



Foreign &
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Office

**PROSPECTS FOR THE
EUROPEAN UNION
IN 2008**



**The Slovenian Presidency
January to June 2008**



Prospects for the European Union in 2008

The Slovenian Presidency,
January to June 2008

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PROSPECTS FOR THE EUROPEAN UNION (EU) IN 2008

The EU has played a vital role in bringing prosperity, stability and security to its Member States over the past 50 years. The institutional discussions are now over for the foreseeable future, following the successful agreement of the Lisbon Treaty during the Portuguese Presidency. The time is right for the EU to step up its role on the global stage, meeting the economic and security challenges and opportunities of globalisation and being a force for good in a changing world. The recent Declaration on Globalisation, agreed at the December European Council 2007, set a new direction for the EU in response to these global challenges, with a stronger focus on external action in trade, security and development.

This White Paper looks ahead to the priorities of the Slovenian Presidency and outlines the Government's position on the key issues. The agenda over the next six months is a challenging one, and the Government welcomes Slovenia's commitment to making real progress on the Western Balkans, climate and energy security, the Lisbon agenda and ratification of the Lisbon Treaty.

CLIMATE AND ENERGY SECURITY

TAKING ACTION ON CLIMATE CHANGE

Climate change threatens the security, prosperity and well-being of every one of Europe's citizens. Opinion surveys indicate consistently that this is a matter of deep concern to them. EU citizens have demanded effective action by their leaders to prevent dangerous climate change.

The EU has already responded to this call for action:

In 2007 EU leaders agreed an ambitious package of measures that will set the EU on the path to becoming the world's first high-growth, low-carbon economy, to include: commitment to reduce greenhouse gases emissions by 20% by 2020; by 2015, the construction and operation of up to 12 commercial-scale carbon capture and storage (CCS) demonstration plants of sustainable fossil fuel technologies; all new fossil fuel plants to be built with CCS technology, if possible, by 2020; and a binding 20% renewables target by 2020.

The Slovenian Presidency will aim to take forward the Strategic Energy Technologies Plan (SET Plan) to include the deployment of low-carbon technologies, including CCS, through EU demonstration projects.

At the international level the EU leadership was central to the United Nations Framework Convention on Climate Change (UNFCCC) meeting in Bali in December 2007 where, for the first time, all the countries of the world agreed to start negotiations on a new climate deal after the Kyoto Protocol's first commitment period ends in 2012. The EU's highly ambitious vision contributed towards all countries agreeing to a comprehensive action plan to achieve a global post-2012 agreement by the end of 2009 in Copenhagen. The Government will support the Presidency as it seeks for the EU to make further progress at the next UNFCCC meeting in Poznań in 2008.

The Commission's legislative climate and energy package will deliver on the commitments agreed by heads of Government at the Spring European Council 2007. The proposals, taken together, represent strong EU leadership in tackling climate change and putting the EU on track to become a low-carbon economy.

Slovenia has identified climate change and energy security as a priority, and believes decisive action by all Member States is required. The Government wholly supports this focus on a key priority for the EU. The EU has showed leadership with the ambitious measures agreed at the Spring European Council 2007, with targets to reduce greenhouse gas emissions and increase use of renewable sources of energy by 2020. These measures will accelerate the EU's transition to become the world's first high-growth, low-carbon economy.

On 23 January 2008 the European Commission published a package of proposals on target sharing, renewables and revision of the EU Emissions Trading Scheme. The UK welcomes the Presidency's commitment to take forward negotiations on these key pieces of legislation. At the Spring European Council the EU High Representative for Foreign Affairs and Security Policy will present a report on the implications of climate change for EU foreign policy and security interests. It will serve as a basis for conducting further analysis on the implications of climate change for the EU and for proposing concrete policy measures at EU level.

Single market in gas and electricity

The Government strongly supports the Presidency's decision to make action on energy a priority. The Government believes that a truly integrated and transparent EU-wide energy market will have major benefits for EU competitiveness and security of supply. The 2007 Energy Internal Market Package proposes liberalisation of gas and electricity markets through use of ownership unbundling, greater transparency, better use of infrastructure and greater independence of regulators.

The Package will be discussed at the Spring European Council, aiming for final agreement at the June European Council. The Government looks forward to working with EU partners to achieve a fully liberalised energy market.

COMPETITIVENESS

Lisbon Strategy

The Slovenian Presidency will be responsible for setting the final three year cycle of the ten year Lisbon Strategy. The Government welcomes the Slovenian Presidency's desire to focus on better implementation of the existing strategy and delivery of the reforms needed to ensure that Member States are equipped to remain competitive in a globalised economy. We particularly welcome the focus on market and network liberalisation, flexible and responsive labour markets and the recognition of the key roles that skills play in ensuring opportunity for all our citizens.

EU COMPETITIVENESS IN A GLOBAL ECONOMY: prospects for the Spring European Council

The Spring European Council will be an opportunity to show that Europe – after years of discussions about internal institutional architecture – is ready and willing to deliver on the key economic priorities that will ensure more and better jobs for our citizens and sustainable, climate-friendly growth.

The UK believes that the economic direction outlined at Lisbon in 2000 remains the right one and that, in the light of increasingly global and competitive economic environment, our core values of flexibility, fairness and openness remain crucial to our success. Our internal reforms must be supported by maintaining our traditional openness to foreign trade and investment to help us take advantage of the opportunities afforded by globalisation and to help spread the benefits of trade and growth throughout the wider world.

The final three year cycle of the current Lisbon jobs and growth strategy will be launched under the Slovenian Presidency based on the four priorities identified in 2006: investing in human capital and modernising labour markets; improving the business environment; innovation and knowledge; and climate change and energy.

