

**EUROPEAN COUNCIL
GÖTEBORG**

**CONCLUSIONS
OF THE PRESIDENCY**

15 and 16 June 2001

1. The European Council met in Göteborg on 15 and 16 June to issue political guidance for the Union. It:
 - confirmed the breakthroughs in the negotiations and agreed on the framework for the successful completion of the enlargement, and took forward the debate on the future of the Union;
 - agreed on a strategy for sustainable development and added an environmental dimension to the Lisbon process for employment, economic reform and social cohesion;
 - provided guidance for economic policy to sustain growth and encourage structural reforms;
 - manifested its resolve to act jointly in current crises, particularly the Middle East and the Western Balkans.
2. At the start of proceedings, an exchange of views was conducted with the President of the European Parliament, Mrs Nicole Fontaine, on the main topics for discussion.

I. THE FUTURE OF EUROPE

3. Enlargement and globalisation present the European Union with great opportunities and challenges. With the open debate on the future of the Union, preparations are under way for an Intergovernmental Conference in 2004. Together with ongoing efforts to reform and modernise structures and working methods, this will serve to adapt the Union's founding Treaties and its institutions to new realities and to the demands of its citizens.
4. The ratification process for the Treaty of Nice will continue so that the Union is in a position to welcome new Member States from the end of 2002. In respect of the Irish referendum, the European Council confirms the conclusions adopted by the General Affairs Council in Luxembourg on 11 June, including willingness to contribute in every possible way to helping the Irish government find a way forward. It reaffirms its commitment to enlargement and to sustaining the good progress in the accession negotiations.

Enlargement

5. Significant breakthroughs have been achieved in the accession negotiations under the Swedish Presidency. Determined efforts by all parties have made it possible to meet and surpass the objectives set out at Nice for the first half of 2001.

6. The Council conclusions of 11 June detail the substantial results achieved in a number of key areas. Candidate countries have made impressive progress in meeting the accession criteria. More than two thirds of the negotiating chapters have been provisionally closed with some candidate countries. All negotiating chapters will be opened before the end of June with some of the candidate countries that started negotiations only last year. The road map has proved to be an ambitious and realistic framework for the negotiations. During the incoming Belgian and Spanish Presidencies the European Union will pursue the road map with undiminished vigour.
7. This new momentum must be matched by continued progress in the candidate countries in transposing, implementing and enforcing the *acquis*. They will have to pay particular attention to putting in place adequate administrative structures, to reforming judicial systems and the civil service, as well as to the situation of minorities. Special efforts will be devoted to assisting Bulgaria and Romania.
8. Candidate countries will continue to be judged solely on their own merits. The principle of differentiation applies. This allows the best prepared countries to progress more quickly in the negotiations, and other candidates to catch up. Agreements – even partial – reached during the course of the negotiations may not be considered final until an overall agreement has been established.
9. The enlargement process is irreversible. Based on the progress achieved so far, the European Council reaffirms the road map as the framework for the successful completion of the enlargement negotiations. Provided that progress towards meeting the accession criteria continues at an unabated pace, the road map should make it possible to complete negotiations by the end of 2002 for those candidate countries that are ready. The objective is that they should participate in the European Parliament elections of 2004 as members.
10. The decisions in Helsinki have brought Turkey closer to the EU and opened up new prospects for her European aspirations. Good progress has been made in implementing the pre-accession strategy for Turkey, including an enhanced political dialogue. The presentation by Turkey of its National Programme for adopting the *acquis* is a welcome development. However, in a number of areas such as human rights, further progress is needed. Turkey is urged to take concrete measures to implement the priorities of the Accession Partnership which is the cornerstone of the pre-accession strategy. The Council is invited to adopt the single financial framework for pre-accession assistance to Turkey by the end of the year at the latest. The economic programme agreed with the IMF must be vigorously implemented to create the conditions for economic recovery.
11. Taking account of their particular situations, candidate countries are invited to translate the Union's economic, social and environmental objectives into their national policies. The intention of candidate countries to adopt the *eEurope+* initiative is a successful example. Starting from Spring 2003, the Commission will begin covering the candidate countries and their national policies in its annual synthesis report.

12. The European Council notes that the Commission, in line with the Nice conclusions, will shortly present a communication on the question of the frontier regions in order to strengthen their economic competitiveness.

The European Conference

13. The European Conference will convene in its current composition under the Belgian Presidency. With a view to strengthening the Union's partnership with Ukraine and Moldova, they will subsequently be invited to join the Conference.

