

THE EUROPEAN COUNCIL

**ESSEN
9-10 DECEMBER 1994**

Documents in the dossier include:

Essen European Council

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1. Essen European Council

Essen, 9 and 10 December

I.1. The meeting of Heads of State or Government was chaired by Mr Helmut Kohl, President of the European Council and Chancellor of the Federal Republic of Germany, and took place with the full participation of the Heads of State or Government of the acceding countries (Austria, Finland and Sweden) and, for part of the proceedings, the Heads of State or Government of the six associated countries of Central and Eastern Europe. The Commission was represented by its President, Mr Jacques Delors, and Mr Hans Van den Broek, Member of the Commission, while Mr Henning Christophersen, Vice-President of the Commission, also attended some of the proceedings. The meeting was preceded by an exchange of views with Mr Klaus Hänsch, President of the European Parliament, on the main items on the agenda.

Conclusions of the Presidency

Introduction

I.2. The European Union has entered a new phase marked by a number of significant changes: the European Parliament, endowed with additional powers under the Maastricht Treaty, was renewed following the fourth direct elections in June 1994; the new European Commission will shortly begin work; on 1 January 1995, the new Member States, Austria, Finland and Sweden, will accede to the Union and the European Council welcomes them most cordially. With their experience and traditions, the new Member States constitute a valuable enrichment for the Union. The European Council trusts that all the remaining preconditions for accession to be put into effect on the scheduled date will be completed in good time.

Following the worldwide recession, our economies are back on track. There must be further determined

efforts to improve competitiveness and the employment situation and to reduce government deficits and create a more efficient public sector. If the economic upturn is to be given further impetus, it is essential that in the European Union too the results of the Uruguay Round be ratified and the necessary internal measures for its implementation, including trade-policy instruments, be adopted before the end of the year, so that they can enter into force as planned on 1 January 1995. In this context, the European Council confirms its support for the European candidacy for the post of Director-General of the World Trade Organization and notes that the developing countries are also supporting this candidature.

The European Council in Essen is the last summit which Jacques Delors will attend as President of the European Commission. His name is associated with what must be the 10 most successful years of European unification. He was the prime mover in the Single European Act. He helped the Community realize the visionary goal of the completion of the internal market (Europe 92) and in so doing made a decisive contribution to overcoming the period of stagnation at the beginning of the 1980s and to imparting a new dynamism to the integration process. The second great achievement for which we essentially have Jacques Delors to thank is economic and monetary union, the fundamental groundwork of which was his. For this, as well as for the high standards he has set, the Heads of State or Government meeting in the European Council would like to express their thanks and recognition. His achievements for Europe will not be forgotten. President Delors has rendered outstanding service to European unification.

Looking back over the historic work completed since the Community's beginnings, the Union must now demonstrate its ability also to shape the future in the political and economic interests of its citizens.

In this respect there is no shortage of new challenges before it: in the political sphere the 1996 Union Treaty review conference and future enlargement, in the economic sphere the realization of economic and monetary union and a contribution to overcoming employment problems, in the technological sphere the mastery of information society developments and lastly the shaping of internal and external security. The new instruments in the Maastricht Treaty, the Union's greater weight thanks to the accession of new countries, budgetary means adequate for these goals as a result of the recent decision on own resources are all significant preconditions for these objectives.

The participants in the European Council held an exchange of views with the President of the European Parliament, Mr Klaus Hänsch, on the main topics discussed at the meeting.

The participants in the European Council met the Heads of State or Government and the Foreign Ministers of the Central and East European countries which are already associated with the European Union through Europe Agreements and held an exchange of views with them on the strategy for leading these States towards the European Union.

Against this background the Heads of State or Government discussed the essential issues of the day and established a set of guidelines for short and medium-term measures in the following four priority areas:

- continuing and strengthening the strategy of the White Paper in order to consolidate growth, improve the competitiveness of the European economy and the quality of the environment in the European Union, and — given the still intolerably high level of unemployment — create more jobs for our citizens;
- ensuring the lasting peace and stability of the European continent and neighbouring regions by preparing for the future accession of the associated countries of Central and Eastern Europe and developing in parallel the special relationship of the Union to its other neighbours, particularly the Mediterranean countries;
- strengthening the Union's action in the area of internal security by providing the necessary legal and operational means for cooperation in justice and home affairs, in particular by concluding the Europol Convention during the French Presidency;
- strengthening the Union's democratic legitimacy, consistent compliance with the subsidiarity principle, and developing the different aspects of European citizenship in order to make the functioning of the institutions more transparent and the advantages of belonging to the Union more obvious to the general public, thus enhancing the Union's acceptability to its citizens.

