ANNEX I

Report to the European Council in Lisbon on the likely development of the Common Foreign and Security Policy (CFSP) with a view to identifying areas open to joint action vis-à-vis particular countries or groups of countries

I

Introduction: the likely development of CFSP

1. The Treaty establishing the European Union, which should come into force on 1 January 1993, will mark the creation of the Common Foreign and Security Policy.

2. The CFSP should be seen as the successor to the activities hitherto pursued by Member States in the framework of European Political Cooperation (EPC) under the Single European Act. With specific aims and means, the CFSP represents a "saut qualitatif" in the sense that it integrates the "Acquis" of EPC and gives it greater potential, principally by means of joint action, an additional instrument which implies a strict discipline among Member States and enables the Union to make full use of the means at its disposal.

3. With the new phase now beginning, the CFSP should contribute to ensuring that the Union's external action is less reactive to events in the outside world, and more active in the pursuit of the interests of the Union and in the creation of a more favourable international environment. This will enable the European Union to have an improved capacity to tackle problems at their roots in order to anticipate the outbreak of crises. Furthermore, the Union will be able to make clearer to third countries its own aims and interests, and to match more closely those parties expectations of the Union.
4. In order to contribute to the strengthening of the Union's external activities as a whole, it will be up to the Council and to the Commission to ensure consistency between the CFSP, the Community external action and the cooperation in the fields of justice and home affairs.

5. The legal provisions on CFSP are to be found in Title V of the Maastricht Treaty where it is stated that the Union shall gradually implement "joint action in the areas in which the Member States have important interests in common" (Article J.1.3).

6. It was specifically with a view to identifying the areas open to joint action that the Maastricht European Council issued a statement in which the Council was invited:

- "to prepare a report to the European Council in Lisbon on the likely development of the CFSP with a view to identifying areas open to joint action vis-à-vis particular countries or groups of countries".

7. It should be noted that the proposals herein constitute only a starting point for the implementation of CFSP and more specifically for joint action. Consequently the proposals on geographical areas and horizontal domains for joint action are to be seen as a first indication and should in no way be regarded as exhaustive.

II
Framework

8. In accordance with the Union's Treaty, the CFSP covers all areas of foreign and security policy and implies with the aim of achieving the objectives set out in Article J.1.2:

- systematic cooperation between Member States in the conduct of policy on any matter of foreign or security
policy of general interest;

- the gradual implementation of joint action in the areas in which the Member States have important interests in common.

9. Joint action must be seen as a means for the definition and the implementation by the Union of a policy in the framework of the CFSP in a specific issue. It must necessarily:

- satisfy the objectives of the Union set out in Article B and, more particularly, in Article J.1.2;

- take into account the Union's Acquis;

- remain consistent with other actions and positions adopted by the Union.

10. For each area, the Union should define specific objectives in order to elect the issues in which joint action may be envisaged. These specific objectives might be inter alia:

- strengthening democratic principles and institutions, and respect for human and minority rights;

- promoting regional political stability and contributing to the creation of political and/or economic frameworks that encourage regional cooperation or moves towards regional or sub-regional integration;

- contributing to the prevention and settlement of conflicts;
contributing to a more effective international coordination in dealing with emergency situations;

- strengthening existing cooperation in issues of international interest such as the fight against arms proliferation, terrorism and the traffic in illicit drugs;

- promoting and supporting good government.

11. The existence of important interests in common constitute the basic criterion for adopting joint action (Article J.3). According to the principle of solidarity among Member States, this does not rule out the possibility of a given interest being of more importance to some Member States than to others.

12. It is possible at this stage to list certain factors determining important common interests. Account should be taken of these and other factors in defining the issues and areas for joint action:

- the geographical proximity of a given region or country;

- an important interest in the political and economic stability of a region or country;

- the existence of threats to the security interests of the Union.

13. Bearing in mind that joint action should be gradually implemented, a limited number of geographical areas has been identified. For each area, a number of horizontal issues in respect of which joint action
could be undertaken in the short term were selected. These areas are: Central and Eastern Europe, in particular the Commonwealth of Independent States and the Balkans, the Mediterranean, in particular the Maghreb, and the Middle East;

14. In addition, certain domains within the security dimension have already been identified by the European Council.

15. As pointed out in the introduction, this selection of areas for implementation of joint action is merely illustrative.

