The European Council met in Santa Maria da Feira on 19 and 20 June. At the start of proceedings, the European Council and the President of the European Parliament, Mrs Nicole Fontaine, exchanged views on the main items under discussion.

PREPARING THE FUTURE

Against the backdrop of renewed public debate about and interest in the future of the European Union, the European Council has taken a number of important steps aimed at addressing the challenges confronting it in the immediate future.

**Intergovernmental Conference on institutional reform**

The European Council notes and welcomes the Presidency report on the Intergovernmental Conference. The Presidency's report demonstrates the significant headway which has been achieved by the Conference in considering Treaty changes which will ensure that the Union continues to have properly functioning, efficient and legitimate institutions after enlargement. The European Council considers in particular that the provisions on closer cooperation introduced into the Treaty of Amsterdam should form part of the Conference's future work, while respecting the need for coherence and solidarity in an enlarged Union. The Conference can move forward on a sound footing so that an overall agreement can be reached in December in line with the timetable laid down by the Cologne and Helsinki European Councils.

**Charter of Fundamental Rights**

The European Council extended its heartfelt sympathy to Mr Roman Herzog and expressed its appreciation for his invaluable personal contribution to the Convention's work. Mr. Ignacio Mendez de Vigo, Vice-Chair of the Convention entrusted with drawing up a draft Charter of fundamental rights of the European Union, briefed the European Council on work in hand.

The Convention is urged to continue its work in accordance with the timetable laid down in the mandate from the Cologne European Council so that a draft document is presented in advance of the European Council in October 2000.

**Common European Security and Defence Policy**

The European Council reaffirms its commitment to building a Common European Security and Defence Policy capable of reinforcing the Union's external action through the development of a military crisis management capability as well as a civilian one, in full respect of the principles of the United Nations Charter.

The European Council welcomes the Presidency report endorsed by the Council on "Strengthening the Common European Policy on Security and Defence" and associated documents (cf. Annex I). Satisfactory progress has been made in fulfilment of the Helsinki mandate on both the military and the civilian aspects of crisis management. In this context, the European Council notes the progressive development of the interim Political and Security Committee and the interim military bodies established at Helsinki.
Improving European military capabilities remains central to the credibility and effectiveness of the Common European Security and Defence Policy. The European Council is determined to meet the Headline Goal targets in 2003 as agreed in Helsinki. In this context, it looks forward to the Capabilities Commitment Conference later this year, where Member States will make initial national commitments, and to the creation of a review mechanism for measuring progress towards the achievement of those targets. The necessary transparency and dialogue between the Union and NATO will be ensured and NATO expertise will be sought on capability goal requirements.

Principles and modalities for arrangements have been identified to allow non-EU European NATO members and other EU accession candidates to contribute to EU military crisis management. Principles for consultation with NATO on military issues and modalities for developing EU-NATO relations have also been identified in four areas covering security issues, capability goals, the modalities for EU access to NATO assets, and the definition of permanent consultation arrangements.

Contributions are invited from all partner third states to the improvement of European capabilities. The European Council welcomes the offers made by Turkey, Norway, Poland and the Czech Republic, which will expand the range of capabilities available for EU-led operations.

The European Council welcomes the setting-up and first meeting of the committee for civilian aspects of crisis management, as well as the identification of priority areas for targets in civilian aspects of crisis management and of specific targets for civilian police capabilities. In this respect Member States, cooperating voluntarily, have undertaken that by 2003 they will be able to provide up to 5,000 police officers for international missions across the range of conflict prevention and crisis management operations. Member States have also undertaken to be able to identify and deploy up to 1,000 police officers within 30 days. The European Council also welcomes the willingness of the Commission to contribute to civilian crisis management within its spheres of action.

The European Council underlines the Union’s determination in its approach to conflict prevention and crisis management to assume fully its Petersberg task responsibilities as referred to in Helsinki. It invites the incoming Presidency together with the Secretary General/High Representative to carry work forward within the General Affairs Council, in accordance with the mandates referred to in the Presidency report, and to submit an overall Presidency report to the European Council in Nice. The permanent political and military structures should be put in place as soon as possible after Nice.

**Enlargement**

The European Council reaffirms the priority for the Union of the enlargement process and notes with satisfaction the substantive progress in the negotiations since the Helsinki European Council (cf. Annex II). In particular, it welcomes the launching of accession negotiations with Malta, Romania, Slovakia, Latvia, Lithuania and Bulgaria, and the first concrete results already achieved. The European Council considers that it should be feasible to open negotiations in all areas of the acquis with the most advanced of these candidates as early as possible in 2001.

The European Council furthermore welcomes that all areas of the acquis, except "Institutions", have now been opened for negotiations with Cyprus, Hungary, Poland,
Estonia, the Czech Republic and Slovenia. It also notes that considerable progress has been made in several areas already under negotiation.

The European Council reiterates the commitment of the Union to maintain the momentum of the accession process. All candidates will continue to be judged on the basis of own merits. In line with the principle of differentiation, it is possible for candidates to catch up with those which started their negotiations earlier.