Cooperation with Ukraine

14. Stable and positive political and economic development in Ukraine is of strategic importance for Europe. The Union acknowledges Ukraine's European aspirations and will continue to support democratic development, human rights, the rule of law and market-oriented economic reforms. The forthcoming visit by the President of the European Council is a manifestation of this support.

Debate on the future of the Union

15. The open debate on the future development of the European Union was launched on 7 March. The Presidency report gives an account of the many encouraging initiatives which have been undertaken since then. This debate, involving all parts of society, must be actively pursued over the coming years. As part of the preparation for the 2004 Intergovernmental Conference, Member States and candidate countries are invited to summarise the debate at national level and report to successive incoming Presidencies. Reflections on how to structure the preparatory phase for the 2004 IGC and broaden participation in that work, including the possible creation of an open forum, will continue up to the Laeken European Council.

Modernising the Institutions

16. The Union must be served by modern, open and citizen-oriented institutions. Reforms under way in all of the Union's institutions underscore their commitment to this objective. The new rules on the public's right of access to documents are a major step in making the Union more open.
17. As evidenced by the Secretary-General's report, additional reforms of the Council's structures and working methods are necessary. The Secretary-General will present, preferably to the Laeken European Council, detailed suggestions for further action to ensure an effective Council, based on better preparation of Council meetings, effective coordination between different Council formations and more efficient working methods after enlargement so that the European Council can take the necessary decisions by June 2002.
18. The budgetary process and implementation and control of the budget must be brought in line with modern European standards. The recast financial regulation should be adopted before the end of 2002.

II- A STRATEGY FOR SUSTAINABLE DEVELOPMENT

19. Sustainable development – to meet the needs of the present generation without compromising those of future generations – is a fundamental objective under the Treaties. That requires dealing with economic, social and environmental policies in a mutually reinforcing way. Failure to reverse trends that threaten future quality of life will steeply increase the costs to society or make those trends irreversible. The European Council welcomes the submission of the Commission's communication on sustainable development which includes important proposals for curbing such trends.
20. The European Council agrees a strategy for sustainable development which completes the Union's political commitment to economic and social renewal, adds a third, environmental dimension to the Lisbon strategy and establishes a new approach to policy making. The arrangements for implementing this strategy will be developed by the Council.
21. Clear and stable objectives for sustainable development will present significant economic opportunities. This has the potential to unleash a new wave of technological innovation and investment, generating growth and employment. The European Council invites industry to take part in the development and wider use of new environmentally friendly technologies in sectors such as energy and transport. In this context the European Council stresses the importance of decoupling economic growth from resource use.

A new approach to policy making

22. The Union's Sustainable Development Strategy is based on the principle that the economic, social and environmental effects of all policies should be examined in a coordinated way and taken into account in decision-making. "Getting prices right" so that they better reflect the true costs to society of different activities would provide a better incentive for consumers and producers in everyday decisions about which goods and services to make or buy.
23. To improve policy coordination at the level of the Member States, the European Council:
 - *invites* Member States to draw up their own national sustainable development strategies;
 - *underscores* the importance of consulting widely with all relevant stakeholders and *invites* Member States to establish appropriate national consultative processes.
24. To achieve better policy coordination in the Union, the European Council:
 - *will* at its annual Spring meetings give policy guidance, as necessary, to promote sustainable development in the Union;
 - *invites* the Union institutions to improve internal policy coordination between different sectors. The horizontal preparation of the Sustainable Development Strategy will be coordinated by the General Affairs Council;

- *notes* that the Commission will include in its action plan for better regulation to be presented to the Laeken European Council mechanisms to ensure that all major policy proposals include a sustainability impact assessment covering their potential economic, social and environmental consequences.
25. To build an effective review of the Sustainable Development Strategy, the European Council:
- *invites* the Council to examine, for the purposes of implementing the strategy, the proposals in the Commission communication, in particular its proposals for headline objectives and measures, as well as to the 6th Environmental Action Programme and the sector strategies for environmental integration, when implementing the strategy;
 - *will* review progress in developing and implementing the strategy at its annual Spring meetings, in line with the conclusions of the Stockholm European Council;
 - *notes* that the Commission will evaluate implementation of the Sustainable Development Strategy in its annual synthesis report, on the basis of a number of headline indicators, to be agreed by the Council in time for the Spring European Council 2002; at the same time, the Commission will present a report assessing how environment technology can promote growth and employment;
 - *supports* the Commission's work on a draft on labelling and traceability of GMOs;
 - *asks* the Council to take due account of energy, transport and environment in the 6th Framework Programme for Research and Development.

