

6596/02 (Presse 48)

2416th Council meeting

- GENERAL AFFAIRS -

Brussels, 11 March 2002

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Minister for Foreign Affairs of the Kingdom of
Spain

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**EU DECLARATION IN COMMEMORATION OF THE TERRORIST ATTACKS OF
11 SEPTEMBER**

"Six months after the terrorist attacks of 11 September, the European Union reiterates its full solidarity with the United States. The terrorist attacks against the people and the institutions of the United States were indeed an attack against all of us, against our open, democratic, tolerant and multicultural societies. Today, all Europeans share anew grief of the victims and their families. Given its cruelty and effects, time will not erase the memory of this savage and immeasurable crime.

Terrorism is a real challenge for the world and for Europe. It is necessary that all countries combine their efforts to make impunity for terrorists impossible. Actions taken against those responsible for these barbaric acts and their accomplices are not targeted against any people or religion. They aim at the reinforcement of international security and the rule of law as well as at the security of the countries affected by the scourge of terrorism.

The global fight against terrorism represents, more than ever, a priority goal for the European Union, which reaffirms its determination to work in every field to prevent similar events from happening again. In accordance with the Action Plan adopted by the extraordinary European Council on 21 September 2001, the European Union is following a coordinated approach that includes all policies of the Union related to the fight against terrorism. Likewise, in accordance with UNSC Resolution 1368, Member States, individually, are making significant contributions to the actions of the international coalition against terrorism."

PREPARATION OF THE BARCELONA EUROPEAN COUNCIL

After receiving an update from the Presidency of organisational arrangements for Barcelona, the Council took note of a document containing a compilation of contributions for the European Council from different Council formations on the economic, social and environmental situation of the Union in the light of the overall objective of sustainable development (*doc. 6952/02*). This document contains contributions from the ECOFIN, Employment and Social Policy, Internal Market, Consumer Affairs and Tourism and Environment Councils. It also contains a comprehensive list of the reports and other texts to be submitted to the European Council which have served to inform the work of the sectoral Councils.

As part of the preparations for the Barcelona European Council, the Council also:

- endorsed a detailed road map which updates the timetable for implementing the various strands of **the sustainable development strategy** agreed in Göteborg, and which has been drawn up in consultation with the two forthcoming Presidencies (*doc. 6837/1/02 REV1*);
- adopted a **strategy on environmental integration in the external policies** of the General Affairs Council (*doc. 6927/02*). It is recalled that the European Council in Cardiff in 1998 invited all relevant formations of the Council to establish their own strategies for giving effect to environmental integration and sustainable development within their respective policy areas. The Göteborg European Council in June 2001 invited the Council to finalise and further develop sector strategies and to present the results of this work as soon as possible. While the General Affairs Council has a dual mandate in terms of managing external relations and overall coordination of policy, this strategy focuses on providing a framework for a coherent and ambitious approach for integrating environmental concerns into the Union's external relations.

In preparation for the meeting between Foreign Ministers and their candidate country counterparts in Barcelona, the Council also took note of a Commission document on the external dimension of the Lisbon strategy, as well as a questionnaire drawn up by the Presidency. This questionnaire is aimed at focusing discussion at this meeting on three specific issues: the Doha development agenda, the Monterrey Conference on financing for development and the Johannesburg World Summit on sustainable development.

The Council, emphasising the importance of the Barcelona European Council for lending further momentum to achieving the Union's ten year strategic goal, held an exchange of views on the priorities to be set at this stage in the process. The Presidency noted delegations' comments during the debate as well as the written submissions from certain delegations which it will draw on in finalising preparations for Barcelona.

ANNUAL POLICY STRATEGY (APS) 2003 - Council conclusions

- "1. The Council heard President Prodi's presentation of the main components of the Annual Policy Strategy for 2003. This strategy is the first stage of a planning and programming cycle which the Commission has set up to target policy priorities more effectively and to ensure the best possible use of the Union's resources.

2. The Council notes the policy priorities outlined by the Commission in the APS for 2003 and welcomes the Commission's intention to hold a comprehensive dialogue on the strategy, while ensuring that this dialogue remains flexible and efficient. It is also essential that the exercise be properly linked with the budget procedure and conducted within the budgetary framework.

3. The Council instructs the Permanent Representatives Committee to continue its dialogue with the Commission on the various aspects of this dossier with a view to discussion thereof at the General Affairs Council in May 2002."

