

**EUROPEAN COUNCIL
LAEKEN**

**CONCLUSIONS
OF THE PRESIDENCY**

14 and 15 December 2001

1. Just when the European Union is introducing its single currency, its enlargement is becoming irreversible and it is initiating an important debate on its future, the European Council meeting in Laeken on 14 and 15 December 2001 has provided fresh impetus to increase the momentum of its integration.
2. The European Council's discussions were preceded by an exchange of views with the President of the European Parliament, Mrs Nicole Fontaine, on the principal items on the agenda.

I. THE FUTURE OF THE UNION

The Laeken declaration

3. Following the conclusions adopted in Nice, the European Council adopted the declaration set out in Annex I. That declaration and the prospects it opens mark a decisive step for the citizen towards a simpler Union, one that is stronger in the pursuit of its essential objectives and more definitely present in the world. In order to ensure that preparation for the forthcoming Intergovernmental Conference is as broadly-based and transparent as possible, the European Council has decided to convene a Convention, with Mr V. Giscard d'Estaing as President and Mr G. Amato and Mr J.L. Dehaene as Vice-Presidents. All the candidate countries will take part in the Convention. In parallel with the proceedings of the Convention, a Forum will make it possible to give structure to and broaden the public debate on the future of the Union that has already begun.
4. In parallel with the proceedings of the Convention, a certain number of measures can already be taken without amending the Treaties. In this context, the European Council welcomes the Commission's white paper on governance and the Council Secretary-General's intention of submitting, before the European Council meeting in Barcelona, proposals for adapting the Council's structures and functioning to enlargement. The European Council will draw the operational conclusions from it at its meeting in Seville. Finally, the European Council welcomes the final report by the High-Level Advisory Group ("Mandelkern Group") on the quality of regulatory arrangements and the Commission communication on regulatory simplification, which should lead to a practical plan of action in the first half of 2002.

Transition to the euro

5. The introduction of euro notes and coins on 1 January 2002 will be the culmination of a historic process of decisive importance for the construction of Europe. Every measure has been taken to ensure that the physical introduction of the euro is a success. The use of the euro on international financial markets should be easier as a result. The euro area now represents a pole of stability for those countries participating in it by protecting them from

speculation and financial turmoil. It is strengthening the internal market and contributing to the maintenance of healthy fundamental figures, fostering sustainable growth. The euro is also helping to bring the citizens of the Union closer together by giving visible, concrete expression to the European design. In that regard, the European Council welcomes the recent adoption by the Council and the European Parliament of a Decision intended to reduce substantially the cost of cross-border payments in euro.

The European security and defence policy

6. The European Council has adopted the declaration on the operational capability of the European security and defence policy set out in Annex II, as well as the Presidency report. Through the continuing development of the ESDP, the strengthening of its capabilities, both civil and military, and the creation of appropriate structures within it and following the military and police Capability Improvement Conferences held in Brussels on 19 November 2001, the Union is now capable of conducting some crisis-management operations. The Union is determined to finalise swiftly arrangements with NATO. These will enhance the European Union's capabilities to carry out crisis-management operations over the whole range of Petersberg tasks. In the same way, the implementation of the Nice arrangements with the Union's partners will augment its means of conducting crisis-management operations. Development of the means and capabilities at its disposal will enable the Union progressively to take on more demanding operations.

Enlargement

7. The Commission document entitled "Making a success of enlargement", the regular reports and the revised partnerships for accession are a solid framework for the success of the accession process, which is now irreversible. The Berlin European Council established the financial framework permitting enlargement.
8. In recent months considerable progress has been made in the negotiations and certain delays have been made good. The European Union is determined to bring the accession negotiations with the candidate countries that are ready to a successful conclusion by the end of 2002, so that those countries can take part in the European Parliament elections in 2004 as members. Candidacies will continue to be assessed on their own merits, in accordance with the principle of differentiation. The European Council agrees with the report of the Commission, which considers that, if the present rate of progress of the negotiations and reforms in the candidate States is maintained, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic, the Czech Republic and Slovenia could be ready. It appreciates the efforts made by Bulgaria and Romania and would encourage them to continue on that course. If those countries are to receive specific support, there must be a precise framework with a timetable and an appropriate roadmap, the objective being to open negotiations with those countries on all chapters in 2002.

