

**EUROPEAN COUNCIL
SEVILLE**

**CONCLUSIONS
OF THE PRESIDENCY**

21 and 22 June 2002

1. The European Council met in Seville on 21 and 22 June 2002. The meeting was preceded by an exposé given by the President of the European Parliament, Mr Pat Cox, followed by an exchange of views concerning the main items on the agenda.

The European Council welcomed the considerable momentum that had been given to the dialogue between the Parliament, the Council and the Commission in the new partnership referred to by the conclusions of the Barcelona European Council and gave a favourable reception to the setting up of the High-Level Technical Group for Interinstitutional Cooperation.

I. THE FUTURE OF THE UNION

Report from the Chairman of the Convention on the Future of the Union

2. The European Council heard a report from the Chairman, Mr Valéry Giscard d'Estaing, on the progress of work in the Convention and in the various fora in which civil society is called upon to express itself. In the light of this report, the European Council held an exchange of views on the development of discussions which, following a listening phase, were now entering a deliberative phase involving detailed examination of the main questions identified thus far. The European Council supports the general approach followed by the Convention. It hopes that the Convention will continue along that path and that within the time frame set it will produce a positive result with a view to the Intergovernmental Conference decided upon at Laeken for the revision of the treaties.

Reform of the Council

3. The European Council embarked upon a process of reform at Helsinki in December 1999, when it adopted a set of recommendations, and then in Göteborg and Barcelona, where it took note of the reports from the Secretary-General/High Representative, focusing on four main subjects: the European Council, the General Affairs Council, the Presidency of the Council, and the legislative activity of the Council and transparency.
4. In the light of a summary report, accompanied by detailed proposals, submitted in Seville by the Presidency, the European Council held a detailed discussion on the subject and gave its agreement to a series of specific measures applicable, without amendment of the treaties, to the organisation and functioning of the European Council (see Annex I) and of the Council (see Annex II). This reform is a substantial change to present practices in the direction of enhancing the efficiency of the institution on the eve of an unprecedented increase in the number of Member States of the Union.
5. The European Council also took note of the Presidency's report on the current debate regarding the Presidency of the Union. It found that there was a general readiness to examine the question further, with the proviso that any adjustment to the present system of six-monthly rotation will in any event have to continue to observe the principle of equality between the Member States. The European Council therefore asked the future Danish Presidency to take appropriate steps to continue discussions with a view to an initial report to the European Council in December 2002.

6. The European Council also gave a reminder of the importance which it attached to the effective implementation of all the guidelines and operational recommendations adopted by the Helsinki European Council on 10 and 11 December 1999. In particular, the Council is asked to study the question of the use of languages in the context of an enlarged Union and practical means of improving the present situation without endangering basic principles. In this context, a proposal should be submitted in due course and in any event there should be an initial report to the European Council in December 2002.
7. The new rules referred to in point 3 above will enter into force under the next Presidency, unless otherwise specified. Consequently, the requisite formal amendments to be made to the Council's Rules of Procedure will be adopted before 31 July 2002. The implementation of this set of provisions will be evaluated by the European Council in December 2003.

Treaty of Nice

8. The Taoiseach announced that his Government intended to organise a referendum in autumn 2002, to enable Ireland to ratify the Treaty of Nice. He presented the "National Declaration by Ireland" reaffirming that the provisions of the Treaty on European Union relating to foreign and security policy did not undermine its traditional policy of military neutrality and that this would continue to be the case after ratification of the Treaty of Nice (see Annex III). The European Council adopted a Declaration taking cognisance of the National Declaration by Ireland (see Annex IV). The European Council welcomed the Irish Government's determination to have the Treaty of Nice approved, this being a condition for enlargement to take place within the scheduled timescale.

Better lawmaking

9. The European Council took cognisance of the communications from the Commission on better lawmaking and, in particular, the Action Plan for simplifying and improving the regulatory environment. It invites the three institutions concerned (Parliament, Council and Commission) to adopt an interinstitutional agreement before the end of 2002, on the basis of proceedings in the High Level Technical Group, in order to improve the quality of Community legislation and the conditions, including time frames, for its transposition into national law.

