INTERGOVERNMENTAL CONFERENCE

1. A Union closer to its citizens
2. The institutions in a more democratic and efficient Union
3. A strengthened capacity for external action of the Union
4. Association of the European Parliament with the work of the IGC

EUROPEAN CONFIDENCE PACT FOR EMPLOYMENT, GROWTH AND COMPETITIVENESS

The European Council began its proceedings by exchanging ideas with Mr Klaus Hänsch, President of the European Parliament, on the main subjects for discussion at this meeting.

An Agenda for the Intergovernmental Conference

The European Council has defined in Madrid the agenda of the Union for the end of the century. The convening of the Intergovernmental Conference which will today begin its examination of the revision of the Treaties with the purpose of creating an ever closer union among the peoples of Europe, constitutes the first step in this direction. We welcome it.

In a Union firmly committed to the full implementation of the Treaties, including its provisions on economic and monetary union, the Conference will provide the opportunity for dealing more effectively with the internal and external challenges of the coming years.

These challenges stem in particular from: changes in the international situation; globalization of the economy and its consequences for employment, competitiveness and job creation within the Union; terrorism, drug trafficking and international crime; migratory pressure; ecological imbalances.

Moreover, future enlargement, which represents a historic mission and a great opportunity for Europe, is also a challenge for the Union in all its dimensions. In this perspective, institutions, as well as their functioning, and procedures have to be improved in order to preserve its capacity for action, while maintaining the “acquis communautaire” and developing it and also respecting the balance between the institutions. It is essential to sustain the very nature of European construction, which has to preserve and develop its features of democracy, efficiency, solidarity, cohesion, transparency and subsidiarity.

The Heads of State or Government consider that the Conference should, in the light of the Reflection Group’s Report and without prejudice to other questions which might be raised during the Conference, mainly focus its work on the areas described hereafter.
1. A Union closer to its citizens

The European Council asks the IGC to base its work on the fact that the citizens are at the core of the European construction: the Union has the imperative duty to respond concretely to their needs and concerns.

As Member States are committed to respect human rights, democratic values, equality and non-discrimination, and as the Union is a community of shared values, the IGC should consider whether and how far it will be possible to strengthen these fundamental rights and improve the safeguarding of them.

European citizens pay growing attention to justice and home affairs. In an area of free movement for people, goods, capital and services such as the Union, the exercise of these rights according to the Treaty provisions must be accompanied by adequate protection. A strengthened control of the Union's external frontiers shall contribute to it. In this context, the Conference is called upon to produce adequate results mainly on the following issues:

- within the framework of defined objectives, better methods and instruments;
- ensuring better protection of the Union's citizens against international crime, in particular, terrorism and drug trafficking;
- developing coherent and effective asylum, immigration and visa policies.
- clearing divergent views on jurisdictional and parliamentary control of EU decisions in the field of justice and home affairs.

For the Union and the Member States the fight against unemployment is the priority task. Promoting employment makes national economic and structural policies a matter of common concern. Obtaining better employment opportunities requires a stability oriented economic policy, greater competitiveness and sound growth, i.e. through the completion of the single market and the implementation of the convergence criteria for the achievement of the economic and monetary union. However, supplementary coordinated action is necessary. Therefore in order to fulfil the objective of a high level of employment while ensuring the social protection, the IGC should examine how the Union could provide the basis for a better cooperation and coordination in order to strengthen national policies. The IGC should moreover examine whether and how the efforts of our governments as well as of the social partners could be made more effective and better coordinated by the Treaty.

The IGC could also address the question of the compatibility between competition and the principles of universal access to essential services in the citizen's interest.

Furthermore, the IGC should examine the status of outermost regions. It should also examine the status of overseas territories. It should examine as well the question of the island regions of the Union.

A healthy and sustainable environment is also of great concern to our citizens. Ensuring a better environment is a fundamental challenge for the Union. The IGC will have to consider how to make environmental protection more effective and coherent at the level of the Union, with a view to a sustainable development.
The IGC must ensure a better application and enforcing of the principle of subsidiarity, to provide transparency and openness in the Union's work, and to consider whether it would be possible to simplify and consolidate the Treaties.

2. The institutions in a more democratic and efficient Union

In order to improve the European Union's institutions, and also in view of preparing the future enlargement, the Heads of State or Government stress the need to look for the best means to ensure that they function with greater efficiency, coherence and legitimacy. The Conference will have to examine:

- the most effective means of simplifying legislative procedures and making them clearer and more transparent;
- the possibility of widening the scope of codecision in truly legislative matters;
- the question of the role of the European Parliament besides its legislative powers, as well as its composition and the uniform procedure for its election.

The IGC should equally examine how and to what extent national parliaments could, also collectively, better contribute to the Union's tasks.

As regards the Council, whose functioning must be improved, the IGC should address the questions of the extent of majority voting, the weighting of votes and the threshold for qualified majority decisions.

The Conference will have to examine how the Commission can fulfil its fundamental functions with greater efficiency, having regard also to its composition and taking into account its representativity.