We welcome their wish to deliver concrete measures to equip Europe and its citizens for the future:

- an EU skills review that will analyse and identify the skills challenges we face in the next 20 years;
- taking forward work on strengthening the single market, including further liberalisation of network industries, particularly energy and swift implementation of the Services Directive;
- improving conditions for small and medium enterprises to thrive, by delivering on regulatory reform commitments and focusing on the key drivers of growth;
- moving towards a low-carbon, competitive economy with an emphasis on harnessing new technologies to deliver on the EU's ambitious commitments to tackle climate change; and
- ensuring that we remain open to the opportunities of globalisation and take full advantage of increasing global trade and competition.

Single Market

The European Commission's final report on the Single Market was published in November 2007. The Government welcomes the focus of the report on the need for use of a wider range of policy tools, increased market monitoring and a greater emphasis on better regulation to build a wider and more open internal market.

The Presidency aims for agreement on the single market package and a clear timetable for action by the June European Council. We look forward to working closely with the Slovenian Presidency on detailed proposals which can be agreed upon by all EU partners.

The Presidency is also taking forward the recently adopted Commission proposals to enhance the operation of the single market in telecommunications. The Government is generally supportive of the approach being taken by the Commission, especially in relation to: strengthening the powers and

independence of national regulators; liberalising the allocation of telecommunication spectrum bands, in itself a significant economic driver; and improving consumer protection.

Improving the business environment: better regulation

The Government strongly supports Slovenia's commitment to driving forward the Better Regulation agenda during their Presidency and looks forward to working with Slovenia to deliver on dossiers that bring the greatest benefits to EU citizens.

The Spring European Council 2008 will consider the Commission's second Strategic Review on Better Regulation, and we are confident of making real progress on simplification and administrative burden reduction proposals. The review of the Inter-Institutional Common Approach to Impact Assessment will also be launched during the Slovenian Presidency, to encourage EU partners to use impact assessments when considering new legislation or reviewing existing statute.

We support the particular focus on relieving small and medium-sized businesses of regulatory burdens by applying a risk-based approach and exemptions, where appropriate, to enable them to function more effectively in the global economy. The Government welcomes the robust discussion on the structure of the Small Business package at the Spring European Council, and looks forward to further work over the summer and agreement at the June European Council on the make-up of the constituent parts of the package.

Financial stability: services and regulation

As a key global financial marketplace, the EU should have a strong role in developing a response to recent financial events. The Government welcomes the Slovenian Presidency's focus on the importance of a market-based approach to any financial services reform, and on the need for international analysis to support EU work. We believe the primary responsibility for managing risk should remain with financial institutions. We will work closely with the Presidency on proposals to improve prudential risk management by financial institutions to increase stability. However, the UK authorities believe that the Lamfalussy arrangements – the process by which financial legislation is developed – have made a significant positive contribution to the EU's regulatory and supervisory framework since their introduction, and that the Lamfalussy arrangements are fundamentally sound in objectives and structure.

Trade and external competitiveness

Promoting openness to trade and investment remains the key to boosting growth in the EU. The World Trade Organization trade round – the Doha Development Agenda – remains the top priority for the Government and the EU. We welcome the progress that has been made in 2007. We will continue to work closely with the Presidency to press for an ambitious and pro-development outcome as soon as possible. We will also work with the Presidency on negotiations of Economic Partnership Agreements (EPAs) with the four African regions and the Pacific, and support the implementation of the Caribbean EPA, in order to help integrate countries in these regions into the world economy.

We hope to see the completion of a review of the EU's Trade Defence Instruments during this Presidency. The Government looks forward to working with EU partners and the US Government in building on the successful inaugural Transatlantic Economic Council. The Government continues to support such efforts, including to reinforce regulatory and intellectual property rights, stimulate innovation and technology, engage in investment dialogue, and reduce barriers between financial markets.

Innovation and research

The Government welcomes the Slovenian Presidency's desire to make good progress on establishing joint technology initiatives, which provide a way of creating new partnerships between publicly and privately funded organisations involved in research, focusing on areas where research and technological development can contribute to European competitiveness and quality of life.

Conclusion of negotiations on the European Institute of Innovation and Technology (EIT) is likely to happen early in the Presidency. The EIT will aim to strengthen the linkages between Europe's business, research and education sectors. The Presidency will also look at Commission initiatives on the mobility of researchers, the management of intellectual property and on joint programming of national research funding – all intended to follow up on last year's European Commission 2007 Green Paper on the European Research Area.

Better integration of the Western Balkans into the broader European research community will be a priority of the Presidency and, in order to highlight this, the Presidency plans to establish an award for the greatest contribution to research in this region. The Presidency will also hold a conference on the use of the structural funds for the development of research infrastructure, and plans to highlight the role of women in science over the next six months, which the Government strongly supports.

Education and skills

The Government and the Presidency agree that education and skills are key to Europe's successful response to globalisation under the Lisbon agenda, and aim for Spring European Council conclusions setting out specific action in this area. We welcome the Presidency's recognition of the crucial importance of a well-educated, highly skilled population as a key response to the challenges of globalisation. We support further work on modernisation of universities and national qualifications frameworks and would like to see a European skills review to look into the long-term skills requirements of Europe's citizens, similar to the UK's Leitch Review.

Consumer protection

As part of the EU drive to increase benefits to citizens of the Single Market, the Slovenian Presidency will seek agreement on the Consumer Credit Directive, which will increase protection for consumers, and will continue negotiations on the Timeshare Directive which, once implemented, should protect consumers from fraudulent 'holiday club' timeshare operators. The Government will work closely with the Presidency on these areas, including the ongoing work on the simplification of the EU consumer law framework and initiatives evaluating the benefits of collective EU action for consumers.

ECONOMIC AND MONETARY POLICY

Structural and Cohesion Policy

The Government's response to the Commission's consultation on the future of Cohesion Policy is based on the UK's intention to see a significant increase in the percentage of Structural and Cohesion Funds spent on poorer Member States. The Commission's report on the consultation should be published alongside its *Fifth Progress Report on Economic and Social Cohesion* in spring. The Slovenian Presidency intends to use this report to form the basis of discussion at the conference on the future of Cohesion Policy to be held in early April 2008, and at additional conferences on the European Groupings of Territorial Co-operation and the European Social Fund in the summer.