SITUATION IN THE GREAT LAKES REGION - Council conclusions

"A. Democratic Republic of the Congo

The Council expresses its solidarity with the people of the Congo, who have once again been sorely tried with the eruption of the Nyiragongo volcano. The Council welcomes the dedication and speed shown by the humanitarian operators working alongside the disaster-stricken population.

The Council welcomed the signing in Kinshasa of the National Indicative Programme for the DRC on 5 February 2002.

The Council examined the question of debt in the light of the results of the DRC Government's macro-economic policy, and urged that initiatives should be sought to facilitate the consolidation of that policy in the context of action to be undertaken in the context of the international financial institutions.

The Council adopted a Common Position concerning EU support for the implementation of the Lusaka cease-fire agreement and the peace process in the DRC and examined the situation of the peace process in the DRC and initiatives by the international community, particularly following the visits to the region during the last few weeks by several European ministers and the Special Representative of the European Union for the Great Lakes Region.

These visits demonstrated the urgent need for the peace process to be taken forward, so that the DRC's sovereignty over its territory and stability in the region can be restored. The Council felt that the signatories to the Lusaka agreement and the international community should take new initiatives to this end. The Council examined in detail the main issues outstanding.

Inter-Congolese dialogue

The Council welcomes the opening on 25 February in Sun City (South Africa) of the second stage of the inter-Congolese dialogue initiated in Addis Ababa on 15 October 2001. The Council urges all participants to enter into substantive discussions without further delay, and to show a spirit of compromise and a resolve to reach agreement on a democratic and inclusive transition within a reasonable timeframe. The Council welcomed the convergent approaches which evolved in this connection between the participants at the meetings in Brussels in mid-January and in Geneva at the beginning of February.

Ceasefire and withdrawal of foreign troops

The Council calls on all the parties which are signatory to the Lusaka agreement strictly to observe the ceasefire. It deeply deplores the military clashes which have recently set signatories against one another in the east of the DRC and hopes that the MONUC and the JMC will soon be able to shed full light on them.

The Council urges all foreign States to withdraw their troops as soon as possible in compliance with the Lusaka agreement and with the relevant Security Council resolutions.

The Council notes with concern that the issues of demilitarisation of Kisangani and freedom of movement, especially on the river, are still outstanding and urges all the parties to honour the commitments made to this effect and to comply immediately with the provisions of Security Council Resolution 1376 (2001).

The Council noted with concern the conclusions in the Addendum to the report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of the Congo.

Disarmament, demobilisation, repatriation, reintegration and resettlement of armed groups (DDRRR)

The Council considers that the warring parties should give priority attention to the question of disarmament, demobilisation, repatriation, reintegration and resettlement (DDRRR) of armed groups and to the implementation of aspects of the Lusaka agreement and of the relevant Security Council resolutions, and urges them to comply without delay with the terms of Security Council Resolution 1376 (2001).

The Council invites the Governments of the DRC and Rwanda urgently to begin the process of repatriating ex-combatants assembled in Kamina.

The Council took note of President Kabila's proposal to set up a commission to investigate Rwanda's allegations concerning the armed groups in the DRC. It welcomed the UN Security Council's decision to ask the MONUC to make a preliminary assessment before the end of March of numbers in the Rwandan armed groups (former RAF and Interahamwe) on Congolese territory and to examine whether complementary support should be provided to enable it to carry out this task. In this context the Council welcomes the current deployment of the MONUC in Kindu in the east of the DRC, and the UN Secretary-General's proposal to increase MONUC personnel.

The Council welcomes the World Bank's initiative to draw up a regional disarmament project for armed groups in the Great Lakes Region and the efforts the World Bank has made to establish a mechanism to coordinate support from the international community for the DDRRR process, in close cooperation with the United Nations. The Council calls on the United Nations agencies concerned to join in these efforts, to which the EU is prepared to offer substantial support.

B. Burundi

The Council welcomed the recent installation of the Senate in Burundi, which completes the implementation of the transitional institutions. The Council urges the armed groups to enter into negotiations with the Government on a cease-fire. The Council is prepared to give active support to the efforts by the co-facilitators, Mr Zuma and Mr Bongo.

The Council welcomed the recent meeting of Presidents Buyoya and Mkapa which dealt inter alia with the repatriation of Burundian refugees in Tanzania, and encouraged the Governments of Burundi and Tanzania to continue their discussions on the basis of the principle of the voluntary return of refugees."

