

PRESIDENCY CONCLUSIONS

EUROPEAN COUNCIL MEETING IN LAEKEN

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.

**ANNEXES TO
PRESIDENCY CONCLUSIONS**

EUROPEAN COUNCIL MEETING IN LAEKEN

14 AND 15 DECEMBER 2001

ANNEXES

Annex I	Laeken Declaration on the future of the European Union.....	Page 2
Annex II	Declaration on the operational capability of the Common European Security and Defence Policy	Page 10
Annex III	Declaration on the situation in the Middle East.....	Page 13
Annex IV	Documents submitted to the Laeken European Council.....	Page 15

**LAEKEN DECLARATION
ON THE FUTURE OF THE EUROPEAN UNION**

I. EUROPE AT A CROSSROADS

For centuries, peoples and states have taken up arms and waged war to win control of the European continent. The debilitating effects of two bloody wars and the weakening of Europe's position in the world brought a growing realisation that only peace and concerted action could make the dream of a strong, unified Europe come true. In order to banish once and for all the demons of the past, a start was made with a coal and steel community. Other economic activities, such as agriculture, were subsequently added in. A genuine single market was eventually established for goods, persons, services and capital, and a single currency was added in 1999. On 1 January 2002 the euro is to become a day-to-day reality for 300 million European citizens.

The European Union has thus gradually come into being. In the beginning, it was more of an economic and technical collaboration. Twenty years ago, with the first direct elections to the European Parliament, the Community's democratic legitimacy, which until then had lain with the Council alone, was considerably strengthened. Over the last ten years, construction of a political union has begun and cooperation been established on social policy, employment, asylum, immigration, police, justice, foreign policy and a common security and defence policy.

The European Union is a success story. For over half a century now, Europe has been at peace. Along with North America and Japan, the Union forms one of the three most prosperous parts of the world. As a result of mutual solidarity and fair distribution of the benefits of economic development, moreover, the standard of living in the Union's weaker regions has increased enormously and they have made good much of the disadvantage they were at.

Fifty years on, however, the Union stands at a crossroads, a defining moment in its existence. The unification of Europe is near. The Union is about to expand to bring in more than ten new Member States, predominantly Central and Eastern European, thereby finally closing one of the darkest chapters in European history: the Second World War and the ensuing artificial division of Europe. At long last, Europe is on its way to becoming one big family, without bloodshed, a real transformation clearly calling for a different approach from fifty years ago, when six countries first took the lead.

The democratic challenge facing Europe

At the same time, the Union faces twin challenges, one within and the other beyond its borders.

Within the Union, the European institutions must be brought closer to its citizens. Citizens undoubtedly support the Union's broad aims, but they do not always see a connection between those goals and the Union's everyday action. They want the European institutions to be less unwieldy and rigid and, above all, more efficient and open. Many also feel that the Union should involve itself more with their particular concerns, instead of intervening, in every detail, in matters by their nature better left to Member States' and regions' elected representatives. This is even perceived by some as a threat to their identity. More importantly, however, they feel that deals are all too often cut out of their sight and they want better democratic scrutiny.

Europe's new role in a globalised world

Beyond its borders, in turn, the European Union is confronted with a fast-changing, globalised world. Following the fall of the Berlin Wall, it looked briefly as though we would for a long while be living in a stable world order, free from conflict, founded upon human rights. Just a few years later, however, there is no such certainty. The eleventh of September has brought a rude awakening. The opposing forces have not gone away: religious fanaticism, ethnic nationalism, racism and terrorism are on the increase, and regional conflicts, poverty and underdevelopment still provide a constant seedbed for them.

What is Europe's role in this changed world? Does Europe not, now that it is finally unified, have a leading role to play in a new world order, that of a power able both to play a stabilising role worldwide and to point the way ahead for many countries and peoples? Europe as the continent of humane values, the Magna Carta, the Bill of Rights, the French Revolution and the fall of the Berlin Wall; the continent of liberty, solidarity and above all diversity, meaning respect for others' languages, cultures and traditions. The European Union's one boundary is democracy and human rights. The Union is open only to countries which uphold basic values such as free elections, respect for minorities and respect for the rule of law.

