

## **E.C. SUMMIT LEADERS SET INTERGOVERNMENTAL CONFERENCES ON MONETARY AND POLITICAL UNION**

European Community summit leaders meeting in Dublin June 25-26 agreed unanimously to open an Intergovernmental Conference on Economic and Monetary Union (EMU) and a second Conference on Political Union in December 1990. Marking the end of Ireland's term in the rotating E.C. Council Presidency, the summit also called for continued progress toward completion of the single market program, for concrete measures to protect the environment, and for greater cooperation in combatting the international drug problem.

Further reinforcing the E.C. Commission's role as coordinator of Western aid to Eastern Europe, the 12 E.C. Heads of State or Government also asked the Commission to evaluate the situation in the Soviet Union and to prepare potential action, in liaison with international financial institutions and in consultation with the Soviet Union, to support political and economic reforms there. They also agreed to strengthen coordination with the Conference on Security and Cooperation in Europe (CSCE) and made major declarations on Southern Africa and the Middle East.

The European Council, which meets twice a year in each of the member states holding the six-month Council Presidency, also agreed to the reappointment of Jacques Delors as President of the Commission, and of each of the Vice Presidents, to a further two-year term. The summit conclusions follow:

### **EUROPEAN COUNCIL PRESIDENCY CONCLUSIONS**

The European Council heard a statement by Mr. BARON, the President of the European Parliament, in which he set out the Parliament's position and priorities with regard to the main Community topics in particular the two forthcoming Intergovernmental Conferences.

#### **INTRODUCTION**

1. The European Council, determined to ensure the continued dynamic development of the Community at a time of great challenge for Europe and the world, agreed to intensify the process of transforming relations as a whole among Member States into a European Union invested with the necessary means of action. To this end it reviewed progress and laid down guidelines with regard to the full implementation of the Single European Act; it agreed to convene an Intergovernmental Conference on Political Union; it reviewed the preparatory work for the Intergovernmental Conference, already agreed, on Economic and Monetary Union; and it fixed the opening dates for these two Intergovernmental Conferences.
2. With a view to enhancing the benefits which our peoples derive from belonging to a Community which has as its *raison d'être* the promotion of their rights, their freedoms and their welfare, the European Council dealt with a number of themes of particular relevance to the individual citizen including the free movement of persons, the environment, drugs and their links with organized crime, and anti-semitism. The European Council sees action in these areas as essential to the Union it wishes to achieve over the coming years.

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3. The European Council, determined to strengthen the role of the Community in the world in order to meet its international responsibilities, reviewed progress in the Community's external relations and laid down guidelines for future action in a number of areas. The discussion reflected the increased coherence between the economic and the political aspects of the Community's international action.

## **I PROGRESS TOWARDS EUROPEAN UNION**

### **1. Implementation of the Single European Act**

The fulfilment of the commitments contained in the Single Act is fundamental to the process of integration and to the creation of a European Union. Economic and Monetary Union and Political Union must be built on an area without internal frontiers in which the free movement of persons, goods, services and capital is ensured in accordance with the provisions of the Treaty, where economic and social cohesion is assured, and where the necessary accompanying policies to the Internal Market are developed.

The European Council took stock of progress towards the implementation of the Single European Act.

#### **a) Internal Market**

The European Council welcomed the good progress which has been made in a number of fields in recent months and noted that two thirds of the measures had now been agreed.

In the area of public procurement it noted the important agreement on the opening up of the previously excluded sectors of water, energy, transport and telecommunications. The European Council looked forward to further progress being made in the area of public procurement including the procurement of services.

Important progress has been made in the financial services sector. The European Council asked for rapid progress in the areas of investment services and of insurance. It also asked for rapid completion of work on intellectual property, and effective action in relation to takeovers within the Community.

As regards animal and plant health, the European Council called for rapid completion of the internal market in agriculture and foodstuffs building on recent progress.

In the fiscal area, the recent agreement on the package of three cooperation measures on company tax is an important step forward. On indirect taxes the European Council called for adoption before the end of the year of the new value-added tax (VAT) and excise duties arrangements which are to apply from 1 January 1993.

The European Council welcomed the adoption of the second phase of the liberalisation of air transport and other important recent advances in the transport sector. It stressed the importance of sustained progress in all areas of transport policy (in particular cabotage, fiscal harmonisation in the road transport sector as early as possible and not later than 31.12.1990 and in accordance with the provisions of the Single European Act, and transit). In this connection it noted with particular interest the memorandum submitted by the Netherlands on this subject, which it asked the Transport Council to consider with a view to a report to the next European Council.

Recalling its conclusions at Strasbourg on development and interconnection of trans-European networks, the European Council asked that guidelines on this matter be agreed before the end of this year.

At its December meeting the European Council will undertake a general examination of the progress made towards achieving the Internal Market within the time limit fixed, on the basis of the Commission's Report required by the Single European Act.