PREPARATION OF THE MONTERREY CONFERENCE

The Council held an exchange of views on ways for the European Union to make the best contribution possible to the success of the UN Conference on Financing for Development which will take place in Monterrey (Mexico) from 18-22 March 2002. The Council, recalling that the European Union is already the largest contributor of development aid accounting for more than 50% world-wide, reaffirmed its firm commitment to fulfilling the development goals and targets set out in the UN Millennium Declaration. It also recalled the Union's undertaking at the Göteborg European Council to reach the UN target for official development assistance (ODA) of 0,7% of GDP as soon as possible.

Work will continue with a view to seeking endorsement by Barcelona of a Presidency text which a large majority of delegations consider a good basis for a common position by the Union.

EXTERNAL ASPECTS OF THE SUSTAINABLE DEVELOPMENT STRATEGY

Following a presentation by President Prodi, the Council held an exchange of views on the Commission's communication "Towards a global partnership for sustainable development". This communication, which sets out the Commission's views on the respective responsibilities of industrialised countries, developing countries and the international institutions collectively in order to achieve global sustainability, is a contribution to developing the external dimension of the Union's sustainable development strategy agreed at the Göteborg European Council in June 2001 as an essential element of the Lisbon strategy.

The Council broadly welcomed the Commission's communication. The President noted a number of points highlighted in the discussion, including trade and market access issues, in particular in the context of the forthcoming EU-Latin American and Caribbean Summit; the importance of the active involvement of candidate countries in the external aspects of the Union's sustainable development strategy, which will be discussed in Barcelona; and the need for overall coherence in this area for which the "General Affairs" Council has an important role to play.

The Council agreed that work will continue in various Council formations over the coming months to enable the General Affairs Council in due course to coordinate and prepare the Union's overall position for the Johannesburg World Summit on sustainable development in September.

MIDDLE EAST

Ministers - over lunch - had an exchange of views on the situation and recent developments in the Middle East and agreed that work on how the Union could best promote progress towards peace in the region will continue in view of the Barcelona European Council.

ZIMBABWE

The Council took stock of the latest developments in the Presidential elections in Zimbabwe and agreed to monitor the situation closely over the coming days.

WESTERN BALKANS– *Council conclusions***"FRY/Kosovo**

The Council welcomed the presentation by the Special Representative of the UN Secretary General, Mr Michael Steiner, on the situation in Kosovo. It expressed full support for his efforts aimed at full implementation of UN Security Council Resolution 1244 and of the constitutional framework for provisional self-government. The Council concurred with the SRSG's objective to tackle the challenges of laying the foundation for economic progress, developing the rule of law, including the fight against crime and violence, and building a fair and just society with dignity for all. It called on all the parties to co-operate fully with UNMIK and KFOR in pursuing these objectives.

The Council also expected the Belgrade authorities to continue to work constructively within the framework of the common document, including on the release or transfer to UNMIK of all remaining Kosovo Albanians detained or imprisoned in the Republic of Serbia. The Council took note of preparatory steps taken in this direction. The Council encouraged all newly elected representatives from all communities to actively carry out their mandate for the benefit of all the people of Kosovo.

FYROM

The Council welcomed the forthcoming donors' meeting for FYROM, co-hosted by the European Commission and the World Bank, to take place on 12 March in Brussels. The Council called on all parties and community leaders in FYROM to match the international community's determination to contribute to the economic recovery, interethnic reconciliation and stability of the country through the full implementation of the framework agreement, as well as to continue making progress in reforms in the context of the Stabilisation and Association Process.

The Council hailed the adoption of the amnesty law by the parliament in FYROM. It expressed its appreciation of the contribution of Special Representative, Alain Le Roy, in this regard. The law will strengthen the stability of the country and will enhance prospects for the orderly and prompt return of the security forces to all areas, as well as the return in safety and dignity of refugees and displaced persons to their homes. The Council encouraged the relevant authorities to implement the amnesty law fully, rapidly and in good faith.

FRY/Montenegro

The Council welcomed the recent high level talks between Belgrade and Podgorica. It called on both sides to intensify their efforts and to cooperate with the High Representative with a view to early agreement on the principles of future constitutional arrangements between Serbia and Montenegro.

ICTY

The Council expressed its full support for the International Criminal Tribunal for the former Yugoslavia (ICTY) and noted that co-operation between the countries of the region and ICTY has improved over the last year. It nevertheless regretted that problems of varying degrees still remain across the region. In that connection, the Council recalled its conclusions of 16 July 2001, and reminded all the countries and parties in the region of the need to co-operate fully with the tribunal, in particular by transferring to the latter any indicted persons who might be within their jurisdiction and by granting access to witnesses and relevant archives. Full co-operation with the Tribunal will be an essential element of the full realisation of the European perspectives of the countries in the region.