16. The European Council will review the international situation in order to establish general guidelines for joint action in the light of change in the areas already identified and in any others where appropriate.

17. With regard to the special importance of the North-South relations, the Union may want to develop gradually in a consistent and coordinated manner its external activities vis-à-vis the countries of Africa, Latin America and Caribbean and Asia in all aspects of its relations (e.g. foreign, security, economic and development policies) in order to contribute to the development of those regions within a context of full respect for human rights, and to the strengthening of their relations with the Union. Particular account will be taken of relations, including contractual relations, which have been established with regional and other groupings.

18. The Union wishes also to draw attention to the high priority it continues to attribute to the relations with the United States of America, Canada and Japan,
with whom the Union has adopted separate joint declarations which constitute a basis for a fruitful partnership. All sides remain aware that cooperation in a close partnership remains indispensable.

19. In accordance with the provisions of Title V, the Member States of the Union will coordinate their action in international organisations of which they are members and at international conferences at which they participate, both in pursuing common positions and following up joint actions.

III
Joint action vis-à-vis particular countries and groups of countries

20. The following paragraphs identify, in accordance with the European Council's mandate, areas in which joint action vis-à-vis selected individual countries or groups of countries would appear to be, in a first phase, particularly beneficial for the attainment of the objectives of the Union.

A
Central and Eastern Europe

21. The Community and its Member States have followed closely the economic and political changes in the region. They seek to respond to challenges by mobilising the resources at their disposal to support the transformation taking place in those countries, in particular the establishment of the rule of law and the process of economic reform.
22. The Union will:

- promote political stability and contribute to the creation of political and/or economic frameworks that encourage regional cooperation or moves towards regional or subregional integration;

- encourage full implementation of the CSCE commitments in the framework of the CSCE itself and elsewhere, including in particular the provisions relating to:

- the human dimension, notably respect for democracy, the rule of law, human rights including those of persons belonging to national minorities;

- the prevention and settlement of conflicts, whilst fully respecting the inviolability of frontiers and other CSCE principles.

A.1 Russia and the former Soviet Republics

23. Hitherto, the action of the Community and its Member States in the political field has been dominated by the need to assure the area's stability, with particular attention to the preservation of European security. With a view to strengthening the Union's capacity for influence vis-à-vis this group of countries, joint action might be envisaged in the following areas:

- support for the setting up of a framework of harmonious relations between the European Union
and the new States, taking into account the different interests and historical experiences of the States concerned;

- reinforcing existing patterns of cooperation and trade between the new States themselves;

- encouraging full compliance with all the treaties on disarmament and arms control to which they are parties, including those on non-proliferation;

- opening joint facilities and missions, each case being treated on its merits.

A.2 Other countries in Central and Eastern Europe including the Balkans

24. These countries are engaged in the road to democracy and in the process of setting up new political and economic structures. It would be convenient to reinforce their links with the European Union and other organizations.

25. Progress has already been made by some of these countries in the process of democratization and integration in European institutions. Taking it into account joint action might be envisaged in establishing the political frameworks to foster these countries' relations with each other and with the Union and the reinforcement of their ties with European organizations and structures.

A.3 Former Yugoslavia

26. For the present the essential aim is to promote peace among the peoples and countries of the area and to
contribute to safeguarding European security.

27. The following issues could fall within the framework of joint action:

- the Union efforts to find a peaceful and lasting solution to the Yugoslav crisis including the Peace Conference and the continuation of the various aspects of the monitoring mission;

- the monitoring of a possible future solution and the promotion of cooperation between the Republics;

- the promotion of cooperation in political and security issues between the Republics and the Union;

- the contribution to the strengthening of democracy and the rule of law, human and minority rights, by means of legal and technical cooperation.

II

Maghreb and Middle East

28. The Southern and Eastern shores of the Mediterranean as well as the Middle East are geographical areas in relation to which the Union has strong interests both in terms of security and social stability.

