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EUROPEAN COUNCIL

ROME, 14 and 15 DECEMBER 1990

PRESIDENCY CONCLUSIONS

(Part 1)

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The European Council heard a statement by the President of the European Parliament on the situation in the Community and the Parliament's views on the questions to be discussed at the two intergovernmental Conferences.

On the eve of the opening of the two conferences on EMU and Political Union and following the recent CSCE meeting in Paris, the European Council held an in-depth discussion on the Community's internal development and on the contribution it plans to make to shaping the new face of Europe.

With regard to its internal development the Heads of State and of Government expressed their determination to complete the large single market within the periods laid down, to continue strengthening economic and social cohesion and to define the stages in the process of transforming the Community into a Political Union which will act as a focus of stability in Europe.

For the European Council, the Community's internal development is closely linked with the adoption of an open approach to the world in general and, in particular, with its resolve to co-operate ever more closely with the other European countries. This co-operation must today be expressed in particular by showing active solidarity with the USSR and the countries of Central and Eastern Europe in their efforts to overcome the difficulties they are experiencing.

The European Council adopted the following conclusions:

POLITICAL UNION

The European Council notes with satisfaction all the preparatory work which is to serve as a basis for the Intergovernmental Conference on Political Union.

The Union will be based on the solidarity of its Member States, the fullest realization of its citizens' aspirations, economic and social cohesion, proper balance between the responsibilities of the individual States and the Community and between the roles of the Institutions, coherence of the overall external action of the Community in the framework of its foreign, security, economic and development policies and of its efforts to eliminate racial discrimination and xenophobia in order to ensure respect for human dignity.

Without prejudice to other subjects raised by Governments or by the Commission in the preparatory work, the European Council asks the Conference to give particular attention to the following:

1. Democratic legitimacy

In order to strengthen the role of the European Parliament, the European Council asks the Conference to consider the following measures:

- extension and improvement of the co-operation procedure;
- extension of the procedure for assent to international agreements which require unanimous approval by the Council;
- involvement of the European Parliament in the appointment of the Commission and its President;

- increased powers on budget control and financial accountability;
- closer monitoring of the implementation of Community policies;
- consolidation of the rights of petition and enquiry as regards Community matters.

The European Council also discussed further-reaching reforms on the role of the European Parliament and asks the Conference to consider developing co-decision procedures for acts of a legislative nature, within the framework of the hierarchy of Community acts.

Consideration should be given to arrangements allowing national Parliaments to play their full role in the Community's development.

The European Council notes the particular importance which some Member States attach to:

- the adoption of arrangements that take account of the special competence of regional or local institutions as regards certain Community policies;
- the need to consider suitable procedures for the consultation of such institutions.

2. Common foreign and security policy

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The European Council welcomes the broad agreement on basic principles concerning the vocation of the Union to deal with aspects of foreign and

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security policy, in accordance with a sustained evolutive process and in a unitary manner, on the basis of general objectives laid down in the Treaty.

The common foreign and security policy should aim at maintaining peace and international stability, developing friendly relations with all countries, promoting democracy, the rule of law and respect for human rights, encouraging the economic development of all nations, and should also bear in mind the special relations of individual Member States.

To this end, the Conference will in particular address the Union's objectives, the scope of its policies and the means of fostering and ensuring their effective implementation within an institutional framework.

Such an institutional framework would be based on the following elements:

- one decision-making centre, namely the Council;
- harmonization and, where appropriate, unification of the preparatory work; a unified Secretariat;
- a reinforced role for the Commission, through a non-exclusive right of initiative;
- adequate procedures for consulting and informing the European Parliament;
- detailed procedures ensuring that the Union can speak effectively with one voice on the international stage, in particular in international organizations and vis-à-vis third countries.

The following elements should be considered as a basis for the <u>decision-making</u> <u>process</u>:

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- the rule of consensus in defining general guidelines; in this context, non-participation or abstention in the voting as a means of not preventing unanimity;
- the possibility of recourse to qualified-majority voting for the implementation of agreed policies.

As regards common security, the gradual extension of the Union's role in this area should be considered, in particular with reference, initially, to issues debated in international organizations: arms control, disarmament and related issues; CSCE matters; certain questions debated in the United Nations, including peace-keeping operations; economic and technological co-operation in the armaments field; co-ordination of armaments export policy, and non-proliferation.

Furthermore, the European Council emphasizes that, with a view to the future, the prospect of a role for the Union in <u>defence matters</u> should be considered, without prejudice to Member States' existing obligations in this area, bearing in mind the importance of maintaining and strengthening the ties within the Atlantic alliance and without prejudice to the traditional positions of other Member States. The idea of a commitment by Member States to provide mutual assistance, as well as proposals put forward by some Member States on the future of Western European Union, should also be addressed.

3. European Citizenship

The European Council notes with satisfaction the consensus among Member States that the concept of European citizenship should be examined.

It asks the Conference to consider the extent to which the following rights could be enshrined in the Treaty so as to give substance to this concept:

- civil rights: participation in elections to the European Parliament in the country of residence; possible participation in municipal elections;
- social and economic rights: freedom of movement and residence irrespective of engagement in economic activity, equality of opportunity and of treatment for all Community citizens;
- joint protection of Community citizens outside the Community's borders.