Stability Pact

The Council welcomed the presentation by the Special Co-ordinator for the Stability Pact for South Eastern Europe, Mr Erhard Busek, of his report on working methods and priority objectives for 2002 in the areas of trade and investment, infrastructure, refugee issues, cross-border co-operation, small arms and light weapons, organised crime. It encouraged the Special Co-ordinator to pursue the policies there outlined.

The Council also noted the setting-up of the "informal consultative committee" (ICC). The ICC will ensure the strategic co-ordination between the objectives of the pact and those of the Stabilisation and Association Process, while enhancing consistency with EU programmes for candidate countries in the region. In the spirit of furthering regional ownership, a representative of the region, preferably designated by the South Eastern Europe Cooperation Process could be involved in the discussions."

– ***BOSNIA HERZEGOVINA - EU POLICE MISSION***

EU Police Mission in Bosnia-and-Herzegovina - Joint Action

Following its conclusions of 18 February, the Council adopted a Joint Action implementing these conclusions and establishing a European Union Police Mission (EUPM) in order to ensure the follow-on to the UN International Police Task Force (IPTF) in Bosnia-and-Herzegovina (BiH) from 1 January 2003 (*doc. 6823/02*). The Joint Action provides for the establishment, not later than 1 April 2002, of a Planning Team which will be operational until 31 December 2002.

The Joint Action sets out the main parameters of the EUPM: structures (main HQ in Sarajevo); Head of Mission/Police Commissioner (see below decision on his appointment); staff; chain of command, including the position of the EU Special Representative (see below concerning his appointment); participation of third States; financial arrangements (14 million euro for start-up costs for 2002 and up to 38 million euro for annual running costs for the years 2003-2005); and the status of EUPM staff.

Appointment of the EU Special Representative in Bosnia and Herzegovina

The Council also adopted a Joint Action concerning the appointment of Lord Ashdown as the European Union Special Representative (EUSR) in Bosnia-and-Herzegovina (*doc. 6824/1/02 REV1*).

In appointing as EU Special Representative in BiH the next High Representative in BiH, the EU conveys a clear signal that the future of the country lies in integration into European structures building on the Stabilisation and Association process.

The role of the EUSR shall not in any way prejudge the mandate of the High Representative in Bosnia-and-Herzegovina as set out in the Dayton/Paris Peace Agreement. The EUSR will maintain an overview of the whole range of activities in the field of the rule of law. He will have authority to give direction, as necessary, to the Head of Mission/Police Commissioner of the EU Police Mission. He will report to the Council through the SG/HR.

Lord Ashdown will become EUSR as of 3 June 2002, the date his term as High Representative in Bosnia-and-Herzegovina begins.

Appointment of the Head of Mission/Police Commissioner of the European Union Police Mission (EUPM)

Finally, the Council adopted a decision appointing Mr. Sven Christian Frederiksen as Head of Mission/Police Commissioner of the European Police Mission in Bosnia-and-Herzegovina (EUPM) as from 1 January 2003 (*doc. 6825/02*). Until that date, Mr. Frederiksen will act as Police Head of Mission/Head of the Planning Team. The decision applies until 31 December 2005.

HUMAN RIGHTS**– UN-COMMISSION IN GENEVA - Council conclusions**

"1. Prior to the 58th session of the UN Commission on Human Rights (CHR), the Council examined the action of the EU in that forum, which constitutes a major element of its policy in favour of the defence and protection of human rights. It has drawn the following conclusions:

- Human rights constitute a fundamental component of the external action of the European Union.
- The CHR has reaffirmed itself as an essential forum for the defence and protection of human rights around the world.
- The EU is determined to continue to play a major role at the CHR.
- This will be done with a spirit of commitment and dialogue.

2. The Council fully reaffirmed the commitment of the EU to the principles of liberty, democracy, respect for human rights, fundamental freedoms and the rule of law. In this context it underscored the importance of the Council conclusions of 25 June 2001 on the main principles, which continue to guide the EU policy in the field of human rights and democratisation, as well as the methods and follow-up to ensure, with coherence and consistency, the achievement of those goals. In this respect, it took note with satisfaction that the activities and initiatives of the European Union in this important field have been fully consistent with those objectives and methods.

3. It notably recalled, also with satisfaction, that the EU guidelines on human rights dialogues were adopted on 13 December 2001, adding a key element to the existing guidelines on the death penalty as well as against torture. The ongoing process of follow-up and implementation of all those guidelines, principally conducted by the working party on human rights (COHOM), will greatly contribute to a further expansion of the policies and activities of the European Union in the human rights field and reflect the overriding importance we attach to it.

