

**EUROPEAN COUNCIL IN COPENHAGEN
21-22 JUNE 1993**

CONCLUSIONS OF THE PRESIDENCY

INTRODUCTION

The European Council welcomed the outcome of the Danish referendum and the prospect of a rapid completion of ratification procedures on the Maastricht Treaty in all Member States. It is determined that this important step should mark the ending of a prolonged period of uncertainty on the Community's direction and be the occasion for the Union to meet with renewed vigour and determination the many challenges with which it is faced internally and externally, making full use of the possibilities offered by the new Treaty. The principles spelled out by the European Councils in Birmingham and Edinburgh regarding Democracy, subsidiarity and openness will guide the implementation of the new Treaty with a view to bringing the Community closer to its citizens.

The European Council in Copenhagen gave special attention, on the one hand, to action aimed at tackling the economic and social problems faced by the Community and particularly the unacceptably high level of unemployment and, on the other hand, to the wide range of issues relating to peace and security in Europe. It recognizes that only by proving that the Community is instrumental in contributing to the security and well-being of all the citizens can the Community count on continued public support for the construction of Europe.

The members of the European Council held an exchange of views with the President of the European Parliament. The discussion took place against the background of the increased political and legislative role which the European Parliament will have under the Treaty of Maastricht. The European Council underlined the

importance of making the best possible use of those provisions

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while fully respecting the institutional balance set out in the Maastricht Treaty. It at the same time stressed the need for national Parliaments to be more closely involved in the Community's activities. It welcomed the growing contacts between national Parliaments and the European Parliament.

1. Growth, Competitiveness and Unemployment

The European Council is deeply concerned about the present unemployment situation and the grave dangers inherent in a development where an increasing number of people in the Community are becoming permanently detached from the labour market. The European Council pledged the determination of the Community and its Member States to restore confidence through the implementation of a clear strategy - covering both the short term and medium to long term - to restore sustainable growth, reinforce the competitiveness of European industry and reduce unemployment.

Short term measures

The European Council agreed that concerted economic action based on the principles set out in "The plan of action of Member States and the Community to promote growth and to combat unemployment" established by the European Council in Edinburgh, should continue to be given the highest priority. It welcomed the initial package of national and Community measures established by the Council (ECO/FIN) at its meeting on 19 April and noted with satisfaction that some Member States have since then implemented new and additional measures with the same objective in mind.

The promotion of investment is crucial.

The European Council agreed that on the national level this objective should be given particular importance by Member States in their national budget planning for 1994. The bringing forward in time of public investment, in particular on infrastructure, environment protection and urban renewal, as well as the promotion of private investment (with special

attention to small and medium sized enterprises and housing), are of particular importance in the present phase of the

economic cycle in Europe. However, lower taxes on labour would enhance European industrial competitiveness. In connection with this, consideration should also be given to fiscal measures to reduce consumption of scarce energy resources.

Although further national action will depend on each Member State's room for manoeuvre, full account should be taken of the multiplier effect of the internal market, which supports national policy aimed at economic recovery, and of the positive effects on national budgets which would result from increased growth.

On the Community level the European Council invited the EIB in cooperation with the Commission to increase by 3 billion ECU the temporary facility of 5 billion ECU agreed in Edinburgh and to extend its duration beyond 1994; 2 billion ECU would be for the transeuropean networks and 1 billion ECU for strengthening the competitiveness of European small and medium-sized enterprises. The Council (ECO/FIN) is invited to examine how the part available for small and medium-sized enterprises could benefit from interest rate subsidies to a maximum of 3 percentage points over five years. The interest subsidy would be linked to employment creation (similar to existing ECSC loans) and would be funded within existing financial perspectives. The European Council will review the amount for the small and medium-sized enterprises facility at its meeting in December in the light of its utilization.

The European Council underlined the importance of a rapid implementation of the Community's structural policy programme for the period 1994-1999. The implementation of this 160 billion ECU programme (equal in real terms to three times the Marshall Aid programme) is essential for cohesion, as well as for growth and employment creation not only in the less favoured areas of the Community but throughout the Community.

The European Council therefore called on the Institutions to ensure the formal adoption before the end of July 1993 of the Structural Funds Regulations. It noted that the President of the European Parliament agreed with this objective. The legal texts as well as the practical implementation should fully respect the agreement reached on the DELORS II package in Edinburgh.

In addition, and in order to boost ahead of schedule the investment projects under the Structural Funds, the European Council agreed that the Council (ECO/FIN) will examine a proposal from the Commission that would enable Member States to draw on a Community "bridging facility" at market interest rates up to a maximum of 5 billion ECU available until the end of 1995. Repayment of this Community loan would be drawn from structural fund appropriations in subsequent years. Similar arrangements could be applied to the Cohesion Fund.

The European Council underlined the importance of fully exploiting the new provisions in the Maastricht Treaty relating to the promotion of Transeuropean networks of the highest quality, in the context of promoting economic and industrial growth, cohesion, the effective functioning of the

internal market and encouraging European industry to make full use of modern information technology. The European Council invited the Commission and the Council to complete by early 1994 the network plans in all the relevant sectors (transport, telecommunications and energy) while noting with satisfaction the progress made on high speed trains, roads, inland waterways and combined transport. It also called on the Council to consider rapidly the Commission proposals on telematic networks. The Council will also examine on a proposal from the Commission the link up between the peripheral Member States and the central regions of the Community.