Now that the Cold War is over and we are living in a globalised, yet also highly fragmented world, Europe needs to shoulder its responsibilities in the governance of globalisation. The role it has to play is that of a power resolutely doing battle against all violence, all terror and all fanaticism, but which also does not turn a blind eye to the world's heartrending injustices. In short, a power wanting to change the course of world affairs in such a way as to benefit not just the rich countries but also the poorest. A power seeking to set globalisation within a moral framework, in other words to anchor it in solidarity and sustainable development.

The expectations of Europe's citizens

The image of a democratic and globally engaged Europe admirably matches citizens' wishes. There have been frequent public calls for a greater EU role in justice and security, action against cross-border crime, control of migration flows and reception of asylum seekers and refugees from far-flung war zones. Citizens also want results in the fields of employment and combating poverty and social exclusion, as well as in the field of economic and social cohesion. They want a common

approach on environmental pollution, climate change and food safety, in short, all transnational issues which they instinctively sense can only be tackled by working together. Just as they also want to see Europe more involved in foreign affairs, security and defence, in other words, greater and better coordinated action to deal with trouble spots in and around Europe and in the rest of the world.

At the same time, citizens also feel that the Union is behaving too bureaucratically in numerous other areas. In coordinating the economic, financial and fiscal environment, the basic issue should continue to be proper operation of the internal market and the single currency, without this jeopardising Member States' individuality. National and regional differences frequently stem from history or tradition. They can be enriching. In other words, what citizens understand by "good governance" is opening up fresh opportunities, not imposing further red tape. What they expect is more results, better responses to practical issues and not a European superstate or European institutions inveigling their way into every nook and cranny of life.

In short, citizens are calling for a clear, open, effective, democratically controlled Community approach, developing a Europe which points the way ahead for the world. An approach that provides concrete results in terms of more jobs, better quality of life, less crime, decent education and better health care. There can be no doubt that this will require Europe to undergo renewal and reform.

II. CHALLENGES AND REFORMS IN A RENEWED UNION

The Union needs to become more democratic, more transparent and more efficient. It also has to resolve three basic challenges: how to bring citizens, and primarily the young, closer to the European design and the European institutions, how to organise politics and the European political area in an enlarged Union and how to develop the Union into a stabilising factor and a model in the new, multipolar world. In order to address them a number of specific questions need to be put.

A better division and definition of competence in the European Union

Citizens often hold expectations of the European Union that are not always fulfilled.

And vice versa – they sometimes have the impression that the Union takes on too much in areas where its involvement is not always essential. Thus the important thing is to clarify, simplify and adjust the division of competence between the Union and the Member States in the light of the new challenges facing the Union. This can lead both to restoring tasks to the Member States and to assigning new missions to the Union, or to the extension of existing powers, while constantly bearing in mind the equality of the Member States and their mutual solidarity.

A first series of questions that needs to be put concerns how the division of competence can be made more transparent. Can we thus make a clearer distinction between three types of competence: the exclusive competence of the Union, the competence of the Member States and the shared competence of the Union and the Member States? At what level is competence exercised in the

most efficient way? How is the principle of subsidiarity to be applied here? And should we not make it clear that any powers not assigned by the Treaties to the Union fall within the exclusive sphere of competence of the Member States? And what would be the consequences of this?

The next series of questions should aim, within this new framework and while respecting the "acquis communautaire", to determine whether there needs to be any reorganisation of competence. How can citizens' expectations be taken as a guide here? What missions would this produce for the Union? And, vice versa, what tasks could better be left to the Member States? What amendments should be made to the Treaty on the various policies? How, for example, should a more coherent common foreign policy and defence policy be developed? Should the Petersberg tasks be updated? Do we want to adopt a more integrated approach to police and criminal law cooperation? How can economic-policy coordination be stepped up? How can we intensify cooperation in the field of social inclusion, the environment, health and food safety? But then, should not the day-to-day administration and implementation of the Union's policy be left more emphatically to the Member States and, where their constitutions so provide, to the regions? Should they not be provided with guarantees that their spheres of competence will not be affected?

Lastly, there is the question of how to ensure that a redefined division of competence does not lead to a creeping expansion of the competence of the Union or to encroachment upon the exclusive areas of competence of the Member States and, where there is provision for this, regions. How are we to ensure at the same time that the European dynamic does not come to a halt? In the future as well the Union must continue to be able to react to fresh challenges and developments and must be able to explore new policy areas. Should Articles 95 and 308 of the Treaty be reviewed for this purpose in the light of the "acquis jurisprudentiel"?