Budget Review

The Government welcomes the consultation on a fundamental Review of the EU Budget launched by the Commission in September 2007, inviting responses by April 2008. The Commission is expected to produce a White Paper on the Budget Review in 2008/9. The Government priority for the Review is to ensure that it provides the basis for a more effective and efficient EU Budget, through far-reaching reform of the Common Agricultural Policy (CAP), and reorientation of the budget towards the challenges of globalisation.

Euro membership

The Government congratulates Cyprus and Malta on their adoption of the Euro this year, after meeting the convergence criteria for membership.

Taxation

The Government believes that in an increasingly global economy, Europe needs open, flexible and competitive national tax systems, allied with renewed international co-operation, to build growth, prosperity and jobs in Europe, consistent with the economic reform agenda and developing Europe's international competitiveness. The UK has successfully defended unanimity decision-making for tax matters and will vigorously oppose any proposals in Europe for tax harmonisation that would harm UK interests.

The Government welcomes the Slovenian Presidency's commitment to taking forward the work on VAT and financial services and on further work to prevent VAT fraud. The Government also looks forward to continued work in the Code of Conduct Group to tackle harmful tax practices in the area of business taxation.

EMPLOYMENT, SOCIAL AND HEALTH POLICY

Labour markets

The Government believes that we must balance flexibility and fairness in our labour markets. We recognise that Member States have their own history and traditions and that there is no 'one size fits all' model. We will continue to work with the Presidency and other EU partners to ensure that we deliver more and better jobs and sustainable growth for our citizens and equip them with the skills they need to manage the challenges of globalisation.

The UK welcomes the Presidency's intentions to maintain the current focus of the integrated guidelines and to concentrate on Member States' implementation of the reforms necessary to ensure opportunity, fairness and flexibility in our labour markets.

Social inclusion and mobility

The Government believes that to enable the EU to meet the challenges of globalisation and changing demographics we must work together to improve opportunity and equality for all EU citizens. This will enable citizens to develop the skills that will allow the EU to become a world leader in terms of a knowledge-based economy.

THE EUROPEAN UNION: DELIVERING GLOBALLY

Promoting development

The EU has donated £576 million in support of 5,700 projects across Northern Ireland and the border counties of Ireland, which aims to promote economic development and encourage reconciliation between nationalists and unionists throughout Ireland. One project, entitled "Sharing Education", explores the provision of opportunities for young people from the different community backgrounds to share aspects of their experiences.

Increasing growth and employment

The UK will receive €9.9 billion in Structural Funds for 2007–13. This includes €2.9 billion for Cornwall and the Isles of Scilly, West Wales and the Valleys, and the Highlands and Islands.

Fostering a well-functioning social dimension based on shared values

The EU has agreed robust anti-discrimination legislation, including on the grounds of age, gender, disability and race, which allows every EU citizen to apply for employment without fear of prejudice.

Promoting sustainable development

In October 2007, the European Commission issued new regulatory proposals to help eradicate illegal fishing, which undermines coastal communities, fisheries and biodiversity and means substantial lost revenue to developing countries. Action would be taken not just against fishermen acting illegally, but also against those who import, process and sell illegal fish products.

Breaking down barriers to foster free trade

The Services Directive aims to liberalise the services industry across the EU. It will be in force at national level in all Member States by the end of 2009. The UK economy consists of 70% services, and recent studies suggest that the directive will add £5 billion annually to the UK economy and deliver around 600,000 new jobs, and could increase EU GDP by as much as 2–5%, or €31 billion.

Peace-building

The EU has 27 police officers in the West Bank, helping the Palestinian Authority establish sustainable and effective policing and co-ordinating border control.

Providing humanitarian aid

The EU supplied humanitarian aid to combat the effects of the cold weather in Peru and the drought and forest fires in Paraguay. Two grants of €1.5 million provided assistance for around 60,000 people in Peru and 40,000 in Paraguay, which was distributed among the most vulnerable.