The European Council emphasised the vital importance of implementation of Community legislation at national level within the required time limits. It asked the Commission to strengthen its supervisory procedures in this context. It agreed to review the situation at its next meeting.

#### **b) Research**

The European Council welcomed the adoption of the Third Framework Program for the period 1990-94, which provides for 5.7 billion ECU to finance the Community research and development program over that period. It called for early decisions on the specific programs to be established under the Framework Program.

c) Social Dimension

The European Council recalled the particular importance which it attaches to the development of the social dimension in all its aspects with a view to ensuring that the opportunities offered by the completion of the Internal Market are fully exploited to the benefit of all of the peoples of the Community.

Despite the recent significant improvement in general economic conditions, long-term unemployment among adults and young people remains a major problem. It welcomed the measures adopted recently by the Council of Social Affairs on action to assist the long-term unemployed, on vocational training and on health and safety of workers.

The European Council welcomed the timetable established by the Troika of Social Affairs Ministers and the omission for the presentation and examination of proposals under the Commission's Action Program in application of the "Community Charter of the Fundamental Social Rights of Workers".

d) European Monetary System (EMS)

The European Council noted the satisfactory functioning and recent development of the EMS.

2. Economic and Monetary Union

The first stage of Economic and Monetary Union will come into effect on 1st July 1990. The European Council considered that this stage should be used to ensure convergence in the economic performance of Member States, to advance cohesion and to further the use of the Ecu, all of which are of importance for the further progress towards EMU.

The European Council reviewed the preparation of the forthcoming Intergovernmental Conference. It noted that all the relevant issues are now being fully and thoroughly clarified, with the constructive contribution of all Member States, and that common ground is emerging in a number of fields. In these circumstances the European Council decided that the Intergovernmental Conference will open on 13th December 1990 with a view to establishing the final stages of Economic and Monetary Union in the perspective of the completion of the Internal Market and in the context of economic and social cohesion. The Conference should conclude its work rapidly with the objective of ratification of the results by Member States before the end of 1992.

The European Council asked the Economic/Financial Council and the General Affairs Council assisted by the competent bodies to carry out their work in such a way that negotiations on a concrete basis can be entered into as soon as the Conference opens.

3. Political Union

The European Council had an extensive exchange of views on the basis of the examination and analysis conducted by Foreign Ministers and the ideas and proposals put forward by Member States and the Commission.

On this basis, and following a discussion on the calling of an Intergovernmental Conference on Political Union, the President of the European Council noted the agreement to convene such a Conference under Article 236 of the Treaty. The Conference will open on 14 December 1990. It will adopt its own agenda, and conclude its work rapidly with the objective of ratification by Member States before the end of 1992.

Foreign Ministers will prepare the Conference. Preparatory work will be based on the results of the deliberations of Foreign Ministers (Annex I) and on contributions from national governments and the Commission, and will be conducted in such a way as to permit negotiations on a concrete basis to begin from the start of the Conference.

Close dialogue will be maintained with the European Parliament both in the preparatory phase and in the conference phase on Political Union as well as on Economic and Monetary Union.

The European Council considered that the necessary coherence in the work of the two Conferences should be ensured by the General Affairs Council.

4. German Unification

The European Council heard a report from the German Federal Chancellor on the progress towards German unification. It welcomed the conclusion of the inter-German State Treaty which will promote and accelerate the integration of the territory of the German Democratic Republic into the Community.

The European Council expressed its satisfaction that the Commission has accelerated its preparatory work and intends to submit proposals for the necessary transitional arrangements in September. It asked the Council to reach early agreement in conformity with the guidelines laid down by the European Council in April.

The Members of the European Council also heard a report from the Prime Minister of German Democratic Republic who was accompanied by his Minister for Foreign Affairs at the luncheon offered by the President of Ireland.

## II PROGRESS IN FIELDS RELATING TO A PEOPLES EUROPE

The European Council emphasised that a fundamental objective of European integration is the promotion of the rights, freedoms and welfare of the individual citizen. It emphasised the importance of a People's Europe which seeks to ensure and bring home in a direct and practical way the benefit of the Community to all its citizens.

### 1. Environment

The European Council considered the role of the Community and its Member States in the protection of the environment within the Community and at the global level. It agreed that a more enlightened and more systematic approach to environmental management is urgently required. It emphasised that research and environmental monitoring must be intensified to achieve a better understanding of the phenomena involved in global change and the implications of different courses of action. But the European Council stressed that research must not be used to justify procrastination; the areas of scientific uncertainty have been narrowed down and the implementation of response measures can no longer be delayed.

Following its discussion the European Council adopted the declaration in Annex II - setting out guidelines for future action. It requested the Commission to use the objectives and the principles contained in the declaration as the basis of the Community's 5th Action Program for the Environment and to present in 1991 a draft of this program. The European Council agreed to ask the Commission to analyse and prepare proposals for an appropriate Community program to deal with the threat to the tropical rain forests in consultation with the countries concerned and in particular Brazil. It also agreed that the Community would consult other industrialized countries, on concerted action on this question.