Simplification of the Union's instruments

Who does what is not the only important question; the nature of the Union's action and what instruments it should use are equally important. Successive amendments to the Treaty have on each occasion resulted in a proliferation of instruments, and directives have gradually evolved towards more and more detailed legislation. The key question is therefore whether the Union's various instruments should not be better defined and whether their number should not be reduced.

In other words, should a distinction be introduced between legislative and executive measures? Should the number of legislative instruments be reduced: directly applicable rules, framework legislation and non-enforceable instruments (opinions, recommendations, open coordination)? Is it or is it not desirable to have more frequent recourse to framework legislation, which affords the Member States more room for manoeuvre in achieving policy objectives? For which areas of competence are open coordination and mutual recognition the most appropriate instruments? Is the principle of proportionality to remain the point of departure?

More democracy, transparency and efficiency in the European Union

The European Union derives its legitimacy from the democratic values it projects, the aims it pursues and the powers and instruments it possesses. However, the European project also derives

its legitimacy from democratic, transparent and efficient institutions. The national parliaments also contribute towards the legitimacy of the European project. The declaration on the future of the Union, annexed to the Treaty of Nice, stressed the need to examine their role in European integration. More generally, the question arises as to what initiatives we can take to develop a European public area.

The first question is thus how we can increase the democratic legitimacy and transparency of the present institutions, a question which is valid for the three institutions.

How can the authority and efficiency of the European Commission be enhanced? How should the President of the Commission be appointed: by the European Council, by the European Parliament or should he be directly elected by the citizens? Should the role of the European Parliament be strengthened? Should we extend the right of co-decision or not? Should the way in which we elect the members of the European Parliament be reviewed? Should a European electoral constituency be created, or should constituencies continue to be determined nationally? Can the two systems be combined? Should the role of the Council be strengthened? Should the Council act in the same manner in its legislative and its executive capacities? With a view to greater transparency, should the meetings of the Council, at least in its legislative capacity, be public? Should citizens have more access to Council documents? How, finally, should the balance and reciprocal control between the institutions be ensured?

A second question, which also relates to democratic legitimacy, involves the role of national parliaments. Should they be represented in a new institution, alongside the Council and the European Parliament? Should they have a role in areas of European action in which the European Parliament has no competence? Should they focus on the division of competence between Union and Member States, for example through preliminary checking of compliance with the principle of subsidiarity?

The third question concerns how we can improve the efficiency of decision-making and the workings of the institutions in a Union of some thirty Member States. How could the Union set its objectives and priorities more effectively and ensure better implementation? Is there a need for more decisions by a qualified majority? How is the co-decision procedure between the Council and the European Parliament to be simplified and speeded up? What of the six-monthly rotation of the Presidency of the Union? What is the future role of the European Parliament? What of the future role and structure of the various Council formations? How should the coherence of European foreign policy be enhanced? How is synergy between the High Representative and the competent Commissioner to be reinforced? Should the external representation of the Union in international fora be extended further?

Towards a Constitution for European citizens

The European Union currently has four Treaties. The objectives, powers and policy instruments of the Union are currently spread across those Treaties. If we are to have greater transparency, simplification is essential.

Four sets of questions arise in this connection. The first concerns simplifying the existing Treaties without changing their content. Should the distinction between the Union and the Communities be reviewed? What of the division into three pillars?

Questions then arise as to the possible reorganisation of the Treaties. Should a distinction be made between a basic treaty and the other treaty provisions? Should this distinction involve separating the texts? Could this lead to a distinction between the amendment and ratification procedures for the basic treaty and for the other treaty provisions?

Thought would also have to be given to whether the Charter of Fundamental Rights should be included in the basic treaty and to whether the European Community should accede to the European Convention on Human Rights.

The question ultimately arises as to whether this simplification and reorganisation might not lead in the long run to the adoption of a constitutional text in the Union. What might the basic features of such a constitution be? The values which the Union cherishes, the fundamental rights and obligations of its citizens, the relationship between Member States in the Union?

III. CONVENING OF A CONVENTION ON THE FUTURE OF EUROPE

In order to pave the way for the next Intergovernmental Conference as broadly and openly as possible, the European Council has decided to convene a Convention composed of the main parties involved in the debate on the future of the Union. In the light of the foregoing, it will be the task of that Convention to consider the key issues arising for the Union's future development and try to identify the various possible responses.

The European Council has appointed Mr V. Giscard d'Estaing as Chairman of the Convention and Mr G. Amato and Mr J.L. Dehaene as Vice-Chairmen.