Tackling global poverty

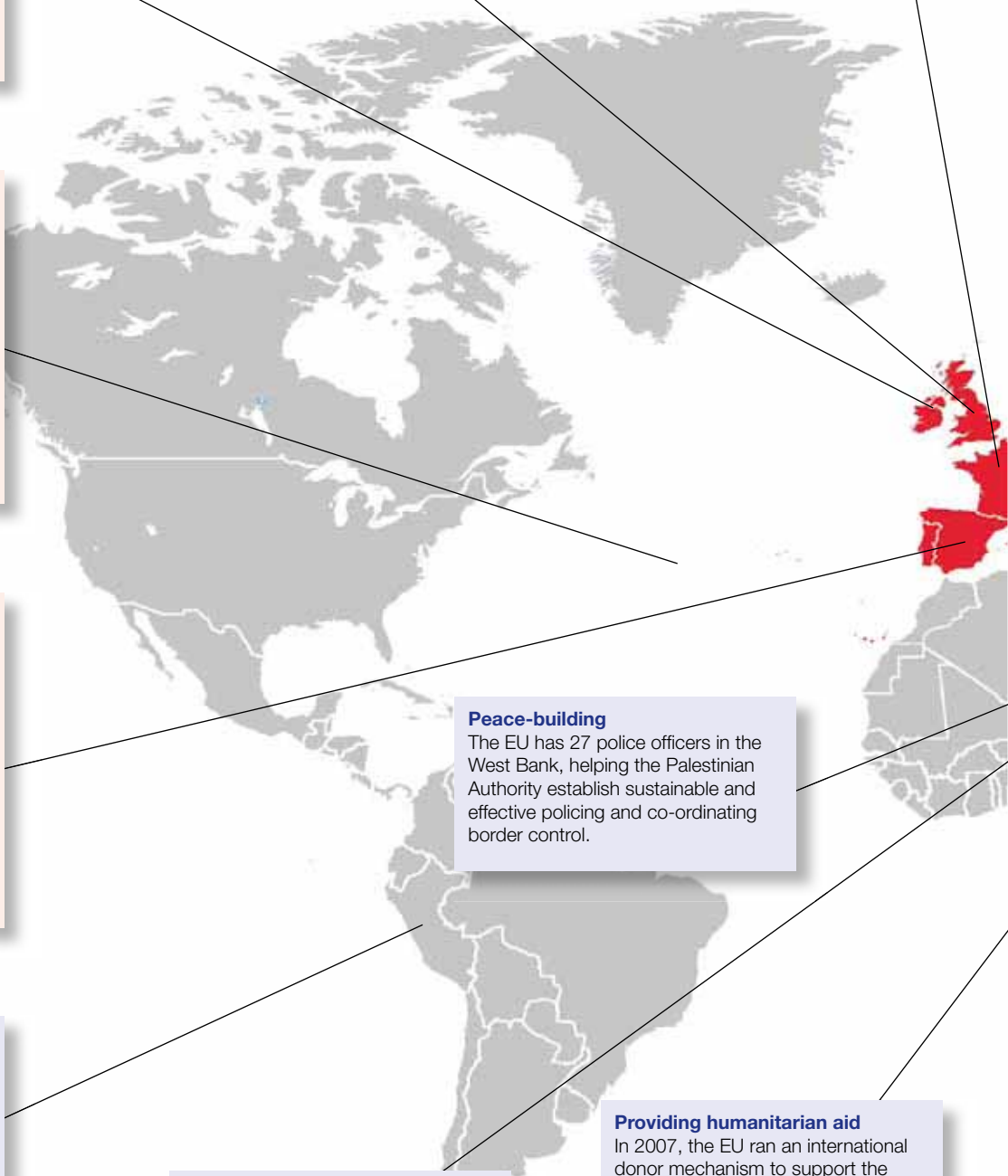
In West Africa, the EU is supporting a project (€11.7 million) to improve climate monitoring and the forecasting of monsoons and drought and their impact on water resources and crops, to enable communities to manage risk more effectively.

Providing humanitarian aid

In 2007, the EU ran an international donor mechanism to support the Palestinian people, which was vital in ensuring that they continued to receive international aid. The EU is now responsible for developing a new funding mechanism to support the peace process in 2008.

Key:

■ EU Member States



Preventing serious organised crime

In November 2007, Operation Koala, a partnership between Eurojust and Europol, resulted in the dismantling of a child pornography network that had disguised itself as a respectable international child modelling agency. Eurojust helped co-ordinate judges and police from 28 countries and multiple arrests were made as a result, with thousands of computers, videos and photographs seized as evidence.

Fighting climate change

Taking a lead from the EU climate change package released this January, EU leaders will be united at the forefront of the negotiations at the UN Climate Change Conference in Poznan. There, and in Copenhagen in 2009, the EU will demonstrate the strength of its voice and ambition in the negotiations to deliver a global deal on climate change.

Counter-proliferation

The EU is contributing €700,000 to the costs of an exercise to practise on-site weapons inspection in Kazakhstan in September. Specifically, this involves paying to hire a transport aircraft to move the inspection equipment from Vienna and for a base of operations kit (tents, mobile kitchens, washing facilities, etc).

Promoting international co-operation

The EU has strongly supported the UK on key issues of disagreement with Russia. The EU publicly condemned Russia's failure to co-operate constructively with the UK authorities over the Litvinenko case in July. In December, the EU publicly expressed its concerns at Russia's threats against the British Council.

Supporting effective international governance

In November 2007, the EU made a €1,594,000 contribution to the International Atomic Energy Agency to help fund monitoring and verification activities in North Korea in support of the Six Party Talks process.

Breaking down trade barriers

Taiwan is a major trade partner of the EU: it is the EU's fourth largest trading partner in Asia and its 14th largest trading partner worldwide. The total bilateral trade volume reached almost €40 billion in 2006. The EU is working to reduce its trade deficit with Taiwan and increase market access opportunities in Taiwan for EU operators.

Promoting security and stability

In April 2007, the EU adopted a strong common position imposing sanctions on Iran, going beyond that of the UN. This served to demonstrate to Iran that the EU was serious in its demands that Iran comply with its international obligations.