### 2. Free Movement of Persons

The European Council noted with satisfaction that there was now agreement on the three Directives on the right of residence.

It took note of the developments as set out in the Coordinators' Report on the Free Movement of Persons. It welcomed the conclusion and signature by 11 Member States of the Convention determining the State responsible for examining applications for asylum which is the first major legal instrument in the series necessary to ensure the free movement of people. It expressed the hope that this Convention will be signed by all Member States before the end of the year. It noted progress on the Convention on the crossing of the external borders of the Community and urged the competent bodies to take the necessary steps to ensure that this Convention would be signed by the end of this year in accordance with the conclusions reached by the European Council in Strasbourg. The European Council urged the Co-ordinators group to speed up work on implementation of the measures contained in the "Palma document" with a view to create a Europe without frontiers.

### 3. Drugs and Organized Crime

The European Council held a thorough debate on the basis of reports from the High-Level Coordinators' Group, CELAD (European Committee for the Anti-Drug War), and from the TREVI Group. It agreed that drug addiction and traffic in drugs are sources of great damage to individuals and society as well as to States and constitute a major menace to Europe and the rest of the world. In view of the extent of this scourge and in the perspective of a Europe without internal frontiers the European Council agreed on the need for a coherent and effective policy at the European level. In this context the European Council suggested the early convening of a Conference of Western and Eastern European countries under the auspices of the Pompidou Group.

The European Council endorsed the conclusions of the two reports and asked the Council to reach agreement before the end of the year on the basis of the Commission's proposals on trade in precursors with non-Community countries and on an integrated program for cooperation with Colombia with particular regard to the sale and price of coffee and other substitute products. It welcomed the Commission proposal to combat money laundering and asked for final adoption of adequate measures before July 1991 drawing on the work of the GAFI (Financial Action Task Force) set up in Paris in July 1989. It invited the Member States to adopt legislation which provides for seizure of the assets of persons involved in drug trafficking.

It stressed the responsibility of each Member State to develop an appropriate drug demand reduction program. It also invited the Commission to present on a regular basis to the Council and Ministers for Health a report on work done in this area.

The European Council considered that effective action by each Member State, supported by joint action of the Twelve and the Community, should be a main priority over the coming years. The necessary human and material resources both at national and Community level would be provided for an effective fight against drugs and organized crime.

The European Council asked CELAD in close consultation with the Commission to prepare for the meeting of the European Council in Rome a European plan to combat drugs covering measures on prevention, on demand reduction programs, on health and social policy with regard to drug addicts, the suppression of drugs trafficking and providing for an active European role in international action, bilaterally and in multilateral fora. It asked the TREVI Group to speed up work on the creation of a common information system, a European program of training for law enforcement officers from drug-producing and transit countries, coordination of Member States' programs of technical police cooperation with those countries, and the establishment of a European central drugs intelligence unit if possible before the end of 1990. It urged the Group to proceed with expanding the network of liaison officers in producer and transit countries and with improving controls at external frontiers with particular regard to the infrastructure problems faced by Member States with a long coast line.

#### 4. Anti-semitism, Racism and Xenophobia

The European Council adopted the Declaration in Annex III.

### III EXTERNAL RELATIONS

The European Council noted with satisfaction that the guidelines laid down at its special session in April for the Community's external policy are being translated into concrete action, notably

- the preparatory work for the CSCE Summit;
- the exploratory talks, soon to be opened, on Association Agreements with certain Central and Eastern European countries - the proposals submitted by the Commission on the renewal of the Community's Mediterranean policy;
- the agreement on a mandate for negotiation with the European Free Trade Association (EFTA) countries which have now commenced with the objective of completion as soon as possible, with a view to creating a European Economic Area.

The European Council confirmed the will of the Community to act in a spirit of solidarity and cooperation with respect to those areas which, due to inadequate levels of development, necessitate an increased level of coordinated and multi-faceted intervention of the Community and the Member States.

The European Council furthermore dealt with the following subjects:

#### 1. The Economic Situation in the USSR

The European Council had a substantial discussion of the situation in the Soviet Union. It underlined the interest of the Community in the success of the political and economic reform initiated by President Gorbachev, and its support for the efforts of the Soviet Union to make progress towards a democratic system and a market-oriented economy.

The European Council asked the Commission, in consultation as necessary with the International Monetary Fund, the World Bank, the European Investment Bank, the Organization for Economic Cooperation and Development, and the designated President of the European Bank for Reconstruction and Development, to consult the government of the Soviet Union with a view to preparing urgently proposals covering short term credits and longer term support for structural reform. In this connection the Commission will examine the proposal of the Netherlands government for the establishment of a European Energy Network. The proposals thus established will be submitted in due course to the Council.