Composition

In addition to its Chairman and Vice-Chairmen, the Convention will be composed of 15 representatives of the Heads of State or Government of the Member States (one from each Member State), 30 members of national parliaments (two from each Member State), 16 members of the European Parliament and two Commission representatives. The accession candidate countries will be fully involved in the Convention's proceedings. They will be represented in the same way as the current Member States (one government representative and two national parliament members) and will be able to take part in the proceedings without, however, being able to prevent any consensus which may emerge among the Member States.

The members of the Convention may only be replaced by alternate members if they are not present. The alternate members will be designated in the same way as full members.

The Praesidium of the Convention will be composed of the Convention Chairman and Vice-Chairmen and nine members drawn from the Convention (the representatives of all the governments holding the Council Presidency during the Convention, two national parliament representatives, two European Parliament representatives and two Commission representatives).

Three representatives of the Economic and Social Committee with three representatives of the European social partners; from the Committee of the Regions: six representatives (to be appointed by the Committee of the Regions from the regions, cities and regions with legislative powers), and

the European Ombudsman will be invited to attend as observers. The Presidents of the Court of Justice and of the Court of Auditors may be invited by the Praesidium to address the Convention.

Length of proceedings

The Convention will hold its inaugural meeting on 1 March 2002, when it will appoint its Praesidium and adopt its rules of procedure. Proceedings will be completed after a year, that is to say in time for the Chairman of the Convention to present its outcome to the European Council.

Working methods

The Chairman will pave the way for the opening of the Convention's proceedings by drawing conclusions from the public debate. The Praesidium will serve to lend impetus and will provide the Convention with an initial working basis.

The Praesidium may consult Commission officials and experts of its choice on any technical aspect which it sees fit to look into. It may set up ad hoc working parties.

The Council will be kept informed of the progress of the Convention's proceedings. The Convention Chairman will give an oral progress report at each European Council meeting, thus enabling Heads of State or Government to give their views at the same time.

The Convention will meet in Brussels. The Convention's discussions and all official documents will be in the public domain. The Convention will work in the Union's eleven working languages.

Final document

The Convention will consider the various issues. It will draw up a final document which may comprise either different options, indicating the degree of support which they received, or recommendations if consensus is achieved.

Together with the outcome of national debates on the future of the Union, the final document will provide a starting point for discussions in the Intergovernmental Conference, which will take the ultimate decisions.

Forum

In order for the debate to be broadly based and involve all citizens, a Forum will be opened for organisations representing civil society (the social partners, the business world, non-governmental organisations, academia, etc.). It will take the form of a structured network of organisations receiving regular information on the Convention's proceedings. Their contributions will serve as input into the debate. Such organisations may be heard or consulted on specific topics in accordance with arrangements to be established by the Praesidium.

Secretariat

The Praesidium will be assisted by a Convention Secretariat, to be provided by the General Secretariat of the Council, which may incorporate Commission and European Parliament experts.

**DECLARATION ON THE OPERATIONAL CAPABILITY
OF THE COMMON EUROPEAN SECURITY AND
DEFENCE POLICY**

- (A) At Nice and Göteborg, the European Council undertook to make the European Union quickly operational in this field and to take a decision to that end no later than at the European Council in Laeken. The extraordinary European Council meeting on 21 September 2001 reaffirmed the objective: "it is by developing the Common Foreign and Security Policy (CFSP) and by making the European Security and Defence Policy (ESDP) operational at the earliest opportunity that the Union will be most effective".

Through the continuing development of the ESDP, the strengthening of its capabilities, both civil and military, and the creation of the appropriate EU structures, the EU is now able to conduct some crisis-management operations. The Union will be in a position to take on progressively more demanding operations, as the assets and capabilities at its disposal continue to develop. Decisions to make use of this ability will be taken in the light of the circumstances of each particular situation, a determining factor being the assets and capabilities available.

- (B) Such a capability to act results from the substantial progress that has been accomplished since the European Councils in Cologne and Helsinki.

CAPABILITIES

The conferences on military and police capabilities have enabled progress to be made towards the achievement of the capability objectives. The Member States have made voluntary contributions on the basis of national decisions. The development of military capabilities does not imply the creation of a European army. Non-EU European Member States of NATO and other candidates for accession to the European Union have made highly valuable additional military and police contributions, with the aim of enhancing European capabilities.

