

iii) The European Council today agreed that the associated countries in Central and Eastern Europe that so desire shall become members of the European Union. Accession will take place as soon as an associated country is able to assume the obligations of membership by satisfying the economic and political conditions required.

Membership requires that the candidate country has achieved stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities, the existence of a functioning market economy as well as the capacity to cope with competitive pressure and market forces within the Union. Membership presupposes the candidate's ability to take on the obligations of membership including adherence to the aims of political, economic and monetary union.

The Union's capacity to absorb new members, while maintaining the momentum of European integration, is also an important consideration in the general interest of both the Union and the candidate countries.

The European Council will continue to follow closely progress in each associated country towards fulfilling the conditions of accession to the Union and draw the appropriate conclusions.

iv) The European Council agreed that the future cooperation with the associated countries shall be geared to the objective of membership which has now been established. In this context the European Council approved the following:

- The Community proposes that the associated countries enter into a structured relationship with the Institutions of the Union within the framework of a reinforced and extended multilateral dialogue and concertation on matters of common interest. The arrangements, which are set out in Annex II to these conclusions, include dialogue and concertation on a broad range of topics and in several fora. Where appropriate - in addition to regular meetings between the President of the European Council and the President of the Commission with their counterparts from the associated countries - joint meetings of all the Heads of State and Government can be held to discuss specific predetermined issues.

- The European Council, recognizing the crucial importance of trade in the transition to a market economy, agreed to accelerate the Community's efforts to open up its markets. It expected this step forward to go hand in hand with further development of trade between those countries themselves and between them and their traditional trading partners. It approved the trade concessions established by the Council (General Affairs) at its meeting on 8 June. It invited the Council to adopt on a proposal from the Commission the necessary legal texts before the summer holidays.

- The Community will continue to devote a considerable part of the budgetary resources foreseen for external action to the Central and Eastern European Countries,