INTRODUCTION

1. The European Council met in Helsinki on 10 and 11 December 1999. It adopted the Millennium Declaration. It has taken a number of decisions marking a new stage in the enlargement process. Steps have also been taken to ensure that the Union itself will have effective, reformed institutions, a strengthened common security and defence policy and a competitive, job-generating, sustainable economy.

2. At the start of proceedings, the European Council and the President of the European Parliament, Mrs Nicole Fontaine, exchanged views on the main items under discussion, in particular enlargement, institutional reform and employment.

I. PREPARING FOR ENLARGEMENT

The enlargement process

3. The European Council confirms the importance of the enlargement process launched in Luxembourg in December 1997 for the stability and prosperity for the entire European continent. An efficient and credible enlargement process must be sustained.
4. The European Council reaffirms the inclusive nature of the accession process, which now comprises 13 candidate States within a single framework. The candidate States are participating in the accession process on an equal footing. They must share the values and objectives of the European Union as set out in the Treaties. In this respect the European Council stresses the principle of peaceful settlement of disputes in accordance with the United Nations Charter and urges candidate States to make every effort to resolve any outstanding border disputes and other related issues. Failing this they should within a reasonable time bring the dispute to the International Court of Justice. The European Council will review the situation relating to any outstanding disputes, in particular concerning the repercussions on the accession process and in order to promote their settlement through the International Court of Justice, at the latest by the end of 2004. Moreover, the European Council recalls that compliance with the political criteria laid down at the Copenhagen European Council is a prerequisite for the opening of accession negotiations and that compliance with all the Copenhagen criteria is the basis for accession to the Union.

5. The Union has made a firm political commitment to make every effort to complete the Intergovernmental Conference on institutional reform by December 2000, to be followed by ratification. After ratification of the results of that Conference the Union should be in a position to welcome new Member States from the end of 2002 as soon as they have demonstrated their ability to assume the obligations of membership and once the negotiating process has been successfully completed.

6. The Commission has made a new detailed assessment of progress in the candidate States. This assessment shows progress towards fulfilling the accession criteria. At the same time, given that difficulties remain in certain sectors, candidate States are encouraged to continue and step up their efforts to comply with the accession criteria. It emerges that some candidates will not be in a position to meet all the Copenhagen criteria in the medium term. The Commission's intention is to report in early 2000 to the Council on progress by certain candidate States on fulfilling the Copenhagen economic criteria. The next regular progress reports will be presented in good time before the European Council in December 2000.

7. The European Council recalls the importance of high standards of nuclear safety in Central and Eastern Europe. It calls on the Council to consider how to address the issue of nuclear safety in the framework of the enlargement process in accordance with the relevant Council conclusions.

8. The European Council notes with satisfaction the substantive work undertaken and progress which has been achieved in accession negotiations with Cyprus, Hungary, Poland, Estonia, the Czech Republic and Slovenia.

9. (a) The European Council welcomes the launch of the talks aiming at a comprehensive settlement of the Cyprus problem on 3 December in New York and expresses its strong support for the UN Secretary-General’s efforts to bring the process to a successful conclusion.

(b) The European Council underlines that a political settlement will facilitate the accession of Cyprus to the European Union. If no settlement has been reached by the completion of accession negotiations, the Council’s decision on accession will be made without the above being a precondition. In this the Council will take account of all relevant factors.
10. Determined to lend a positive contribution to security and stability on the European continent and in the light of recent developments as well as the Commission's reports, the European Council has decided to convene bilateral intergovernmental conferences in February 2000 to begin negotiations with Romania, Slovakia, Latvia, Lithuania, Bulgaria and Malta on the conditions for their entry into the Union and the ensuing Treaty adjustments.

11. In the negotiations, each candidate State will be judged on its own merits. This principle will apply both to opening of the various negotiating chapters and to the conduct of the negotiations. In order to maintain momentum in the negotiations, cumbersome procedures should be avoided. Candidate States which have now been brought into the negotiating process will have the possibility to catch up within a reasonable period of time with those already in negotiations if they have made sufficient progress in their preparations. Progress in negotiations must go hand in hand with progress in incorporating the acquis into legislation and actually implementing and enforcing it.