#### 2. Central and Eastern Europe

The European Council welcomed the continuing progress being made in Central and Eastern European countries in establishing pluralist democracy founded on the rule of law, full respect for human rights, and the principles of the market-oriented economy. The European Council reaffirmed the right of individual citizens to participate fully in this process and

called on all states to observe this principle without reservation. The European Council welcomed in particular the holding of free elections in Central and Eastern Europe and expressed the hope that these will lead to a fuller realisation of democratic ideals which, of course, entail full respect for the rights of the opposition parties. The European Council expressed its deep satisfaction at the progress already made and in prospect towards overcoming the divisions of Europe and restoring the unity of the continent whose peoples share a common heritage and culture. The European Council recalled the contribution already made by the Community and the Member States to supporting the process of political and economic reform, notably through the G-24, and affirmed its intention to broaden and intensify that approach.

### 3. CSCE

The European Council reaffirms the important role played by the CSCE in the process of change in Europe. At a time when our continent is actively engaged in surmounting its divisions, the CSCE provides a necessary framework for maintaining stability and promoting cooperation in Europe and for deepening the reforms that are underway.

It attaches great importance to the comprehensive nature of the CSCE process which brings together the peoples and governments of Europe, the United States and Canada.

It welcomes the decision taken by the Member States of the CSCE to convene in Paris a Summit of Heads of State and Government. The European Council proposes the date of 19 November 1990 for this meeting.

For the European Council, this Summit has an exceptional importance. It should be an opportunity to define the crucial role which the CSCE will play in the future architecture of Europe and in establishing a new set of relations between participating States, based on the Helsinki principles, to be further expanded by new commitments and involving a balanced development of the CSCE encompassing notably the development of pluralist democracy, the rule of law, human rights, better protection of minorities, human contacts, security, economic cooperation, the environment, further cooperation in the Mediterranean and cooperation in the field of culture.

The European Council expects that the Summit, among other things, will:

- make a decisive contribution to strengthening stability and cooperation in Europe, and to disarmament;
- take note of the results obtained in talks relating to German unity, in particular its final settlement under international law;
- provide a basic orientation for future economic relations and cooperation in Europe. A closer association between the Community and other States members of the CSCE is an example of such relations and cooperation;
- set out guidelines for a democratic Europe and consolidate the principles of a State based on the rule of law.

The European Council proposes agreement on regular meetings of Heads of State and Government of the CSCE, as well as of Ministers of Foreign Affairs, and the establishment of a small administrative secretariat, as well as the holding of more frequent follow-up meetings. The Summit will also provide the opportunity to consider the relationship between the CSCE process and other relevant institutions, such as the Council of Europe. Furthermore, the Summit could take decisions on new mechanisms in the field of security and cooperation in Europe, including suitable means to avoid conflict and disputes, and the active participation of parliamentary bodies.

The European Community and its Member States intend to assume a leading role in this enterprise and to contribute actively to all discussion within the CSCE process.

Considering the importance of the Paris Summit, the European Council has agreed that the Community and its Member States will strengthen their coordination with a view to defining and expressing a common position on all questions, in the various sectors of the CSCE, in which they have an essential common interest, and taking into account the importance of coordination with the participating states and organizations.

### 4. Transatlantic relations

The European Council expressed its satisfaction with the developments in the Community's relations with the United States, based on the structure laid down by the European Council in April and characterized by ever closer cooperation. They wish to take this cooperation further. Their commitment to this further cooperation could take the form of a joint transatlantic declaration on relations between the Twelve and the United States and Canada.

## 5. Uruguay Round

The European Council stressed that the successful conclusion of the Uruguay Round by December 1990 was a major priority for the Community. It emphasised the benefits for the peoples of the world by way of improved living standards that would flow from the gradual removal of barriers to multilateral free trade within the framework of strengthening the rules of the General Agreement on Tariffs and Trade (GATT). It reaffirmed the Community's determination to play a full and active part in the negotiations.

## 6. Africa

- i) Southern Africa - The European Council adopted the Declaration in Annex IV.
- ii) Sub-Saharan Africa - The European Council expressed its serious concern about sub-Saharan Africa. The economic situation in these countries, including debt, is worrying. The European Council, emphasising the commitment of the Community and its member States to the development of Africa, in particular through the Lome Convention, declared its determination to pursue this further and also its support for progress in the observance of human rights and in sound government management in sub-Saharan Africa.

7. Middle East - The European Council adopted the Declaration in Annex V.

8. Nuclear Non-Proliferation - The European Council adopted the Declaration in Annex VI.

9. Iranian earthquake - The European Council adopted the Declaration in Annex VII.

10. Cyprus - The European Council adopted the Declaration in Annex VIII.

11. Kashmir - The European Council discussed the current tension between India and Pakistan over the question of Kashmir. The European Community and its member States enjoy excellent relations with India and Pakistan. They welcome and encourage recent efforts to de-escalate the state of tension between the two countries. They hope that such initial positive steps will lead to a fuller dialogue and a resolution of this problem in order that India and Pakistan can resume full and fruitful relations.

