideas for the future. If we agree a deal next week, the agreement to stick closely to the mandate will have been vindicated. We now have to carry this past the final hurdles. I am sure that the heads of state and government will be fully aware that an atmosphere of recrimination and dispute at Lisbon would do nothing to help the process of ratification.

Of course, we would have liked to avoid opt-outs, but, if that was the price of making progress with an ambitious Reform Treaty, we have to accept it. It is the nature of compromise and negotiation.

I would also like to thank Parliament for having responded rapidly and efficiently to the invitation of the European Council to come up with proposals for its future composition. This is a difficult and sensitive issue for all of you, as it is for Member States, and I would emphasise the need for agreement by both Parliament and the Council.

One last word on the Treaty: political agreement by the European Council is an important step, but, as we all know, it is not the end of the story. I hope we will be able to work together during the ratification process, seeing it as an opportunity to communicate, to explain and to listen about the European Union. Where possible, we should coordinate, as the Commission proposed last week in a new paper entitled 'Communicating Europe in Partnership'.

We also need a treaty that is as accessible and understandable as possible, with a consolidated text that should be made available as soon as possible after the conclusion of the IGC. During this ratification process, leading up to the European Parliament elections in 2009, the delivery of our policy agenda for Europeans will be equally important in setting the mood, and next week, thanks to the Presidency, we will have a debate on Europe and globalisation. This is very timely: every year it becomes more and more clear that globalisation is central to the concerns of this generation of Europeans. It touches every citizen in one way or another: the goods and services we buy, the television we watch, the energy we use and the work we do. The European Union has been successfully developing a policy which recognises the fundamental link between economic success and social security.

But globalisation is not static, as this summer's turbulence in the financial markets showed all too clearly. We need to adapt constantly to changing circumstances.

Last week, as Mr Lobo Antunes has mentioned, the Commission adopted a paper for this debate that will also set the scene for proposals later this year on reviewing the Lisbon Strategy for growth and jobs. It argues that Europe must shape up for globalisation in order to deal successfully with the pressure it puts on our economies, our institutions and our citizens, but also to seize the opportunities for greater prosperity, for lifting people out of poverty, for new markets for our products, for closer cooperation and for more sharing of values. The paper also states very clearly that globalisation is not some irresistible external force of nature, with the EU as a passive bystander. We can shape globalisation and shape it, to some extent, in our own image. That is our task: to be confident enough about our values, our vision and the tools at our disposal to ensure that Europe succeeds in the age of globalisation.

It also rejects protectionism. Yes to protecting our citizens, but no to protectionism that can only impoverish them. It also serves notice on our partners: we will not be a soft touch; we will defend the European interest. That means a level playing field; it means ensuring that openness is a two-way street; it means making clear that we will not water down our high standards of health, safety, environmental and consumer protection.

The paper is equally uncompromising when it comes to our values. We can prosper in the age of globalisation, but we will want to do it our own way. Our growth will have to be sustainable. We have set ambitious targets for cutting greenhouse gas emissions and using renewable energy sources, and we will meet them. The meeting will provide an important opportunity to restate Europe's leadership role in the run-up to Bali.

We will use our social models to spread the benefits of globalisation throughout our society. They are among our biggest assets. They will help our citizens to adapt and equip them for dealing successfully with rapid change. The tripartite social summit just before the informal European Council will provide an excellent opportunity to set the scene.

It is clear that, today, the European Union offers a route for Europeans to make the most of globalisation, to provide a continental context that individual countries cannot match. To deliver this European interest, we have a ready-made tool in the shape of the Lisbon Strategy for growth and jobs. Our economic analysis shows that the Lisbon Strategy is beginning to deliver.

The paper points to a number of policy areas that deserve even greater attention during the next three-year cycle up to 2010: education and flexicurity, including more attention to active inclusion policies and adequate social protection; a fifth freedom for ideas and researchers; eco-innovation; a small business act for Europe to help millions of small companies across the EU to grow and create more jobs. None of this is easy, but it is achievable. I know that this Parliament will remain intimately involved in following the progress of the Lisbon Strategy at both EU and national level. Your views on the points sketched out here will be an essential input for the package, which we will adopt in December.

The informal European Council is an important rendezvous at an important time. Let us use the opportunity to show Europeans that the European Union is looking ahead, shaping its policies to meet tomorrow's challenges and equipping itself with the right tools.