The extended duration and the increased amount of the Edinburgh temporary facility now agreed will permit a further important contribution to these networks. Transeuropean projects which have received the endorsement of the Community through a "Declaration of Community interest" will be privileged under this instrument and other Community financial instruments.

Medium and long-term measures to promote competitiveness and employment

The European Council agreed that macro-economic policy should be supplemented by structural measures in each Member State adapted to their individual characteristics in order to achieve a significant reduction of the unacceptably high level of unemployment in particular among young people, those unemployed for a long time and the most socially excluded.

The European Council heard an analysis by the President of the Commission on the competitive situation of the European economy. It fully endorsed his diagnosis.

The European Council welcomed the presentation by President Delors of a medium-term European plan for economic revival,

"Entering the 21st century", attached to these conclusions (see Annex I). The European Council invited the Commission to present a white paper on a medium-term strategy for growth, competitiveness and employment for consideration at its meeting of December 1993. Member States will submit to the Commission, before 1 September, proposals for specific elements which might be included in this initiative. The European Council invited the Commission to prepare its white paper in good time for it to be taken into consideration in the preparatory work to be done by the Council (ECO/FIN) with regard to the broad guidelines for economic policy for the Community and its Member States. The social partners will be consulted by the Commission.

The European Council recalled that under the provisions of the Treaty on European Union it has to examine such guidelines. It invited the Council (ECO/FIN) on a proposal from the Commission to submit to the European Council in Brussels in December draft guidelines based on the objectives set out in the previous paragraphs concerning both short-term and medium-term aspects, with a view to promoting sustainable non-inflationary growth respecting the environment.

Monetary and Exchange rate policy

Monetary policy and exchange rate stability are key factors in both the short and medium-term components of a strategy to restore growth and reduce unemployment. The European Council agreed on the overriding importance of creating the budgetary and economic conditions for rapidly bringing interest rates in Europe down, thereby narrowing the existing gap between

interest rates in Europe and interest rates in other major industrial countries. Movements in this direction will be essential for economic recovery and in order to promote investment in Europe.

The European Council reviewed recent developments in the exchange rate situation. It felt that the orientations agreed at the informal meeting of Economic and Finance Ministers in Kolding in relation to the EMS go in the right direction. The European Council recalled that the exchange rate policy of all Member States is a matter of common interest. It underlined the essential role to be played by the European Monetary Institute (EMI) in this area. It invited the Commission to present proposals on all the necessary implementing measures relating to the second stage of Economic and Monetary Union, so that they can be adopted by the Council as soon as possible after entry into force of the Treaty and before 1 January 1994.

International aspects

The effect of action by the Community and its Member States will be increased through international coordination of policy. In this connection, the European Council welcomed the outcome of the joint EC-EFTA meeting of Economic and Finance Ministers held in April and invited the Council (ECO/FIN) to continue to maintain close contacts with the EFTA countries in this area. With regard to the global economy the European Council looks to the G-7 summit in Tokyo to provide an agreed basis for a determined effort to promote growth in the world economy.

2. The single market and common policies

At a time when the problems of creating economic growth and stimulating employment are of increasing concern, the existence of a large single market of 350 million people is a major asset for the Community.

The European Council welcomed the recent decisions of the Internal Market Council and called on it to adopt rapidly the last remaining measures, which are of major importance for the proper operation of the single market.

On transport, the European Council noted with satisfaction that the recent agreement on road transport taxation has cleared the way for full liberalization of the activities of road hauliers within the Community to take its place beside the existing liberalization of air and maritime transport.

The single market has been a legal reality since 1 January 1993; it is essential that it should also become a smoothly-running practical reality, improving the competitiveness of the European economy and yielding maximum economic and social benefit for the citizen. To that end, the European Council called on all concerned, and in particular the Commission and the competent authorities of the Member States, to work together to ensure that the single market is administered efficiently with as little red-tape as possible.

The European Council stressed that the Single Market cannot be brought about without the full implementation of free movement of persons as well as of goods, services and capital, in accordance with Article 8A of the Treaty. This requires measures in particular with regard to cooperation aimed at combatting crime and drug trafficking and ensuring effective control of the external borders.

The European Council invited the responsible Ministers to bring their work on these measures forward as a matter of great urgency. With regard to the last outstanding issue on the External Frontiers Convention, the European Council noted with satisfaction that the Member States concerned have expressed their determination to make every effort to reach a mutually acceptable solution as soon as possible.

3. GATT

The European Council welcomed the Commission's report on progress in the Uruguay Round to date. It underlined the need for the Community to continue to play an active part in achieving further progress while preserving the European identity throughout the negotiations.

The European Council stressed that it was essential to relaunch the multilateral process in Geneva as soon as possible on all topics, including agriculture, in order to complete a comprehensive, durable and balanced agreement before the end of the year. This was urgently needed in order to create the new, rules-based world trading system in which unilateral action is ruled out. A round concluded on this basis will promote the durable expansion of international trade which is a key to the promotion of economic growth and job creation in Europe and throughout the world.

Early identification of the main elements of a large market access component and real progress on services and intellectual property, including contributions from all GATT partners, would help to maintain momentum and pave the way for the conclusion in time of the final package.

4. Enlargement

The European Council took note of progress in the enlargement

negotiations with Austria, Finland, Sweden and Norway. It noted that the initial difficulties encountered in launching the negotiations had now been overcome and that the pace of the negotiations was speeding up. It recalled that the negotiations will, to the extent possible, be conducted in parallel, while dealing with each candidate on its own merit.