9. The candidate countries must continue their efforts energetically, in particular to bring their administrative and judicial capabilities up to the required level. The Commission will submit a report on the implementation of the plan of action for strengthening institutions to the Seville European Council in June 2002.
10. The roadmap drawn up by the Nice European Council remains fully applicable. At the beginning of 2002 the Commission will propose common positions on the agriculture, regional policy and budgetary chapters on the basis of the present *acquis* and of the principles decided on in Berlin. Proceedings on the drafting of the accession treaties will begin in the first half of 2002.
11. The European Council welcomes the recent meetings between the leaders of the Greek and Turkish Cypriot communities and would encourage them to continue their discussions with a view to an overall solution under the auspices of the United Nations consistent with the relevant resolutions of the United Nations Security Council.
12. Turkey has made progress towards complying with the political criteria established for accession, in particular through the recent amendment of its constitution. This has brought forward the prospect of the opening of accession negotiations with Turkey. Turkey is encouraged to continue its progress towards complying with both economic and political criteria, notably with regard to human rights. The pre-accession strategy for Turkey should mark a new stage in analysing its preparedness for alignment on the *acquis*.

II. THE UNION'S ACTION FOLLOWING THE ATTACKS IN THE USA ON 11 SEPTEMBER

The Union's action in Afghanistan

13. The European Council welcomes the signing in Bonn on 5 December of the agreement defining the provisional arrangements applicable in Afghanistan pending the re-establishment of permanent State institutions. It urges all Afghan groups to implement that agreement.
14. The European Council has undertaken to participate in the efforts of the international community with a view to restoring stability in Afghanistan on the basis of the outcome of the Bonn Conference and the relevant resolutions of the United Nations Security Council. In that context, it encourages the deployment of an international security force, which would be mandated, on the basis of a resolution of the United Nations Security Council, to contribute to the security of the Afghan and international administrations established in Kabul and the surrounding areas and to the establishment and training of anew Afghan security and armed forces. The Member States of the Union are examining their contributions to such a force. The participation of the Member States of the Union in that international force will provide a strong signal of their resolve to better assume their crisis-management responsibilities and hence help stabilise Afghanistan.

15. The urgent needs of the Afghan people mean that humanitarian aid continues to be an absolute priority. The delivery of such aid, inter alia for refugees and displaced persons, must be adapted to changes in the situation and must take place in as efficient and well-coordinated a manner as possible. The Union has already pledged or is ready to pledge a total of EUR 352 million for humanitarian aid, of which EUR 103 million will come from the Community budget.
16. More than twenty years of war and political instability have destroyed the structures of Afghan society, completely disrupted the functioning of the public institutions and authorities and caused immense human suffering. The European Union will help the Afghan people and its new leaders rebuild the country and encourage as swift a return to democracy as possible. The situation of women will merit particular attention. Rehabilitation and reconstruction will require international cooperation and coordination. The European Union has appointed Mr Klaus-Peter Klaiber Special Representative in Afghanistan under the authority of the High Representative for the CFSP. On 21 December in Brussels, the Union will co-chair the first meeting of the steering group to support political renewal in Afghanistan and better coordinate donors' efforts with a view to the ministerial conference scheduled for January 2002 in Tokyo. At those meetings, the Union will undertake to help to cover the requirements, alongside the USA, the Arab countries and Japan, inter alia.

Combating terrorism

17. The European Union reaffirms its total solidarity with the American people and the international community in combating terrorism with full regard for individual rights and freedoms. The plan of action adopted on 21 September is being implemented in accordance with the timetable set. The progress which has been achieved indicates that the objectives will be met. Agreement on the European arrest warrant constitutes a decisive step forward. The common definition of terrorist crimes, the drawing up of lists of terrorists and terrorist organisations, groups and bodies, the cooperation between specialist services and the provisions concerning the freezing of assets which have been adopted following Resolution 1373 of the United Nations Security Council all constitute practical responses in the campaign against terrorism. The European Council invites the Council and the Commission to move swiftly towards finalising the programme to improve cooperation between Member States with regard to threats of the use of biological and chemical means; the work of the European Civil Protection Agency will provide the framework for such cooperation.
18. The European Union is committed to alleviating the consequences of the attacks of 11 September for the aviation sector with a view to ensuring a rapid and coordinated response from all Member States. The European Council welcomes the adoption of a common position of the Council on the Regulation on aviation security.