ESDP

10. The European Council approved the Presidency report on security and defence policy.
11. The European Council, being determined to reinforce the role of the European Union in combating terrorism and recognising the importance of the contribution of the CFSP, including the ESDP, to that end, adopted a Declaration (see Annex V) designed to take greater account of the capabilities required to combat terrorism.

12. Following the Declaration on the operational capability of the ESDP adopted at Laeken, substantial progress has been made with the development of civilian and military capabilities, implementation of the action plan to remedy existing shortfalls and the prospects for cooperation on armaments. The European Council asks the Ministers for Defence, in the General Affairs Council, to continue to guide the course of these discussions on capabilities.
13. The European Union reaffirmed that it was in a position to take charge of crisis management operations, deciding in particular to conduct the police mission in Bosnia and Herzegovina (EUPM), which will ensure the follow-on to the current UN operation as from 1 January 2003.
14. The European Council expressed the willingness of the European Union to take over from NATO in the Former Yugoslav Republic of Macedonia. It instructed the Secretary General/High Representative and the competent bodies of the European Union to make the necessary contacts with the Former Yugoslav Republic of Macedonia authorities and NATO chiefs and to continue and intensify the planning measures under way in order to be in a position to take over the NATO operation at the end of NATO's current mandate, provided that the permanent arrangements between the European Union and NATO (Berlin +) are then in place.
15. Welcoming the progress achieved so far by the Spanish Presidency regarding the implementation of the Nice provisions on the involvement of the non-European Union European Allies, the European Council tasks the next Presidency, along with the Secretary General/High Representative, to continue this work.
16. In the civilian field, work has continued in the four priority areas (police, the rule of law, civil administration and civil protection), on both the qualitative and the quantitative aspects of capabilities. ESDP structures and decision-making procedures were successfully tested during the first crisis management exercise conducted by the Union.
17. A report covering all these subjects will be submitted to the Copenhagen European Council.

II. ENLARGEMENT

18. Decisive progress has been made in the accession negotiations during the first six months of the year. The negotiations are now entering their final phase.
19. The road map adopted in Nice has been followed with the adoption of common positions concerning the chapters on "Agriculture", "Regional policy and coordination of structural instruments", "Financial and budgetary provisions" and "Institutions". Financial and other questions which were not dealt with when common positions were finalised on these chapters will need to be settled as soon as possible, while taking account of the conclusions of the General Affairs Council on 17 June 2002.

20. As regards compliance with the accession criteria, the European Council stresses that it is important that the candidate countries should continue to make progress in the implementation and effective application of the *acquis*. The candidate countries must take all necessary measures to bring their administrative and judicial capacity up to the required level. In this connection, the European Council welcomes the Commission report on the specific action plans in this area and on the follow-up of commitments undertaken during negotiations, singling out in particular the conclusions of the Council on 10 June 2002 in the fields of justice and home affairs and of the veterinary and plant health *acquis*.
21. Taking account of all these factors and in order to enable the European Council to be held in the coming autumn to decide which will be the candidate countries with which negotiations can be concluded at the end of 2002:
- a) the Council will have to take the appropriate decisions in order to communicate all the items lacking in the financial package to the candidate countries in early November, and
 - b) the Commission will have to draft appropriate recommendations in the light of the regular reports.
22. The European Council reaffirms that, if the present rate of progress in negotiations and reforms is maintained, the European Union is determined to conclude the negotiations with Cyprus, Malta, Hungary, Poland, the Slovak Republic, Lithuania, Latvia, Estonia, the Czech Republic and Slovenia by the end of 2002, if those countries are ready. The principle of differentiation must be fully complied with until the end of the negotiations. Drafting of the Treaty of Accession should continue so that it can be completed as soon as possible after the conclusion of the accession negotiations. It would seem reasonable to expect that the Treaty of Accession could be signed in spring 2003. The objective remains that these countries should participate in the elections for the European Parliament in 2004 as full members. However, this common aim can be realised within the time frame envisaged only if each candidate country adopts a realistic and constructive approach.
23. Bulgaria and Romania have achieved considerable progress over the last few months. The European Council encourages them to pursue their efforts and reiterates its commitment to give them full support in their preparation for accession. An updated road map and a revised and enhanced pre-accession strategy should be adopted in Copenhagen for the candidate countries still engaged in negotiations. An increase in pre-accession financial aid could also be contemplated. Furthermore, if the current pace is maintained, a more precise timetable could be set for these countries' accession process by the end of the year.
24. In respect of the accession of Cyprus, the Helsinki conclusions are the basis of the European Union's position. The European Union's preference continues to be for the accession of a reunited island. The European Council fully supports the efforts of the Secretary-General of the United Nations and calls upon the leaders of the Greek Cypriot and Turkish Cypriot communities to intensify and expedite their talks in order to seize this unique window of opportunity for a comprehensive settlement, consistent with the relevant UN Security