The European Council invited the Commission, the Council, and the candidate countries to ensure that the negotiations proceed constructively and expeditiously. The European Council is determined that the objective of the first enlargement of the European Union in accordance with the guidelines laid down by the Lisbon and Edinburgh European Councils should become a reality by 1 January 1995.

5. Relations with Malta and Cyprus

The European Council considered that its guidelines with regard to enlargement with the EFTA countries shall be without prejudice to the situation of other countries which have applied to join the Union. The Union will consider each of these membership applications on its own merits.

The European Council welcomed the Commission's intention to present shortly its opinions on Malta and on Cyprus. These opinions will be examined rapidly by the Council taking into consideration the particular situation of each of the two countries.

6. Relations with Turkey

With regard to Turkey, the European Council asked the Council to ensure that there is now an effective implementation of the guidelines laid down by the European Council in Lisbon on intensified cooperation and development of relations with Turkey in line with the prospect laid down in the association agreement of 1964 and the protocol of 1970 as far as it relates to the establishment of a customs union.

7. Relations with the Countries of Central and Eastern Europe

A. The Associated Countries

- i) The European Council held a thorough discussion on the relations between the Community and the countries of Central and Eastern Europe with which the Community has concluded or plans to conclude Europe agreements ("associated countries"), on the basis of the Commission's communication prepared at the invitation of the Edinburgh European Council.

- ii) The European Council welcomed the courageous efforts undertaken by the associated countries to modernize their economies, which have been weakened by 40 years of central planning, and to ensure a rapid transition to a market economy. The Community and its Member States pledge their support to this reform process. Peace and security in Europe depend on the success of those efforts.

iii) The European Council today agreed that the associated countries in Central and Eastern Europe that so desire shall become members of the European Union. Accession will take place as soon as an associated country is able to assume the obligations of membership by satisfying the economic and political conditions required.

Membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Membership presupposes the candidate's ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union.

The Union's capacity to absorb new members, while maintaining the momentum of European integration, is also an important consideration in the general interest of both the Union and the candidate countries.

The European Council will continue to follow closely progress in each associated country towards fulfilling the conditions of accession to the Union and draw the appropriate conclusions.

iv) The European Council agreed that the future cooperation with the associated countries shall be geared to the objective of membership which has now been established. In this context the European Council approved the following:

- The Community proposes that the associated countries enter into a structured relationship with the Institutions of the Union within the framework of a reinforced and extended multilateral dialogue and concertation on matters of common interest. The arrangements, which are set out in Annex II to these conclusions, include dialogue and concertation on a broad range of topics and in several fora. Where appropriate - in addition to regular meetings between the President of the European Council and the President of the Commission with their counterparts from the associated countries - joint meetings of all the Heads of State and Government can be held to discuss specific predetermined issues.

- The European Council, recognizing the crucial importance of trade in the transition to a market economy, agreed to accelerate the Community's efforts to open up its markets. It expected this step forward to go hand in hand with further development of trade between those countries themselves and between them and their traditional trading partners. It approved the trade concessions established by the Council (General Affairs) at its meeting on 8 June. It invited the Council to adopt on a proposal from the Commission the necessary legal texts before the summer holidays.

- The Community will continue to devote a considerable part of the budgetary resources foreseen for external action to the Central and Eastern European Countries,

in particular through the PHARE programme. The Community will also make full use of the possibility foreseen under the temporary lending facility of the EIB to finance transeuropean network projects involving the countries of Central and Eastern Europe. Where appropriate, part of the resources under the PHARE programme may be used for major infrastructural improvements, in accordance with the arrangements agreed by the General Affairs Council on 8 June.

- The European Council, welcoming the possibility offered to the associated countries to participate in Community programmes under the Europe Agreements, invited the Commission to make proposals before the end of the year for opening up further programmes to the associated countries, taking as a point of departure those programmes which are already open for participation by the EFTA countries.

- The European Council underlined the importance of approximation of laws in the associated countries to those applicable in the Community, in the first instance with regard to distortion of competition and, in addition, - in the perspective of accession - to protection of workers, the environment and consumers. It agreed that officials from the associated countries should be offered training in Community law and practice and decided that a task force composed of representatives of the Member States and the Commission shall be established to coordinate and direct this work.

-The precise modalities regarding the above matters are set out in Annex II.

B. Other Central and Eastern European Countries

The European Council discussed the economic situation in Albania. It welcomed the conclusions of the Council (ECO/FIN) on 7 June and the recognition by the Community of the need to ensure adequate support, through grants, loans or both to Albania. The European Council also underlined the importance of making full use of the provisions relating to political dialogue foreseen under the present agreement with Albania.

In order to strengthen the trade and commercial links between the three Baltic States and the Community, the European Council invited the Commission to submit proposals for developing the existing trade agreements with the Baltic States into free-trade agreements. It remains the objective of the Community to conclude Europe Agreements with the Baltic states as soon as the necessary conditions have been met.

8. Pact on stability in Europe

The European Council discussed the French proposal for an initiative to be taken by the European Union in favour of a Pact on stability in Europe. This initiative is directed towards assuring in practice the application of the principles agreed by European countries with regard to respect for borders and rights of minorities. The European Council agreed that recent events in Europe have shown that action in these areas is timely and appropriate. It welcomed the idea of using the instrument of "Joint Action" in accordance with the procedures provided for in the Common Foreign and Security policy.