Economic issues

References:

- Commission White Paper on growth, competitiveness and employment: COM(93) 700; Bull. 12-1993, point I.2.44; Supplement 6/93 — Bull. Conclusions of the Brussels European Council: Bull. 12-1993, points I.3 to I.7
- Conclusions of the Corfu European Council: Bull. 6-1994, points I.4 to I.9

Improving the employment situation

I.3. The fight against unemployment and equality of opportunity for men and women will continue in the future to remain the paramount tasks of the European

Union and its Member States. The current economic recovery will help in dealing with these tasks. That recovery is not, however, in itself sufficient to solve the problems of employment and unemployment in Europe. We shall therefore have to make further efforts to solve the structural problems. In this process, an important role will be played by dialogue between social partners and politicians in which everyone concerned will have to assume their responsibilities fully.

The measures to be taken should include the following five key areas:

- Improving employment opportunities for the labour force by promoting investment in vocational training. To that end, a key role falls to the acquisition of vocational qualifications, particularly by young people. As many people as possible must receive initial and further training which enables them through life-long learning to adapt to changes brought about by technological progress, in order to reduce the risk of losing their employment.
- Increasing the employment-intensiveness of growth, in particular by:
 - more flexible organization of work in a way which fulfils both the wishes of employees and the requirements of competition;
 - a wage policy which encourages job-creating investments and in the present situation requires moderate wage agreements below increases in productivity,
 - and, finally, the promotion of initiatives, particularly at regional and local level, that create jobs which take account of new requirements, e.g. in the environmental and social services spheres.
- Reducing non-wage labour costs extensively enough to ensure that there is a noticeable effect on decisions concerning the taking on of employees and in particular of unqualified employees. The problem of non-wage labour costs can only be resolved through a joint effort by the economic sector, trade unions and the political sphere.
- Improving the effectiveness of labour-market policy:

The effectiveness of employment policy must be increased by avoiding practices which are detrimental to readiness to work, and by moving from a passive to an active labour-market policy. The individual incentive to continue seeking employment on the general labour-market must remain. Particular account must be taken of this when working out income-support measures.

The need for and efficiency of the instruments of labour-market policy must be assessed at regular intervals.

- Improving measures to help groups which are particularly hard hit by unemployment:

Particular efforts are necessary to help young people, especially school-leavers who have virtually no qualifications, by offering them either employment or training.

The fight against long-term unemployment must be a major aspect of labour-market policy. Varying labour-market policy measures are necessary according to the very varied groups and requirements of the long-term unemployed.

Special attention should be paid to the difficult situation of unemployed women and older employees.

The European Council urges the Member States to transpose these recommendations in their individual policies into a multiannual programme having regard to the specific features of their economic and social situation. It requests the Labour and Social Affairs and Economic and Financial Affairs Councils and the Commission to keep close track of employment trends, monitor the relevant policies of the Member States and report annually to the European Council on further progress on the employment market, starting in December 1995.

The first reports will be used to examine, on the one hand, the effects of tax and support systems on the readiness both to create and to take up jobs and, on the other, the inter-relationship between economic growth and the environment and the consequences this has for economic policy. The European Council notes with interest the information provided by President Delors on changes in the present model of economic growth and economic objectives in relation to the environment and time management.

The European Council also noted the experience of Denmark, Ireland and Portugal in developing a framework at national level and structures and procedures at local level, in order to support an integrated concept for development at local level.

Economic and monetary union — Economic policy guidelines

Reference: Council recommendation 94/480/EC on the broad guidelines of the economic policies of the Member States and of the Community: OJ L 200, 3.8.1994; Bull. 7/8-1994, points 1.2.1 and 1.2.2

I.4. Just one year ago, the European Union entered into the second stage of economic and monetary union. The new instruments of the Treaty for strengthening the convergence of our economies are being consistently used in order to advance energetically the European unification process in the economic and monetary fields also. The new procedures have created greater receptivity for a lasting stability policy and strict budget discipline. Already in its second stage the Treaty is producing its stabilizing effect. The

task of this stage — stability-based preparation for economic and monetary union — is being accomplished.