Mitigating the impact of climate change

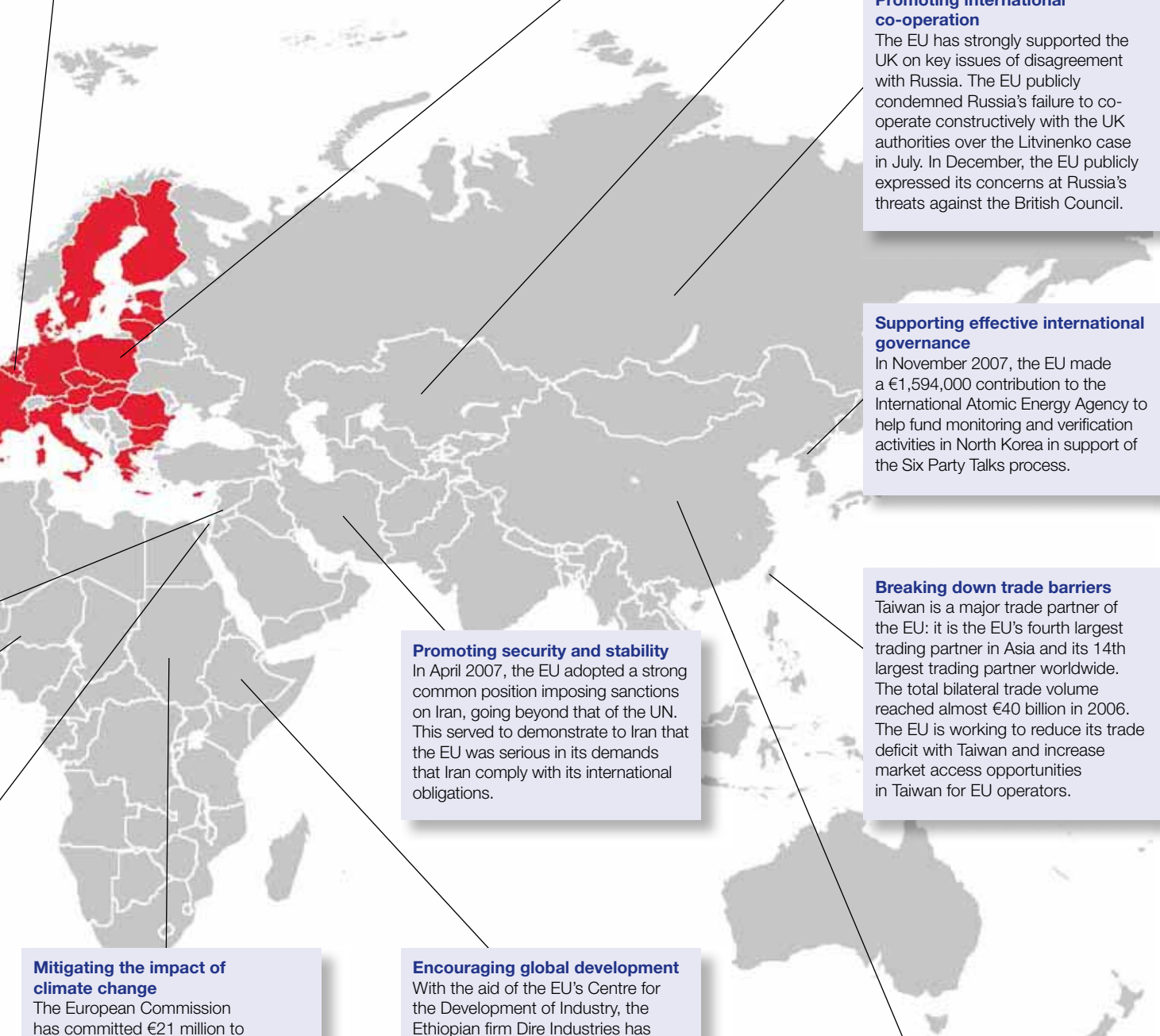
The European Commission has committed €21 million to a programme to monitor the environment of Africa, to encourage sustainable development. This satellite monitoring project for 53 African countries provides essential "early warning", which can help prevent or lessen the impact of natural disasters.

Encouraging global development

With the aid of the EU's Centre for the Development of Industry, the Ethiopian firm Dire Industries has raised its production from 150 pairs of shoes a day in 2004 to 2,500 pairs a day now. Its sales have skyrocketed by 1,600% in 18 months and its staff has grown fivefold.

Controlling arms exports

The EU Pilot Project is working closely with the Chinese Government to help it improve its export controls – an initiative that is helping to restrict the proliferation of WMD-related goods, making the world a safer place.



The Presidency hosted an inaugural event to highlight 2008 as the EU Year of Intercultural Dialogue. The Government will work with Slovenia to create further opportunities to increase co-operation between Member States, particularly through cultural exchanges, such as the ERASMUS programme.

Health

The Presidency will make cancer a priority, in particular focusing on detection, treatment, research and the promotion of healthy lifestyles, with the aim of reducing the burden of cancerous diseases. A Commission proposal on cross-border healthcare is also expected in early 2008.

Occupational health and safety

The Slovenian Presidency will take forward a number of measures on occupational health and safety, especially within social affairs. It will also agree legislation that implements the Globally Harmonised System on the Classification and Labelling of Chemicals in the European Union. The Government supports appropriate action in this area.

Food safety

The Slovenian Presidency will work towards the conclusion of negotiations on the food improvement agents package, which is at the second reading stage. The Government supports this. Slovenia is likely to begin work on a fundamental review of food labelling legislation, which the Government welcomes in principle, as it should simplify and update existing legislation to the benefit of industry and consumers.

ENVIRONMENT AND AGRICULTURE

Agriculture and fisheries reform

The Commission has started a period of consultation on the effectiveness of the 2003 Common Agricultural Policy (CAP) reforms through its publication of a CAP Health Check paper in November 2007. The UK will be seeking an ambitious outcome to the Health Check in line with the Government's objectives for a reformed CAP, which meets the challenges of a global economy. Our objectives for the Health Check include: the decoupling of all direct farm payments from production; the phasing out of all market intervention; the simplification of rules and abolition of export refunds; and a reassessment of the levels of funding transferred from direct farm payments to environmental and rural development schemes.

The Government is playing a leading role internationally in tackling Illegal, Unreported and Unregulated (IUU) fishing. The Government will work closely with the Presidency to strengthen Member States' actions against IUU fishing, making full use of our fishing industry's expertise, with a view to assisting developing countries, through establishment of a level playing field in terms of enforcement against the entry of IUU products into the EU.

Biodiversity

The main biodiversity focus will be on making progress at international level. The Slovenian Presidency will represent the EU at the meeting of the Ninth Conference of the Parties to the Convention on Biological Diversity in Bonn in May 2008. One of the key issues of the meeting will be the links between biodiversity loss and climate change. The Government wants the focus to be on implementation of the 2010 target adopted at the Rio Earth Summit in 1992 to significantly reduce the rate of biodiversity loss.

Air quality

The Slovenian Presidency will aim to make progress on revision of the Integrated Pollution Prevention and Control Directive and related Directives. The Government will want to ensure that this revision leads to regulatory simplification to aid implementation and innovation, while ensuring consistency with climate change, health and environmental objectives. The forthcoming proposal to revise the National Emissions Ceiling Directive will be considered during the Slovenian Presidency and the Government will want to ensure that the proposal is consistent with agreed Member State contributions to the EU's greenhouse gas emissions reduction targets.

