PRESIDENCY CONCLUSIONS

COPENHAGEN EUROPEAN COUNCIL
12 AND 13 DECEMBER 2002
1. The European Council met in Copenhagen on 12 and 13 December 2002. The meeting was preceded by an exposé by the President of the European Parliament, Mr Pat Cox, followed by an exchange of views concerning the main items on the agenda.

2. The European Council heard a report by President Valéry Giscard d'Estaing on the progress of the Convention’s proceedings. In the light of that report the European Council held an exchange of views on the development of the discussions. The Convention will present the result of its work in time for the European Council in June 2003.

I. ENLARGEMENT

3. The European Council in Copenhagen in 1993 launched an ambitious process to overcome the legacy of conflict and division in Europe. Today marks an unprecedented and historic milestone in completing this process with the conclusion of accession negotiations with Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, the Slovak Republic and Slovenia. The Union now looks forward to welcoming these States as members from 1 May 2004. This achievement testifies to the common determination of the peoples of Europe to come together in a Union that has become the driving force for peace, democracy, stability and prosperity on our continent. As fully fledged members of a Union based on solidarity, these States will play a full role in shaping the further development of the European project.

4. The Union endorses the result of these negotiations as set out in document 21000/02. The financial consequences of enlargement are set out in Annex I. The comprehensive and balanced outcome provides a solid basis for the smooth integration of ten new Member States, while safeguarding the effective functioning of the enlarged Union. The agreement reached will provide the acceding states with the necessary transitional arrangements to cope successfully with all obligations of membership. The result achieved in the accession negotiations ensures the continued functioning of the internal market as well as the various EU policies, without prejudging future reform.
5. Monitoring up to accession of the commitments undertaken will give further guidance to the
acceding states in their efforts to assume responsibilities of membership and will give the
necessary assurance to current Member States. The Commission will make the necessary
proposals on the basis of the monitoring reports. Safeguard clauses provide for measures to
deal with unforeseen developments that may arise during the first three years after accession.
The European Council welcomes furthermore the commitment to continue the surveillance of
progress with regard to economic, budgetary and structural policies in the candidate States
within the existing economic policy coordination processes.

6. All efforts should now be directed at completing the drafting of the Accession Treaty so that it
can be submitted to the Commission for its opinion and then to the European Parliament for
its assent, and to the Council with a view to signing the Treaty in Athens on 16 April 2003.

7. By successfully concluding the accession negotiations the Union has honoured its
commitment that the ten acceding States will be able to participate in the 2004 European
Parliament elections as members. The Accession Treaty will stipulate that Commissioners
from the new Member States will join the current Commission as from the day of accession
on 1 May 2004. After the nomination of a new President of the Commission by the European
Council, the newly elected European Parliament would approve a new Commission that
should take office on 1 November 2004. On the same date, the provisions contained in the
Nice Treaty concerning the Commission and voting in the Council will enter into force. The
necessary consultations with the European Parliament on these matters will be concluded by
the end of January 2003. The above arrangements will guarantee the full participation of the
new Member States in the institutional framework of the Union.

8. Finally, the new Member States will participate fully in the next Intergovernmental
Conference. Without reform the Union will not fully reap the benefits of enlargement. The
new Treaty will be signed after accession. This calendar shall be without prejudice to the
timing of the conclusion of the IGC.
9. The current enlargement provides the basis for a Union with strong prospects for sustainable growth and an important role to play in consolidating stability, peace and democracy in Europe and beyond. In accordance with their national ratification procedures, the current and the acceding States are invited to ratify the Treaty in due time for it to enter into force on 1 May 2004.

Cyprus

10. In accordance with the above paragraph 3, as the accession negotiations have been completed with Cyprus, Cyprus will be admitted as a new Member State to the European Union. Nevertheless the European Council confirms its strong preference for accession to the European Union by a united Cyprus. In this context it welcomes the commitment of the Greek Cypriots and the Turkish Cypriots to continue to negotiate with the objective of concluding a comprehensive settlement of the Cyprus problem by 28 February 2003 on the basis of the UNSG's proposals. The European Council believes that those proposals offer a unique opportunity to reach a settlement in the coming weeks and urges the leaders of the Greek Cypriot and Turkish Cypriot communities to seize this opportunity.

11. The Union recalls its willingness to accommodate the terms of a settlement in the Treaty of Accession in line with the principles on which the EU is founded. In case of a settlement, the Council, acting by unanimity on the basis of proposals by the Commission, shall decide upon adaptations of the terms concerning the accession of Cyprus to the EU with regard to the Turkish Cypriot community.