Since the European Council in Corfu, clear success has been achieved in the efforts to achieve reliable convergence. Considerable progress has been made in achieving price and exchange-rate stability. In most Member States, government budget deficits are also gradually declining. Economic growth in the Community has thus gained dynamism. This development must be used for the further improvement of convergence as the indispensable precondition for transition to the final stage of economic and monetary union. A strict interpretation of the convergence criteria on the basis of the Maastricht Treaty is essential if reliable foundations for trouble-free economic and monetary union are to be laid.

The first priority is to achieve the consolidation goals announced in national convergence programmes. Above all, the structural deficits must decline in order to prevent a further increase in the rate of debt. Monetary policy must forestall any new inflationary tendencies in good time. In countries with continuing high inflation rates, greater stabilization efforts are necessary.

The European Council approves the report submitted by the Ecofin Council on implementation of the broad guidelines of economic policy which have contributed to a more favourable development of the economy.

CO₂/energy tax

Reference: Council conclusions on the Community strategy to reduce emissions of CO₂ and improve energy efficiency and on the CO₂/energy tax: point 1.2.213 of this Bulletin

I.5. The European Council has taken note of the Commission's intention of submitting guidelines to enable every Member State to apply a CO₂/energy tax on the basis of common parameters if it so desires. The Ecofin Council is being instructed to consider appropriate parameters.

Trans-European networks in the transport, energy and environment spheres

Reference: Report to the European Council by the Group of Personal Representatives of the Heads of State or Government on trans-European networks: Bull. 11-1994, point 1.2.81

I.6. The European Council welcomes submission of the report from the Group of Personal Representatives. It confirms that the 11 projects decided in Corfu and the three new projects concerning the Nordic Member States and Ireland have already been started

or can be started shortly. The list of priority transport and energy projects is set out in Annex I. For the rest, the European Council endorses the most important recommendations of the report of the Christophersen Group (see Annex II).

It welcomes the progress which has been made in selecting major transborder projects, particularly with the countries of Central and Eastern Europe and the Mediterranean basin. The European Council stresses the importance of traffic management systems, particularly in the case of air traffic.

The European Council welcomes the creation of a special window at the European Investment Bank for the financing of trans-European networks, as indicated in Annex III to these conclusions. The Member States, the Commission and the European Investment Bank will continue to monitor progress made in financing priority projects. It shares the Group's view that the financing requirements for each project must be examined individually.

The European Council is pleased that a start is to be made on priority transport infrastructure projects, particularly rail projects, as from 1995.

The European Council calls upon the Ecofin Council to adopt the necessary decisions, acting on proposals from the Commission, to top up the funds currently available for the trans-European networks.

The European Council emphasizes the Group's finding that obstacles are mainly of a legal and administrative nature, and urges the Commission and the Member States to take appropriate measures to overcome these obstacles.

The European Council calls upon the European Parliament and the Council to take the necessary decisions on the guidelines for transport and energy in the near future, in order to create a lasting framework for the Union's activity in this area.

Information society

References:

Commission communication entitled 'Europe's way to the information society: an action plan': COM(94) 347; Bull. 7/8-1994, point 1.2.99

Report to the European Council on the information society in Europe: a first assessment since Corfu: Bull. 11-1994, point 1.2.111

I.7. The European Council emphasizes that the Commission Action Plan 'Europe's way to the information society' and the conclusions of the ministers for industry and telecommunications have set the agenda for the development of an information society. The European Council sees the basic decision on liberalizing the telecommunications infrastructure by 1 January 1998 as a decisive step in establishing infor-

mation infrastructures for the future. In this connection it stresses the importance of new services and information content as well as the audiovisual sector in its cultural dimension. In this connection the European Council calls on the Commission to prepare proposals for revision of the Directive on television without frontiers and for a new MEDIA programme before the next European Council.