The Slovenian Presidency intends to make progress on the revision of the Fuel Quality Directive and on the negotiations on the Euro VI Regulation to control air pollutant emissions from heavy-duty vehicles. The Government will want to ensure that the provisions are consistent with climate change, biodiversity and sustainable development objectives.

TRANSPORT

The Presidency will focus on transport safety, to include current legislative work on road, rail, air and maritime safety. The Government welcomes the focus on increasing the competitiveness of the railway system with movements towards unification and simplification of procedures required for efficient railway transport. The Presidency aims to grant a mandate to the European Commission to open negotiations for a Transport Treaty with the Western Balkans, to provide a general framework regulation for including the Western Balkans in the European transport area.

Galileo

The Government welcomes the benefits the Galileo European satellite navigation system will bring to European industry, to the commercial market and to satellite navigation users. It will encourage the creation of new, high-skilled jobs across the continent. The UK is well placed to take advantage of the project. The Government will continue to work closely with the Presidency and EU partners to deliver effective governance arrangements that will ensure the project is well managed and provides value for money.

AREA OF FREEDOM, SECURITY AND JUSTICE

Working with our EU partners on cross-border issues such as international terrorism, organised crime and illegal migration offers a real opportunity to improve the security of UK citizens.

Police and judicial co-operation

The Government supports the Presidency's efforts to keep the timetable for delivery of a new Schengen information system on track. We welcome Slovenia's commitment to increase information exchange between EU law enforcement authorities, including in relation to DNA and fingerprint data, and by advancing negotiations on the collection and exchange of passenger name record data between Member States.

The Government will support the Slovenian Presidency in its efforts to push forward EU delivery in the field of counter-terrorism. The Presidency will continue to work on improving the efficiency of Europol, the EU's police co-operation agency, and of Eurojust, the EU's judicial co-operation agency. We will work with the Presidency on tackling the radicalisation and recruitment of young people and on the prevention of terrorist financing (including through EU technical assistance to third countries) in consultation with the Commission and the EU Counter-Terrorism Coordinator. The Government will also work with the Presidency on improving on organised crime and counter-terrorism between the EU and Western Balkans, as part of the Strategy for the External Dimension of Justice and Home Affairs.

The Slovenian Presidency will seek to improve the way in which judgments resulting from criminal trials where the offender was absent are dealt with in cross-border cases, through the proposals for a framework decision, and we will support their efforts. This would clarify the rules regarding recognition of such judgments in cross-border cases under various existing EU framework decisions for UK citizens.

Borders, asylum and migration

The Government welcomes the Presidency's commitment to take forward the implementation of the Global Approach to Migration, which develops partnerships with countries outside the EU on migration issues. As part of this, we will actively participate in the first platform – a series of working-level meetings to discuss joint projects to tackle migration – with Ethiopia.

The Presidency plans to present a package combining the evaluation of the European Border Agency and the Schengen system and a proposal on a European Border Surveillance system. The Government will work closely with the Presidency to improve the efficiency of Eurodac, the EU migration database. We will seek to support the Presidency's intention to extend readmission agreements and participate in Frontex (the European Border Agency's) operations, where they are in the UK's interest. Slovenia also hopes to start an informal political debate on the possible elements of a future Common European Asylum System, to which the Government looks forward to contributing.

Improving legal certainty for citizens and businesses

The Government supports the Presidency's objective to continue the recent work on the development and promotion of e-justice. The Government also welcomes the Presidency's plan to consider the future direction of family law work.

THE TREATY OF LISBON

The Government introduced the European Union (Amendment) Bill on 17 December 2007, to give effect to the Treaty of Lisbon in UK law. The Bill is currently being thoroughly examined in Parliament. The Treaty will only be ratified by the UK once Parliament has approved the Bill.

The Treaty is a good deal for Britain and good for the EU. It protects areas of vital national importance to the UK and does not lead to a fundamental change in the relationship between the UK and the EU. The Treaty will allow the enlarged EU to work more effectively and efficiently – and settle the debate about how the EU works for the foreseeable future, allowing the EU to concentrate on tackling the challenges that matter to its citizens: employment, prosperity, competitiveness, climate change, and security.

CYPRUS

The Government strongly supports efforts to achieve a comprehensive settlement in Cyprus under United Nations (UN) auspices. 2008 offers a real opportunity for both sides to build upon the 8 July 2006 agreement, and to make substantive progress towards a settlement. We urge all parties to seize this chance. The Slovenian Presidency will take forward the European Council's commitment to end the isolation of the Turkish Cypriots and to facilitate the reunification of Cyprus by encouraging the economic development of the Turkish Cypriot community. The Government will continue to work with the Commission and Presidency to find a mechanism to enable the Turkish Cypriots to trade with the EU.

ENLARGEMENT

The prospect of EU membership is a powerful incentive to change. It has fostered the fundamental political and economic transformation we have seen in the countries of Central and Eastern Europe that joined in 2004 and 2007. And it is exerting the same powerful influence on Turkey, Croatia and the other countries of the Western Balkans.

As the good progress that Croatia is making in its EU accession negotiations demonstrates, for the Western Balkans enlargement is our best chance to secure peace and prosperity, moving on from the conflicts of the 1990s. The pace of progress through the Stabilisation and Association Process – the first step towards eventual accession – is dependent on meeting rigorous conditions. Full co-operation with the International Criminal Tribunal for the former Yugoslavia (ICTY) is key among them. But with help from the EU, as well as bilateral assistance from the UK, the countries in the process are tackling a range of political and economic issues to bring them up to European standards. This is improving the lives of ordinary citizens, and helping us to realise our vision of a democratic, European future for the region.

In bridging the gap between Europe and Asia there is no more pivotal country than Turkey. Membership of the EU is of real strategic importance. It will entrench stability and economic growth in Turkey, adding a new dimension to efforts to bring security and prosperity to its region. It presents opportunities to secure energy corridors and increase trade links with what will be one of the world's top ten economies. Turkish membership will also give the lie to the argument that democratic values are incompatible with a Muslim majority. Further enlargement is the best way to ensure stability and prosperity in neighbouring countries and beyond. It is crucial that the EU maintains both its commitments to the countries in the enlargement process and the momentum behind the accession negotiations.