Council resolutions, hopefully before conclusion of the negotiations. The European Union would accommodate the terms of such a comprehensive settlement in the Treaty of Accession in line with the principles on which the European Union is founded: as a Member State, Cyprus will need to speak with a single voice and ensure proper application of European Union law. The European Union would make a substantial financial contribution in support of the development of the northern part of a reunited island.

25. The European Council welcomes the reforms recently adopted in Turkey. It encourages and fully supports the efforts made by Turkey to fulfil the priorities defined in its Accession Partnership. The implementation of the required political and economic reforms will bring forward Turkey's prospects of accession in accordance with the same principles and criteria as are applied to the other candidate countries. New decisions could be taken in Copenhagen on the next stage of Turkey's candidature in the light of developments in the situation between the Seville and Copenhagen European Councils, on the basis of the regular report to be submitted by the Commission in October 2002 and in accordance with the Helsinki and Laeken conclusions.

III. ASYLUM AND IMMIGRATION

26. The European Council is determined to speed up the implementation of all aspects of the programme adopted in Tampere for the creation of an area of freedom, security and justice in the European Union. The European Council points here to the need to develop a European Union common policy on the separate, but closely related, issues of asylum and immigration.
27. It is crucial for the European Union and its Member States that migration flows should be managed in accordance with the law, in cooperation with the countries of origin and transit of such flows. The European Council therefore welcomes the results achieved over the last six months, in particular the comprehensive plan to combat illegal immigration, the plan for the management of external borders and the Directive laying down minimum standards for the reception of asylum seekers in Member States, and calls on forthcoming Presidencies to continue to give migration issues a special place in their work schedules.
28. Measures taken in the short and medium term for the joint management of migration flows must strike a fair balance between, on the one hand, an integration policy for lawfully resident immigrants and an asylum policy complying with international conventions, principally the 1951 Geneva Convention, and, on the other, resolute action to combat illegal immigration and trafficking in human beings.
29. The Union's action in this area should be based on the following principles:
- the legitimate aspiration to a better life has to be reconcilable with the reception capacity of the Union and its Member States and immigration must pass through the legal channels provided for it; the integration of immigrants lawfully present in the Union entails both rights and obligations in relation to the fundamental rights recognised within the Union; combating racism and xenophobia is of essential importance here;

- in accordance with the 1951 Geneva Convention, it is important to afford refugees swift, effective protection, while making arrangements to prevent abuse of the system and ensuring that those whose asylum applications have been rejected are returned to their countries of origin more quickly.