III. TRENDS IN THE ECONOMIC AND SOCIAL SPHERES AND IN SUSTAINABLE DEVELOPMENT

General economic situation and prospects

19. The Union's economy is experiencing a period of slower growth and uncertainty under the combined impact of a global slowdown and a reduction in demand. Yet, present expectations are for a gradual recovery in the course of 2002. Disposable incomes are improving owing to diminishing inflation and tax cuts in several countries. Budgetary policy is geared to maintaining sound public finances. It has resulted in a reduction in long-term interest rates, which will help support demand. The progress already made in budgetary consolidation within the framework of the Stability and Growth Pact will enable budgetary policy to play a positive part in combating the slowdown with automatic stabilisers working while staying on the medium-term path of consolidation. Confidence must be based on the consistent implementation of the economic policy strategy as defined in the Broad Economic Policy Guidelines (BEPGs), the main axes of which are macroeconomic stability and structural reforms to enhance job creation and the Union's potential for growth. The European Council endorsed the report of the ECOFIN Council on the taxation of savings.
20. The European Council welcomes the outcome of the Ministerial Conference in Doha, which launched a new round of global trade negotiations based on an approach balanced equally between liberalisation and regulation, taking account of the interests of developing countries and promoting their capacity for development. The Union is determined to promote the social and environmental dimension of that round of negotiations.

The Lisbon strategy

21. At the Barcelona European Council on 15 and 16 March 2002 we will take stock of our progress towards the Lisbon strategic goal of becoming the most dynamic knowledge-based economy in the world, with full employment and increased levels of social cohesion, by 2010, and agree concrete steps on the priority actions we must take to deliver this strategy. The slowdown in growth makes it more important than ever to deliver the structural reforms agreed at Lisbon and Stockholm, and to demonstrate the continued relevance of our agenda for economic and social issues and sustainable development to Europe's citizens and businesses. We should use the structural indicators we have agreed to assess our progress and focus our activity. In order to give the European Council a full picture of the situation and to ensure that its decisions are coherent, the various preparatory processes will have to converge on the spring European Council.
22. Progress has been made following the Stockholm European Council on the various aspects of the Lisbon strategy. After thirty years of discussion, agreement has been reached on the European Company. There have been agreements on the liberalisation of postal services and on the package of Directives concerning telecommunications. The adoption of a series of

economic and social structural indicators, including as regards quality in work and the fight against poverty and social exclusion as well as key indicators for sustainable development, will make it possible to see more clearly how each Member State is performing. The Commission will use them as a basis when drawing up its summary report to be submitted in January 2002.

Employment

23. The aim of the Lisbon strategy is to enable the Union to regain the conditions for full employment. We must accelerate our efforts to achieve by 2010 the 70% employment rate agreed in Lisbon. That must be the first objective of the European Employment Strategy. At the summit on 13 December 2001 the social partners expressed their willingness to develop social dialogue by jointly drawing up a multiannual work programme before the European Council in 2002. They also stressed the need to develop and improve coordination of tripartite consultation on the various aspects of the Lisbon strategy. It was agreed that a social affairs summit of this kind would in future be held before each spring European Council.
24. The European Council endorses the agreement reached in the Council concerning the 2002 employment guidelines, the individual recommendations to the Member States and the joint report on the employment situation. These decisions bear witness to the Union's desire, despite the world economic slowdown, to persist in its efforts to reform the structure of the labour market and continue to pursue its objectives concerning full employment and quality in work.

Fleshing out the European social model

25. In the field of social legislation, the European Council welcomes the political agreement between the Council and the European Parliament on the Directives on informing and consulting workers and on the protection of workers in the event of the insolvency of their employer. It stresses the importance of preventing and resolving social conflicts, and especially trans-national social conflicts, by means of voluntary mediation mechanisms concerning which the Commission is requested to submit a discussion paper.
26. The European Council welcomes the Council's conclusions and the joint Council and Commission report concerning services of general interest, which will be the subject of an assessment, at Community level, as to their performance and their effects on competition. The European Council encourages the Commission to set up a policy framework for State aid to undertakings entrusted with the provision of services of general interest.
27. The European Council notes with interest the consideration given to the principle of equality between men and women in the broad economic policy guidelines and in the Euro-Mediterranean partnership, and also the list of indicators of gender pay inequalities.