Further enlargement will also benefit existing Member States. With each previous enlargement the EU has emerged stronger – both more confident and more capable of acting on the world stage. Further enlargement will enhance economic dynamism in the EU by expanding the internal market and creating a level playing field for business. It will improve our ability to meet the challenges and opportunities presented by globalisation. And importantly, it will help us tackle those threats which cross geographical borders, from climate change and organised crime to the fight against terrorism. These cannot be dealt with by erecting a notional wall around the EU. They can only be challenged by international co-operation and – crucially – with our immediate neighbours.

ENLARGEMENT

Further enlargement of the EU will be one of the key priorities for the Slovenian Presidency, which the Government believes will help us to respond effectively to the challenges and opportunities of globalisation. It will be one of the key priorities for the Slovenian Presidency. In line with the conclusions of the December European Council 2007, the EU remains committed to the renewed consensus on enlargement, which is based on sticking to our commitments; fair and rigorous conditionality to ensure that the necessary reforms are implemented; and better communication of the benefits of enlargement.

CROATIA AND TURKEY

The Slovenian Presidency is committed to continuing accession negotiations with Croatia and Turkey at a steady pace, and urges the new governments of both countries to pursue ambitious reforms without delay, which the Government fully supports. The pace of negotiations depends on the pace of reform.

WESTERN BALKANS

The Presidency plans to make the progress by the Western Balkans countries towards EU membership a priority. The Government agrees that strong EU involvement in the region is important, helping to drive reform and allowing the region to move forward from the conflicts of the 1990s. We hope that the countries of the region will reconfirm their commitment to the reforms needed for the EU, opening the way for increased progress, including the rapid conclusion of Stabilisation and Association Agreements for Serbia and Bosnia-Herzegovina. Full co-operation with the ICTY in The Hague will remain key.

THE EU'S EXTERNAL RELATIONS

Counter-proliferation and arms control

The Presidency is expected to take forward the EU Strategy against the Proliferation of Weapons of Mass Destruction. We will continue to work closely with the Presidency on key regional issues, such as Iran and North Korea, and we will continue to encourage the Presidency to work towards a successful and substantive outcome to the current Nuclear Non-Proliferation Treaty review cycle.

We welcome the Presidency's support of the UN process towards an Arms Trade Treaty; in working for a successful outcome to the Second Chemical Weapons Convention Review Conference; promoting the UN Programme of Action on Small Arms and Light Weapons; and agreeing a new Instrument on cluster munitions.

European Security and Defence Policy (ESDP)

The main focus for ESDP under the Presidency will be the rule of law mission in Kosovo, which will be the largest civilian mission to date. A military mission will deploy in Chad and a small security sector reform mission will also be launched in Guinea Bissau, whilst police reform missions in Afghanistan and the West Bank will intensify their activity. The Slovenian Presidency should see the implementation of agreed measures to improve the EU's strategic planning capability to conduct ESDP operations.

Millennium Development Goals

The Government will fully support the Presidency's stocktake of the Commission's progress report at its meeting in June 2008. It believes that the EU should set an example for action through a fresh effort to work towards achieving the Millennium Development Goals (MDGs) in line with commitments agreed in 2005. At this midpoint in the MDG timetable, an update on our progress towards these commitments will encourage others to act as part of a renewed international effort on the MDGs led by the UN.

European Neighbourhood Policy

The Presidency will strengthen the European Neighbourhood Policy as a valuable tool for leveraging reform among the EU's neighbours to the East and South. The Government supports the focus on economic co-operation. We will work towards progress on priority issues such as good governance, economic integration, the environment and energy, bilaterally and multilaterally through the Euro-Mediterranean Partnership in the South and in the context of the new EU-Black Sea Synergy Initiative, which aims to deepen EU co-operation with the Black Sea region.

Kosovo

The issue of Kosovo's future status will be a key challenge during the Slovenian Presidency. The Government will continue to work actively with EU partners to bring the Kosovo status process to successful completion in early 2008. The EU stands ready to play a leading role in strengthening stability in the region. Preparations will also continue on a major EU civilian rule of law mission for Kosovo.

Russia

This will be an important six months in EU-Russia relations, particularly as Russia elects a new President in March, ahead of the June EU-Russia summit in Siberia. The Slovenian Presidency's priorities for Russia are further progress on implementing the four 'common spaces' (economics, justice and home affairs, external relations and cultural issues) and the possible launch of negotiations on a new EU-Russia agreement. The Government supports this approach, and hopes Russia will also take the steps necessary for the relationship to develop.

Africa

The Slovenian Presidency is committed to taking forward the joint EU-Africa Strategy and Action Plan endorsed at the EU-Africa summit in Lisbon in December 2007. Eight partnerships were agreed: on democratic governance and human rights; migration, mobility and employment; trade, regional integration and infrastructure; energy, science and information technology; society and space; the MDGs; peace and security; and climate change, which the Government particularly welcomed. The Government intends to support the Presidency in ensuring successful implementation of the commitments made in these partnerships, through close co-operation between EU and African Union member states.

Brazil

The Presidency and Brazil are currently developing an EU-Brazil Action Plan following on from the inaugural EU-Brazil summit in July 2007, where the first steps were taken towards launching a Strategic Partnership with Brazil. The Government strongly supports this, and we will continue to work closely with European partners to ensure that an enhanced EU relationship with Brazil supports our own global and bilateral interests.

Latin America

The Government welcomes the Presidency's desire to restart negotiations on an Association Agreement with Mercosur, the customs union that incorporates Brazil, Argentina, Paraguay, Uruguay and Venezuela. We remain committed to an ambitious, balanced and beneficial Association Agreement. The Government supports ongoing EU negotiations over the next six months for two other regional Association Agreements: with the Community of Andean Nations bloc (Bolivia, Peru, Ecuador and Colombia); and with the Central American bloc (El Salvador, Costa Rica, Guatemala, Nicaragua, Panama and Honduras).