The global dimension

26. Sustainable development requires global solutions. The Union will seek to make sustainable development an objective in bilateral development cooperation and in all international organisations and specialised agencies. In particular, the EU should promote issues of global environmental governance and ensure that trade and environment policies are mutually supportive. The Union's Sustainable Development Strategy forms part of the Union's preparations for the 2002 World Summit on Sustainable Development. The Union will seek to achieve a "global deal" on sustainable development at the Summit. The Commission undertakes to present a communication no later than January 2002 on how the Union is contributing and should further contribute to global sustainable development. In this context, the Union has reaffirmed its commitment to reach the UN target for official development assistance of 0.7% of GDP as soon as possible and to achieve concrete progress towards reaching this target before the World Summit on Sustainable Development in Johannesburg in 2002.

Targeting environmental priorities for sustainability

27. Building on the Commission communication on sustainable development, the 6th Environmental Action Programme and the sector strategies for environmental integration, the European Council has, as a first step, singled out a number of objectives and measures as general guidance for future policy development in four priority areas: *climate change, transport, public health and natural resources*, thus complementing decisions on social and economic issues taken by the European Council in Stockholm.

Combating climate change

28. Emissions of greenhouse gases from human activity are contributing to global warming with repercussions on the world's climate. Therefore, the Conference of the parties in mid-July in Bonn must be a success. The Community and the Member States are determined to meet their own commitments under the Kyoto Protocol. The Commission will prepare a proposal for ratification before the end of 2001 making it possible for the Union and its Member States to fulfil their commitment to rapidly ratify the Kyoto Protocol. The European Union will work to ensure the widest possible participation of industrialised countries in an effort to ensure the entry into force of the Protocol by 2002. To enhance the Union's efforts in this area, the European Council:
- *reaffirms* its commitment to delivering on Kyoto targets and the realisation by 2005 of demonstrable progress in achieving these commitments. Recognising that the Kyoto Protocol is only a first step, it endorses the objectives set out in the 6th Environmental Action Programme;
 - *furthermore reaffirms* its determination to meet the indicative target for the contribution of electricity produced from renewable energy sources to gross electricity consumption by 2010 of 22 percent at Community level as set out in the Directive on Renewable Energy;
 - *invites* the European Investment Bank to promote the Sustainable Development Strategy and to cooperate with the Commission in implementing the EU policy on climate change.

Ensuring sustainable transport

29. A sustainable transport policy should tackle rising volumes of traffic and levels of congestion, noise and pollution and encourage the use of environment-friendly modes of transport as well as the full internalisation of social and environmental costs. Action is needed to bring about a significant decoupling of transport growth and GDP growth, in particular by a shift from road to rail, water and public passenger transport. To achieve this, the European Council:

- *invites* the European Parliament and the Council to adopt by 2003 revised guidelines for trans-European transport networks on the basis of a forthcoming Commission proposal, with a view to giving priority, where appropriate, to infrastructure investment for public transport and for railways, inland waterways, short sea shipping, intermodal operations and effective interconnection;
- *notes* that the Commission will propose a framework to ensure that by 2004 the price of using different modes of transport better reflects costs to society.

Addressing threats to public health

30. The European Union must respond to citizens' concerns about the safety and quality of food, use of chemicals and issues related to outbreaks of infectious diseases and resistance to antibiotics. To this end, the European Council:
- *notes* the Commission's intention to present formal proposals, and invites the Council and the European Parliament to adopt them, so that the chemicals policy is in place by 2004, thereby ensuring that within a generation chemicals are only produced and used in ways which do not lead to a significant impact on health and the environment;
 - *notes* the Commission's intention to present by the end of 2001 Action Plans for tackling issues related to outbreaks of infectious diseases and resistance to antibiotics;
 - *urges* the European Parliament and the Council to profit from the substantial progress achieved and rapidly agree on the final adoption of the European Food Authority and Food Law Regulation in order to comply with the time frame agreed at the Nice and Stockholm European Councils;
 - *asks* that the possibility of the creation of a European surveillance and early warning network on health issues be examined.