4. The Council recalled the attachment of the European Union to the permanent duty of all States to protect and promote human rights, fundamental freedoms and humanitarian law and to comply with international engagements subscribed on these matters. The Council took special interest in reaffirming its full conviction, specially after the tragic events of last September, that the fight against terrorism must respect human rights and the rule of law.

5. The Council encouraged the working party on human rights (COHOM) to continue its present exercise of follow-up of the above-mentioned Council conclusions of last 25 June, including the reflection on its own mandate and to present in due time concrete proposals and suggestions with a view to their discussion and approval.

6. The Council expressed its satisfaction with the central role the CHR has achieved in the human rights field. Through the quality of its work, it has reaffirmed itself as an essential forum for the defence of the universality of human rights and for their promotion all over the world. It contributes, in an essential manner, to the establishment of instruments, which serve as a guide both for national practices and international cooperation. The Council stressed the major role played by the EU and its Member States at this forum. It noted the proximity of the forthcoming session of the UN CHR in Geneva and once again underlined the EU resolve to play an active role during its proceedings, coherent with its full commitment to the promotion and protection of those rights. Consistent with its strong will of assuring transparency in the EU policy in the field of human rights, the Council expressed its satisfaction for the dialogue engaged with the European Parliament and civil society in the perspective of the next session of the UNCHR.

7. On this occasion, it noted that the EU will present a significant number of country and thematic initiatives at the CHR, including on the issue of the death penalty, the rights of the child and the human rights situation in a number of countries. The Council recalled the importance it attaches to the dialogue with third countries in the human rights field. It stressed the will of the EU to develop means of concertation and cooperation with all States, members or observers at the CHR. It notably invites the United States to participate actively at the 58th session of the Commission where they have been playing, each year since its inception, an eminent role in the defence and promotion of human rights and fundamental freedoms.

8. The Council encouraged an in-depth follow-up of the decisions and resolutions adopted at the CHR during the time between sessions. It is an imperative condition to achieve progress in the respect of human rights and fundamental freedoms.

9. The Council in particular took note with appreciation of the work undertaken by the Working Group on the drafting of an Optional Protocol to the Convention against Torture, and the personal efforts made by its Chairman-Rapporteur Ms. Odio Benito, and stressed the EU determination to take, in consultation with the chairperson-rapporteur and other participants, the most efficient steps to have a strong optional protocol adopted.

10. The Council reaffirmed its commitment to the International Criminal Court (ICC) as an essential means for promoting respect for humanitarian and human rights law, thus contributing to freedom, security, justice and the rule of law as well as to the preservation of peace and the strengthening of international security, in accordance with the purposes and principles of the Charter of the United Nations. The Council welcomed the fact that the ratification of the Rome statute of the ICC is advancing at a fast pace and, therefore, the 60 ratifications needed for the entry into force of the statute might be achieved shortly. The Council adopted a common position on 11 June 2001, in which the EU and its Member States have committed themselves to give support to the early establishment and good functioning of the Court. The Council will review this common position in June 2002."

– *HUMAN RIGHTS/CHINA - Council conclusions*

"1. The Council, guided by its conclusions of 22 January 2001, considered the human rights situation in China on the eve of the 58th session of the UN Commission on Human Rights. It welcomed certain progress in relation to establishing the rule of law, democratic principles and human rights, including the economic and social reform process, the steps taken towards a more open society, and the continued efforts to develop the legal system.

2. The Council also welcomed certain recent amendments to the trade union law, but emphasised the necessity for China to bring its legislation further into line with the principles of the International Covenant on Economic, Social and Cultural Rights (ICESCR), including those of article 8 : 1 (a), which guarantees the right to form and join a trade union of one's choice.

3. The Council urged China to ratify at an early date the International Covenant on Civil and Political Rights (ICCPR), and reaffirmed the EU's offer to assist China in the ratification and/or implementation process of both ICCPR and ICESCR through the recently created China/EU academic network.

4. The Council invited China to cooperate more closely with UN human rights mechanisms. In this context, the Council hoped that the visits of the Special Rapporteur on Torture and of the Working Party on Arbitrary Detention would be carried out soon without preconditions.