29. The Union has therefore an interest in establishing with the countries of the area a relationship of good neighbourliness. The goal should be to avoid a deepening of the North-South gap in the region by favouring economic development and promoting full respect for human rights and fundamental freedoms and
the development and consolidation of democracy and the rule of law.

B.1 Maghreb

30. The Maghreb is the Union's southern frontier. Its stability is of important common interest to the Union. Population growth, recurrent social crises, large-scale migration, and the growth of religious fundamentalism and integralism are problems which threaten that stability.

31. Without prejudice to the necessary differences in approach concerning the region's various countries, attention might be given in priority to the following:

- promoting a constructive dialogue, aimed at creating an area of peace, security and prosperity, in which respect of the fundamental principles of international law is assured;

- establishing a framework of cooperation in all fields, which should gradually lead to an upgraded partnership between the Union and its Member States and the Maghreb countries;

- strengthening of existing cooperation measures on the foreign policy aspects of the fight against terrorism and illicit traffic in drugs;

- ensure full compliance by the countries of the region with the relevant treaties and agreements on disarmament and arms control, including those on non-proliferation;

- supporting the current moves towards regional integration.
B.2 Middle East

32. The Middle East has been one of the constant preoccupations of the Community and its Member States. The instability which has been a permanent feature of this region affects international security and the interests of the Union, the most important of which are to ensure the stability of the area and a relationship of cooperation and dialogue.

33. Within the framework of the objectives set by the Union, the following domains are potentially open to joint action:

- development of systematic action to support the process of negotiations launched by the Middle East Conference in Madrid on the basis of the relevant Resolutions of the United Nations Security Council which should lead to a just and comprehensive solution to the Arab-Israeli conflict and the Palestinian question;

- ensure the Union's active involvement in the Peace process;

- making efforts to persuade Israel to change its policy regarding settlements in Occupied Territories and to persuade Arab countries to renounce to their trade boycott;

- support moves towards regional integration;

- ensure the full compliance by the countries of the region with the relevant treaties and agreements on disarmament and arms control,
including those on non-proliferation, and with the relevant Resolutions of the United Nations Security Council;

- the foreign policy aspects of the fight against terrorism and the illicit traffic in drugs.

IV
Domains within the security dimension

34. The Heads of State and Government at the Maastricht European Council adopted provisions for the establishment, the definition and the implementation of a Common Foreign and Security Policy. This policy shall include all questions related to the security of the Union, including the eventual framing of a common defence policy, which might in time lead to a common defense.

35. In this context, the European Council indicated the domains within the security dimension which may be as from the entry into force of the Treaty object of joint actions, namely:

- the CSCE process;

- the policy of disarmament and arms control in Europe, including confidence-building measures;

- nuclear non-proliferation issues;

- the economic aspects of security, in particular control of the transfer of military technology to third countries and control of arms exports.

36. In accordance with Article J.4, the Union requests WEU, which is an integral part of the development of
the European Union, to elaborate and implement decisions and actions of the Union which have defence implications. In this context, member States which are also members of WEU recall the Declaration adopted at Maastricht, in December 1991 and which was noted by the Intergovernmental Conference. The issues having defence implications dealt with under Article J.4. shall not be subject to the procedure of joint action.

37. The policy of the Union in accordance with Article J.4. shall not prejudice the specific character of the security and defence policies of certain member States and shall respect the obligations of certain member States under the North Atlantic Treaty and be compatible with the common security and defence policy established within that framework.

38. The European Council has also invited the Ministers for Foreign Affairs to begin preparatory 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. This preparatory work should in particular consider the elements which will be necessary to the Union in the framework of the CFSP. To this effect an ad hoc working group on Security will be created under the Political Committee.
EUROPEAN COUNCIL DECLARATION
ON FORMER YUGOSLAVIA

The European Council strongly condemns the continuing violence which has ravaged the territory of the former Yugoslavia for over a year, resulting in an appalling loss of life and a desperate humanitarian situation, in particular in Bosnia and Herzegovina. Although all parties have contributed, in their own way, to the present state of affairs, by far the greatest share of the responsibility falls on the Serbian leadership and the Yugoslav army controlled by it. The Community and its member States stress again the need for full application of the sanctions stipulated by the UN Security Council.