Managing natural resources more responsibly

31. The relationship between economic growth, consumption of natural resources and the generation of waste must change. Strong economic performance must go hand in hand with sustainable use of natural resources and levels of waste, maintaining biodiversity, preserving ecosystems and avoiding desertification. To meet these challenges, the European Council agrees:
- that the Common Agricultural Policy and its future development should, among its objectives, contribute to achieving sustainable development by increasing its emphasis on encouraging healthy, high quality products, environmentally sustainable production methods, including organic production, renewable raw materials and the protection of biodiversity;

- that the review of the Common Fisheries Policy in 2002 should, based on a broad political debate, address the overall fishing pressure by adapting the EU fishing effort to the level of available resources, taking into account the social impact and the need to avoid over-fishing;
- that the EU Integrated Product Policy aimed at reducing resource use and the environmental impact of waste should be implemented in cooperation with business;
- halting biodiversity decline with the aim to reach this objective by 2010 as set out in the 6th Environmental Action Programme.

Integrating environment into Community policies

32. The Council is invited to finalise and further develop sector strategies for integrating environment into all relevant Community policy areas with a view to implementing them as soon as possible and present the results of this work before the Spring European Council in 2002. Relevant objectives set out in the forthcoming 6th Environmental Action Programme and the Sustainable Development Strategy should be taken into account.

**III. FULL EMPLOYMENT AND QUALITY OF WORK IN A COMPETITIVE UNION
– FOLLOW-UP TO THE STOCKHOLM EUROPEAN COUNCIL**

The general economic outlook and the Broad Economic Policy Guidelines

33. Last year the EU economy made considerable strides forward. Growth was high and unemployment fell to its lowest level in a decade. Since then the international economic environment has deteriorated significantly, and growth prospects in the Union have weakened. However, the large internal market coupled with the euro provides a strong and stable basis for domestic growth with less exposure to exchange rate fluctuations. The fundamentals of the European economy remain strong.
34. The Union will continue to implement with determination the economic policy strategy set out in the Broad Economic Policy Guidelines. It must continue to apply a growth- and stability-oriented macroeconomic policy. Cyclically adjusted budgetary positions should move towards, or remain in, balance or surplus in the coming years, on the basis set out in the Broad Economic Policy Guidelines. The automatic stabilisers should be allowed to work where possible. Emerging inflationary pressures should be combated through supply-side action to remove bottlenecks in labour and product markets, and by managing demand by fiscal policy where necessary. This will contribute to monetary conditions conducive to growth and continued job creation.

35. The modernisation of the European economy must be vigorously pursued in order to achieve the Union's strategic goal. Rapid implementation of structural reforms aimed at enhancing competition in markets for goods, services and capital is vital. Efforts to simplify the regulatory framework of the internal market must continue. Only a determined policy along these lines can make sure that the virtuous circle of job creation and growing prosperity in the EU economy in recent years can continue. Member States must capitalise on the Union's entire labour force reserve by improving women's opportunities to enter the labour market and increasing employment rates among older workers.
36. The European Council welcomes the Broad Economic Policy Guidelines and recommends their adoption by the Council. The fact that the BEPGs have integrated the promotion of sustainable development is a welcome development. In line with overall orientations given by the Spring European Council, the BEPGs are at the centre of economic policy coordination.

Information and consultation of workers

37. The European Council invites the Council and the European Parliament to proceed towards adoption of the directive on the information and consultation of workers on the basis of the agreement recently reached in the Council.

Tax package

38. Progress has been made on the tax package and measures have been agreed by the Council to ensure a final agreement before the end of 2002. The Council should regularly inform the European Council on progress of work.

Telecoms package

39. Substantial progress has been made on the legislative proposals making up the telecoms package. Every effort should be made by the Council and the European Parliament to ensure its final adoption in line with the Lisbon conclusions before the end of 2001.

Single European Sky

40. The European Council recalled the importance of the Single Sky initiative and noted that contacts are under way between the relevant Member States on the question of its territorial application. It hopes that these contacts will produce early agreement. The Commission intends to bring forward detailed proposals with a view to achieving a Single Sky by 2004.

Community Patent

41. The common approach recently adopted by the Council, together with the agreement to initiate the necessary procedures for revising the European Patent Convention, is a significant step towards the realisation of the Community Patent by the end of 2001.

Seats of various bodies

42. The European Council will continue its efforts to prepare a decision on the location of a number of future bodies, taking into account that the decision taken at Edinburgh in 1992 still applies.