5. The Council remained concerned about the lack of respect for human rights in China, including the freedoms of expression, religion and association, about the ongoing violations of human rights of pro-democracy activists, proponents of free trade unions and followers of the Falun Gong. The Council was likewise concerned at the widespread use of torture, whilst noting a certain degree of willingness of the Chinese authorities to work towards its eradication.

6. At the same time, the Council underscored its deepest concern for the "strike hard" campaign, which has resulted in an extremely high number of death sentences and executions. The EU is dismayed at this grave setback.

7. The Council was also deeply concerned about restrictions against unofficial churches and religious-groups, as well as the deprivation of religious and cultural rights in Tibet and Xinjiang. While noting the Chinese government's concerns about alleged acts of terrorism in China, it underlined that the fight against terrorism should be pursued with full respect for human rights and fundamental freedoms.

8. The Council reaffirmed that the human rights dialogue with China, whose last session just took place in Madrid on 5 - 6 March, is one of the Union's channels for working to improve the situation in areas of concern. However, this dialogue is an acceptable option only if enough progress is achieved and reflected on the ground. The EU will continue to evaluate the results of the dialogue at regular intervals, to determine how far its expectations have been met. The EU will also continue to express publicly its concerns about human rights in China and to raise them in meetings with China at all levels.

9. The Council decided that the EU at the UN Commission on Human Rights would convey its deep concern at the serious violations of human rights in China and the lack of progress in a number of areas. The EU will urge China to take the following steps to improve the situation on the ground: early ratification of the ICCPR and full implementation of both the ICCPR and the ICESCR, enhanced cooperation with the UN human rights mechanisms, limitations on the use of the death penalty, with a view to its abolition, putting an end to the "strike hard" campaign, reform of the system of administrative detention, respect for the human rights of all prisoners, including the right not to be subjected to torture, respect for the freedom of expression, religion and belief and for the right of association including free trade unions, as well as respect for the cultural rights and religious freedoms in Tibet and Xinjiang.

10. If a draft resolution on human rights in China is tabled at the 58th session of the UN Commission on Human Rights, the EU will study its contents carefully. The Council has agreed that the EU should adopt and make public the following approach:

- If such a draft resolution is put to a vote, EU members of the Commission will consider favourably voting for its adoption;
- EU members of the Commission would vote against a no-action motion, should one be presented, and the EU would actively encourage other Commission members to do likewise, since, in the EU's view, the very notion of no-action is in itself contrary to the spirit of dialogue."

OTHER BUSINESS**– *EU-NEGOTIATING MANDATE FOR REGIONAL ECONOMIC PARTNERSHIP AGREEMENTS***

The Council noted the Commission's intention to submit negotiating directives for the regional economic partnership agreements foreseen under the ACP-EU Cotonou Convention as soon as possible, bearing in mind the fact that negotiations for these agreements are due to start on 27 September 2002.

ITEMS APPROVED WITHOUT DEBATE

The documents whose references are given are available on the Council's Internet site <http://ue.eu.int> Acts adopted that include statements in the minutes which may be released to the public are indicated by an asterisk; these statements may be obtained by following the procedure indicated above or from the Press Office.

GENERAL POLICY

Report on the progress achieved by the European Union in 2001

The Council adopted a draft report from the European Council to the European Parliament on the progress achieved by the European Union in 2001 (*doc. 6802/02*). This report is submitted every year pursuant to Article 4 of the Treaty on European Union.

EXTERNAL RELATIONS

Democratic Republic of Congo (DRC) - Implementation of the Lusaka cease-fire agreement

The Council adopted a common position concerning EU support for the implementation of the Lusaka cease-fire agreement and the peace process in the DRC as a whole (*doc. 6480/02*). The common position, which repeals common position 2001/83/CFSP of 29 January 2001², expires on 28 February 2003. The Lusaka agreement was signed on 31 August 1999 by the DRC, Angola, Namibia, Rwanda, Uganda, Zimbabwe, the "Mouvement pour la libération du Congo" (MLC) and the "Rassemblement congolais pour la démocratie" (RCD). Under the Common Position, the Union will in particular:

- support action taken by the UN and the Organisation for African Unity (OAU);
- continue to work for strict observance of the cease-fire, in particular supporting MONUC efforts;
- strive for the rapid implementation of the process of disarmament, demobilisation, repatriation, reintegration and resettlement (DDRRR) of combatants and armed groups;
- continue to encourage the inter-Congolese dialogue and lend support to facilitation;
- maintain an appropriate level of humanitarian aid to the DRC and support reconstruction and development of the country;
- support the holding of an international conference on peace, security, democracy and development in the Great Lakes region once progress in the Lusaka and Arusha peace processes so allows.