## IV GREEK ECONOMY

The European Council expresses its satisfaction with the initial measures adopted by the Greek government for the stabilization, modernization and development of the Greek economy and invites the Commission to examine, in close collaboration with the Greek government and the Economic/Financial Council, measures needed to ensure the successful restructuring of the Greek economy and its closer integration into the Community.

## IV PRESIDENCY OF THE COMMISSION

The European Council, in the presence of the President of the European Parliament who will consult the Enlarged Bureau, agreed to renew the mandate of Mr. Jacques DELORS as President of the Commission for the period 1991-1992. It also agreed to renew the mandates of the present Vice-Presidents for the same period.

## V SEATS OF THE INSTITUTIONS

After a debate on this question the European Council noted that the Presidency will submit a proposal for a definitive decision to the European Council in October 1990.

## VI TERRORISM

Following the most recent bombing outrage in London, the European Council renewed its categorical condemnation of all forms of terrorism and expressed its deep sympathy for the victims and their families.

## ANNEX I

### POLITICAL UNION

#### 1. Introduction

The European Council agreed at its meeting on 28 April 1990 that a point had been reached where the further dynamic development of the Community has become an imperative not only because it corresponds to the direct interest of the twelve Member States but also because it has become a crucial element in the progress that is being made in establishing a reliable framework for peace and security in Europe. The European Council confirmed in this context its commitment to political union and decided that Foreign Ministers should carry out a detailed examination of the need for possible treaty changes and prepare proposals for the European Council.

Written contributions have been submitted by Member States and ideas and suggestions compiled. Foreign Ministers carried out an examination and analysis of the issues at meetings in May and June with a view to the debate in the European Council on the convening of an Intergovernmental Conference on Political Union to define the necessary framework for transforming relations as a whole among the Member States into a European Union invested with the necessary means of action.

The result of this work is set out below.

#### 2. The overall objective of Political Union

Political Union will need to strengthen in a global and balanced manner the capacity of the Community and its Member States to act in the areas of their common interests. The unity and coherence of its policies and actions should be ensured through strong and democratic institutions.

The Union will remain open to membership by other European states who accept its final goals, while developing closer relations with other countries in the spirit of the Rhodes declaration.

The transformation of the Community from an entity mainly based on economic integration and political cooperation into a union of a political nature, including a common foreign and security policy, raises a number of general questions:

##### a) Scope:

- To what extent does the Union require further transfer of competence to the Community along with the provision of means necessary to achieve its objectives.
- How will the Union include and extend the notion of Community citizenship carrying with it specific rights (human, political, social, the right of complete free movement and residence...) for the citizens of Member States by virtue of these states belonging to the Union.
- To what extent will other areas currently dealt with in Intergovernmental Cooperation be included, such as aspects of free circulation of persons, the fight against drugs, police and judicial cooperation.

##### b) Institutional aspects:

- To what extent will new or changed institutional arrangements be required to ensure the unity and coherence of all the constituent elements of the European Union.
- How should the role of the European Council, as defined in the Solemn Declaration on European Union and in the Single European Act, be developed in the construction of the Union ?

##### c) General Principles

The following questions should be considered with regard to certain general principles which have been advanced:

- in the context of ensuring respect of national identities and fundamental institutions: how best to reflect what is not implied by Political Union;
- in the context of the application of the principle of subsidiarity (leaving to individual Member States those issues best dealt with at a national level): how to define it in such a way as to guarantee its operational effectiveness.



### 3. Democratic legitimacy

It is necessary to ensure that the principle of democratic accountability to which all Member States of the Community subscribe should be fully respected at Community level. The ongoing transfer of tasks to the Community and the corresponding increase in the power and responsibilities of its Institutions require a strengthening of democratic control. This objective should be pursued through a range of measures, among which could be the following:

- increased involvement for the European Parliament;
- in the legislative process possibly including forms of co-decision;
- in the field of external relations;
- increased accountability through reinforced control by the European Parliament over the implementation of agreed Community policies;
- a reinforcement of the democratic character of other Institutions (e.g. specific role of the European Parliament in the nomination of the President and Members of the Commission, greater transparency and openness in the working of the Community...);
- greater involvement of the national Parliaments in the democratic process within the Union, in particular in areas where new competence will be transferred to the Union.

### 4. Efficiency and effectiveness of the Community and its Institutions

The adequacy of the Community's response, and of that of its Institutions, to the needs arising from the new situation as well as from the implementation of the Internal Market, the attainment of EMU, the achievement of the aims of the Single European Act, the development of new policies and the enhancement of the Community's international role, (including its capacity to respond to the aspirations of countries who wish to see their relations with the Community strengthened), should be examined from two angles: firstly, how to meet the challenges which the Community faces in an overall and balanced way; secondly, from the angle of the functioning of the Institutions.