Meeting the challenges of an ageing population

43. A comprehensive approach is needed to meet the challenges of an ageing society. The European Council endorses the three broad principles for securing the long-term sustainability of pension systems as identified by the Council: safeguarding the capacity of systems to meet their social objectives, maintaining their financial sustainability and meeting changing societal needs. In line with the Lisbon and Stockholm conclusions, the Council, in conformity with the open method of coordination and on the basis of a joint report of the Social Protection Committee and the Economic Policy Committee, should:
- prepare a progress report for the Laeken European Council, on the basis of a Commission communication setting out the objectives and working methods in the area of pensions, in preparation for the Spring 2002 European Council;
 - prepare an initial report for the Spring 2002 European Council on orientations in the field of health care and care for the elderly.

The results of the work will be integrated into the Broad Economic Policy Guidelines

Outermost Regions

44. The European Council took note of the decisions adopted by the Council in conformity notably with the provisions of Article 299 of the Treaty with regard to the outermost regions in the agricultural and structural sectors.

WTO

45. A strong, open and rule-based multilateral trading system contributes to the Union's strategic goals, including the promotion of economic growth, sustainable development and the social dimensions of globalisation. The launch of an ambitious and balanced new round of multilateral trade negotiations at the 4th WTO Ministerial Conference in Doha in November remains the objective of the Union. Such a round should respond to the interests of all WTO members, and in particular to those of the developing countries, and demonstrate that the trading system can respond to the concerns of civil society. The European Council welcomes the new basis for close transatlantic cooperation as stated in the declaration from the Göteborg EU-US Summit. All WTO partners are urged to work constructively and flexibly to forge a consensus in Doha.

IV. FOLLOW-UP TO THE TAMPERE EUROPEAN COUNCIL

46. Creating an area of freedom, security and justice remains vitally important for the European citizen. It is essential to implement the full range of policy orientations, priorities and measures endorsed by the Tampere European Council within the set deadlines. Strengthened efforts are required from Member States and the Council to accelerate work between now and the Laeken European Council in December when a full debate assessing progress will be held.

V. COOPERATING FOR PEACE AND SECURITY*European Security and Defence Policy (ESDP)*

47. The European Union is committed to developing and refining its capabilities, structures and procedures in order to improve its ability to undertake the full range of conflict prevention and crisis management tasks, making use of military and civilian means. As reflected in the Presidency report and its annexes adopted by the Council, the development of the ESDP strengthens the Union's capacity to contribute to international peace and security in accordance with the principles of the UN Charter. The European Union recognises the United Nations Security Council's primary responsibility for the maintenance of international peace and security.
48. New concrete targets have been set for civilian aspects of crisis management which should be achieved by 2003 through voluntary contributions. The permanent political and military structures have been established in the Council and the Council Secretariat. Foundations have been laid for the successful conduct of the conferences on military capability improvement and on police capabilities during the next Presidency.
49. Progress has been made in the development of a permanent and effective relationship with NATO. Permanent arrangements for consultation and cooperation have been agreed and implemented, as exemplified by the close cooperation in crisis management in the Western Balkans. Rapid agreement is called for on arrangements permitting EU access to NATO assets and capabilities.
50. Arrangements have been implemented concerning the consultation and participation of non-EU European NATO members and other countries which are candidates for accession to the EU, and relations with Canada and other potential partners, such as Russia and Ukraine.
51. The incoming Belgian Presidency is invited to take forward work on all aspects of the ESDP, together with the Secretary-General/High Representative and to report on progress towards achieving the objective of making the EU quickly operational. Progress must continue so that a decision to that end can be taken as soon as possible and no later than at the European Council in Laeken.

Conflict prevention

52. The European Council endorsed the EU Programme for the Prevention of Violent Conflicts which will improve the Union's capacity to undertake coherent early warning, analysis and action. Conflict prevention is one of the main objectives of the Union's external relations and should be integrated in all its relevant aspects, including the European Security and Defence Policy, development cooperation and trade. Future Presidencies, the Commission and the Secretary-General/High Representative are invited to promote the implementation of the programme and to make recommendations for its further development. The European Council welcomes the Swedish readiness to host a regional meeting with organisations involved in conflict prevention in Europe.