Modalities for the Commission's participation in UNHCR

Since the European Community has competence on matters of direct concern for the UNHCR and is also amongst the biggest donors with the UNHCR in the field of humanitarian aid and development, the Council decided to adopt the following statement backing the Commission's initiative on an enhanced role in the Executive Committee of the UNHCR:

² OJ L 29 of 31.1.2001, p. 1.

"The Council supports the Commission's initiative in seeking to obtain enhanced observer status in all formal and informal meetings of the UNHCR and its bodies, whereby the Commission would acquire the same rights of members of the UNHCR except for the right to vote. The Commission will keep the Representatives of the Member States in Geneva informed.

The Council and the Commission agree that, should any negotiation commence under the auspices of the UNHCR which would entail binding international commitments for the European Community, the relevant Treaty rules would apply."

Ukraine - Co-operation Council on 11 March 2002

The Council endorsed the Union's position for the fifth Co-operation Council meeting with Ukraine, which will take place in Brussels on Monday 11 March 2002 (*see Press Release - doc. 7026/02*).

Slovakia - Association Council on 12 March 2002

The Council endorsed the Union's position for the eighth Association Council meeting with Slovakia, which will take place on Tuesday 12 March 2002. The meeting will address in particular the following subjects: the strategy for the preparation for accession, the bilateral relations under the Europe Agreement and international issues of common interest (*see Joint Press Release - doc. UE-SK 2009/02*).

Romania - Association Council on 12 March 2002

The Council endorsed the Union's position for the eighth Association Council meeting with Romania, which will take place on Tuesday 12 March 2002. The meeting will address in particular the following items: the strategy for the preparation for accession, the bilateral relations under the Europe Agreement and international issues of common interest (*see Joint Press Release - doc. UE-RO 1804/02*).

Moldova - Co-operation Committee meeting (Brussels, 15 March 2002)

The Council endorsed the Union's position for the third Co-operation Committee meeting with Moldova which will take place on 15 March 2002 in Brussels.

Slovenia - participation in the Fiscalis programme

The Council agreed for the EU-Slovenia Association Council to adopt, by means of the written procedure, a decision on the terms and conditions for Slovenia's participation in the Fiscalis programme (*doc. 6692/02*). The Fiscalis programme is a Community action aimed at improving the indirect taxation systems under the internal market.

European Economic Area - Council meeting on 12 March 2002

The Council endorsed the Union's position for the seventeenth EEA Council meeting on Tuesday 12 March 2002. Items for discussion include the assessment of the overall functioning of the EEA Agreement, the enlargement of the European Union and the follow-up of the Lisbon Strategy (*see Press Release - doc. EEE 1604/02*).

JUSTICE, HOME AFFAIRS AND CIVIL PROTECTION

Ministerial Conference on Cooperation for the Management of Migratory Flows between Europe and Asia (Lanzarote, 4-5 April 2002) - State of preparation

The Council took note of the Chairman's statement on the state of preparation of the ASEM Ministerial Conference on cooperation for the management of migratory flows between Europe and Asia, which will take place in Lanzarote on 4-5 April 2002.

TAXATION

EU Joint Transfer Pricing Forum in the field of Business Taxation

The Council approved conclusions on the establishment of an EU Joint Transfer Pricing Forum in the field of Business Taxation. This forum, which will be set up by the Commission and which will comprise all Member States and business experts, will examine practical problems related to the application of tax rules on transfer pricing in the internal market and in particular those related to implementation of the Arbitration Convention. The objective is to achieve more uniform application of transfer pricing tax rules within the EU.

Taxation of savings income in the form of interest payments - conclusions

The Council approved the following conclusions (*doc. 6836/02*):

"1. On 13 December 2001 the Council (ECOFIN) has approved a text of a draft directive on taxation of savings for the purpose of negotiations with third countries.

2. The Council agrees that, for the purposes of Article 15 of the aforementioned draft directive, the following entities will be considered to be a "*related entity acting as a public authority or whose role is recognised by an international treaty*":

– entities within the European Union:

Belgium Vlaams Gewest (Flemish Region)
 Région wallonne (Walloon Region)
 Région bruxelloise/Brussels Gewest (Brussels Region)
 Communauté française (French Community)
 Vlaamse Gemeenschap (Flemish Community)
 Deutschsprachige Gemeinschaft (German-speaking Community)