Middle East Peace Process

The Presidency is committed to maintaining the momentum and supporting the process initiated by the Annapolis Conference in November 2007 and the Paris Donors' Conference in December 2007. The EU will look to build the capacity of Palestinian institutions in support of a future Palestinian state. It will expand the remit of its Palestinian Civil Police training mission, EUPOL COPPS, and increase the mission's staffing by up to 32 personnel.

The Government welcomes the emphasis on further strengthening EU programmes to foster institution building, good governance and support for growth of the Palestinian economy. The EU remains the biggest donor to the Palestinians, and will continue its financial support in 2008. The Commission recently committed over US\$500 million to the Palestinian Authority for 2008. The EU will also continue funding the UN Relief Works Agency and other humanitarian organisations, as well as promoting human rights and respect for international law, both in Israel and the Occupied Palestinian Territories.

Iran

The Government will continue to work with EU partners during the Presidency in attempts to secure Iranian compliance with the requirements of the International Atomic Energy Agency and the United Nations Security Council on its nuclear programme, in line with the E3's dual-track policy – pressure and dialogue. This must include the suspension of all uranium enrichment-related, reprocessing and heavy water-related activities. We will push for further measures at the EU level and encourage Iran to address international concerns on a number of issues, including its role in the region, its support for terrorism and the violation of human rights.

Iraq

The Presidency aims to enhance EU engagement with Iraq, including the provision of further humanitarian assistance in Iraq and the region, which the Government supports. The EU will continue its political dialogue with Iraq and its neighbours. It will also provide technical and financial assistance to help with Iraqi reconstruction and development, in co-operation with the UN and through the Government of Iraq-led International Compact for Iraq. The Commission will pursue further rounds of negotiations on a trade and co-operation agreement, which will help to create a stronger and closer EU–Iraq relationship.

Afghanistan

The Presidency will lead efforts to promote greater Afghan leadership, responsibility and ownership, in fostering the development of a democratic, secure and sustainable Afghan State. Rule of law is essential to the security and long-term stability of Afghanistan and we will continue to work closely with

the Presidency on this through the EU police mission (Europol). Europol aims to improve the quality of policing and integration of counter-narcotics law enforcement. Counter-narcotics efforts remain another central element in Afghanistan's development, and we will also work with the Presidency to maintain the profile of the Afghan Counter-Narcotics efforts (through the Afghan National Drug Control Strategy) in the EU.

Asia

The Presidency will prepare a report covering the first year of implementation of the EU Strategy for Central Asia, and the preparation of national programmes, due to be debated in June 2008. Slovenia will focus on regional co-operation.

The Slovenian Presidency has made a successful EU–Japan summit in April one of its key priorities. Key themes for the summit have been identified as climate change, energy efficiency, development assistance and regional questions. We will be aiming to work closely with the Slovenian Presidency to make the EU–Japan summit a success.

The Government will encourage efforts to take forward negotiations on an EU–India Free Trade Agreement, which began in June 2007, and will work with the Presidency and EU partners to agree a mandate for negotiation of a future framework agreement with India. We will also work to accelerate both the EU's and India's transition to low carbon economies, and to scale up co-operation on carbon capture and storage in line with the agreement made at the November 2007 EU–India summit.

ANNEXE 1: TIMETABLE OF FORMAL COUNCILS, JANUARY TO JUNE 2008**January**

21 – 22 January	Agriculture and Fisheries Council
22 January	ECOFIN
28 – 29 January	General Affairs and External Relations Council

February

12 February	ECOFIN
14 February	Education, Youth and Culture Council
18 – 19 February	General Affairs and External Relations Council
18 – 19 February	Agriculture and Fisheries Council
25 – 26 February	Competitiveness Council
28 February	Transport, Telecommunications and Energy Council
28 – 29 February	Justice and Home Affairs Council
29 February	Employment, Social Policy, Health and Consumers Council

March

3 March	Environment Council
4 March	ECOFIN
10 – 11 March	General Affairs and External Relations Council
13 – 14 March	Spring European Council
17 – 18 March	Agriculture and Fisheries Council

April

7 – 8 April	Transport, Telecommunications and Energy Council
14 – 15 April	Agriculture and Fisheries Council
17 – 18 April	Justice and Home Affairs Council
28 – 29 April	General Affairs and External Relations Council

May

14 May	ECOFIN
19 – 20 May	Agriculture and Fisheries Council
21 – 22 May	Education, Youth and Culture Council
26 – 27 May	General Affairs and External Relations Council
29 – 30 May	Competitiveness Council

June

3 June	ECOFIN
5 – 6 June	Justice and Home Affairs Council
6 June	Transport, Telecommunications and Energy Council
9 – 10 June	Employment, Social Policy, Health and Consumers Council
12 – 13 June	Transport, Telecommunications and Energy Council
16 – 17 June	General Affairs and External Relations Council
19 – 20 June	European Council
23 – 24 June	Agriculture and Fisheries Council
26 June	Environment Council

ANNEXE 2: FUTURE PRESIDENCIES OF THE EU

2008	Slovenia	France
2009	Czech Republic	Sweden
2010	Spain	Belgium
2011	Hungary	Poland
2012	Denmark	Cyprus
2013	Ireland	Lithuania
2014	Greece	Italy
2015	Latvia	Luxembourg
2016	Netherlands	Slovakia
2017	Malta	United Kingdom
2018	Estonia	Bulgaria

The Slovenian Presidency of the European Union

from 1 January to 30 June 2008 will focus on a delivery agenda that will bring real benefits to EU citizens, including climate change and energy, implementation of the Lisbon agenda, strengthening common foreign and security policy and the Western Balkans. This Command Paper sets out the priorities of the Slovenian Presidency and the views of Her Majesty's Government in detail.



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