EU-UN Cooperation

53. Important decisions have been taken by the Council to reinforce the political dialogue and strengthen cooperation between the European Union and the UN. Substantial progress has been made in building an effective partnership with the UN in the fields of conflict prevention and crisis management as well as development cooperation, humanitarian affairs, asylum policies and refugee assistance. This partnership is further strengthened by the mutually reinforcing approaches to conflict prevention and by ensuring that the European Union's evolving military and civilian capacities provide real added value for UN crisis management activities. The Western Balkans, the Middle East and Africa will be given highest priority in this reinforced cooperation. The conclusion of framework agreements between the European Community and relevant UN organisations will enhance cooperation.
54. The European Council adopted a declaration on prevention of proliferation of ballistic missiles (cf. Annex I).

VI. TRANSATLANTIC RELATIONS*EU-US Relations*

55. The presence of the US President George W. Bush in Göteborg on 14 June on the occasion of the EU-USA Summit provided an opportunity to reconfirm the core values and shared objectives which are the foundations of the transatlantic community.
56. Areas identified for further cooperation or joint foreign policy action included the Middle East, the Western Balkans and the Korean peninsula.
57. The EU and the US agreed that climatic change was the most urgent environmental challenge. Both parties noted their disagreement over the Kyoto Protocol and its ratification. However, they both expressed determination to meet national commitments and obligations under the Climate Change Convention. The need for a continued dialogue was recognised. The European Council welcomes the commitment by the US not to block the Kyoto process and to work constructively at the forthcoming COP-6 meeting in Bonn. The EU and US leaders also agreed to establish a High-Level Group of personal representatives on climate change.

58. The need for an integrated and comprehensive approach to confront HIV/Aids, particularly in Africa, was agreed. The need to facilitate the broadest possible provision of drugs in an affordable and medically effective manner was emphasised.
59. The successful conclusion of the long-standing dispute between the EU and the US regarding bananas is a welcome development and the hope is that similarly satisfactory solutions will be found soon for other outstanding disputes including those in the steel sector. The US is urged to join the Union in promoting the launch of a new inclusive round of multilateral trade negotiations at the next WTO Ministerial Conference as a sign of a strong EU/US partnership in the WTO for maintaining an open, fair and strong system of multilateral trade rules.

EU-Canada relations

60. The EU-Canada Summit on 21 June 2001 will mark the twenty-fifth anniversary of the EC-Canada Framework Agreement and will underline the Union's close, productive and continuing cooperation with Canada over a wide range of international issues of common interest and concern.

VII. EXTERNAL RELATIONS

EU-Russia

61. Important steps have been taken towards forging a partnership with Russia based on shared values, intensified dialogue and progress in areas of strong EU interest. At the recent EU-Russia Summit it was agreed *inter alia* to promote closer dialogue and cooperation on political and security matters in Europe, to elaborate the concept of a common European economic space, to pursue dialogue on energy cooperation and to launch cooperation on aviation matters, including trans-Siberian over-flights. A key decision at the Stockholm European Council was to open up EIB lending for selected environmental projects in Russia. Progress already made by the EIB towards possible financing of priority projects is welcome. Other positive developments are the beginning of a dialogue at ministerial level on Justice and Home Affairs, the resumption of the dialogue between Finance Ministers and the initiation of a dialogue on Kaliningrad.
62. The situation in Chechnya continues to give rise to serious concern. A political solution to the conflict is urgently needed. Reported violations of human rights must continue to be thoroughly investigated in order to bring perpetrators to trial. As agreed at the EU-Russia Summit and confirmed on 15 June, the OSCE Assistance Group is returning to Chechnya. Russia has confirmed its readiness to cooperate with the European Union in delivering humanitarian assistance programmes.
63. The situation of independent media in Russia is also a matter of concern. The European Union will continue to monitor developments in this field closely. As agreed at the EU-Russia Summit, a strong civil society is necessary in a modern democratic society. Freedom of speech and pluralism in the media are essential democratic principles and core values for a genuine EU-Russia partnership.

Northern Dimension

64. The European Council endorsed the policy guidance and follow-up procedures in the "Full Report on Northern Dimension Policies" prepared by the Presidency and the Commission on the basis of the Foreign Ministers' Conference in Luxembourg on 9 April 2001. Implementation of the Feira Action Plan should be continued, in close cooperation with partner countries in all sectors, with the Commission playing a leading role to ensure continuity. The launch of the Northern Dimension Environmental Partnership (NDEP) by the International Financial Institutions and the Commission will help mobilise support for environmental and nuclear safety projects, *inter alia* through a pledging conference to be organised before the end of the year. The Danish Presidency intends to organise a high-level meeting to map out future actions from 2003.