The European Council stresses the role of the private sector in building up and financing information infrastructures. It requests Member States to establish a suitable environment for such initiatives. International cooperation must be further strengthened, above all in relation to Central and Eastern Europe and the Mediterranean. The European Council calls upon the Commission to make appropriate proposals to that end.

The European Council asks the ministers for industry and telecommunications to ensure coordination of further measures. It requests the Council to create rapidly the legal framework conditions — in areas such as market access, data protection and the protection of intellectual property — that are still necessary.

The European Council welcomes the G7 Ministerial Conference on the global information society to be held in February 1995 in Brussels.

Internal market and competitiveness

References:

Summary report by the Commission on the internal market in 1994: COM(94) 553; Bull. 11-1994, point 1.2.13

Council resolution on giving full scope to the dynamism and innovatory potential of small and medium-sized enterprises, including the craft sector and micro-enterprises, in a competitive economy: OJ C 294, 22.10.1994; Bull. 10-1994, point 1.2.56

Group of independent experts on simplification of legislation and administration: Bull. 9-1994, point 1.7.2

I.8. The European Council, in agreement with the Commission report, stresses the importance of the internal market. It is now necessary to achieve uniform and effective application of the internal market rules.

The European Council intends also in the future to pay particular attention to the competitiveness of the European economy, as stated in the Commission's paper. In this connection, it welcomes the Commission's intention of setting up a high-level group which will deal with these matters and submit appropriate reports.

The European Council also notes that the high-level Legislative Administrative Simplification Group ('Deregulation Group') has begun its work. It stresses

the need to monitor Community and national law for over-regulation. It requests the Group to submit a report by June 1995.

The European Council welcomes the Council Resolution of 10 October 1994, which is designed in particular to remove legal and bureaucratic obstacles in the way of small and medium-sized enterprises.

The European Council requests the Council and the Commission to continue work on legal provisions concerning biotechnology. The outcome must take full account of the need for health and environmental protection and the need for European industry to be competitive.

Fisheries — Integration of Spain and Portugal into the common policy

Reference: Proposal for a Council Regulation establishing the rules for access to certain Community fishing areas and resources: point 1.2.170 of this Bulletin

I.9. The European Council calls upon the Council to adopt non-bureaucratic Community measures for all Community fishing vessels before the end of the year, while taking full account of the Declaration on Fisheries adopted during the accession negotiations and the *acquis communautaire* in the fisheries sector, and to lay down conditions for access to the zones and resources which are subject to specific provisions by virtue of the Act of Accession of Spain and Portugal, bearing in mind that fishing effort must not be increased.

Northern Ireland

Reference: Commission communication concerning a special support programme for peace and reconciliation in Northern Ireland: point 1.2.150 of this Bulletin

I.10. The European Council welcomed the reports of the Prime Ministers of the United Kingdom and of Ireland on the progress made in the peace process.

The European Council warmly welcomes the recent historic developments in Northern Ireland and reaffirms the necessity of ensuring the irreversible character of the peace process. The European Council confirms the commitment of the European Union to underpin this unique opportunity for reconciliation and economic recovery.

The European Council has agreed on the principle of a multiannual programme and on the allocation of additional funding of ECU 300 million which will provide support in the areas of urban and rural regeneration, employment, cross-border development, social inclusion and investment promotion.

The programme will apply to Northern Ireland and the border counties in Ireland, be additional, pursue the central objective of reconciliation and benefit both communities in an equitable and balanced way, and especially those areas and sections of the population suffering most acute deprivation.

The European Council took note of the commitment of the Governments of the United Kingdom and of Ireland to refocus existing Community programmes within the framework of present plans in order to meet the new demands and opportunities presented by the peace process.

Subsidiarity

References:

Conclusions of the Edinburgh European Council: Bull. 12-1992, points I.4 and I.15

Commission report to the European Council on the application of the subsidiarity principle (1994): COM(94) 533; Bull. 11-1994, point 1.1.1

I.11. The European Council took note of the Commission's first annual report on application of the principle of subsidiarity. The European Council welcomes the Commission's intention of implementing rapidly its 1993 programme for the review of existing Community law. It invites the Commission to submit the proposals still required for this purpose as soon as possible and no later than June 1995. It asks the Council to discuss the Commission proposals speedily and in a constructive spirit.