STRUCTURES AND PROCEDURES

On the basis of the approved exercise policy and programme, the Union has begun to test its structures and procedures relating to civilian and military crisis-management operations. The European Union has established crisis-management structures and procedures which enable it to analyse and plan, to take decisions and, where NATO as such is not involved, to launch and carry out military crisis-management operations.

ARRANGEMENTS BETWEEN THE EUROPEAN UNION AND NATO

The Union's crisis-management capability has been strengthened by the development of consultations, cooperation and transparency between the two organisations in crisis management in the Western Balkans.

ARRANGEMENTS WITH ITS PARTNERS

The implementation of the arrangements with the non-EU European Member States of NATO and other candidates for accession to the European Union and with Canada, Russia and Ukraine has been taken further.

- (C) To enable the European Union to carry out crisis-management operations over the whole range of Petersberg tasks, including operations which are the most demanding in terms of breadth, period of deployment and complexity, substantial progress will have to be made:

BALANCED DEVELOPMENT OF MILITARY AND CIVILIAN CAPABILITIES

The balanced development of military and civilian capabilities is necessary for effective crisis management by the Union: this implies close coordination between all the resources and instruments both civilian and military available to the Union.

The strengthening of military capabilities in accordance with the European Action Plan to remedy shortcomings identified and the implementation of the exercise policy will be necessary to enable the Union progressively to carry out more complex operations. The importance of adopting the planned mechanism for the development of military capabilities should be emphasised, in particular to avoid all unnecessary duplication and, for the Member States concerned, to take into account NATO's defence planning process and the planning and review process of the Partnership for Peace (PARP).

The Police Action Plan will be implemented to enable the Union to be capable in the near future of carrying out police operations. The Union will continue its efforts to develop means of rapidly achieving and implementing concrete targets in the following priority areas: rule of law, civilian administration and civil protection.

To achieve these objectives, the Union, and in particular the Ministers responsible, will seek solutions and new forms of cooperation in order to develop the necessary capabilities, in accordance with this report, making optimum use of resources.

FINALISATION OF THE ARRANGEMENTS WITH NATO

The Union intends to finalise the security arrangements with NATO and conclude the agreements on guaranteed access to the Alliance's operational planning, presumption of availability of pre-identified assets and capabilities of NATO and identification of a series of command options made available to the Union. These agreements are essential for the ESDP and will substantially increase the Union's available capabilities.

IMPLEMENTATION OF THE ARRANGEMENTS WITH ITS PARTNERS

The full and complete implementation of the Nice arrangements with the 15 and the 6, their additional contribution to the civilian and military capabilities and their participation in a crisis-management operation in accordance with those arrangements (in particular by setting up a Committee of Contributors in the event of an operation) will appreciably strengthen crisis-management operations carried out by the European Union.

DECLARATION ON THE SITUATION IN THE MIDDLE EAST

The extreme gravity of the situation in the Middle East requires each side to face up to its responsibilities: it is imperative to put an end to the violence.

The only basis for peace is UN Resolutions 242 and 338 and:

- reaffirmation and full recognition of Israel's inalienable right to live in peace and security within internationally recognised borders.
- the establishment of a viable, independent and democratic Palestinian state and an end to the occupation of Palestinian territories.

Israel needs the Palestinian Authority and its elected President, Yasser Arafat, as a partner to negotiate with, both in order to eradicate terrorism and to work towards peace. Its capacity to fight terrorism must not be weakened. The European Union renews its appeal to the Palestinian Authority to do everything to prevent acts of terrorism.

The European Union would remind the parties of the pledges demanded of them:

- The Palestinian Authority: the dismantling of Hamas' and Islamic Jihad's terrorist networks, including the arrest and prosecution of all suspects; a public appeal in Arabic for an end to the armed intifada.
- The Israeli Government: withdrawal of its military forces and a stop to extrajudicial executions; the lifting of closures and of all the restrictions imposed on the Palestinian people; a freeze on settlements and an end to operations directed against Palestinian infrastructures.

Implementation of these commitments requires resolute action by both the Palestinian Authority and Israel.

Immediate and unconditional implementation of the Tenet cease-fire plan and the Mitchell Committee recommendations remains the only way to resume political dialogue.

The European Union remains convinced that setting up a third-party monitoring mechanism would serve the interests of both parties. It is prepared to play an active role in such a mechanism.