Measures to combat illegal immigration

30. In the comprehensive plan to combat illegal immigration, the European Union has equipped itself with an effective means of bringing about proper management of migration flows and combating illegal immigration. The European Council calls on the Council and the Commission, within their respective spheres of responsibility, to attach top priority to the following measures contained in the plan:
- review, before the end of the year, of the list of third countries whose nationals require visas or are exempt from that requirement;
 - introduction, as soon as possible, of a common identification system for visa data, in the light of a feasibility study to be submitted in March 2003 and on the basis of guidelines from the Council; a preliminary report will be presented before the end of 2002;
 - speeding up of the conclusion of readmission agreements currently being negotiated and approval of new briefs for the negotiation of readmission agreements with countries already identified by the Council;
 - as regards expulsion and repatriation policies, adoption by the end of the year, of the components of a repatriation programme based on the Commission Green Paper; those components should include the best possible facilities for early return to Afghanistan;
 - formal adoption, at the next Justice and Home Affairs Council meeting, of the Framework Decision on combating trafficking in human beings, the Framework Decision on the strengthening of the penal framework to prevent the facilitation of unauthorised entry, transit and residence and the Directive defining the facilitation of irregular entry, transit and residence.

Gradual introduction of coordinated, integrated management of external borders

31. The European Council welcomes the various recent initiatives in this area and in particular the Commission communication entitled "Towards integrated management of the external borders of the Member States of the European Union", the feasibility study carried out under Italy's leadership concerning the establishment of a European border police force, taking account of the intention expressed by the Commission to continue examining the advisability and feasibility of such a police force, and the study concerning police and border security, carried out by three Member States under the OISIN cooperation programme.

32. The European Council applauds the recent approval of the plan for the management of the external borders of the Member States, based on those three initiatives, which should, among other aims, help bring greater control of migration flows. It urges the introduction without delay, within the framework of the Council, of the common unit for external border practitioners, composed of Member States' heads of border control, to coordinate the measures contained in the plan.

It also requests the Council, the Commission and the Member States, each within its respective sphere of responsibility, to implement the following:

- before the end of 2002:
 - joint operations at external borders;
 - immediate initiation of pilot projects open to all interested Member States;
 - creation of a network of Member States' immigration liaison officers;
- before June 2003:
 - preparation of a common risk analysis model, in order to achieve common integrated risk assessment;
 - establishment of a common core curriculum for border guard training and consolidation of European provisions concerning borders;
 - a study by the Commission concerning burden-sharing between Member States and the Union for the management of external borders.

Integration of immigration policy into the Union's relations with third countries

33. The European Council considers that combating illegal immigration requires a greater effort by the European Union and a targeted approach to the problem, with the use of all appropriate instruments in the context of the European Union's external relations. To that end, in accordance with the Tampere European Council conclusions, an integrated, comprehensive and balanced approach to tackle the root causes of illegal immigration must remain the European Union's constant long-term objective. With this in mind, the European Council points out that closer economic cooperation, trade expansion, development assistance and conflict prevention are all means of promoting economic prosperity in the countries concerned and thereby reducing the underlying causes of migration flows. The European Council urges that any future cooperation, association or equivalent agreement which the European Union or the European Community concludes with any country should include a clause on joint management of migration flows and on compulsory readmission in the event of illegal immigration.
34. The European Council highlights the importance of ensuring the cooperation of countries of origin and transit in joint management and in border control as well as on readmission. Such readmission by third countries should include that of their own nationals unlawfully

present in a Member State and, under the same conditions, that of other countries' nationals who can be shown to have passed through the country in question. Cooperation should bring results in the short and medium term. The Union is prepared to provide the necessary technical and financial assistance for the purpose, in which case the European Community will have to be allocated the appropriate resources, within the limits of the financial perspective.

35. The European Council considers it necessary to carry out a systematic assessment of relations with third countries which do not cooperate in combating illegal immigration. That assessment will be taken into account in relations between the European Union and its Member States and the countries concerned, in all relevant areas. Inadequate cooperation by a country could hamper the establishment of closer relations between that country and the Union.
36. After full use has been made of existing Community mechanisms without success, the Council may unanimously find that a third country has shown an unjustified lack of cooperation in joint management of migration flows. In that event the Council may, in accordance with the rules laid down in the treaties, adopt measures or positions under the Common Foreign and Security Policy and other European Union policies, while honouring the Union's contractual commitments and not jeopardising development cooperation objectives.