The European Council deplores in particular that the reopening of Sarajevo airport for humanitarian purposes, in accordance with UN Security Council Resolution 758, has not been achieved. Further measures are therefore required. EC Member States will propose that the legally competent body, the UN Security Council take, without delay, all necessary measures for the reopening of the airport and effective delivery of humanitarian assistance to Sarajevo and neighbouring areas. The European Community and its Member States are ready to cooperate in that as far as is legally and practically possible for them to do so. This may include airborne humanitarian aid. While giving priority to peaceful means, the European Council does not exclude support for the use of military means by the UN to achieve these humanitarian objectives.

Noting the Declaration by the WEU Council of Ministers of 19 June 1992, the European Council welcomes the study being carried out by this organisation of possible means in support of actions undertaken in the framework of the relevant UN Security Council Resolutions.
The European Council is gravely preoccupied by the increasingly intolerable situation of the hundreds of thousands of displaced persons in the territory of the former Yugoslavia. In spite of actions already undertaken, in particular by the United Nations High Commissioner for Refugees (UNHCR), the European Council considers that further important financial help will be needed. The Commission will coordinate these efforts with the other G-24 countries.

With regard to Kosovo, the European Council expects the Serbian leadership to refrain from further repression and to engage in serious dialogue with representatives of this territory. The European Council reminds the inhabitants of Kosovo that their legitimate quest for autonomy should be dealt with in the framework of the Conference on Yugoslavia. It stresses the need to immediately dispatch observers to Kosovo as well as to neighbouring countries in order to prevent the use of violence and with a view to contributing to the restoration of confidence. The Community and its member States call upon the CSCE to take the necessary steps to that effect and stand ready, as far as they are concerned, to take part in such a mission.

The European Council reiterates the position taken by the Community and its members States in Guimaraes on the request of the former Yugoslav Republic of Macedonia to be recognised as an independent State. It expresses its readiness to recognise that republic within its existing borders according to their Declaration on 16 December 1991 under a name which does not include the term Macedonia. It furthermore considers the borders of this republic as inviolable and guaranteed in accordance with the principles of the UN Charter and the Charter of Paris.

The European Community and its Member States will not recognise the new federal entity comprising Serbia and Montenegro as the successor State of the former Yugoslavia until the moment that decision has been taken by the qualified international institutions. They have decided to demand the suspension of the
delegation of Yugoslavia in the proceedings at the CSCE and other international fora and organisations.

The European Council states its determination to help the peoples of the former Yugoslavia in their quest for a peaceful future in Europe and reiterates that the EC Conference on Yugoslavia chaired by Lord Carrington is the only forum capable of ensuring a durable and equitable solution to the outstanding problems of the former Yugoslavia, including constitutional arrangements for Bosnia and Herzegovina. The European Council urges all parties involved in the peace process to participate fully and without further delay in the negotiations sponsored by the Conference.
DECLARATION OF THE EUROPEAN COUNCIL
ON THE MIDDLE EAST PEACE PROCESS

The European Council reaffirms its support for the peace process launched in Madrid in October 1991 which provides a unique opportunity for peace. It is of paramount importance for the world and Europe in particular, which has an essential role to play in the political and economic stability of the region. The European Council pays tribute to the commitment and perseverance of the co-sponsors as well as to the wisdom and courage displayed by the parties directly involved.

The European Council has taken note of the results of the election in Israel. It believes that these results, which are an illustration of the democratic tradition in Israel, will reinforce the peace process and the commitment to a just and lasting settlement. It hopes that the new Israeli government, as well as the Arab parties involved, will seize the opportunity to negotiate a comprehensive peace.

The European Council recognises that it is for the parties to the dispute to establish the terms of a settlement, which, to be effective, must be freely negotiated and agreed among them. But the European Council reiterates its belief that for an agreement to prove just and lasting it will have to be based on United Nations Security Council Resolutions 242 and 338, which enshrine the principle of land for peace. It should provide for the security of all States in the region, including Israel, within recognised and guaranteed borders, and for the Palestinian people to exercise their right to self-determination.