28. The first joint report on social inclusion and the establishment of a set of common indicators constitute important elements in the policy defined at Lisbon for eradicating poverty and promoting social inclusion, taking in health and housing. The European Council stresses the need to reinforce the statistical machinery and calls on the Commission gradually to involve the candidate countries in this process.
29. The European Council notes the political agreement on extending the coordination of social security systems to third-country nationals and calls on the Council to adopt the necessary provisions as soon as possible.
30. The European Council has noted the Joint Report on pensions drawn up by the Social Protection Committee and the Economic Policy Committee. The adequacy of pensions, the sustainability and modernisation of pension systems and the improvement of access to occupational pension schemes are all of particular importance for dealing with the increasing needs. The European Council calls on the Council to take a similar approach when preparing the report on health care and care for the elderly, in the light of the Commission communication. Particular attention will have to be given to the impact of European integration on Member States' health care systems.

Research and development

31. The Lisbon European Council drew attention to the importance of encouraging innovation, especially through the introduction of a Community patent, which should have been available at the end of 2001. The European Council asks the Internal Market Council to hold a meeting on 20 December 2001 in order to reach, in particular in the light of the Presidency document and of the other contributions of the Member States, agreement on a flexible instrument involving the least possible cost while complying with the principle of non-discrimination between Member States' undertakings and ensuring a high level of quality.
32. The European Council welcomes the adoption by the Council of a common position on the 6th Framework Programme for research and development, aimed at reinforcing the European Research Area.
33. The European Council reaffirms the strategic importance it attaches to the Galileo project and welcomes the decision of the European Space Agency taken in Edinburgh to grant finance to the amount of EUR 550 m. The European Council calls on the Council to continue its work with a view to taking a decision on the funding of the development phase by March 2002 and to decide on the Regulation by June 2002, taking account of the audit report by Price Waterhouse Cooper.

Sustainable development and quality of life

34. The European Council welcomes the adoption by the Council of the key environmental indicators which supplement the social and economic structural indicators with a view to the forthcoming summary report by the Commission. The European Council will assess – on this basis, and for the first time – the implementation of the Sustainable Development Strategy at its next meeting in the spring in Barcelona.
35. The European Council welcomes the outcome of the Marrakesh Conference on Climate Change. The Union is determined to honour its commitments under the Kyoto Protocol and confirms its desire that the Protocol should come into force before the Johannesburg World Summit on Sustainable Development, where the European Union intends to be represented at the highest political level.
36. The European Union has sought to respond to people's expectations regarding health, consumer protection, safety and quality of life. The European Council especially welcomes the setting up of the European Food Authority, the European Air Safety Agency and the European Maritime Safety Agency. The Commission will very shortly be submitting a proposal for setting up a European Railway Safety Agency. The European Council notes the adoption of a number of texts seeking to increase consumer protection in the areas of product safety, indebtedness, the standards applicable to blood products and the prudent use of antimicrobial agents in human medicine.

IV. STRENGTHENING THE AREA OF FREEDOM, SECURITY AND JUSTICE

37. The European Council reaffirms its commitment to the policy guidelines and objectives defined at Tampere and notes that while some progress has been made, there is a need for new impetus and guidelines to make up for delays in some areas. Holding Justice and Home Affairs sessions at shorter intervals will help speed work up. It is also important that decisions taken by the Union be transposed speedily into national legal systems and that conventions concluded since the Maastricht Treaty came into force be ratified as soon as possible.

A true common asylum and immigration policy

38. Despite some achievements such as the European Refugee Fund, the Eurodac Regulation and the Directive on temporary protection, progress has been slower and less substantial than expected. A new approach is therefore needed.
39. The European Council undertakes to adopt, on the basis of the Tampere conclusions and as soon as possible, a common policy on asylum and immigration, which will maintain the necessary balance between protection of refugees, in accordance with the principles of the 1951 Geneva Convention, the legitimate aspiration to a better life and the reception capacities of the Union and its Member States.