12. The European Council has decided that, in the absence of a settlement, the application of the acquis to the northern part of the island shall be suspended, until the Council decides unanimously otherwise, on the basis of a proposal by the Commission. Meanwhile, the Council invites the Commission, in consultation with the government of Cyprus, to consider ways of promoting economic development of the northern part of Cyprus and bringing it closer to the Union.
Bulgaria and Romania

13. The successful conclusion of accession negotiations with ten candidates lends new dynamism to the accession of Bulgaria and Romania as part of the same inclusive and irreversible enlargement process. The Union welcomes the important progress achieved by these countries, which is duly reflected in the advanced state of their accession negotiations.

14. The Union looks forward to consolidating the results achieved so far. Following the conclusions of the European Council in Brussels and depending on further progress in complying with the membership criteria, the objective is to welcome Bulgaria and Romania as members of the European Union in 2007. The Union confirms that accession negotiations with these countries will continue on the basis of the same principles that have guided the accession negotiations so far, and that each candidate country will be judged on its own merits.

15. The roadmaps put forward by the Commission provide Bulgaria and Romania with clearly identified objectives and give each country the possibility of setting the pace of its accession process. It is essential that Bulgaria and Romania seize this opportunity by stepping up their preparation, including fulfilling and implementing the commitments undertaken in the accession negotiations. In this context, the Union underlines the importance of judicial and administrative reform that will help bring forward Bulgaria's and Romania's overall preparation for membership. This will ensure that the process will be successfully brought forward on the basis of the results reached so far. Future Presidencies and the Commission will make sure that the pace of accession negotiations on all remaining chapters, including chapters with financial implications, is maintained and matches the efforts of Bulgaria and Romania.
16. The Union underlines its resolve to assist Bulgaria and Romania in these efforts. The Union endorses the Commission's communication on roadmaps for Bulgaria and Romania, including the proposals for a significant increase in pre-accession assistance. The high level of funding to be made available should be used in a flexible way, targeting the priorities identified, including in key areas such as Justice and Home Affairs. Further guidance in their pre-accession work will be provided by the revised Accession Partnerships to be presented to them next year.

17. Furthermore, Bulgaria and Romania will participate in the next Intergovernmental Conference as observers.

Turkey

18. The European Council recalls its decision in 1999 in Helsinki that Turkey is a candidate state destined to join the Union on the basis of the same criteria as applied to the other candidate states. It strongly welcomes the important steps taken by Turkey towards meeting the Copenhagen criteria, in particular through the recent legislative packages and the subsequent implementation measures which cover a large number of key priorities specified in the Accession Partnership. The Union acknowledges the determination of the new Turkish government to take further steps on the path of reform and urges in particular the government to address swiftly all remaining shortcomings in the field of the political criteria, not only with regard to legislation but also in particular with regard to implementation. The Union recalls that, according to the political criteria decided in Copenhagen in 1993, membership requires that a candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities.

19. The Union encourages Turkey to pursue energetically its reform process. If the European Council in December 2004, on the basis of a report and a recommendation from the Commission, decides that Turkey fulfils the Copenhagen political criteria, the European Union will open accession negotiations with Turkey without delay.
20. In order to assist Turkey towards EU membership, the accession strategy for Turkey shall be strengthened. The Commission is invited to submit a proposal for a revised Accession Partnership and to intensify the process of legislative scrutiny. In parallel, the EC-Turkey Customs Union should be extended and deepened. The Union will significantly increase its pre-accession financial assistance for Turkey. This assistance will from 2004 be financed under the budget heading "pre-accession expenditure".

21. The European Union and the acceding States agreed on a joint declaration "One Europe" on the continuous, inclusive and irreversible nature of the enlargement process (see doc. SN 369/02) which will be annexed to the final act of the Accession Treaty.

The enlarged Union and its neighbours

22. The enlargement will bring about new dynamics in the European integration. This presents an important opportunity to take forward relations with neighbouring countries based on shared political and economic values. The Union remains determined to avoid new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union.

23. The European Council recalls the criteria defined at the Copenhagen European Council in June 1993 and reaffirms the European perspective of the countries of the Western Balkans in the Stabilisation and Association Process as stipulated by the European Council in Feira. The Council underlines its determination to support their efforts to move closer to the EU. The European Council welcomes the decision by the incoming Greek Presidency to organise a Summit on 21 June in Thessaloniki between EU Member States and countries of the Stabilisation and Association Process.
24. The enlargement will strengthen relations with Russia. The European Union also wishes to enhance its relations with Ukraine, Moldova, Belarus and the southern Mediterranean countries based on a long-term approach promoting democratic and economic reforms, sustainable developments and trade and is developing new initiatives for this purpose. The European Council welcomes the intention of the Commission and the Secretary General/High Representative to bring forward proposals to that end.