The European Council recalls that, in addition to finding solutions to the negotiating issues, progress in the negotiations depends on the incorporation by the candidate States of the acquis in their national legislation and especially on their capacity to effectively implement and enforce it. While progress has already been made, this calls for important efforts by the candidates to continue their domestic reforms, in particular strengthening their administrative and judicial structures. The Union will closely monitor the performance of the candidates. To this end, the Commission is invited to report to the Council on its findings. The European Council at Nice will review progress on enlargement and consider how to take forward the accession process.

With respect to Turkey, the European Council notes this candidate's initiatives to meet the accession criteria. In accordance with the Helsinki conclusions, the European Council looks forward to concrete progress, in particular on human rights, the rule of law and the judiciary. The Commission should report to the Council on progress in preparing the process of analytical examination of the acquis with Turkey. The Commission is also invited, in the light of the above, to present as soon as possible proposals for the single financial framework for assistance to Turkey as well as for the Accession Partnership.

The European Council stresses the importance of securing continuing support for enlargement and to that effect, the need to provide appropriate information for the general public in Member States and candidate countries alike.

ANNEX II

PRESIDENCY REPORT ON THE ENLARGEMENT PROCESS

One of the main priorities of the Portuguese Presidency has been to provide impetus for the enlargement process currently under way with the 13 applicant countries.

As regards the applicant countries with which accession negotiations began in March 1997, namely Cyprus, Hungary, Poland, Estonia, the Czech Republic and Slovenia, the Portuguese Presidency, in line with the Conclusions of the Cologne European Council, has initiated negotiations on the chapters which had not yet been opened, some of which are particularly complex: Regional Policy, Financial Control, Financial and Budget Provisions, Justice and Home Affairs, the Free Movement of Persons and Agriculture. As envisaged, the opening of negotiations on the chapter on Institutions, will naturally wait until the end of the Intergovernmental Conference on the reform of the institutions.

Furthermore, the Portuguese Presidency has endeavoured to achieve progress in the negotiations on all the other chapters previously opened. It has thus been possible to conclude provisionally with all those applicants the chapter on Foreign Policy and Common Security, Company Law with Cyprus, Estonia and Slovenia, Social Policy with Cyprus, Fisheries with Cyprus and Estonia, External Relations with Estonia and the Czech Republic, Customs Union with the Czech Republic, the Free Movement of Capital with Estonia and Financial Control with Hungary, Slovenia, Cyprus and Poland. The provisional conclusion
of the *Telecommunications and Information Technology* and *Industrial Policy* chapters was also formalised with Hungary.

The abovementioned results were attained at two rounds of bilateral negotiation Conferences at Deputy level in April and May and confirmed at a negotiating round at Ministerial level in June.

At the same time, and in accordance with the mandate of the Helsinki European Council, the Portuguese Presidency formally launched accession negotiations in February with Romania, Slovakia, Latvia, Lithuania, Bulgaria and Malta. Accordingly, the Union managed to hold bilateral negotiation conferences with twelve candidate countries simultaneously during the Portuguese Presidency.

Mindful of the notion expressed at Helsinki that cumbersome new processes should not be introduced, and on the basis of the hallowed principle that candidates must be judged on their individual merits, the Portuguese Presidency defined a modulated programme of negotiations with these candidates on the basis of a proposal from the Commission, following consultations with the Member States. It was thus possible to launch concrete negotiations with these six candidates on

*Education and Training, Science and Research, Small and Medium-sized Enterprises, External Relations* and *Common Foreign and Security Policy*. To this common core of chapters for these candidates should be added the launching of negotiations on *Statistics* and *Competition Policy* with Latvia, Lithuania and Slovakia, *Culture and Audiovisual Policy* with Bulgaria, Malta, Latvia, Lithuania and Slovakia and *Industrial Policy* and *Telecommunications and Information Technologies* with Malta.

The results negotiated with these candidates were as follows: all five chapters which were opened with Romania during the Portuguese Presidency were provisionally concluded, negotiations were provisionally concluded on six of the eight chapters opened with Slovakia, with only *Competition Policy* and *Culture and Audiovisual Policy* still outstanding; again, of the eight chapters opened, only *Culture and Audiovisual Policy, External Relations* and *Competition* were not provisionally concluded with Latvia and Lithuania; four of the six chapters opened were provisionally concluded with Bulgaria, leaving *Culture and Audiovisual Policy* and *External Relations* open; finally, of the eight chapters opened with Malta, only the negotiations on *Culture and Audiovisual Policy* were not provisionally concluded. In order to achieve the abovementioned results with these candidates, the Portuguese Presidency organised two rounds of Conferences at Deputy level and a further two at Ministerial level.

It should be noted, particularly because of its symbolic importance, that the negotiating rounds at Ministerial level held on 13 and 14 June, which confirmed the results of the Portuguese Presidency, included for the first time all twelve applicants for membership, thus ending the separation of applicants into groups.

In addition to the negotiations as such, for which the programme set down by the Portuguese Presidency was completed in full, an endeavour was also made to press forward with other elements of the enlargement process.

An Association Council meeting was held with Turkey the first in some considerable time which will contribute to enabling the country to be effectively integrated into the pre-accession process, as decided on by the Helsinki European Council.
It was also possible to reach an agreement within the Union on a Financial Regulation for Cyprus and Malta, thus creating conditions for these two applicants to continue effectively with their pre-accession efforts, and allowing the respective accession partnerships to be formally approved.