12. The European Council welcomes recent positive developments in Turkey as noted in the Commission's progress report, as well as its intention to continue its reforms towards complying with the Copenhagen criteria. Turkey is a candidate State destined to join the Union on the basis of the same criteria as applied to the other candidate States. Building on the existing European strategy, Turkey, like other candidate States, will benefit from a pre-accession strategy to stimulate and support its reforms. This will include enhanced political dialogue, with emphasis on progressing towards fulfilling the political criteria for accession with particular reference to the issue of human rights, as well as on the issues referred to in paragraphs 4 and 9(a). Turkey will also have the opportunity to participate in Community programmes and agencies and in meetings between candidate States and the Union in the context of the accession process. An accession partnership will be drawn up on the basis of previous European Council conclusions while containing priorities on which accession preparations must concentrate in the light of the political and economic criteria and the obligations of a Member State, combined with a national programme for the adoption of the acquis. Appropriate monitoring mechanisms will be established. With a view to intensifying the harmonisation of Turkey's legislation and practice with the acquis, the Commission is invited to prepare a process of analytical examination of the acquis. The European Council asks the Commission to present a single framework for coordinating all sources of European Union financial assistance for pre-accession.

13. The future of the European Conference will be reviewed in the light of the evolving situation and the decisions on the accession process taken at Helsinki. The forthcoming French Presidency has announced its intention to convene a meeting of the conference in the second half of 2000.

The Intergovernmental Conference on institutional reform

14. The European Council welcomes the Presidency's report on the issues raised in relation to the Intergovernmental Conference and setting out the main options the Conference will be confronted with.

15. Appropriate steps will be taken to enable the Intergovernmental Conference to be officially convened in early February. The Conference should complete its work and agree the necessary amendments to the Treaties by December 2000.
16. Following the Cologne Conclusions and in the light of the Presidency's report, the Conference will examine the size and composition of the Commission, the weighting of votes in the Council and the possible extension of qualified majority voting in the Council, as well as other necessary amendments to the Treaties arising as regards the European institutions in connection with the above issues and in implementing the Treaty of Amsterdam. The incoming Presidency will report to the European Council on progress made in the Conference and may propose additional issues to be taken on the agenda of the Conference.

17. Ministers who are members of the General Affairs Council will have overall political responsibility for the Conference. Preparatory work shall be carried out by a Group composed of a representative of each Member State's Government. The representative of the Commission shall participate at the political and preparatory level. The General Secretariat of the Council will provide secretariat support for the Conference.

18. The European Parliament will be closely associated and involved in the work of the Conference. Meetings of the preparatory Group may be attended by two observers from the European Parliament. Each session of the Conference at ministerial level will be preceded by an exchange of views with the President of the European Parliament, assisted by two representatives of the European Parliament. Meetings at the level of Heads of State or Government dealing with the IGC will be preceded by an exchange of views with the President of the European Parliament.

19. The Presidency will take the necessary steps to ensure that candidate States are regularly briefed within existing fora on the progress of discussions and have the opportunity to put their points of view on matters under discussion. Information will also be given to the European Economic Area.

Effective institutions

20. Substantial changes in the Council's working methods are necessary and must be gradually introduced starting now so that by the time of enlargement, the Council can smoothly accommodate a larger membership. The European Council approves the operational recommendations attached in Annex III. The Council, the Presidency and the Secretary-General/High Representative will be responsible for ensuring that these recommendations are observed and enforced in practice, without calling into question arrangements and programming already made by the incoming Presidency.

21. The European Council recalls its commitment in support of reforming the Commission's administration, especially financial and personnel management, in order to enhance efficiency, transparency and accountability and thus ensure the highest standards of public administration. The Commission will present a comprehensive programme of administrative reforms in early 2000. The European Council calls for rapid implementation of these administrative reforms.

Transparency

22. Transparency of the European institutions is an important element in bringing the Union closer to its citizens and improving efficiency. Progress has been achieved during the Finnish Presidency, especially in the area of access to documents and rapid communication using modern information technologies. The European Council welcomes the Commission's
intention to table in January 2000 the proposal on general principles governing the right of access to European Parliament, Council and Commission documents.