The European Council invited the Council (General Affairs) to examine the proposal and report to its meeting in December 1993 with a view to convening a preparatory conference on the pact.

9. Russia

The European Council welcomed the new initiatives in the area of political reforms in Russia undertaken by President Yeltsin. It hopes these efforts will be successful and contribute to consolidating democracy and a market economy.

The European Council welcomed the progress made recently in the negotiations on a partnership and cooperation agreement with Russia. It expressed its hope for an early conclusion of such an agreement, in the context of creating a contractual relationship between the Community and Russia which reflects the political and economic role which Russia plays on the international scene and where consultations - also at the highest level - are a regular feature of the relationship.

The European Council is looking forward to continuing the close cooperation with Russia in the political field and to jointly contributing to the solution of international crises. This is seen as an essential contribution to peace and stability in Europe and the world. The European Council agreed to propose regular Community meetings between its President, the President of the Commission and the Russian President.

The European Council expressed its readiness to continue and enhance its support for the Russian reform process. The coming G-7 summit is seen as a timely opportunity to further the substantial efforts already made to support the reform measures underway in Russia as well as other countries of the former Soviet Union. The European Council took stock of the preparation of the discussion at the G-7 summit on aid to Russia. The Community and its Member States attached particular importance to progress in Tokyo on issues relating to nuclear safety (power stations, nuclear waste, and dismantling of nuclear weapons). It welcomed in this context the substantial follow-up now being given to the guidelines laid down by the European Council in Lisbon including the agreement recently reached by the Council (ECO/FIN) on EURATOM loans aimed at improving safety in nuclear power stations in former Soviet Union republics as well as in Central and Eastern European countries.

The European Council also stressed the importance of putting the European Energy Charter into practical reality.

The European Council pledged the support of the Community to other concrete steps to promote the efficiency of aid directed towards Russia and to concrete projects aimed at accelerating the process of privatization, in particular through appropriate training of Russian entrepreneurs in the context of technical assistance. The European Council emphasized that the effectiveness of aid efforts depends on the existence of stability oriented economic policies in Russia.

10. Ukraine

The European Council expressed keen interest in expanding cooperation with Ukraine. Substantial progress towards the fulfilment by Ukraine of its commitments under the Lisbon protocol to ratify Start 1 and to accede to the Non-Proliferation Treaty as a non-nuclear weapons state is essential for Ukraine's full integration into the international community and would promote the development of its relations with the Community and its Member States.

11. Former Yugoslavia

The European Council adopted the declaration on Bosnia-Herzegovina set out in Annex III.

12. Relations with the Maghreb countries

The European Council recalled its determination to see the relationship with the Maghreb countries placed at a level of importance and intensity which corresponds to the close links which have been formed by geography and history. This should be done within the framework of an upgraded partnership between the Union and the individual Maghreb countries.

The European Council invited the Council to approve rapidly the draft directives presently being examined for a partnership agreement with Morocco.

It took note with satisfaction of the Commission's intention to submit rapidly draft directives for the negotiation of a similar agreement with Tunisia.

13. Conclusions reached by Foreign Ministers

The European Council took note of the conclusions reached by

14. Common Foreign and Security policy -
Preparatory work on security

The European Council noted the preparatory work already done by Foreign Ministers on security in connection with the mandate from the Edinburgh European Council and invited them to continue their work with a view to defining the necessary basic elements for a policy of the Union by the date of entry into force of the Treaty.

15. A Community close to its citizens

The European Council invited all institutions to ensure that the principles of subsidiarity and openness are firmly anchored in all spheres of Community activity and fully respected in the day-to-day operations of the institutions.

As regards the principle of subsidiarity, the European Council noted with satisfaction that the Commission is now submitting proposals only when it considers that they fulfil the subsidiarity criteria, and welcomed in general the substantial reduction in the volume of Community legislation foreseen in the Commission's legislative programme for 1993 compared to earlier years. The wider consultation by the Commission before submitting important new proposals and, in particular, the use of "green papers" relating to important

new activities as well as a cost and benefit analysis of new proposals are also highly promising. It looked forward to the completion before the European Council in December of the Commission's review of existing and proposed legislation with regard to the subsidiarity principle.

The European Council noted with satisfaction that the Council and the Commission are now applying the principles, guidelines and procedures on subsidiarity decided at Edinburgh as an integral part of the decision making procedure. It hopes that the European Parliament will soon be able to join in this effort.

On openness, the European Council noted the first steps taken in response to the conclusions of the Edinburgh European Council regarding the opening of certain Council debates to the public, simplification and codification of Community legislation and information in general. It confirmed its commitment to continue the process of creating a more open and transparent Community.

In the area of public access to information, it invited the Council and the Commission to continue their work based on the principle of the citizens having the fullest possible access to information. The aim should be to have all necessary measures in place by the end of 1993.

The European Council invited the European Parliament and the Council to settle the last outstanding issues with regard to the establishment of the Ombudsman in time for the entry into force of the Maastricht Treaty.

16. Fraud affecting the Community

The European Council underlined the importance of continuing to combat fraud and irregularities in connection with the Community budget, both in view of the sums involved and in order to promote confidence in the construction of Europe. It underlined the importance of fully implementing the provisions in the Maastricht Treaty according to which Member States are to take the same measures to counter fraud affecting the financial interests of the Community as they take to counter fraud affecting their own financial interests. It looked forward to the report on further developments in the Commission's anti-fraud strategy together with the related proposals. It invited the Commission to submit such proposals in March 1994 at the latest.

