



Brussels, 18 February 2011

BACKGROUND¹
GENERAL AFFAIRS COUNCIL
Monday 21 February in Brussels

*Starting at 9.30, the Council will prepare the March meeting of the **European Council**, which is due to focus on **economic policy** issues, including the future **European Stability Mechanism** and legislative proposals on **economic governance**, and on developments in the **EU's southern neighbourhood**.*

*The Council is also expected to adopt conclusions on a Commission report on **cohesion policy**.*

A presidency press conference will be held at the end of the Council.

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¹ This note has been drawn up under the responsibility of the press office

European Council

Follow-up to the February European Council

The Council will take stock of the follow-up to be given to the European Council's meeting on 4 February, which focused on energy and innovation.

Preparation of the March European Council

The Council will examine a draft annotated agenda for the European Council meeting to be held on 24 and 25 March, drawn up by the President of the European Council in cooperation with the presidency and the Commission (*doc. [6231/11](#)*).

The March European Council is due to focus on:

- *Economic policy*: Conclusion of the first phase of the European Semester (annual monitoring of budgetary policies and structural reforms), adoption of a decision amending the Treaty on the Functioning of the European Union with regard to the future European Stability Mechanism (ESM), finalisation of work on the ESM and on the strengthening of the European Financial Stability Facility, finalisation of work by the Council on legislative proposals on economic governance, and a decision on economic policy coordination in the euro area.
- *Developments in the EU's southern neighbourhood* and follow-up to the 4 February European Council declaration on Egypt.

Cohesion policy

The Council will hold a policy debate on a Commission report (*doc. [16336/10](#)*), presented last November, on economic, social and territorial cohesion in the EU, and is expected to adopt conclusions.

This fifth cohesion report sets out the Commission's ideas for the reform of cohesion policy, following a debate which started with the fourth report in 2007. The Commission has to submit to the Council every three years a report examining progress made towards achieving economic, social and territorial cohesion.

The draft Council conclusions stress the need for continued pursuit of the objective of reduced disparities between the development levels of the various regions of the EU and underline the contribution cohesion policy has made towards the EU's competitiveness and growth objectives. The Council is also expected to call for further discussions on the following Commission suggestions:

- the creation of a "development and investment partnership contract", which outlines an investment and development strategy addressing the priorities established under the EU 2020 for jobs and growth,
- a list of priorities on which EU and national resources should focus,
- conditionalities and incentive mechanisms linked to cohesion policy.