The European Council reiterates the need for all parties to commit themselves to the peace process, to refrain from all acts
of violence and to avoid any action likely to endanger the negotiations, or to threaten the climate of confidence. It hopes that the new Israeli government and the Arab parties will act quickly to implement confidence building measures. It looks forward to a halt to the building and expansion of Israeli settlements in the Occupied Territories, including East Jerusalem, which are illegal under international law, and to full application of the provisions of the Fourth Geneva Convention. The European Council also calls upon the members of the Arab League to lift the boycott of trade to Israel, which is incompatible with the spirit of the peace process.

The European Council reiterates the commitment of the Community and its member States to play a constructive and active role in the peace process, in both its bilateral and multilateral tracks, based on the Community's well known positions of principle. Both Israel and her Arab neighbours can rely on Europe's commitment to building a future of peace and prosperity in the region in the light of progress achieved in the peace process.

The European Council reiterates the Community's wish for full implementation of Security Council Resolution 425. It reaffirms its support for Lebanon's independence, sovereignty, unity and territorial integrity. It calls for the withdrawal of all foreign forces from Lebanon and for cooperation by the parties with the United Nations forces serving there. The European Council believes that the Lebanese people should be permitted to make their views known in elections which are held under conditions guaranteed to be free and fair.
DECLARATION BY THE EUROPEAN COUNCIL
ON RELATIONS BETWEEN EUROPE AND THE MAGHREB

1. The European Council reaffirms its solidarity with the Maghreb countries and its firm determination to continue its overall policy of contributing to the stability and prosperity of the Mediterranean region on the basis of an approach favouring partnership.

2. The Community and its Member States consider that their relations with the Maghreb countries must be founded on a common commitment to:

- respect for international law, the principles of the United Nations Charter and the Resolutions of the United Nations Security Council;

- respect for human rights and fundamental freedoms in civil, political, economic, social and cultural matters and for democratic values exemplified by free and regular elections;

- the establishment of democratic institutional systems guaranteeing pluralism, effective participation by citizens in the lives of their States and respect for the rights of minorities;

- tolerance and co-existence between cultures and religions.

3. The political dialogue between the European Community and its Member States and the Maghreb countries should permit a regular exchange of information and greater mutual
consultation on political and security matters. Similarly, the European Community and its Member States hope that this dialogue will as soon as possible extend to elected representatives and the social partners. The Community and its Member States are also ready, at the appropriate time, to continue the dialogue entered into with the AMU.

4. In the economic field, the European Council reiterates its support for the harmonious development of the Maghreb region with a view to its economic integration, the introduction of true market economies and the modernization of economic systems.

In this context the European Council, mindful of the possibilities for action already decided upon in the context of the R.M.P., to which the Community remains firmly committed, considers that a true Europe-Maghreb partnership should encourage the continuation of economic reforms and a substantial increase in private investment, and more particularly joint ventures between firms in Europe and the Maghreb, with a view to promoting job-creating activities.

The European Council states that the Community is ready to play a full part in such an undertaking, in particular through financial co-operation, especially in the context of the R.M.P, investment promotion, increased technical co-operation in all areas of common interest and ultimately, by stages, the setting up of a free-trade area. The European Council notes that talks have already made it possible to explore this approach with Morocco and hopes that rapid progress can be made along these lines. It proposes that a similar approach be adopted towards other countries in the region.

5. In the social field, the European Council considers that
priority consideration must be given to the problems raised on both sides of the Mediterranean by:

- migration and the living and working conditions of migrant communities;

- demographic imbalances and the attendant economic and social disparities.

6. In the cultural field, the European Council considers that more exchanges, in particular of young people, university students and staff, scientists and those in the media, are vital for a better knowledge and mutual understanding of peoples and cultures in Europe and the Maghreb.

7. Through the progressive attainment of the objectives cited, in particular that of partnership, the European Council shows its firm determination to place relations between Europe and the Maghreb on a footing which, in scale and intensity, is commensurate with the links forged by geography and by history.