17. Racism and Xenophobia

The European Council strongly condemned the recent attacks on immigrants and refugees in its Member States and expressed its deep sympathy with the innocent victims of such aggressions.

The European Council reiterated its strong resolve to fight by all available means intolerance and racism in all its forms. It stressed that such intolerance and racism is unacceptable in our present day societies.

The European Council confirmed the commitment to protect everybody, including immigrants and refugees, against

violations of fundamental rights and freedoms as embodied in constitutions and laws of Member States, the European Convention on Human Rights and other international conventions, including the United Nations Convention on the Elimination of all forms of Racial Discrimination.

The European Council recalled its previous declarations on racism and xenophobia and decided to intensify the efforts to identify and to root out the causes. It pledged that Member States will do their utmost to protect immigrants, refugees and others against expressions and manifestations of racism and intolerance.

COMMISSION
OF THE
EUROPEAN COMMUNITIES
The President

Copenhagen, 21 June 1993

**ENTERING THE 21ST CENTURY
ORIENTATIONS FOR ECONOMIC RENEWAL IN EUROPE**

1. Staying on course for Economic and Monetary Union

A single currency would:

- . consolidate the single market and create the necessary conditions for fair and productive competition;
- . make investment more attractive, both in the Community and outside, and generally stimulate saving to provide the necessary funds for major infrastructure projects;
- . have a stabilizing effect on the international monetary system and discourage the speculation responsible for so much instability and uncertainty.

In order to achieve this, we must:

- . get back on the road to convergence, which will boost growth and create jobs throughout the Community - a positive sum game;
- . provide national policies and business strategies with a credible, clear and comprehensible perspective and to this end, make the single market productive;
- . strengthen the link between European integration and the aspirations of ordinary people by pointing out the benefits to be gained from developing the Community and extending those benefits to other European countries, particularly those in eastern and central Europe, with their enormous potential for growth, which would benefit us all.

2. The Community as an open and reliable partner in the world

- . The Community must keep up its efforts to bring the Uruguay Round to a swift conclusion with a balanced agreement covering all the problems now outstanding.
- . The agreement must pave the way for the transition of a world trade organization to reflect the globalization of markets and business strategies.
- . This organization must, without exception, be based on multilateralism, both in spirit and in practice. The way it operates must be determined by other economic realities such as currency movements, capital flows, the need to share the cost of environmental protection fairly and to deliver the social progress to which everyone has a right by a gradualist approach compatible with economic progress.

3. Increased cooperation in the field of research and development

We must:

- . aim to devote 3% of Gross National Product to research, development and innovation (as against 2% at present);
- . concentrate Community action on what can complement and enhance the policies of Member States and businesses; and
- . at European level and with the support provided by Community action, create frameworks for cooperation between businesses to help them harness innovation and adapt production processes.

4. An efficient network of transport and telecommunications infrastructure

- . Making it easier and cheaper for people, goods and services to move around will increase the competitiveness of the European economy.
- . Efficient infrastructure networks will be of inestimable value for regional planning and economic and social cohesion.

- . We must give ourselves ten years in which to stimulate the European industries involved in designing and building these networks (transport, construction, public works, etc.). An overall total of ECU 30 billion a year seems to be a realistic minimum target for expenditure in this field.

5. Common information area: the new technological revolution

- . We must aim for a decentralized economy, with a properly trained workforce and an abundance of small and medium-sized businesses all cooperating with one another.
- . To achieve this, we need to create a "European information infrastructure" to serve as the real arteries of the economy of the future and to stimulate the information industry (i.e. telecommunications, computers, fibre optics, etc.) with the prospect of abundant supply over a number of years. An initial investment of ECU 5 billion is required, followed by a ECU 5-8 billion-a-year programme.
- . We must also set up European training courses for these new trades and professions and encourage distance working by computer (not only for people in the data-processing industry itself but also for those working in education, medicine, social services, environmental protection, urban planning ... and those involved in combating modern-day scourges such as disease, drug abuse and crime).

6. Profound changes in our education systems

The priorities here are:

- . learning how to keep on learning throughout our lives; combining knowledge with know-how;
- . developing each individual's creativity and initiative;
- . establishing the right of each individual to lifelong training (all young people would be given vouchers entitling them to initial education and/or training later on).

7. Towards a new model of development

- . Taking into account the environment will create new jobs.
- . Taxing scarce natural resources will make it possible to reduce excessive taxes on labour, thus enhancing Europe's economic competitiveness.
- . Increases in productivity must be used to improve the quality of life and create new jobs; this is the dynamic view of work-sharing: increasing the number of jobs available to cover new qualitative demands, which provide a large range of still unexplored, if not unknown possibilities.

8. More active policies towards the labour market

- . Priority must be given to providing everyone on the labour market with a job, activity or useful training.
- . Rather than trying to hold back technological and economic change, we must anticipate it and deal with it in good time.
- . The quality and the number of job agencies and similar bodies must be increased so as to provide effective help to every person out of work (expenditure needs to rise from 0.1% of Community GDP to 0.5%).

**COOPERATION WITH THE ASSOCIATED COUNTRIES
GEARED TO THE OBJECTIVE OF MEMBERSHIP**

i) **A STRUCTURED RELATIONSHIP WITH THE INSTITUTIONS OF THE
EUROPEAN UNION**

With a view to accession and the relevant preparations - and alongside the bilateral structure of the Europe Agreements - there will be set up, with the countries of Central and Eastern Europe (CCEE) linked to the Community by Europe Agreements, a multilateral framework for a strengthened dialogue and consultation on matters of common interest.