The European Council confirms the great importance of the subsidiarity principle as a guiding principle of the Union as established in the conclusions of the Edinburgh European Council. It calls upon all Community bodies to apply that principle consistently in accordance with those conclusions. In this context the European Council stresses that administrative implementation of Community law must in principle remain the preserve of the Member States, without prejudice to the Commission's powers of supervision and control.

The European Union's external relations

References:

Transatlantic declarations: Bull. 11-1990, points 1.5.3 and 1.5.4

European Union-Canada and European Union-United States meetings: Bull. 7/8-1994, points 1.3.53 and 1.3.54

Conclusions of the Corfu European Council: Bull. 6-1994, point I.18

Signature of the Partnership and Cooperation Agreement with Ukraine: Bull. 6-1994, point 1.3.34

Common position 94/779/CFSP defined by Council on the basis of Article J.2 of the Treaty on European Union on the objectives and priorities of the European Union towards Ukraine: OJ L 313, 6.12.1994; Bull. 11-1994, point 1.3.1

Council Decision providing macro-financial assistance to Ukraine: point 1.3.46 of this Bulletin

I.12. The European Union is making an essential contribution to overcoming the legacy of past divisions, and promoting peace, security and stability in and around Europe. Following enlargement to 15 Member States on 1 January 1995, the European Union will embark on its programme to prepare for the accession of all European countries with which it has concluded Europe Agreements. The European Union, recognizing the need for balance in its relations with all its neighbours, is also developing a programme to establish a Euro-Mediterranean partnership to promote peace, stability, prosperity and cooperation in the region. It will continue to cooperate with the countries of the European Economic Area and Switzerland, seeking to develop closer ties of political and economic cooperation with them.

The European Council emphasizes the significance of the transatlantic relations of the European Union with the US and Canada on the basis of the Transatlantic Declarations of November 1990. It welcomes the agreement expressed at the EU-Canada Summit on 6 July 1994 in Bonn and the EU-US Summit on 12 July 1994 in Berlin to develop relations further. It takes note with approval of the EU-US Summit's establishment of *ad hoc* study groups. It trusts that suggestions for closer cooperation worked out by the study groups will be submitted to the forthcoming summit meeting.

The development of the European Union's relations with Russia is an essential element in the maintenance of peace, security and stability in Europe. The European Council looks for the early ratification of the Partnership and Cooperation Agreement and is determined to exploit to the full its possibilities. It looks forward to a sustained constructive dialogue and partnership with Russia on political and economic issues.

The European Council welcomes the signing on 18 July of the Partnership and Cooperation Agreement with Ukraine, as well as the adoption of a common position setting out European Union objectives and priorities regarding Ukraine. The European Council welcomes the economic reforms which have been introduced in Ukraine, the adjustment programme agreed with the IMF and the political decision of principle by the Economic and Financial Affairs Council on 5 December 1994 to grant a Community balance of

payments aid, which should now be implemented with all speed. It urges Ukraine to continue energetically with the reforms initiated, and looks forward to constructive cooperation in the implementation of the action plan agreed in Corfu for the speedy closure of Chernobyl. The European Union will continue to support the democratic and economic reforms in Ukraine. It welcomes Ukraine's ratification of the Non-Proliferation Treaty as a non-nuclear State.

Relations with Central and East European countries

References:

Conclusions of the Copenhagen European Council: Bull. 6-1993, point I.26

Conclusions of the Corfu European Council: Bull. 6-1994, point I.13

Commission communications on preparing the countries of Central and Eastern Europe for accession: COM(94) 320; COM(94) 361; Bull. 7/8-1994, points 1.3.26 and 1.3.27

I.13. The European Council confirms the conclusions of the European Councils in Copenhagen and Corfu that the associated States of Central and Eastern Europe can become members of the European Union if they so desire and as soon as they are able to fulfil the necessary conditions.

The European Council has decided to boost and improve the process of further preparing the associated States of Central and Eastern Europe for accession. It is doing so in the knowledge that the institutional conditions for ensuring the proper functioning of the Union must be created at the 1996 Intergovernmental Conference, which for that reason must take place before accession negotiations begin. The European Council has decided on a comprehensive strategy submitted by the Council and the Commission at the request of the European Council in Corfu for preparing these countries for accession to the European Union (see Annex IV).

