Outcome of the European Council meeting, 18-19 June 2009

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The European Council of 18 and 19 June 2009 adopted the following conclusions**:**

Institutional issues: the European Councilreaffirmed its wish to see the Treaty enter into force by the end of 2009. 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, relating to taxation policy, the right to life, education and the family, and Ireland's traditional policy of military neutrality. It was also agreed that the high importance attached to a number of social issues, including workers' rights, would be confirmed.

The Heads of State of Government or Government also 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.

Economic situation: the European Council considers that 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 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

The European Council reaffirmed its strong commitment to sound public finances and to the Stability and Growth Pact as well as its determination to do what is necessary to restore jobs and growth. There is a clear need for a reliable and credible exit strategy, by improving the medium-term fiscal framework and through coordinated medium-term economic policies.

Building a new order in financial markets: 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. The new framework will help to assess better the financial system's resilience, and contribute to enhancing confidence of financial markets after the global financial crisis. The European Council supports the creation of a European Systemic Risk Board comprising three new European Supervisory Authorities, which will monitor and assess potential threats to financial stability, working with national supervisory authorities.

Following the agreement reached on the Capital Requirements Directive, the Credit Rating Agencies Regulation and the Solvency II Directive, the European Council called 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 the transparency and stability of derivatives markets. It also invites 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. Lastly, it considers it important to further advance work on building a comprehensive cross-border framework for the prevention and management of financial crises.

Strengthening efforts to support employment: the European Council considers that top priority must be given to tackling the effects of the crisis on employment by helping people stay in work or find new jobs.: In the current situation, it has issued the following recommendations:

- "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: (i) creating a friendly environment for entrepreneurship and job creation, (ii) investing in a skilled, adaptable and motivated labour force, (iii) 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.

Climate change and sustainable development: 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.

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.

The conclusions recall that the Union 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 increasing its commitment to 30%.

The European Council affirmed that sustainable development remains a fundamental objective of the European Union, encompassing an economic, a social and an environmental dimension. Lastly, noting with concern potential problems concerning gas supply from Russia via Ukraine, it stressed that security of energy supply continues to be a priority for the European Union.

Illegal immigration: 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 – particularly Cyprus, Greece, Italy and Malta - to respond to the influx of illegal immigrants and to prevent further human tragedies. In particular, the European Council stresses the need 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;
- reaching an agreement allowing for the rapid establishment of the European Asylum Support Office;
- 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;
- strong action to fight effectively against organised crime and criminal networks involved in trafficking of human beings;
- concluding the negotiations on the EC readmission agreements with key countries of origin and transit such as Libya and Turkey and increasing the effectiveness of the EU's readmission agreements as part of the overall EU external policies.

External relations: the EU's role in the world remains of particular interest to European leaders. They 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. It adopted declarations on Iran and the Democratic People's Republic of Korea. In a declaration on Burma/Myanmar leaders called for the immediate and unconditional release of Aung San Suu Kyi.