25. The European Council encourages and supports the further development of cross-border and regional cooperation inter alia through enhancing transport infrastructure, including appropriate instruments, with and among neighbouring countries in order to develop the regions' potential to the full.

II. FUNCTIONING OF THE COUNCIL IN VIEW OF ENLARGEMENT

26. The European Council took note of an initial report from the Presidency on the Presidency of the Union requested at Seville.
ANNEX I

BUDGETARY AND FINANCIAL ISSUES

The Union endorses the result of the negotiations which have determined expenditure requirements resulting from the accession of new Member States respecting the ceilings for enlargement related expenditure set out for the years 2004-2006 by the European Council in Berlin.

The European Council invites the Commission to take into account this expenditure in its proposal to adjust the financial perspective, to be adopted by the European Parliament and the Council in accordance with paragraph 25 of the Interinstitutional Agreement of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure.

Based on the accession of 10 new Member States by 1 May 2004, the maximum appropriations for commitments for agriculture, structural operations, internal policies and administration for the new Member States should be the amounts now determined as a result of the negotiations at this European Council, as set out in the following table:

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Heading 1 Agriculture</td>
<td>1.897</td>
<td>3.747</td>
<td>4.147</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1a - Common Agricultural Policy</td>
<td>327</td>
<td>2.032</td>
<td>2.322</td>
</tr>
<tr>
<td>1b - Rural development</td>
<td>1.570</td>
<td>1.715</td>
<td>1.825</td>
</tr>
<tr>
<td>Heading 2 Structural actions after capping</td>
<td>6.095</td>
<td>6.940</td>
<td>8.812</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structural fund</td>
<td>3.478</td>
<td>4.788</td>
<td>5.990</td>
</tr>
<tr>
<td>Cohesion Fund</td>
<td>2.617</td>
<td>2.152</td>
<td>2.822</td>
</tr>
<tr>
<td>Heading 3 Internal Policies and additional transitional expenditure</td>
<td>1.421</td>
<td>1.376</td>
<td>1.351</td>
</tr>
<tr>
<td>Of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Existing policies</td>
<td>882</td>
<td>917</td>
<td>952</td>
</tr>
<tr>
<td>Transitional Nuclear safety measures</td>
<td>125</td>
<td>125</td>
<td>125</td>
</tr>
<tr>
<td>Transitional Institution building measures</td>
<td>200</td>
<td>120</td>
<td>60</td>
</tr>
<tr>
<td>Transitional Schengen measures</td>
<td>286</td>
<td>286</td>
<td>286</td>
</tr>
<tr>
<td>Heading 5 Administration</td>
<td>503</td>
<td>558</td>
<td>612</td>
</tr>
<tr>
<td>Total Maximum Appropriations for commitments</td>
<td>9.952</td>
<td>12.657</td>
<td>14.958</td>
</tr>
</tbody>
</table>

This is without prejudice to the EU-25 ceiling for category 1a for 2007-13 set out in the Decision of the Representatives of the Governments of the Member States, meeting within the Council on 14 November 2002, concerning the conclusions of the European Council meeting in Brussels on 24 and 25 October 2002.
The European Council considers that appropriate adjustments to the EU 15 financial perspective ceilings for the period 2004-2006 to take account of the expenditure requirements relating to enlargement should not – for existing headings – exceed the above amounts.

In addition, a new temporary heading X for a special lump-sum cash-flow facility for the year 2004 and for temporary budgetary compensation for the years 2004 to 2006 should be created within the Berlin ceilings for enlargement related expenditure. The total amounts now determined as a result of negotiations are as follows:

<table>
<thead>
<tr>
<th>Heading X (special cash-flow facility and temporary budgetary compensation) 2004-2006 (for 10 new Member States)</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Special cash-flow facility</td>
<td>998</td>
<td>650</td>
<td>550</td>
</tr>
<tr>
<td>Temporary budgetary compensation</td>
<td>262</td>
<td>479</td>
<td>346</td>
</tr>
</tbody>
</table>

However, the corresponding ceiling for appropriations for payments for the enlarged Union for the years 2004-2006 should be unchanged compared to the corresponding ceiling set out in Table A of the Berlin conclusions. The European Council recalls paragraph 21 of the Interinstitutional Agreement of 6 May 1999 which sets out the need to maintain an appropriate relationship between commitments and payments.

In accordance with the Own Resources decision of 29 September 2000, the new Member States will fully contribute to the financing of the EU expenditure as from the first day of accession, since the own resources acquis will apply to the new Member States as from accession.

Regarding the ring fencing of expenditure, the European Council recalls paragraph 21 of the Interinstitutional Agreement of 6 May 1999.

The general effort towards budgetary discipline laid down by the European Council in Berlin should be continued in the period beginning in 2007.