Consideration should be given to the possible institution of a mechanism for the defence of citizens' rights as regards Community matters ("ombudsman").

In the implementation of any such provisions, appropriate consideration should be given to particular problems in some Member States.

4. Extension and strengthening of Community action

The European Council notes that there is a wide recognition of the need to extend or redefine the Community's competence in specific areas.

It asks the Conference to bear in mind, inter alia, the following areas:

- the social dimension, including the need for social dialogue;

- economic and social cohesion among the Member States;
- improved protection of the environment in order to ensure sustainable growth;
- the health sector and in particular the combating of major diseases;
- a research effort commensurate with the development of the Community's competitive capacity;
- an energy policy aiming at greater security and efficiency, bearing also in mind co-operation in the whole of Europe;
- providing the Community with major infrastructures, in order also to permit the completion of a trans-European network;
- safeguarding the diversity of the European heritage and promoting cultural exchanges and education.

It should also be considered whether and how activities currently conducted in an intergovernmental framework could be brought into the ambit of the Union, such as certain key areas of home affairs and justice, namely immigration, visas, asylum and the fight against drugs and organized crime.

The European Council agrees on the importance of the principle of subsidiarity, not only when considering the extension of Union competence, but also in the implementation of Union policies and decisions.

The European Council stresses the fact that the Union must have at its disposal all the necessary resources to achieve the objectives that it sets and to carry out the resulting policies.

5. Effectiveness and efficiency of the Union

The European Council discussed how to ensure the effectiveness and efficiency of the Union's institutions.

It agreed that the essential role that the European Council has played over recent years in creating fundamental political momentum will continue. The Conference will consider whether the Community's development towards the Union necessitates an accentuation of this role.

Regarding the Council, the extension of majority voting will be examined by the Conference, including the possibility of making it the general rule with a limited number of exceptions.

Regarding the Commission, the European Council emphasized that extending the responsibilities of the Union must be accompanied by a strengthening of the Commission's role and in particular of its implementing powers so that it may, like the other institutions, help to make Community action more effective.

As for the Community's other institutions and organs, the Conference will examine the question of how to improve their effectiveness and efficiency in the light of the suggestions presented by those institutions and by Member States.

ECONOMIC AND MONETARY UNION

The European Council takes note of the Report by the Committee of Governors of the Central Banks, of the draft statute, and of the draft Treaty on Economic and Monetary Union submitted by the Commission.

The European Council notes that the Intergovernmental Conferences on Political Union and Economic and Monetary Union will open in Rome on 15 December 1990. The Conferences will take due account of the opinions given by the European Parliament and by the Commission under Article 236 of the Treaty.

The European Council confirms that the work of the two Conferences will proceed in parallel and should be concluded rapidly and at the same time. The results will be submitted for ratification simultaneously with the objective of ratification before the end of 1992.

The European Council takes note of the President's report on his discussions with the European Parliament concerning, <u>inter alia</u>, the contacts between the Conferences and the European Parliament.

The European Council decides to take the fullest account of the European Parliament's views during the Intergovernmental Conferences and at the time of their conclusion.

INTERNAL MARKET

The European Council took note of the Commission report on the progress made towards completion of the internal market.

The report shows that the main features of the large European internal market are now present. The credibility which the project has thereby acquired has given rise to a feeling of anticipation on the part of economic operators who, in their turn, are helping to speed up the process.

On the subject of indirect taxation, the European Council took note of the results recently achieved. As regards VAT and excise duties, it considers that proceedings must be completed in the near future and be accompanied by the approximation necessary to satisfy the requirements of a true internal market.

All the advantages of the large market will fully emerge only if it is supported by a major transport, energy and telecommunications infrastructure network. The European Council welcomed the Commission proposal in this area.

The European Council invites the Council, the Commission, the European Parliament and the Member States to make every effort to ensure that all the measures concerning the internal market and embodied in the programme annexed to the Commission communication are adopted in 1991. Since the time available is short, it requests that an assessment be made of the work that remains to be done. The European Council undertakes to take every useful initiative to ensure that the deadline of 1 January 1993 is met.

It underlines the importance of timely implementation and adequate enforcement of agreed measures and notes with satisfaction that the measures taken by the Commission and the Member States to effect the full and rapid incorporation of the directives into national law have made it possible to reduce the delay that has occurred.

FREE MOVEMENT OF PERSONS

The European Council noted with regret that a delay has occurred in relation to the programme. It considers it necessary to give full scope to the provisions of the Single Act on the free movement of persons. It wants the necessary

decisions, in particular on the crossing of external borders, to be taken at an early date to ensure that the 1 January 1993 deadline is met.

The European Council invites the Commission to submit, on the basis of information to be provided by the Member States, the study which has been announced on measures designed to reinforce the infrastructure necessary for controls at external borders.

The European Council took note of the reports on immigration and asks the General Affairs Council and the Commission to examine the most appropriate measures and actions regarding aid to countries of emigration, entry conditions and aid for social integration, taking particular account of the need for a harmonized policy on the right of asylum.