The framework will involve the holding of meetings between, on the one hand, the Council of the Union and, on the other hand, all the associated CCEE on matters of common interest, decided in advance, arising in the Union's areas of competence, i.e.:

- Community areas, especially with a trans-European dimension, including energy, environment, transport, science and technology, etc.;
- Common foreign and security policy;
- Home and judicial affairs.

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These meetings will be of an advisory nature. No decisions would be taken. If conclusions requiring operational implementation were to emerge, they will be implemented in the appropriate institutional framework (ordinary Community procedure or Association Council with each of the associated States).

The meetings will be prepared for internally by the usual procedures, with the particular aim of establishing, according to the subjects discussed, the position to be taken. They will also be the subject of preparatory contacts with the CCEE.

In addition to the application of the general structure for dialogue set out above, dialogue relating to foreign and security policy matters will also include the following arrangements:

- Holding of a Troika meeting at the level of Foreign Ministers and a meeting at the level of political directors during each Presidency;
- Briefing at Secretariat level after each General Affairs Council and each meeting of the political directors.
- Holding one Troika meeting at Working Group level per Presidency for relevant working groups.

In addition regular Troika consultations with the associated countries will be held in advance of important meetings in the UN-General Assembly and the CSCE.

ii) **IMPROVING MARKET ACCESS**

- (a) customs duties on imports to the Community of sensitive basic industrial products originating in associated countries (Annex IIb to the Interim Agreements) will be abolished at the end of the second year after the entry into force of the Agreement (instead of the end of the fourth year).
- (b) customs duties on the imports of the industrial products concerned by the consolidation of GSP (Annex III to the Interim Agreements) will be abolished at the end of the third year (instead of the end of the fifth year).
- (c) the amounts of the quotas and the ceilings of the above Annex III (consolidation of GSP) will be increased by 30% (Poland, the Czech and Slovak Republics, Bulgaria, Romania), 25% (Hungary) per year starting from the second half of the second year after the entry into force of the Agreement (instead of 20% for Poland, Czechoslovakia, Bulgaria, Romania and 15% for Hungary).
- (d) levies/duties within the quotas for agricultural products will be reduced by 60% six months earlier than foreseen in the Agreements. The 10% increase in the quotas, foreseen from the third year onwards, will be applied six months earlier than foreseen.

- (e) the exemption from customs duties as from the beginning of 1994 for products concerned by outward processing operations and covered by Regulation No 636/82 will be extended in conformity with this Regulation, duly modified for this purpose.
- (f) customs duties on imports into the Community of textile products will be reduced in order to arrive at their elimination at the end of a period of five years starting from the entry into force of the Agreement (instead of six years).
- (g) customs duties on imports applicable in the Community on ECSC steel products originating in associated countries will be abolished at the latest at the end of the fourth year after the entry into force of the Agreement (instead of the end of the fifth year), subject to compliance with specific decisions relating to trade in steel products.
- (h) The Council invites the Commission to effect a study of the feasibility and impact of cumulation of rules of origin for products from the associated countries of Central and Eastern Europe and the EFTA countries and, in the light of the findings, to submit to it appropriate proposals.

iii) MAKING ASSISTANCE MORE EFFECTIVE

(a) The Community will support the development of infrastructure networks in Central and Eastern Europe, as decided in Edinburgh. The EIB, the EBRD and the other international financial Institutions will take the leading role in this process.

(b) The Community will offer technical assistance through the PHARE programme to prepare and facilitate major infrastructure improvements in the countries of Central and Eastern Europe. Within existing budgetary limits, and without distorting the essential character of PHARE, the Community will also be willing, in response to requests from Central and Eastern European partners, to provide from PHARE limited additional funds for capital expenditure resulting from these technical assistance activities, in specific cases where it is established that such additional funds are essential, and a necessary component of projects

- which are jointly financed by EIB and/or international financial institutions and beneficiary countries,
- which cannot be privately financed,
- which are of Community interest in particular as defined in relevant Community texts.

(c) These additional funds shall not exceed 15% of total annual PHARE commitments.

(d) The Commission will review the use of PHARE resources to support infrastructure development in Central and Eastern Europe on a case by case basis. It will take into account the financial situation of the beneficiary country on the basis of available analyses; the financial institutions making loans to projects will carry out their own assessments in the normal way. In each case the Commission will ensure that there is an adequate local contribution to project financing to ensure the commitment of the beneficiary Government to the project.

The Commission will avoid undue concentration of the available PHARE funds for this purpose on individual recipient countries and will therefore avoid an unduly large proportion of national programmes being devoted to this purpose.

Proposals will be submitted to the PHARE management committee in the normal way.

iv) FURTHERING ECONOMIC INTEGRATION

Approximation of laws: the countries of Central and Eastern Europe undertook through the Europe Agreements to implement within three years from their entry into force rules parallel to those in the Treaty of Rome and to ban restrictive practices, abuse of dominant positions and public aid which distort or threaten to distort conditions of competition. In addition, it is particularly important, from the point of view of accession, that progress should be made in the other

areas covered by the Europe Agreements, including those relating to the protection of workers, of the environment and of consumers.

Preparations for accession will also be helped if officials from the associated countries receive training in Community law and procedure.