The question of the functioning of the Institutions should be examined at several operational levels, while respecting the general balance between Institutions:

- The European Parliament: (see point 3 above);
- The Council: improving the decision-making process inter alia by enlarging the field covered by qualified majority voting; central coordination through the General Affairs Council; concentration and rationalisation of Council work in general;
- The Commission: the number of its Members and strengthening of its executive role with regard to implementing Community policies;
- The Court of Justice: inter alia automatic enforceability of its judgements where relevant;
- The Court of Auditors: the strengthening of its role in ensuring sound financial management;
- Member States: ensuring the implementation and observance of Community law and European Court judgements.

In addition, consideration should be given to a review of the different types of legal instruments of the Community and the procedures leading to their adoption.

### 5. Unity and coherence of the Community's international action

In accordance with the conclusions reached by the European Council at Dublin on 28 April 1990, the Community will act as a political entity on the international scene.

The proposal for a common foreign and security policy which takes account of the common interests of the Member States, acting with consistency and solidarity, and which institutionally goes beyond Political Cooperation as it currently functions, raises a number of questions, in particular the following:

- a) Scope
  - the integration of economic, political and security aspects of foreign policy;

- the definition of the security dimension;
- the strengthening of the Community's diplomatic and political action vis-a-vis third countries, in international organizations and in other multilateral fora;
- the evolution of the transfer of competences to the Union, and in particular the definition of priority areas where transfer would take place at an initial stage.

b) Decision-making :

- use of the Community method (in full or in adapted form) and/or a sui generis method bearing in mind the possibilities offered by the evolution over time of the degree of transfer of competence to the Union, referred to above;
- the Commission's role, including the faculty of launching initiatives and proposals;
- establishment of a single decision-making structure; central role of the General Affairs Council and the European Council in this context; preparatory bodies; the organization and strengthening of the Secretariat;
- modalities aimed at ensuring the necessary flexibility and efficiency to meet the requirements of formulation of foreign policy in various areas; consideration of decision procedures including the consensus rule, voting practices involving unanimity with abstentions, and qualified majority voting in specific areas.

c) Implementation

There is a recognised need for clear rules and modalities for the implementation of the common foreign policy; the following are to be examined in this context:

- role of the Presidency, (and of the Troika), and of the secretariat;
- role of the Commission;
- the role of national diplomatic services in a strengthened collaboration.

## ANNEX II

### THE ENVIRONMENTAL IMPERATIVE

#### DECLARATION BY THE EUROPEAN COUNCIL

The natural environment which forms the life support system of our planet is gravely at risk. The earth's atmosphere is seriously threatened. The condition of water resources, including the seas and oceans, is causing concern, natural resources are being depleted and there is growing loss of genetic diversity. The quality of life - indeed, the continuation of life - could no longer be assured were recent trends to proceed unchallenged.

As Heads of State and Government of the European Community, we recognise our special responsibility for the environment both to our own citizens and to the wider world. We undertake to intensify our efforts to protect and enhance the natural environment of the Community itself and the world of which it is part. We intend that action by the Community and its Member States will be developed on a coordinated basis and on the principles of sustainable development and preventive and precautionary action. We have, therefore, adopted the following Declaration setting out guidelines for future action.

#### The Community Dimension

The obligations of the European Community and its Member States in the area of environmental protection are clearly defined in the Treaties. There is also an increasing acceptance of a wider responsibility, as one of the foremost regional groupings in the world, to play a leading role in promoting concerted and effective action at global level, working with other industrialised countries, and assisting developing countries to overcome their special difficulties. The Community's credibility and effectiveness at this wider level depends in large measure on the ability to adopt progressive environmental measures for implementation and enforcement by its Member States. The internal and external dimensions of Community environment policy are therefore inextricably linked.

Completion of the Internal Market in 1992 will provide a major impetus to economic development in the Community. There must be a corresponding acceleration of effort to ensure that this development is sustainable and environmentally sound. In particular, the environmental risks inherent in greater production and in increased demand for transport, energy

and infrastructure must be countered and environmental considerations must be fully and effectively integrated into these and all other policy areas.

The Community and the Member States must find effective solutions to all forms of pollution, including that created by the agricultural sector, and should support efforts to promote clean technology and non-polluting processes and products in industry. Better arrangements are also needed to protect the seas and coastal regions of Member States from the threat posed by the transport of oil and hazardous substances. This applies in particular to the marine waters to the west and south of the Community where new co-operation arrangements should be developed without delay, with the help of the Commission.

While welcome progress has been made in recent times in the adoption of environmental measures at Community level, much more needs to be done taking due account of the subsidiarity principle, the differing environmental conditions in the regions of the Community and the need for balanced and cohesive development of these regions. We urge the Council and the Commission to press ahead with their work on this basis. The forthcoming Intergovernmental Conference should address ways of accelerating Community decision-making on environmental legislation with a view to providing the Community with the necessary capacity in all respects to respond to the urgency of the situation.