Subsidiarity and better lawmaking

23. The European Council welcomes the Commission's report entitled "Better law-making" which confirms the priority attached to the principles of subsidiarity and proportionality and to full application of the relevant Treaty Protocol.

Combating Fraud

24. The establishment of the Union's Anti-Fraud Office (OLAF) marks an important new step in the fight against fraud. The Commission will present by June 2000 a communication with a view to further developing a comprehensive strategy for the protection of the financial interests of the Community.

II. COMMON EUROPEAN POLICY ON SECURITY AND DEFENCE

25. The European Council adopts the two Presidency progress reports (see Annex IV) on developing the Union's military and non-military crisis management capability as part of a strengthened common European policy on security and defence.

26. The Union will contribute to international peace and security in accordance with the principles of the United Nations Charter. The Union recognises the primary responsibility of the United Nations Security Council for the maintenance of international peace and security.

27. The European Council underlines its determination to develop an autonomous capacity to take decisions and, where NATO as a whole is not engaged, to launch and conduct EU-led military operations in response to international crises. This process will avoid unnecessary duplication and does not imply the creation of a European army.

28. Building on the guidelines established at the Cologne European Council and on the basis of the Presidency's reports, the European Council has agreed in particular the following:

   - cooperating voluntarily in EU-led operations, Member States must be able, by 2003, to deploy within 60 days and sustain for at least 1 year military forces of up to 50,000-60,000 persons capable of the full range of Petersberg tasks;
   - new political and military bodies and structures will be established within the Council to enable the Union to ensure the necessary political guidance and strategic direction to such operations, while respecting the single institutional framework;
   - modalities will be developed for full consultation, cooperation and transparency between the EU and NATO, taking into account the needs of all EU Member States;
   - appropriate arrangements will be defined that would allow, while respecting the Union's decision-making autonomy, non-EU European NATO members and other interested States to contribute to EU military crisis management;
• a non-military crisis management mechanism will be established to coordinate and make more effective the various civilian means and resources, in parallel with the military ones, at the disposal of the Union and the Member States.

29. The European Council asks the incoming Presidency, together with the Secretary-General/High Representative, to carry work forward in the General Affairs Council on all aspects of the reports as a matter of priority, including conflict prevention and a committee for civilian crisis management. The incoming Presidency is invited to draw up a first progress report to the Lisbon European Council and an overall report to be presented to the Feira European Council containing appropriate recommendations and proposals, as well as an indication of whether or not Treaty amendment is judged necessary. The General Affairs Council is invited to begin implementing these decisions by establishing as of March 2000 the agreed interim bodies and arrangements within the Council, in accordance with the current Treaty provisions.

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III. A COMPETITIVE, JOB-GENERATING, SUSTAINABLE ECONOMY

Policy coordination for economic growth and job creation

30. Economic recovery in the Union has gathered momentum and become increasingly widespread. It is based on sound fundamentals: investment conditions are favourable, inflation remains low and public finances have improved. New jobs are being created and unemployment, while at an unacceptably high level, is on a downward trend. This favourable outlook is supported by the successful introduction of the euro, and should continue to be underpinned by Member States' efforts geared to fiscal consolidation and economic reform, in particular liberalisation and tax reform, as well as wage developments consistent with price stability and job creation.

31. Demographic changes will require policies on active ageing and increased efficiency in the public and private sectors to manage the economic burden of such changes. The ongoing globalisation process intensifies competition and the need to foster innovation and structural reform. The Union and the Member States must actively promote more widespread use of new technologies and develop the information society to support competitiveness, employment and social cohesion. The link between economic and social development underlines the importance of guaranteeing the existence of adequate social safety nets.

32. The European Council welcomes the report on economic policy coordination by the Council and stresses its major importance in reinforcing coordination of economic, employment and structural policies in order to exploit fully the potential of the single market and the single currency. Emphasis should now be placed on effectively applying and streamlining existing processes and arrangements and on closely monitoring policy implementation. The Broad Economic Policy Guidelines provide the framework for the definition of overall policy objectives and orientations. The synergy between these Guidelines, the Employment Guidelines and the monitoring of structural reform should be further developed under the political guidance of the European Council. While ensuring coherence between the different formations of the Council, the role of the ECOFIN Council in economic policy coordination should be enhanced. Cooperation related to the shared
responsibilities for the single currency should be further developed within Euro 11, respecting the conclusions of the December 1997 Luxembourg European Council.