- Spain
- Xunta de Galicia (Regional Executive of Galicia)
 - Junta de Andalucía (Regional Executive of Andalusia)
 - Junta de Extremadura (Regional Executive of Extremadura)
 - Junta de Castilla- La Mancha (Regional Executive of Castilla-La Mancha)
 - Junta de Castilla- León (Regional Executive of Castilla-León)
 - Gobierno Foral de Navarra (Regional Government of Navarre)
 - Govern de les Illes Balears (Government of the Balearic Islands)
 - Generalitat de Catalunya (Autonomous Government of Catalonia)
 - Generalitat de Valencia (Autonomous Government of Valencia)
 - Diputación General de Aragón (Regional Council of Aragon)
 - Gobierno de las Islas Canarias (Government of the Canary Islands)
 - Gobierno de Murcia (Government of Murcia)
 - Gobierno de Madrid (Government of Madrid)
 - Gobierno de la Comunidad Autónoma del País Vasco/Euzkadi (Government of the Autonomous Community of the Basque Country)
 - Diputación Foral de Guipúzcoa (Regional Council of Guipúzcoa)
 - Diputación Foral de Vizcaya/Bizkaia (Regional Council of Vizcaya)
 - Diputación Foral de Alava (Regional Council of Alava)
 - Ayuntamiento de Madrid (City Council of Madrid)
 - Ayuntamiento de Barcelona (City Council of Barcelona)
 - Cabildo Insular de Gran Canaria (Island Council of Gran Canaria)
 - Cabildo Insular de Tenerife (Island Council of Tenerife)
 - Instituto de Crédito Oficial (Public Credit Institution)
 - Instituto Catalán de Finanzas (Finance Institution of Catalonia)
 - Instituto Valenciano de Finanzas (Finance Institution of Valencia)
- Greece
- Οργανισμός Τηλεπικοινωνιών Ελλάδος (National Telecommunications Organisation)
 - Οργανισμός Σιδηροδρόμων Ελλάδος (National Railways Organisation)
 - Δημόσια Επιχείρηση Ηλεκτρισμού (Public Electricity Company)
- France
- La Caisse d'amortissement de la dette sociale (CADES) (Social Debt Redemption Fund)
 - L'Agence française de développement (AFD) (French Development Agency)
 - Réseau Ferré de France (RFF) (French Rail Network)
 - Caisse Nationale des Autoroutes (CNA) (National Motorways Fund)
 - Assistance publique Hôpitaux de Paris (APHP) (Paris Hospitals Public Assistance)
 - Charbonnages de France (CDF) (French Coal Board)
 - Entreprise minière et chimique (EMC) (Mining and Chemicals Company)

- Italy Regions
 Provinces
 Municipalities
 Cassa Depositi e Prestiti (Deposits and Loans Fund)
- Portugal Região Autónoma da Madeira (Autonomous Region of Madeira)
 Região Autónoma dos Açores (Autonomous Region of Azores)
 Municipalities

– international entities:

Eur.Bank. Recon. and Dev.
European Investment Bank
Asian Development Bank
African Development Bank
World Bank / IBRD / IMF
International Finance Corporation
Inter-American Development Bank
Council of Europe Soc. Dev. Fund
EURATOM
European Community
Corporación Andina de Fomento (CAF) (Andean Development Corporation)
Eurofima
European Coal & Steel Community
Nordic Investment Bank
Caribbean Development Bank

The provisions of Article 15 are without prejudice to any international obligations that Member States may have entered into with respect to the abovementioned international entities.

– entities in third countries:

The entities that meet the following criteria:

1. The entity is clearly considered to be a public entity according to the national criteria.
2. Such public entity is a non-market producer which administers and finances a group of activities, principally providing non-market goods and services, intended for the benefit of the community and which are effectively controlled by general government.
3. Such public entity is a large and regular issuer of debt.
4. The State concerned is able to guarantee that such public entity will not exercise early redemption in the event of gross-up clauses."

DECISION ADOPTED BY WRITTEN PROCEDURE**BUDGET**

The Council approved on 12 March by written procedure the establishment of the draft supplementary and amending budget (DSAB) n°2 for 2002. It concerns the general statement of revenue.

This DSAB consists of:

- a recalculation of the financing of the budget on the basis of the Own Resources Decision (2000/597/EC) which entered into force on 1 March 2002. A new budgetary structure is provided for the impact on traditional own resources of the application of that Decision on the amounts paid as collection costs (Title 2 - Adjustments of collection costs);
- budgeting as revenue EUR 10 billion as a preliminary amount of the surplus carried over from the financial year 2001.

The DSAB will be forwarded to the European Parliament for final adoption.