The Conference should examine whether and how to improve the role and functioning of the European Court of Justice and Court of Auditors. It should also examine how to achieve greater clearness and quality of legislation and ways and means of a more effective fight against fraud.

The Heads of State or Government ask the Conference to examine whether and how to introduce rules either of a general nature or in specific areas in order to enable a certain number of Member States to develop a strengthened cooperation, open to all, compatible with Union's objectives, while preserving the acquis communautaire, avoiding discrimination and distortions of competition and respecting the single institutional framework.

3. A strengthened capacity for external action of the Union

The international situation increases the responsibilities of the Union and the need to strengthen its identity on the international scene with the aim of promoting peace and
stability. The Union's political weight must be commensurate with its economic strength. At the same time the consistency and the unity of all dimensions in the Union's external action needs to be reinforced, while fully respecting the Commission's role.

The EU has set itself the objective of implementing a common foreign and security policy, including the eventual framing of a common defence policy, which might in time lead to a common defence.

The accomplishment of this objective requires a greater capacity to:

- identify the principles and the areas of common foreign policy;
- define the actions needed to promote the Union's interests in these areas and according to those principles;
- set up procedures and structures designed to allow decisions to be taken in a more effective and timely manner, in a spirit of loyalty and mutual solidarity;
- agree on suitable budgetary provisions.

Having in mind those aims, the Conference should also study whether and how the provision for a new specific function could give the possibility to the Union of expressing itself in a more visible and coherent way and with a more perceptible face and voice.

Moreover, the IGC will have to examine how to better assert the European identity in matters of security and defence. It will therefore have to address the question of a clearer definition of the relationship with the Western European Union, which is an integral part for the development of the European Union, taking into account in particular the deadline of the Brussels Treaty in 1998. The objective shall also include the improvement of the operational capability available to the Union, with specific reference to the area covered by the Western European Union's Petersberg’s tasks and in conformity with the United Nations Charter. The Conference might also examine if and to what extent a closer cooperation in the area of armaments should be promoted by the Treaty.

Finally, the European Council invites the Conference, which should finalize its work in about one year, to adopt a general and consistent vision throughout its work: its aim is to meet the needs and expectations of our citizens, while advancing the process of European construction and preparing the Union for its future enlargement.

The Heads of State or Government have confirmed the agreement reached between the Ministers of Foreign Affairs on 26 March 1996 regarding the association of the European Parliament with the work of the IGC.

**Association of the European Parliament with the work of the Intergovernmental Conference**

In view of the experience of the Reflection Group and in accordance with the conclusions of the Madrid European Council on 15 and 16 December 1995, the European Parliament will be closely associated with the work of the Conference to enable it to have regular and detailed
information on the progress of discussions and to make known its point of view on any matter discussed whenever it feels this to be necessary.

To ensure that association in compliance with the provisions applicable to the revision of the Treaties the Ministers for Foreign Affairs have agreed on the following arrangements:

1. The meetings of the European Council dealing with the IGC will begin, as usual, with an exchange of views with the President of the European Parliament on the subjects on the agenda.
2. Ministerial meetings of the IGC will also be preceded by an exchange of views with the President of the European Parliament, assisted by the representatives of the European Parliament, on the items on the agenda.
3. Once a month and whenever the Ministers' representatives deem it necessary by common accord, the Presidency will hold a working meeting, on the occasion of meetings of the Ministers' representatives, for the purpose of holding a detailed exchange of views with the representatives of the European Parliament.
4. The Presidency will regularly provide oral or written information to the European Parliament. It will also, as agreed, provide information to the national Parliaments through the Conference of bodies concerned with Community affairs (COSAC).
5. The European Parliament's association will begin with an invitation to the President of the European Parliament and two representatives of the European Parliament to the opening of the IGC in Turin on 29 March 1996.
6. The Presidency will ensure the smooth organization of the IGC and the European Parliament's association with it, bearing in mind the intergovernmental nature of the Conference, the competences of each party and the need for close cooperation marked by mutual trust between the Institutions.

EUROPEAN CONFIDENCE PACT FOR EMPLOYMENT, GROWTH AND COMPETITIVENESS

The European Council discussed the problems of growth and employment.

The President of the Commission, Mr SANTER, submitted to the European Council his initiative for a European confidence pact for employment, intended to introduce a consistent strategy common to the European institutions, governments and both sides of industry.

President Chirac illustrated the proposals contained in the French memorandum on a European social model.

Referring to the White Paper on Growth, Competitiveness and Employment and to the conclusions adopted at its meetings in Essen, Cannes and Madrid, the European Council reaffirmed its commitment to job creation as a matter of priority and welcomed the Presidency's intention of attaching maximum importance to discussion of this subject at the next meeting in Florence, on the basis of President Santer's confidence pact and of contributions made by some Member States. It therefore instructed the Council, to coordinate this work and to press ahead actively with study of the various proposals designed to contribute towards these objectives.
In this context, it noted that, in preparation for the Florence meeting of the European Council, the Italian Presidency intended to hold a Tripartite Conference on growth and employment, involving governments, social partners and the Commission, in Rome in mid-June.