TRANSPORT POLICY

Harmonization of conditions of competition

The European Council noted the Commission's latest proposals, which address certain aspects of the problem (excise duties on fuel, taxes, tolls). It asks the Council to reach decisions by 30 June 1991.

Netherlands memorandum

Having taken note of the Transport Council's report on this matter, the European Council requests the Commission and the Council to take the necessary decisions to ensure that the deadline of 1 January 1993 is met. The European Council stresses the importance of making progress on the other aspects of the common transport policy (relationship with the environment, social aspects and major infrastructures).

Situation of peripheral countries

The European Council calls for special heed to be paid to the situation of the peripheral countries in the context of the common transport policy.

THE SOCIAL DIMENSION

The European Council referred to the need, in the context of European integration, to give equal weight to social aspects and to economic aspects. The establishment of the large single market must result in a genuine improvement in employment and in the living and working conditions of all Community citizens.

The European Council stresses the importance of pressing ahead more actively with the application of the action programme for the implementation of the Social Charter.

This applies in particular to the proposals on health protection and safety at work, which should be adopted without delay in order to ensure that the Community's legislation in the essential area of social protection is complete.

With regard to the other proposals on working conditions and industrial relations (including non-standard employment), vocational training, free movement of workers, the information and consultation of workers and equal treatment for men and women, the European Council requests that proceedings be speeded up, starting with the matters on which rapid progress is possible. It asks that in each case the solutions sought should be those which best serve the spirit of the Social Charter, taking account of the respective responsibilities of the Community, the Member States and the social partners, the aim of creating and developing employment and the need to respect the different customs and traditions of the Member States in the social area.

The European Council emphasizes the importance of the family as an essential aspect of solidarity and social cohesion. It also stresses the importance of the support which young people can bring to European integration and hopes that Community action in both these areas will be extended.

COMBATING DRUGS AND ORGANIZED CRIME

The European Council notes the considerable importance attaching to the systematic and sustained strengthening of the action taken by the Community and its Member States to combat drugs and organized crime.

It asks the bodies responsible to ensure rapid implementation of the programme drawn up by CELAD, with particular regard to the objective of reducing demand for drugs. It asks the Council to reach an agreement at its meeting on 17 December on money laundering and expresses the wish that a swift decision should be taken on the principle of a European Drug Monitoring Centre.

The European Council considers that policies towards third countries must take account of the objective of combating drugs.

The role of CELAD should be to encourage and co-ordinate Member States' action at international level.

EXTERNAL RELATIONS

RELATIONS WITH EUROPEAN COUNTRIES

The European Council held an in-depth discussion on the Community's relations with other European countries, including the USSR, which are especially important at a time when the groundwork for the new structure of Europe is being established, in particular in the context of the CSCE.

The European Council adopted conclusions on relations with the USSR and relations with the countries of Central and Eastern Europe and these are to be found in Part 2 of the present Conclusions.

RELATIONS WITH THE EFTA COUNTRIES

Given the political importance of the negotiations with these countries, the European Council hopes that the meeting at Ministerial level on 19 December 1990 will enable decisive progress to be made towards the conclusion of negotiations next spring.

OTHER THIRD COUNTRIES

Mediterranean policy

The European Council notes with satisfaction the progress made in redirecting Mediterranean policy, which involves inter alia Community support for structural adjustments. It asks the Council to complete its discussions as quickly as possible so that negotiations on the Financial Protocols can be opened.

Relations with the countries of Latin America

The European Council stresses the importance of relations between the Community and the Member States of the Rio Group, as well as the other countries of Latin America. It hopes that the Ministerial Conference to be held in Rome on 20 December 1990 will add a new dimension to its political and economic ties.

Relations with the ACP countries

The European Council notes with satisfaction both the entry into force of the new Convention of Lomé at the beginning of next year and the planned signing on 19 December 1990 concerning the accession of Namibia to the Convention of Lomé. The European Council takes note of the recent Commission communication concerning relief of the ACP countries' debt to the Community and requests a swift examination of that communication by the appropriate bodies in accordance with international strategy for debt management.

GATT

The European Council regrets the developments which have occurred in the Uruguay Round negotiations. It stresses that only a global approach based on balanced concessions made by all participants will enable the negotiations to be brought to a successful conclusion. The European Council points out that the aim of the negotiations is to strengthen the open multilateral trading system, so as to make possible the further development of world trade, the extension of the system to new sectors and the introduction of a mechanism for the settlement of disputes which prohibits recourse to unilateral action and on the contrary ensures the application of common rules.

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The European Council asks all parties concerned to show the political will needed to resolve these problems and to endeavour to seek constructive solutions to the problems outstanding. The European Council calls upon the Commission as negotiator to step up its contacts with all the participants in order to conclude a balanced Agreement covering all sectors in the shortest possible time.

Gulf Crisis and Middle East

The European Council discussed the Gulf Crisis and the situation in the Middle East and adopted the declarations in Annex I, II and III.

South Africa

The European Council examined the way the situation in South Africa is developing and adopted the declaration given in Annex IV.