40. A true common asylum and immigration policy implies the establishment of the following instruments:
- the integration of the policy on migratory flows into the European Union's foreign policy. In particular, European readmission agreements must be concluded with the countries concerned on the basis of a new list of priorities and a clear action plan. The European Council calls for an action plan to be developed on the basis of the Commission communication on illegal immigration and the smuggling of human beings;
 - the development of a European system for exchanging information on asylum, migration and countries of origin; the implementation of Eurodac and a Regulation for the more efficient application of the Dublin Convention, with rapid and efficient procedures;
 - the establishment of common standards on procedures for asylum, reception and family reunification, including accelerated procedures where justified. These standards should take account of the need to offer help to asylum applicants;
 - the establishment of specific programmes to combat discrimination and racism.
41. The European Council asks the Council to submit, by 30 April 2002 at the latest, amended proposals concerning asylum procedures, family reunification and the "Dublin II" Regulation. In addition, the Council is asked to expedite its proceedings on other drafts concerning reception standards, the definition of the term "refugee" and forms of subsidiary protection.

More effective control of external borders

42. Better management of the Union's external border controls will help in the fight against terrorism, illegal immigration networks and the traffic in human beings. The European Council asks the Council and the Commission to work out arrangements for cooperation between services responsible for external border control and to examine the conditions in which a mechanism or common services to control external borders could be created. It asks the Council and the Member States to take steps to set up a common visa identification system and to examine the possibility of setting up common consular offices.

Eurojust and judicial and police cooperation in criminal matters

43. The Decision setting up Eurojust and the setting up of the instruments needed for police cooperation – Europol, whose powers have been increased, the European Police College and the Police Chiefs Task Force – constitute significant progress. The Council is urged swiftly to examine the Commission Green Paper on the European Public Prosecutor, taking account of the diversity of legal systems and traditions. The European Council calls for a European network to encourage the training of magistrates to be set up swiftly; this will help develop trust between those involved in judicial cooperation.

Combating drug trafficking

44. The European Council notes the importance of intensifying the fight against drug trafficking and the urgency of adopting the Commission proposal on the subject by the end of May 2002. It reserves the right to take fresh initiatives in the light of the Commission's midterm report on the implementation of the European Union's Action Plan on Drugs.

Harmonisation of laws, mutual recognition of judgments and the European arrest warrant

45. The Framework Decision on combating trafficking in human beings, the European arrest warrant and the common definition of terrorist offences and of minimum sentences constitute important progress. Efforts to surmount the problems arising from differences between legal systems should continue, particularly by encouragement of recognition of judicial decisions, both civil and criminal. For example, the harmonisation of family law took a decisive step forward with the suspension of intermediate procedures for the recognition of certain judgements and especially for cross-border rights of access to children.

V. EXTERNAL RELATIONS**The Middle East**

46. The European Council has adopted the Declaration set out in Annex III.

The Western Balkans

47. The European Union has taken a full role in encouraging and assisting the countries of the region to continue their efforts in the framework of the Stabilisation and Association Process. The prospect of accession and the assistance provided by the European Union are key elements in promoting that process, respecting human rights, democratic principles and internationally recognised frontiers. The European Council welcomes the appointment of Dr Erhard Busek as Special Coordinator of the Stability Pact and thanks his predecessor, Mr Bodo Hombach, for his major contribution to the stability of the region.
48. The Union will continue to contribute to the recovery and stability of the Former Yugoslav Republic of Macedonia, particularly by insisting on full implementation of the Ohrid Agreement. The European Council welcomes the elections held in Kosovo on 17 November which launched the process of provisional self-government for the benefit of all communities and of stability in accordance with Resolution 1244 of the UN Security Council. It mandates the High Representative for the CFSP to encourage the dialogue between Belgrade and Podgorica with a view to reaching a negotiated solution for the status of a democratic Montenegro in a democratic Federal Republic of Yugoslavia.