Speeding up of current legislative work on the framing of a common policy on asylum and immigration

37. In parallel with closer cooperation in combating illegal immigration, there is a need to press ahead with examination of proposals under discussion. The European Council urges the Council to adopt:
 - by December 2002, the Dublin II Regulation;
 - by June 2003, the minimum standards for qualification and status as refugees and the provisions on family reunification and the status of long-term permanent residents;
 - by the end of 2003, the common standards for asylum procedures.
38. The Commission will submit a report to the Council in late October 2002 on the effectiveness of financial resources available at Community level for repatriation of immigrants and rejected asylum seekers, for management of external borders and for asylum and migration projects in third countries.
39. The European Council asks the Council, in cooperation with the Commission, to submit for the European Council meeting in June 2003 a report on the practical implementation of the guidelines set out in this section.

IV. JOHANNESBURG

40. The European Council recalls the Council conclusions on the World Summit on Sustainable Development (WSSD), in particular those of 4 March, 30 May and 4 and 17 June 2002, and endorses the European Union's overall positions in this connection. It stresses the European Union's commitment to a successful outcome at the WSSD and its willingness to continue playing a leading role in the preparation of the summit, with a view to reaching a global deal building upon the successful steps of Monterrey and Doha.
41. The European Union is determined to secure a comprehensive and timely conclusion to the Doha Development Agenda, in order to increase the benefits of trade liberalisation as an engine for the sustainable development of developing countries, and supports efforts to create regional free-trade areas between them.
42. The European Council welcomes the increased ODA commitments announced by Member States and other donor countries in Monterrey as important contributions to alleviating poverty and meeting the Millennium development goals. It insists on the need to give those commitments concrete form. The European Council also stresses the need to ensure the successful replenishment of the Global Environment Facility, to enable it to meet the funding requirements of new and existing areas of action.
43. The European Union will invite other developed countries to join its positive agenda on globalisation, trade and finance, in order to help developing countries benefit from access to developed-country markets so that globalisation can work to the advantage of all. The European Union undertakes to step up its action in practice in all these areas.
44. The European Union emphasises that good governance at national level is essential for sustainable development and that all States should strengthen their government institutions, by promoting the rule of law, improving legal structures and providing access to information.
45. In a spirit of partnership and responsibility, the European Union will encourage initiatives, particularly in the areas of drinking water and sanitation, energy (including renewable energy) and health. When implementing these initiatives, the European Union will pay particular attention to Africa, working closely with its partners to lend impetus to the NEPAD initiative. The European Council stresses the European Union's desire to adopt in Johannesburg clear and concrete political commitments with a precise time frame, relying for their achievement on effective partnership.
46. The European Council stresses the importance, in the context of sustainable development, of maintaining the objective of food security as a basic component of the fight against poverty, as the World Food Summit in Rome has just reiterated.

V. GROWTH AND COMPETITIVENESS TOWARDS FULL EMPLOYMENT**Economic outlook and broad economic policy guidelines**

47. The recent downturn in economic activity has ended. The European economy is set to reap the benefits of sound macroeconomic policies and ambitious economic reform, which will underpin the ongoing recovery of growth and job creation and enable economic uncertainty to be faced more effectively.
48. The European Council welcomes the Broad Economic Policy Guidelines, focused on macroeconomic stability and growth and on the reform of the labour market and the markets for goods and services, and recommends their adoption by the Council. It reaffirms its commitment to the Stability and Growth Pact and to fiscal consolidation and calls on Member States to follow budgetary policies in line with BEPG recommendations. Member States are encouraged to use any growth dividend related to the economic recovery to consolidate public finances further.

Financial services

49. The European Council welcomes the adoption of the International Accounting Standards Regulation and the recent political agreements on the Financial Conglomerates, Market Abuse and Occupational Pension Funds Directives, and reaffirms its commitment to the timely and full implementation of the Financial Services Action Plan.

Taxation of energy

50. The European Council takes note of the Presidency report on the progress of the Directive on the taxation of energy and reaffirms the time frame set at Barcelona for its adoption, in parallel with the agreement on the opening of energy markets.