Community environmental legislation will only be effective if it is fully implemented and enforced by Member States. We therefore renew our commitment in this respect. To ensure transparency, comparability of effort and full information for the public, we invite the Commission to conduct regular reviews and to publish detailed reports on its findings. There should also be periodic evaluations of existing Directives to ensure that they are adapted to scientific and technical progress and to resolve persistent difficulties in implementation; such reviews should not, of course, lead to a reduced standard of environmental protection in any case.

Standards designed to ensure a high level of environmental protection will remain the cornerstone of Community environment policy. But the traditional "command and control" approach should now be supplemented, where appropriate, by economic and fiscal measures if environmental considerations are to be fully integrated into other policy areas, if pollution is to be prevented at source, and if the polluter is to pay. We therefore call on the Commission to accelerate its work in this field and to present, before the end of 1990, proposals for a framework or guidelines within which such measures could be put into effect by the Member States in a manner consistent with the Treaties.

Implementation of Community environmental measures and the protection of the common European heritage can give rise to unequal burdens for individual Member States. In this context, we welcome the recent ENVIRE initiative, under which support from the Structural Funds will be provided for the management of hazardous wastes and the treatment of coastal waste water discharges. We invite the Commission to review the overall level of budgetary resources devoted to Community environment policy, currently disbursed through a number of separate funding mechanisms, and to submit its findings to the Council as soon as possible.

#### Global Issues

The Community and its Member States have a special responsibility to encourage and participate in international action to combat global environmental problems. Their capacity to provide leadership in this sphere is enormous. The Community must use more effectively its position of moral, economic and political authority to advance international efforts to solve global problems and to promote sustainable development and respect for the global commons. In particular, the Antarctic deserves special protection as the last great unspoiled wilderness. The Community should also support efforts to build into international structures the capacity to respond more effectively to global problems.

Depletion of the ozone layer is a major cause for concern. The Community has already agreed to press for revision of the Montreal Protocol on substances which deplete the ozone layer so as to speed up considerably the complete elimination of these substances. It is also committed to the provision of additional financial and technical resources to assist developing countries in implementing the Protocol. We call on all the Contracting Parties to the Protocol to support these proposals and we call on States which have not already done so urgently to ratify or accede to the Protocol.

Recent scientific assessments show that man-made emissions are substantially increasing the atmospheric concentrations of greenhouse gases and that a business-as-usual approach will lead to additional global warming in the decades to come. We urge all countries to introduce extensive energy efficiency and conservation measures and to adopt as soon as possible targets and strategies for limiting emissions of greenhouse gases. We call on the Commission to expedite its proposals for concrete action and, in particular, measures relating to carbon dioxide emissions, with a view to establishing a strong Community position in preparation for the Second World Climate Conference. The Community and its Member States will take all possible steps to promote the early adoption of a Climate Convention and associated protocols, including one on tropical forest protection.

We are gravely concerned at the continuing and rapid destruction of the tropical forests. We welcome the commitment of the new Government of Brazil to halt this destruction and to promote sustainable forest management. The Community and its Member States will actively support this process. We have asked the Commission to open discussions as a matter of urgency with Brazil and the other Amazonian Pact countries with a view to developing a concrete action program involving the Community, its Member States and these countries. Elements for priority consideration should include debt for forest conservation exchanges; codes of conduct for timber importing industries; and the additional resources necessary to enable the forests to be preserved and managed on a sustainable basis, making optimal use of existing agencies and mechanisms. We appeal to other industrialised countries to join us in our efforts. In our own countries, we will work to protect the forests and to extend and strengthen programs of afforestation.

Destruction of the tropical forests, soil erosion, desertification and other environmental problems of the developing countries can be fully addressed only in the context of North-South relationships generally. Nevertheless, the Community together with the Member States should play a major role in assisting these countries in their efforts to achieve long-term sustainable development. In this context, we welcome the provisions of the Fourth Lome Convention under which increased assistance is to be given to African, Caribbean and Pacific (ACP) countries, at their request, in the field of population, environment and sustainable resource development. We also welcome the strategy set out in the Resolution on Environment and Development agreed by the Council on 29 May 1990, particularly in regard to the recognition of the need for additional resources to help deal with the environmental problems of developing countries. More generally, the cooperation agreements between the Community and the countries of Asia and Latin America falling outside the Lome framework should increasingly emphasise our shared environmental concerns.