The Commission and the relevant administrations in the Member States will be mobilized to further the approximation of legislation, including technical assistance for training officials. A task force of representatives of the Member States and the Commission will be set up to co-ordinate and direct the work.

The Commission will consider which Community programmes could be opened to participation by the countries of Central and Eastern Europe and will submit its proposals to the Council by the end of 1993.

DECLARATION ON BOSNIA-HERZEGOVINA

The European Council reviewed the extremely grave situation in the former Yugoslavia and the latest negotiations between the parties to the conflict in Bosnia-Herzegovina on the basis of a report by Lord Owen to Ministers.

The European Council expresses its full confidence in the Co-chairmen of the Steering Committee of the International Conference on the Former Yugoslavia and encourages them to pursue their efforts to promote a fair and viable settlement acceptable to all three constituent peoples of Bosnia-Herzegovina. It will not accept a territorial solution dictated by Serbs and Croats at the expense of the Bosnian Muslims.

The European Council reaffirms its conviction that a negotiated settlement has to be based on the principles of the London Conference, reflected in the Vance/Owen Peace Plan, particularly the independence, sovereignty, and territorial integrity of Bosnia-Herzegovina, the protection of human rights and the rights of minorities, the inadmissibility of acquisition of territory by force, the vital need for humanitarian aid to be provided and reach those in need, the prosecution of war crimes and breaches of international humanitarian law.

The European Council supports the call of the government of Bosnia-Herzegovina for an immediate cease-fire. It reaffirms the need for wider international support for humanitarian aid and for guaranteed safe passage of convoys.

Speedy implementation of UN Security Council resolutions on safe areas is an indispensable contribution to the implementation of the objectives mentioned above. The European Council decided to respond positively to the request of the UN Secretary General for men and money. It urged Member States to comply with that request within their abilities. At the same time, it appeals to other members of the international community to do likewise.

Sanctions will remain in place and will be tightened until conditions for their lifting set by the United Nations and the European Community have been met. The Community and its Member States will contribute further resources to their strict enforcement.

ANNEX IV

Foreign Ministers, meeting on the occasion of the European Council in Copenhagen on 21 and 22 June 1993, agreed on the following conclusions:

Africa

Europe is Africa's major partner, politically, economically, and with regard to development cooperation. The Community and its Member States underlined the importance of a continued cooperation based on solidarity.

In 1993 the Community and its Member States have taken a number of steps towards deeper and wider cooperation with Africa. They stressed the importance of further expansion of co-operation in democratization, peaceful development and development assistance.

The Community and its Member States are committed to supporting the democratization process which is gaining momentum in Africa, including support for good governance, sound economic management and respect for human rights. They recalled the resolution adopted by the Council (Development) on 28 November 1991 on human rights, democracy and development.

The Community and its Member States have engaged themselves actively in supporting the election process in a number of African countries. They will continue their efforts to coordinate this assistance to ensure that all African countries in a transitional process towards democracy are offered the necessary support and attention.

The successful referendum on the independence of Eritrea after 30 years of civil war has raised hopes that conflicts in Africa

The Community and its Member States welcomed the increasing engagement by African countries in solving crises and armed conflicts, as seen recently in a number of cases. They also hoped that Heads of State of OAU at their forthcoming Cairo summit will address the important question of conflict prevention and resolution. A useful contact with the OAU was established during the visit to Copenhagen in June of the Secretary General of this organization.

The Community and its Member States have further strengthened development cooperation with Africa. The Lomé Convention forms an important element in this cooperation. Effectiveness and speed in the implementation of the European Development Fund is increasing to the benefit of all parties.

Development Ministers have agreed on a special rehabilitation initiative for Africa. At least 100 million ECU will be allocated immediately to fast track rehabilitation programmes in selected sub-Saharan countries. The Council is examining a further special rehabilitation programme for developing countries.

South Africa

The Community and its Member States welcomed the recent major progress in the negotiation process in South Africa. They hoped that the parties will reach an agreement in the very near future that will set South Africa firmly on the road towards democracy.

The establishment of a Transitional Executive Council will be a further step in the normalization and strengthening of political and economic relations between the Community and its Member States and South Africa.

The Community and its Member States reaffirmed their commitment to contribute to the economic and social development of the new South Africa. Reconstruction and sustainable economic growth will only come about in a democratic and non-violent environment. Therefore the Community and its Member States stand prepared to provide support to the first free elections foreseen in April 1994, including election observers, as well as to strengthen their assistance to the democratization process and the efforts to curb violence.

Sudan

The Community and its Member States expressed their concern with the continued civil war in Sudan between the government in Khartoum and the SPLA-factions in the south. Some 500,000 people have already died and many more have been displaced. The Abuja-talks between the parties have made little progress towards a solution. There is also serious concern for the human rights situation in Sudan including repression of civil society in northern Sudan by the government, killings, arrests and torture by government forces in the war zones and killings, arrests and executions by rebel forces. They urge the government of Sudan not to support activities which go against a constructive relationship with the Community and its Member States.

The Community and its Member States welcomed the increased attention which the international community is now directing to the humanitarian catastrophe unfolding in the country. An EC Troika mission of Development Ministers is currently visiting the Sudan to underline the seriousness with which the Community and its Member States view the humanitarian crisis and the urgent need for all parties to ensure a resolution of the problems. Following the report from the mission, the Community and its Member States will consider how they can best contribute further to an alleviation of the plight of the Sudanese people including restoration of respect for human rights.