33. The special meeting of the European Council in Lisbon on 23/24 March 2000 will provide an opportunity to further develop these issues by examining the objectives of the existing processes and instruments aimed at strengthening employment, economic reform and social cohesion in the framework of a knowledge-based economy.

The tax package

34. All citizens resident in a Member State of the European Union should pay the tax due on all their savings income.

35. In examining how best we in Europe can pursue the application of this principle, the European Council has agreed that a High Level Working Group will consider specifically how the principle can be implemented most effectively and whether, as a starting point for these considerations, the paper of 7 December 1999 put forward by the Presidency and the Commission offers a way forward.

36. It shall also consider the proposals put forward by the UK, including exchange of information.

37. In its consideration the Working Group will take account of all decisions of the Council including the approaches set out in the paper of 29 November 1999.

38. It will provide a report to the Council with possible solutions on the issues set out above and on the Code of Conduct and the Directive on Interest and Royalties as a package, and the Council will report to the European Council in June 2000 at the latest.

Employment

39. Under the Luxembourg process, Member States have, for the past two years, been transposing the Employment Guidelines into national action plans. The positive results are apparent. The European Council welcomes the Commission’s proposal for Employment Guidelines for 2000 as well as the recommendations to individual Member States which provide support for addressing employment challenges in their National Action Plans. It endorses the outcome of the joint meeting of the Council (ECOFIN and Labour and Social Affairs) on these Guidelines and Recommendations. In this process, the increased involvement of both the social partners and the European Parliament, which has been formally consulted on the Employment Guidelines for the first time, is of a particular importance.

40. In undertaking labour market reforms, Member States should pay particular attention in their National Action Plans to the tax and benefit systems, service sector employment, organisation of work, life-long learning and equal opportunities for women and men.

41. Progress has been made in drawing up and using employment performance indicators and related data. The European Council invites the Member States and the Commission to develop further their work in this field.
42. An internal market that operates at the optimal level is of vital importance for the competitiveness of Europe’s companies, and for growth and employment. Improving the functioning of product, services and capital markets is a key element in the process of comprehensive economic reform. The Commission’s Communication on a Strategy for Europe’s Internal Market is welcomed as an important contribution to this end. The Commission and the Council are invited to develop and clarify the role, objectives and measures of a comprehensive competitiveness policy for the European Union, within the area of co-ordination of economic policies.

43. Effective application of information and communication technologies plays a crucial role in global competition. The Cologne European Council has set the objective for Europe to take a leading role in the information society which calls for further investment in innovation research and education. Particular emphasis must be placed on the need to meet the growing demands placed on labour markets by the information society.

44. A well-functioning electronic market requires an open and competitive telecommunications market and legislation that supports electronic business while taking into account the interests of both enterprises and consumers. The European Council notes the recent progress achieved in creating legislation on electronic commerce and urges the Council to conclude unfinished work in this area. The Commission is invited to prepare without delay proposals on necessary changes to Community legislation on communications brought about by technical and market development.

45. The European Council welcomes the e-Europe initiative launched by the Commission as a way of turning Europe into a genuine information society for all. The European Council invites the Commission, together with the Council, to prepare the e-Europe Action Plan, to provide a progress report to the Lisbon Special European Council on 23/24 March 2000 and to conclude the Action Plan by June 2000.

Environment and sustainable development

46. The strategies for integrating the environmental dimension into agriculture, transport and energy sectors have been agreed. Work on similar strategies has started in the Internal Market, Development and Industry Councils, which have already made initial reports available, as well as in the General Affairs, ECOFIN and Fisheries Councils. The Council is asked to bring all of this work to a conclusion and submit to the European Council in June 2001 comprehensive strategies with the possibility of including a timetable for further measures and a set of indicators for these sectors.

47. The completion of sectoral strategies should be followed by their immediate implementation. Regular evaluation, follow-up and monitoring must be undertaken so that the strategies can be adjusted and deepened. The Commission and the Council are urged to develop adequate instruments and applicable data for these purposes.