Resolute and concerted action by the European Union, the United Nations, the United States, the Russian Federation and the Arab countries most concerned is essential and urgent. The European Council has mandated High Representative Javier Solana to continue appropriate contacts to this end.

The Union attaches great importance to an economic recovery programme focused on Palestine as a way of encouraging peace.

The European Union will continue its efforts to ensure that both States, Israel and Palestine, can live side by side in peace and security.

Peace in the Middle East can be comprehensive only if it includes Syria and Lebanon.

**DOCUMENTS SUBMITTED TO THE
LAEKEN EUROPEAN COUNCIL**

- Strategy paper and Commission Report on the progress towards accession by each of the candidate countries
(14117/01)
- Conclusions of the Council (General Affairs) of 10 December 2001 on enlargement
(15059/01) + REV 1 (en))
- Report from the Presidency on European Union action following the attacks in the United States
(14919/1/01 REV 1)
- Report from the Presidency on ESDP
(15193/01) + COR 1 (de))
- Report from the Presidency on evaluation of the implementation of the Tampere conclusions
(14926/01 + COR 1 (fr) + COR 2 (it))
- Commission communication on the biannual update of the scoreboard to review progress on the creation of an area of freedom, security and justice in the European Union (second half of 2001)
(13554/01)
- Conclusions of the Council (Internal Market, Consumer Affairs and Tourism) on services of general interest
(14866/01)
- Commission Report on Services of General Interest
(13235/01)
- Report from the Presidency on the progress of work on the tax package
(14976/01)
- Report from the Presidency on the taxation of energy products
(13778/1/01 REV 1)
- Report from the Presidency on the internal market in electricity and gas
(14943/01 + COR 1 (fr es))
- Report from the Council (ECOFIN) on the economic situation
(15232/01)

- Report from the Council (ECOFIN) to the European Council on the taxation of savings
(15325/01 + COR 1 (fr))
- Council conclusions on environment-related headline indicators for sustainable development with a view to monitoring progress in the implementation of the EU Sustainable Development Strategy
(14589/01 + COR 1 (en))
- Conclusion of the Council (Environment) on the strategy for sustainable development (follow-up of the environment-related aspects of Göteborg)
(15280/01)
- Conclusions of the Council (Environment) on international environmental governance
(15281/01)
- Joint Employment Report (Council/Commission) 2001
(13421/01)
- Council (Employment and Social Policy) Decision on Guidelines for Member States' employment policies for the year 2002
(14912/01 + COR 1(en))
- Commission Recommendation for a Council Recommendation on the implementation of Member States' employment policies
(14911/01)
- Conclusions of the Council (Employment and Social Policy): Employment and social policies: a framework for investing in quality (Indicators of quality in work)
(14913/01 + ADD 1)
- Commission Communication: Employment and social policies: a framework for investing in quality - Report by the Employment Committee
(14263/01)
- Joint Report from the Social Protection Committee and the Economic Policy Committee on objectives and working methods in the area of pensions
(14098/01 + COR 1 (nl))
- Commission communication on future trends in social protection in the long-term: safe and sustainable pensions
(10672/01)
- Report from the Social Protection Committee on indicators in the field of poverty and social exclusion
(13509/01 + ADD 1 REV 2)

- Joint Report from the Commission and the Council on Social Inclusion
(15223/01 + COR 1 (it) + COR 2 (fr) + COR 3 (fi) + ADD 1 + ADD 2)
- Conclusions of the Council (Employment and Social Policy) on the proposal for a Regulation on the coordination of social security systems: Parameters for the modernisation of Regulation (EEC) No 1408/71
(15045/01 + COR 1 (en))
- Conclusions of the Council (Employment and Social Policy) on the proposal for a Regulation on the coordination of social security systems: extension of Regulation (EEC) No 1408/71 to third-country nationals (legal basis)
(15056/01)
- Commission communication: Article 299(2): Implementation of the sustainable development strategy for the outermost regions - Progress report and work programme with a provisional timetable
(15246/01)
- Report from the Mandelkern Group on Better Regulation
(14654/01)
- Commission communication: Simplifying and improving the regulatory environment
(15225/01)
- Commission report: Better lawmaking 2001
(15181/01)
- Preparing the Council for enlargement: Interim report from the Secretary-General/
High Representative
(15100/01)
- Report from the Council (General Affairs) on the implementation of the Common Strategy of the European Union on Ukraine
(15195/01)