Tax package

51. The European Council:
- notes with satisfaction the Council's situation report on the tax package and its determination to ensure that the package is finally adopted before the end of the year;
 - expects that negotiations with Switzerland on the taxation of savings, although only recently begun, will proceed apace and will be concluded as soon as possible in the second half of 2002.

Administrative cooperation in the area of taxation

52. The European Council welcomes the Council's situation report on administrative cooperation in the area of taxation and approves the initiatives put forward in the report as a basis for further work in this field.

Corporate governance

53. Recent events highlighted the importance of good corporate governance, particularly for enterprises active in capital markets. In light of the remit given by the European Council in Barcelona, in April 2002 the mandate of the EU High Level Group of Company Law Experts was extended to include issues related to best practices in corporate governance and auditing, in particular concerning the role of non-executive directors and supervisory boards, management remuneration, management responsibility for financial information, and auditing practices. In June 2002, the ECOFIN Council took note of a preliminary oral report by the chair of the High Level Group. The European Council invites the ECOFIN and Internal Market Councils to have a political debate on the final report of the High Level Group, to assist the Commission to put forward specific proposals as soon as possible thereafter.

Economic reform, innovation and competitiveness

54. The Barcelona European Council stressed the need for a strong drive towards reform and highlighted several priority areas. Considerable progress has already been made, as is shown in the Presidency report. The economic reform agenda launched at the Lisbon summit must be vigorously pursued so as to achieve the Union's strategic goals. The European Council accordingly:
- calls for the earliest possible adoption of the decisions implementing the Sixth Framework Programme for Research (participation rules and specific programmes);
 - confirms the timetable agreed in Barcelona for the opening of the markets in electricity and gas;
 - calls for discussions to press ahead so as to permit a review of the Community guidelines for trans-European transport networks and the introduction of the single sky within the agreed time frame;
 - endorses the objectives of the Commission's Action Plan for eEurope 2005 as an important contribution to the Union's efforts towards a competitive, knowledge-based economy, calls upon all institutions to ensure that it will be fully implemented by the end of 2005 and invites the Commission to present in good time for the spring European Council in 2004 a mid-term review to evaluate progress and, if necessary, make proposals to adapt the Action Plan;
 - takes note of the Commission's report on the remaining barriers to the roll-out of third-generation mobile communications networks and services and calls upon all relevant administrations to act to overcome difficulties encountered in the physical deployment of networks; it also invites the Commission to report back to the Copenhagen European Council on this issue and on the remaining barriers to open platforms in digital television and third-generation mobile communications, on the development of eCommerce and eGovernment and on the role that electronic identification and authentication systems could play in this context;

- takes note of the Commission communication on evaluation methodology in the context of services of general economic interest and invites the Commission to report to the Copenhagen European Council on the state of work on the guidelines for State aids and, where appropriate, to adopt a block exemption regulation in this area;
- invites the Council to implement the biotechnology strategy proposed by the Commission;
- invites the Council to finalise, before the end of the year, the adoption of the package of measures on public contracts.

VI. EXTERNAL RELATIONS

Kaliningrad

55. The European Council invites the Commission to submit, in time for its Brussels meeting, an additional study on the possibilities for an effective and flexible solution to the question of the transit of persons and goods to and from the Kaliningrad *oblast*, in compliance with the *acquis* and in agreement with the candidate countries concerned.

Middle East

56. The European Council adopted the Declaration on the Middle East set out below (Annex VI).

India/Pakistan

57. The European Council adopted the statement on India and Pakistan set out below (Annex VII).

VII. OTHER BUSINESS

Outermost regions

58. The European Council invites the Council and the Commission to press ahead with implementation of Article 299(2) of the Treaty, which recognises the specific nature of the outermost regions, and to submit suitable proposals for their special needs to be taken into account through the various common policies, in particular transport policy, in the reform of certain policies, in particular regional policy. In this connection, the European Council notes that the Commission intends to submit a new report on those regions, built on a global and coherent approach to the special characteristics of their situation and to ways of addressing them.

59. The European Council calls on the Council and the Commission to complete certain priority proceedings, notably the question of dock dues in the French overseas departments.
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