48. Preparations in relation to policies and measures, including national and Community law, should continue in a manner that would enable the prerequisites to be established for ratifying the Kyoto Protocol both by the European Community and the Member States before 2002. The European Council urges all parties to the Convention to achieve ratification by 2002 so it
can enter into force. Integrating environmental issues and sustainable development into the definition and implementation of policies is a central factor in fulfilling the Community’s commitments under the Kyoto Protocol. Every effort will be made so that the Hague Conference reaches coherent and credible decisions.


50. The Commission is invited to prepare a proposal for a long-term strategy dovetailing policies for economically, socially and ecologically sustainable development to be presented to the European Council in June 2001. This strategy will also serve as a Community input for the ten year review of the Rio Process scheduled for 2002.

IV. OTHER INTERNAL POLICIES WITH A DIRECT IMPACT ON CITIZENS

Public health and food safety

51. The European Council recalls the need to ensure a high level of human health protection in the definition of all Community policies. Particular attention must be given to ensuring healthy and high quality food for all citizens by improving quality standards and enhancing control systems covering the whole of the food chain, from the farm to consumers. The European Council asks the Council to examine as a matter of urgency the forthcoming Commission White Paper on food safety, which will also provide for the possible establishment of an independent food agency and support for national food safety measures, as well as its communication on the precautionary principle. The incoming Presidency will present to the Feira European Council a report on the progress already accomplished.

 Fight against organised crime and drugs

52. The European Council has taken note of the report on the finalisation and evaluation of the Action Plan to combat organised crime adopted at its meeting in Amsterdam in 1997. In the light of the Tampere conclusions, it calls upon the Council to follow up this Action Plan with an EU Strategy for preventing and combating organised crime.

53. The European Council takes note of the European Union Drugs Strategy 2000-2004. It invites the institutions and bodies concerned by the strategy to proceed rapidly with implementation and report on the initial results by the end of 2002.

V. EXTERNAL RELATIONS
54. New momentum has been injected into the Union's common foreign and security policy with the arrival in office of the Secretary-General/High Representative, Mr Javier Solana. Further possibilities for action are now afforded by Common Strategies which will enable maximum coherence, added value and efficiency in the Union's external action, including appropriate use of the provisions of the Amsterdam Treaty on qualified majority voting on matters of common foreign and security policy implementation. The European Council invites the Council, on the basis of input from the Secretary-General/High Representative and the Commission, to take the necessary steps to ensure that optimum use is made of all the various means at the Union's disposal for more effective and comprehensive external action by the Union.

Chechnya

55. The European Council adopted on 10 December 1999 a separate Declaration on Chechnya (see Annex II).

Common strategies

56. The European Council has decided on a Common Strategy of the European Union on Ukraine (see Annex V). In so doing, the European Council underlines the importance it attaches to the emergence of a democratic, stable, open, and economically successful Ukraine as a prominent actor in the new Europe. The Common Strategy takes account of Ukraine's European aspirations and pro-European choice.

57. The European Council has undertaken a general review of the Union's common strategies. It recalled that in its Declaration on Chechnya it decided that the implementation of the common strategy on Russia should be reviewed. It took note of the advanced state of preparation of the common strategy on the Mediterranean region and the need to continue work on the common strategy on the Western Balkans. It encourages the Council to continue its preparations and to develop the concept of common strategies, as well as the subjects, notably thematic, and timing of further common strategies.

Stability for South-Eastern Europe

58. The Union is determined to have a leading role in promoting stability, security and economic development in South-Eastern Europe in close partnership with the countries of the region and with others under the overall aegis of the Stability Pact. The European Council welcomes the joint report by the Presidency and the Commission emphasising key areas for future work. It invites the Secretary-General/High Representative, together with the Commission, to present to the Council for further urgent consideration a political and economic analysis of future prospects of the region. The European Council also underlines the need for a single regulatory framework for financial assistance which should contribute to more effective action on the ground and cooperation in the region. The European Council expresses its gratitude for the work being undertaken by Mr. Bodo Hombach.

59. The prospect of stabilisation and association agreements should enable closer relations to be developed between all of the states in the region in all areas. Support from the Union will depend on the clear and visible commitment of the states of South Eastern Europe to cooperate in order to achieve the common political priorities. The European Council stresses the major importance of improving relations and removing trade barriers and barriers to the
movement of people between the countries concerned. It recalls the importance of rapid action on clearing the Danube.