Western Balkans

65. Building on the commitments undertaken at the Zagreb Summit, the countries in the region have achieved encouraging progress on their way towards democracy, a market economy and peaceful co-existence. The conclusion of Stabilisation and Association Agreements (SAA) with FYROM and Croatia, and the intention of the Commission to present negotiating directives for an SAA with Albania by the end of this year if possible, underline these achievements.
66. The Union will continue to support all efforts to bring the countries of the region closer to the common goal of their integration into European structures on the basis of the conclusions and recommendations of the first "Council Review Report" on the Stabilisation and Association Process. This points the way ahead, not least in those areas where more tangible progress is needed, like the protection of rights of minorities, return of refugees, and regional cooperation. Particular attention will also need to be paid to cooperation in Justice and Home Affairs. The implementation of Stabilisation and Association Agreements already concluded will take account of the policies pursued by the countries concerned in these areas. The European Council supports the early restoration of free navigation on the Danube.
67. The European Council adopted a declaration on the Former Yugoslav Republic of Macedonia (cf. Annex II).
68. The first meeting of the EU-FRY Consultative Task Force, paving the way for a Stabilisation and Association Agreement, as well as the coming donors' conference for the FRY, are concrete examples of EU support to the FRY. The European Council calls on the FRY/Serbian authorities to continue on the path towards full cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY).
69. All parties are urged to engage constructively, in accordance with UNSCR 1244, in the implementation of the Constitutional Framework for Provisional Self-Government in Kosovo and to participate in the preparations for Kosovo-wide elections later this year. Tough action against extremists and organised crime in Kosovo, and throughout the region, is supported.

70. The recent review by the Council of EU priorities within the Stability Pact will improve the focus of the Pact, not least in view of the Regional Conference later this year.

Middle East

71. The European Council gives full support to the recommendations of the Sharm el-Sheikh Fact-Finding Committee. Both parties having accepted them in their entirety, they provide the best basis for the resumption of the peace process. It is essential to agree rapidly on the steps to be taken and on a timetable for their full implementation for the sake of the parties and the stability of the region.
72. After so many tragic events, there is now a window of opportunity. The European Council welcomes the Palestinian-Israeli Security Implementation Workplan. This requires an effective commitment to bring about sustainable progress in the security situation and the lifting of closures. The European Council also calls for a complete freezing of settlements activity.
73. A "cooling-off period" should start as soon as possible in order to allow the implementation of additional confidence measures leading to resumption of full and meaningful negotiations for the Final Status Agreement on the basis of United Nations Security Council Resolutions 242 and 338.
74. The European Council welcomes and congratulates the High Representative on his report, and pays tribute to the contributions he has made. It shares his views that:
- rebuilding confidence needs urgent improvement of the situation on the ground,
 - rebuilding faith in peace needs our support for the restoration of cooperation between civil societies;
 - aid to the Palestinian institutions and economy remains a European commitment we should maintain, as part of an international effort.

The European Council attaches priority also to stability and prosperity in the whole Mediterranean region. To that end, the European Union will continue to make full use of the Barcelona Process including the Association Agreements.

The European Council invites the High Representative to pursue his efforts in close cooperation with the Presidency and the Commission as well as with the parties, the United States and other actors, with a view to a continuing active EU role. It invites him to make new policy recommendations as appropriate.

Algeria

75. The European Union urges all those responsible in Algeria to act to end the present confrontations and violence. It calls on the authorities to launch a political initiative to overcome the crisis by means of dialogue among all Algerians.
76. The European Union stands ready to assist the political, economic and social reforms necessary for restoring peace, stability and prosperity.

East Timor

77. The European Council expresses its support for the forthcoming elections for the Constituent Assembly in East Timor. It expects this major step to provide the East Timorese people with a constitution, their first elected government, and the political framework for independence.

Korean peninsula

78. The European Council welcomes the result of the EU high-level mission to the two Koreas. The inter-Korean dialogue and cooperation, non-proliferation and human rights will remain issues of vital importance for further progress in developing the Union's ties with the Democratic People's Republic of Korea.

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79. The European Council has taken note of the documents and reports submitted to it as well as any agreed Council conclusions they contain (cf. Annex III). It invites the institutions to undertake any operational follow-up as expeditiously as possible, taking full account, where appropriate, of political guidelines issued in these conclusions.
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