



TEPSA Brief:

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All delegations included the Head of State and Government, the Foreign Affairs Minister and the Minister of Finance. For the Baltic States, the Finance Ministers did not participate due to their annual meeting. However, at this meeting they voiced that joining the EURO would increase macroeconomic stability in their countries.

For the European Commission José Manuel Barroso, Benita Ferrero-Waldner and Joaquin Almuña participated. The President of the European Parliament was in line with the customs of the European Council not invited for dinner any more, but for half an hour presentation on 15 October.

Summary

The European Council has focussed its deliberations upon seven areas of concern: the financial crisis, the Treaty of Lisbon, energy and climate change, energy security, European Pact on Immigration and Asylum, Russia and Eastern Partnership, creation of a Reflection Group.

(1) Financial crisis

In concrete terms, the European Council has stated to ensure the liquidity of the financial system and called for a coordinated action of the countries, taking into account the effects of national measures on other states. The heads of state and government have agreed to define the application of the rules for state aid in the spirit of the financial crisis in a more flexible way, a principle which is also to be applied to the Stability and Growth Pact.

As an early-warning mechanism a financial crisis cell will be set up, which will consist of representatives of the Presidency, the President of the European Commission, the President of the Eurogroup and the governments of the Member States. The responsibility for the cell will be situated at the Council.

In order to strengthen supervisory mechanisms, the European Council welcomes the setting-up of a high-level working group by the Commission, consisting of the national supervisors. In contrast to the Draft conclusions and taking up the request for assistance by Iceland, a paragraph on solidarity has been added, still emphasizing the International, not the European perspective.

(2) Lisbon Treaty

The European Council decided to revisit the question of the Lisbon Treaty at its meeting in December.

(3) Energy and Climate Change

The European Council has decided to look into this question at its December summit and there to "decide on appropriate responses to the challenge of applying that package [prepared in the meantime by the European Commission] in a rigorously established cost-effective manner to all sectors of the European economy and all Member States". The European Council did not agree on the orientation proposed in the draft conclusions in Annex I outlining concrete target figures.

(4) Energy Security

Concerning energy security, the European Council has especially decided to finalise the legislative package on the internal market in electricity and gas before the end of the legislative period, and to emphasize the diversification of energy sources, to which the measures in the energy/climate package contribute directly. Also crisis mechanisms to tackle temporary disruptions to supplies shall be developed. Relations to producer and transit countries shall be further developed.

(5) European Pact on Asylum and Immigration

The European Pact on Asylum and Immigration has been adopted, which is going to represent the framework for a common immigration and asylum policy. The European Council, interestingly, inscribed the issue in the work programme of the European Commission to be proposed in May 2009.

(6) Russia and Eastern Partnership

The European Council asked the Commission and the Council to provide an in-depth analysis of EU-Russia relations, which should provide the basis also for the negotiations of the new Partnership Agreement.

Furthermore the relations with Moldova and Georgia should be strengthened in addition to the existing dialogue with Ukraine. The European Council has asked the Council to closely examine the proposal of the Commission for an Eastern Partnership, which will be put forward in November.

(7) Creation of a Reflection Group

A Reflection group on the Future of Europe has been set up by the European Council. It will consist of:

Chairman: Felipe González Márquez, former Spanish Prime Minister

Vice-Chairmen: Vaira Vīķe-Freiberga, former Latvian President

Jorma Ollila, former CEO of Nokia, Finland

Members: Lykke Friis, Pro Vice Chancellor at the University of Copenhagen, Denmark

Rem Koolhaas, Dutch Architect

Richard Lambert, Director-General of the Confederation of British Industry

Mario Monti, former Commissioner, Italy

Rainer Münz, Head of Research & Development at *Erste Bank*, Austria

Kalypso Nicolaïdis, Professor of International Relations and Director of the European Studies Centre at Oxford University, Greece

Nicole Notat, former leader of the *CFDT* trade union, France

Wolfgang Schuster, Lord Mayor of Stuttgart, Germany

Lech Walesa, former trade union and human rights activist, Poland

Proposals emphasized or demanded by the European Commission:

- Capital Requirements Directive
- Strengthening the rules on rating agencies and their supervision at the European level
- European rules on the security of deposits
- Stability and Growth
- transparency of commercial oil stocks, as well as energy efficiency in conjunction with the European Investment Bank
- Package on climate and energy policy
- diversification of energy sources
- transparency on flows and stockpiles on energy resources
- Action Plan for interconnections in the Baltic Area
- Strategic energy review
- Evaluation of EU-Russia relations
- Eastern Partnership

Further information:

Conclusions of the Presidency, available at

http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/en/ec/103441.pdf.

Speech of the President of the European Parliament at the European Council, available at

<http://www.theparliament.com/latestnews/news-article/newsarticle/speech-of-president-poettering-at-the-european-council-on-15th-october-2008/>

Statement by José Manuel Barroso, available at

http://ec.europa.eu/avservices/video/video_prod_en.cfm?type=ebs&sid=129346

Conclusions of the Summit of the Euro area countries, available at

http://www.ue2008.fr/PFUE/site/PFUE/lang/fr/sommet_pays_zone_euro_declaration_plan_action_concertee