That strategy is tailored to the needs of the countries with which Europe Agreements were concluded and will be applied to other countries with which such Agreements are concluded in the future.

The European Council requests the Commission and the Council to do everything necessary to ensure that Europe Agreements can be concluded with the Baltic States and Slovenia under the French Presidency, so that these States can be included in the accession preparation strategy.

The strategy adopted by the European Council is being politically implemented by the creation, between the associated States and the Institutions of the European Union, of 'structured relations' which encourage mutual trust and will provide a framework for addressing topics of common interest.

The key element in the strategy to narrow the gap is preparation of the associated States for integration into the internal market of the Union.

The European Council requests the Commission to submit a White Paper on this subject in time for its next meeting and to report annually to the General Affairs Council on the progress of implementation of the accession preparation strategy that has been adopted, in particular on the gradual adoption of the internal market rules.

In addition, the European Council requests the Commission to submit as quickly as possible the detailed analysis desired by the Council of the effects of enlargement in the context of the Union's current policies and their future development.

The European Council further calls on the Commission to submit a study of means of developing relations between the EU and the associated countries of Central and Eastern Europe in the agricultural sector during 1995, with a view to future accession.

Preparation for the internal market is to be backed up by a variety of measures designed to promote integration through the development of infrastructure and of cooperation in fields having above all a trans-European dimension (including energy, environment, transport, science and technology, etc.), in the fields of common foreign and security policy and of justice and home affairs. The PHARE programme, appropriately funded within a multiannual financial framework in accordance with the preparatory strategy agreed upon, will provide financial support for the purpose.

Being aware of the role of regional cooperation within the Union, the Heads of State or Government emphasize the importance of similar cooperation between the associated countries for the promotion of economic development and good neighbourly relations. The Council has therefore approved a programme to promote such cooperation. That programme will also contribute to the objectives of the Stability Pact.

It is the European Council's belief that this strategy by the Union and the associated countries will help to prepare for accession and to make the associated countries better able to assume their responsibilities as future Member States.

The European Council regards the narrowing of the gap between the countries of Central and Eastern Europe and the EU and WEU as a contribution to security and stability in Europe. The European Council welcomes the intention of the WEU to initiate deliberations on the new security situation in Europe, including the suggestion that a White Paper on security in Europe should be prepared.

Mediterranean policy

References:

Conclusions of the Corfu European Council:
Bull. 6-1994, point I.10

Commission communication on strengthening the Mediterranean policy of the European Union: establishing a Euro-Mediterranean partnership: COM(94) 427; Bull. 10-1994, point 1.3.34

New draft agreement with Morocco: Bull. 12-1993, point 1.3.33

New draft agreement with Tunisia: Bull. 12-1993, point 1.3.38

Draft association agreement with Israel: Bull. 12-1993, point 1.3.31

Peace treaty between Israel and Jordan: Bull. 10-1994, point 1.3.42

Draft association agreement with Egypt: point 1.3.67 of this Bulletin

Council Decision providing macro-financial assistance to Algeria: point 1.3.64 of this Bulletin
EC-Turkey Association Council: point 1.3.62 of this Bulletin

Council conclusions on the Commission opinion on Cyprus's application for accession: Bull. 10-1993, point 1.3.7

Council conclusions on the Commission opinion on Malta's application for accession: Bull. 10-1993, point 1.3.8

I.14. The Mediterranean represents a priority area of strategic importance for the European Union.

The European Council therefore welcomes the report submitted by the Council (see Annex V), in response to its request at Corfu, drawn up on the basis of a communication from the Commission; it reiterates the European Union's willingness to support the Mediterranean countries in their efforts progressively to transform their region into a zone of peace, stability, prosperity and cooperation, and to this end its willingness to establish a Euro-Mediterranean partnership, develop appropriate agreements, progressively strengthen trade relations between the parties on the basis, *inter alia*, of the results of the Uruguay Round, and in the light of the Community's changing priorities maintain an appropriate balance in the geographical allocation of Community expenditure and commitments.

The European Council recalls its decision in Corfu to conclude the negotiations with Morocco, Tunisia and Israel by the end of the year.