60. The Union wishes to assist the democratisation of the Federal Republic of Yugoslavia (FRY) as part of its efforts to stabilise South-Eastern Europe. It will intensify dialogue with Serbian democratic forces, as well as the democratically elected government of Montenegro. The Union will pursue further ways of supporting Montenegro's political and economic reform programme.

61. The Union is committed to rehabilitation and reconstruction in Kosovo. It welcomes the Reconstruction and Recovery Programme for Kosovo and the Union's pledge of 500 million euros starting from year 2000 for reconstruction, in addition to the national contributions from the Member States. UN Security Council resolution 1244 must be fully implemented in all its aspects by all the parties. Non-compliance with UNMIK's mandate and lack of cooperation with KFOR will have serious consequences for the EU's commitment in Kosovo. In this context, the European Council expresses its gratitude for the work being undertaken by Mr Bernard Kouchner.

The Northern Dimension

62. The European Council welcomes the conclusions of the Foreign Ministers' Conference on the Northern Dimension held 11 and 12 November 1999 in Helsinki and the intention of the future Swedish Presidency to organise a high-level follow-up. The European Council invites the Commission to prepare, in cooperation with the Council and in consultation with the partner countries, an Action Plan for the Northern Dimension in the external and cross-border policies of the European Union with a view to presenting it for endorsement at the Feira European Council in June 2000.

Mexico

63. The European Council welcomes the conclusion of negotiations on a Free Trade Agreement with Mexico.

Human Rights

64. The European Council takes note of the Presidency's report on human rights and welcomes the follow-up to the measures suggested in the European Union declaration of 10 December 1998. The European Council invites the Council, the Commission and the Member States to continue actively to pursue these measures and further develop the format and the contents of the Annual Report on Human Rights and the Annual Human Rights Discussion Forum and examine the need for strengthening analysis and evaluation in the area of human rights. In this context regular dialogue with civil society on human rights is encouraged.

65. The European Council reaffirms the importance of equal enjoyment of human rights by all individuals. Special attention should be paid to the improvement of the situation of those groups which do not form a majority in any State, including the Roma. The European Union is committed to working to achieve this objective together with the Council of Europe and the OSCE.
Middle East Peace Process

66. The European Council welcomes the renewed momentum towards just, comprehensive and lasting peace in the Middle East and reaffirms the Union's full support for it.

67. The European Council particularly welcomes the courageous decision of President Assad and Prime Minister Barak to resume negotiations on the Syrian track in Washington in mid-December. It looks forward to early agreement between Israel and Syria which should pave the way for resuming negotiations and for a solution also on the Lebanese track.

68. The European Council emphasises the importance of the measures taken so far by Israel and the Palestinians to implement the Sharm El-Sheikh Understanding. Steady progress should be secured with timely implementation of all the obligations taken by the parties to the agreement. The European Council calls on both parties to refrain from all unilateral acts.

69. All parties to the Multilateral Track of the Peace Process are invited to work for full and early resumption of activities in that field. Parallel progress on all the tracks should be in the interests of all in the present phase of the peace process.

WTO

70. The European Council regrets the failure of the WTO Ministerial Conference in Seattle. It reaffirms its commitment to the existing multilateral trading system and to a comprehensive round of multilateral trade negotiations. It endorses the conclusions of the General Affairs Council of 3 December 1999.

Macao

71. On the eve of the transition in Macao, the European Council emphasises the importance it attaches to Macao's stability and prosperity as a Special Administrative Region (SAR) of China, as well as to preserving its specific identity and its people's rights and freedoms, as set out in the Sino-Portuguese Joint Declaration of 1987 and the Basic Law of the SAR.

VI. NORTHERN IRELAND

72. The European Council welcomes devolution to Northern Ireland and the establishment of the British-Irish and North-South institutions under the Good Friday Agreement, recognising that these developments represent very significant progress towards full implementation of the Agreement. The European Council congratulates the political parties, the United Kingdom and the Irish Governments and Senator George Mitchell on achieving this progress. The European Council reaffirms its political and practical support for Northern Ireland and for cooperation between North and South.