Africa

49. The Euro-African ministerial meeting in October reaffirmed the Union's solidarity with the African continent and its attachment to the dialogue process initiated in Cairo in May 2000. The European Council welcomes with great interest the New Partnership for African Development, which was announced by several African Heads of State in July and testifies to their determination to integrate the principles of good governance, African ownership and human rights into African governments' development policies. In that connection, the European Council welcomes the results of the Conference.
50. The European Council reaffirms its full support for the Lusaka and Arusha Agreements, the only tools capable of bringing the countries of the region to a lasting understanding and to true stabilisation. In that context, it appreciates the Commission's undertaking to sign the National Indicative Programme for the Democratic Republic of the Congo in January 2002 in Brussels, with a view to the resumption of the inter-Congolese dialogue, thus sending a strong signal of the European Union's commitment on behalf of all Congolese.
51. The European Council reiterates its great concern at the deterioration of the situation in Zimbabwe and makes a pressing appeal to the Zimbabwean government to take all the action needed to improve the situation immediately, particularly with a view to the consultations to be held in the next few days on the basis of Article 96 of the Cotonou Agreement.

Russia

52. The Summit held in Brussels on 3 October 2001 established important guidelines for the practical implementation of the strategic partnership between the Union and Russia: elaborating the concept of a Common European Economic Area; stepping up the energy dialogue; specific situation of Kaliningrad, in particular questions concerning the movement and transit of persons; trade questions, including Russia's accession to the World Trade Organisation. The European Union has undertaken to intensify its relations with Russia still further and looks forward to substantial progress on all these issues. The dialogue on political and security issues must be given more substance and yield concrete results. This should be reflected in joint initiatives on subjects of mutual interest (Western Balkans, Middle East). A structure should also be established for cooperation between the Union and Russia, on the basis of the Partnership and Cooperation Agreement in combating organised crime, drug trafficking, terrorism and illegal immigration.

Development Cooperation

53. The European Union considers that better growth and development prospects may offer a more solid basis for peace and security. The European Council calls on the Commission and the Council to report on ways of improving the coordination of European and international policies to promote development, as a contribution to the Monterrey Conference and the Johannesburg World Summit.

54. The European Council notes with satisfaction the Council's undertaking to examine the means and the timeframe for each Member State's achievement of the UN official development aid target of 0,7% of GDP and its commitment to continuing its efforts to improve development cooperation instruments, particularly in the countries affected by crisis or conflict.
55. The European Council stresses the need to disburse as soon as possible the financial resources available for development aid. It invites the Council and the Commission to examine the setting up of a Euro-Mediterranean Development Bank.
56. The European Council expresses satisfaction at the organisation of a conference on 30 October 2001 on the effects of globalisation and the instructions issued to the Commission to analyse its financial aspects, and in particular debt reduction and alternative methods of financing development.
57. Pending overall agreement on the seats of certain agencies, the Food Authority and Eurojust will be able to begin operations in Brussels and The Hague respectively. If the institution of European Public Prosecutor is established, its seat will be determined in accordance with the provisions of the Decision of 8 April 1965.

VI. MISCELLANEOUS DECISIONS

58. The dramatic accident in St Gothard, following on the Mont Blanc accident, demonstrates the urgency of measures to transfer goods haulage from road to rail. The Commission will submit its framework proposal on charging for the use of infrastructure and its proposal on tunnel safety as soon as possible. As an interim solution, the European Council asks the Commission to submit a proposal for an extension of the ecopoint system, as provided for in Protocol 9 to the Act of Accession of Austria in order to conclude the transport chapter in the accession negotiations before the end of the year.
59. The European Council undertakes to maintain a high level of nuclear safety in the Union. It stresses the need to monitor the security and safety of nuclear power stations. It calls for regular reports from Member States' atomic energy experts, who will maintain close contact with the Commission.

Ratification of the new Decision on own resources

60. The European Council notes with concern that in several Member States the new Decision on own resources has not yet been ratified. It stresses the importance of transposing the decisions of the Berlin European Council in good time and urgently requests the Member States to finalise their ratification procedures as soon as possible so that the new Decision on own resources can enter into force without delay.

61. The European Council took note of the documents and reports submitted to it and the conclusions adopted by the Council which they contain (see Annex IV). It calls upon the institutions to take operational action on them without delay, while taking full account, when appropriate, of the policy guidelines set out in these conclusions.
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