□ With regard to the additional financial aid in support of future Mediterranean policy, it asks the Council and the Commission to put into effect the principles set out in paragraph 6 of the Council report (see Annex V);

□ it confirms the great importance it attaches:

— to opening similar negotiations in the near future with Egypt and other eligible Mediterranean countries which so wish;

— to continuing economic support to Algeria, as envisaged by the European Council at Corfu, while calling for a dialogue among all those who reject violence;

- to concluding the negotiations with Turkey on the completion and unrestricted implementation of the customs union and to reinforcing relations with this partner;
- it confirms that the next phase of enlargement of the Union will involve Cyprus and Malta and invites the Council to examine in early 1995 new reports to be presented by the Commission.

Furthermore, the European Council welcomes the intention of the future Spanish Presidency to convene in the second half of 1995 a Euro-Mediterranean Ministerial Conference with the participation of all Mediterranean countries concerned and the intention of the French Presidency to give high priority to its intensive preparation. This Conference should allow an in-depth discussion of future relations between the Union and the Mediterranean countries, addressing all relevant political, economic, social and cultural issues.

The Conference should reach an agreement on a series of economic and political guidelines for Euro-Mediterranean cooperation into the next century and will establish a permanent and regular dialogue on all subjects of common interest.

The European Council expresses concern at the emergence of extremist and fundamentalist forces in a number of North African States. European Union policy must take account of these developments.

The European Council considers that Israel, on account of its high level of economic development, should enjoy special status in its relations with the European Union on the basis of reciprocity and common interests. In the process, regional economic development in the Middle East including in the Palestinian areas, will also be boosted. The European Council requests the Council and the Commission to report to it at its next meeting on action taken.

The European Council agreed that, as the largest international donor, the European Union should continue to make a significant economic and political contribution in support of the Middle East peace process, in particular in the reconstruction of the Palestinian areas.

The European Council welcomes the conclusion of the Israel-Jordan Peace Agreement, which consolidates and strengthens the positive development in relations between the two countries.

Situation in the former Yugoslavia

I.15. The European Council has adopted a separate statement on this subject (→ point 1.3.11).

Human rights

I.16. The European Council made a statement to the press expressing its concern that freely elected Members of Parliament had been sentenced to imprison-

ment in Turkey and urging respect for human rights(→ point 1.3.10).

Conference on Security and Cooperation in Europe (CSCE)

References:

Fourth CSCE summit: point 1.3.97 of this Bulletin

Council Decision 94/367/CFSP on the continuation of the joint action on the inaugural conference on the stability pact: OJ L 165, 1.7.1994; Bull. 6-1994, point 1.3.4

I.17. The European Council regrets that no agreement was reached on the situation in the former Yugoslavia at the meeting of CSCE Heads of State or Government in Budapest on 5 and 6 December 1994. It expressly welcomes the call for humanitarian aid, made on the initiative of the President of the European Council, especially for the region of BiHac.

The European Council otherwise welcomes the results of the CSCE summit. In particular, the intention of providing, subject to appropriate conditions, a multinational peace force for Nagorno-Karabakh under the planned UN Security Council Resolution and the decision to discuss all aspects of a future European security model confirm the important role of the future Organization for Security and Cooperation in Europe (OSCE) as a part of a Europe-wide security structure.

The European Council furthermore confirms the great significance which it attaches to the success of the joint action for concluding the Stability Pact for Europe. It welcomes the results achieved hitherto in implementing this initiative.

Asia

Reference: Commission communication entitled 'Towards a new Asia strategy': COM(94) 314; Bull. 7/8-1994, point 1.3.55

I.18. The European Council emphasizes the economic and political significance of the countries of the Asia-Pacific region and reaffirms that the European Union and its Member States wish to strengthen cooperation and dialogue at all levels with the countries and regional organizations in the Asia-Pacific region, in particular ASEAN.

It welcomes the Council report on European Union strategy on Asia and urges the Council and the Commission to report to it as soon as possible on the practical measures taken in that respect.

Latin America

Reference: Joint solemn declaration by the Council and the Commission, on the one hand, and the Mercosur States on the other: point 1.3.80 of this Bulletin