Somalia

The Community and its Member States welcomed the major efforts of the United Nations to contribute to the restoration of peace and security, to reconciliation and political settlement in Somalia and to prevent another human catastrophe. To this end, disarmament of factions and restoration of law and order are important goals. The Community and its Member States condemned the attack perpetrated on Pakistani UN soldiers which resulted in the deaths of 23 of them and the wounding of many more. Those responsible must be brought to justice. They also regretted all civilian casualties and extended their sympathy to all those affected by these tragic events. They called on all parties to comply fully with Security Council resolutions.

Angola

The Community and its Member States deeply regretted the suspension of the negotiations between the Angolan Government and

UNITA, and UNITA's continued efforts to seize additional territory through military power. The Community and its Member States expressed their full support for the Security Council's Resolution 834 of 1 June 1993, in which the actions of UNITA were strongly condemned and an appeal was made to both parties for a return as soon as possible to the negotiating table and for the re-establishment of the ceasefire. They reaffirmed that in order to solve the present crisis a peaceful solution must be found based on national reconciliation and on the principles of the peace agreement. The Community and its Member States were extremely concerned with the humanitarian situation in Angola. They call upon UNITA to accept the UN plan for humanitarian relief. The Community and its Member States committed themselves to respond to the UN appeal for assistance following the Donors' Conference of 3 June.

Mozambique

The Community and its Member States regretted the serious delays in the peace process in Mozambique. While it is heartening that the ceasefire is holding, it is most disappointing that not much progress has been made in implementation of the peace agreement. The Community and its Member States called upon the government of Mozambique and RENAMO to live up to the undertakings entered into when the peace agreement was signed. Furthermore, they restated their commitment to contribute to the rehabilitation and economic and social development of Mozambique.

Liberia

The Community and its Member States deplored the recent senseless killings of civilians in Liberia. The killings underline the

urgent need to find a political solution to the crisis. The Community and its Member States reaffirmed their belief that the Yamoussoukro IV Accord is the best possible framework for such a peaceful resolution of the Liberian conflict, and they urged all parties to support the efforts of UN and the OAU special representatives to bring a peaceful end to the civil war.

Malawi

The Community and its Member States welcomed the peaceful and efficient conduct of the referendum in Malawi on 14 June, including the substantial improvement in the conditions for the final stages of the campaigning period. They are convinced that the outcome fairly reflects the views of the Malawi people. They urged Malawi's political leaders to work closely together in the new circumstances to safeguard human rights, promote democracy and to deal with outstanding governance issues, thus opening the way to the resumption of full economic cooperation.

Zaire

The Community and its Member States reiterated their support for the process of national reconciliation and wished to express their concern at the deterioration of the situation in Zaire, which is marked by a halt to the democratization process and by repeated infringements of human rights, notably the arbitrary arrest and detention of persons for crimes of opinion.

The Community and its Member States also denounced any incitement to ethnic hatred as reflected in political violence and excesses in certain regions of the country, which are causing massive displacements of people. They reaffirmed their support to the President of the High Council of the Republic and urged him to continue his efforts.

Nigeria

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The Community and its Member States took note, with great concern, of recent developments in Nigeria which could place in question the transition to civil rule after successful presidential elections on 12 June. They expressed the hope that the transition to civil rule will be allowed to continue so that full democracy can be introduced in Africa's largest nation without delay.

Middle East

The Community and its Member States welcomed the resumption of the bilateral talks aimed at a just, lasting and comprehensive settlement of the Arab-Israeli conflict and the Palestinian question. They urged all parties concerned to build on the results already achieved and to press ahead with substantive negotiations in a spirit of good will and compromise.

The Community and its Member States once more called on all parties concerned to refrain from all actions which could undermine the peace process. They remained convinced that the confidence-building measures suggested by the Community and its Member States and significant improvements on the ground, including of the human rights situation, would be instrumental in moving the peace process towards a successful conclusion.

In accordance with their well-known positions of principle, the Community and its Member States will continue to play an active, constructive and balanced part in the Middle East peace process, in both its bilateral and multilateral aspects. They commended the untiring efforts of the co-sponsors to move the process forward and are prepared to participate in international arrangements in support of a peace settlement.

Central America

The Community and its Member States noted with satisfaction the progress made in Central America to attain peace, dialogue and

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reconciliation as well as the achievements in the consolidation of democracy and regional integration.

In this context, they welcomed progress in the implementation of the El Salvador peace agreements and called on the signatories to fulfil all the remaining commitments, including the recommendations of the Ad Hoc Commission and the Truth Commission, in order to complete the peace process and achieve national reconciliation.

The Community and its Member States expressed their satisfaction at the peaceful and constitutional outcome of the recent crisis in Guatemala and hope that the appointment of a new constitutional president will contribute to the strengthening of the democratic institutions, the full respect of human rights and fundamental freedoms and the resumption of the peace negotiations.

The Community and its Member States also welcomed the signing in San Salvador of the Cooperation Agreement between the European Community and the countries of the Central American Isthmus which will contribute to intensify and further increase their mutual cooperation.

Cambodia

The Community and its Member States welcomed the holding of elections in Cambodia - thanks to the support of the United Nations - which have demonstrated the aspirations of the Cambodian people towards peace and democracy.

They noted the decision by the Constituent Assembly confirming Prince Norodom Sihanouk at the head of the State of Cambodia. They expressed the hope that the peace process may be concluded in the best possible conditions with the adoption within three months of a Constitution and the early formation of a government which will allow national reconciliation to begin.