The environmental situation in Central and Eastern Europe presents special challenges. We endorse the agreement reached in Dublin on 16 June 1990 between the Environment Ministers of the Community and those of Central and Eastern Europe on the steps to be taken to improve the environment in Europe as a whole and in Central and Eastern Europe in particular. Remedial measures must be taken by these countries to clear up problems which have developed through years of neglect and to ensure that their future economic development is sustainable. They need the support of the Community and its Member States in order to achieve these objectives. Action already taken within the PHARE program is encouraging but will need to be developed further, both in the context of the expanded G24 program and in the co-operation agreements between the Community and the countries of Central and Eastern Europe. We look forward also to the contribution to be made by the European Bank for Reconstruction and Development in this regard.

#### Personal Attitudes and Shared Responsibilities

Increased public awareness and concern for environmental issues is one of the major developments of our time. We note with satisfaction the adoption of the Regulation to establish the European Environment Agency which will provide reliable and objective information on the state of the environment for the citizens of Europe.

Another important development is the adoption of the Directive on Freedom of Access to Environmental Information which will greatly increase the availability of information to the public and will lead to the publication of regular State of the Environment Reports. We invite the Member States to accompany these reports by national environment action plans, prepared in a form which will attract maximum public interest and support.

We urge Member States to take positive steps to disseminate environmental information widely among their citizens in order to build up more caring and more responsible attitudes, a greater understanding, based on sound scientific assessments, of the nature and causes of problems, and a better appreciation of the costs and other implications of possible solutions.

The development of higher levels of knowledge and understanding of environmental issues will facilitate more effective action by the Community and its Member States to protect the environment. The objective of such action must be to guarantee citizens the right to a clean and healthy environment, particularly in regard to:

- the quality of air;
- rivers, lakes, coastal and marine waters;
- the quality of food and drinking water;
- protection against noise;
- protection against contamination of soil, soil erosion and desertification;
- preservation of habitats, flora and fauna, landscape and other elements of the natural heritage;
- the amenity quality of residential areas.

The full achievement of this objective must be a shared responsibility. Problems cannot be resolved without concerted action. In each country, everyone – Government, public authorities, private undertakings, individuals and groups – must be fully involved. Acceptance at all levels of this concept must be promoted.

Mankind is the trustee of the natural environment and has the duty to ensure its enlightened stewardship for the benefit of this and future generations. Solidarity must be shown with the poorer and less developed nations.

We note with interest the conclusions of the Siena Forum on International Law of the Environment and suggest that these should be considered by the 1992 UN Conference on Environment and Development.

All of our decisions matter. The environment is dependent on our collective actions and tomorrow's environment depends on how we act today.

The European Council invites the Commission to use these principles and objectives as the basis of the Fifth Action Program for the Environment and to present a draft of such a Program in 1991.

### ANNEX III

#### DECLARATION ON ANTI-SEMITISM, RACISM AND XENOPHOBIA

The European Council expresses its deep revulsion at recent manifestations of anti-semitism, racism and xenophobia, particularly expressions of anti-semitism involving acts of desecration perpetrated against the dead, which are calculated to cause the utmost distress to the living. It is all the more distressing that such abominations should enjoy any currency precisely at a time when we are commemorating the end of the Second World War.

The European Council deplores all manifestations of these phenomena. It agrees that vigorous measures must be taken to combat them, whenever and wherever they appear in the Community. The member States will assess the extent to which their national legislation must effectively be used in order to counter them.

The European Council has taken note of the fact that these problems are not restricted to the member States of the Community. Comparable outrages have also occurred in recent times elsewhere in Europe.

The European Council also recalls the Declaration of the Community Institutions and the member States against Racism and Xenophobia of 11 June 1986. It considers respect for the dignity of the human being and the elimination of manifestations of discrimination to be of paramount importance. Such manifestations, including expressions of prejudice directed against foreign immigrants, are unacceptable. The European Council underlines the positive contribution that workers from third countries have made and continue to make to the development of the Community as a whole.

Against this background, the European Council recalls the United Nations Convention on the Elimination of Racial Discrimination, the Council of Europe Declaration on Intolerance and ongoing work in the framework of the CSCE. The European Council supports action, notably in the context of the human dimension of the CSCE, to counter anti-semitism, racism, incitement to hatred and xenophobia. The importance which the Community and its member States attach to this subject is illustrated by the proposals against racism and xenophobia made in their name, and by the initiatives on related issues taken by individual member States at the current session of the Conference on Human Rights (CDH) in Copenhagen.

### ANNEX IV

#### DECLARATION ON SOUTHERN AFRICA

The European Council welcomes the important changes that have taken place in Southern Africa since it met in Strasbourg.

The European Council warmly welcomes the successful conclusion of the process of bringing Namibia to independence with a constitution based on multi-party democracy and human rights. The European Community and its member States will continue to give aid and support to the people of Namibia as they build their new country, in particular in the framework of the new Lomé Convention. They welcome the talks which have taken place between the Angola Government and UNITA under Portuguese auspices. They look forward to the resolution of the conflict in Angola and also of that in Mozambique through dialogue.

The European Council greatly welcomes the significant changes that have taken place in South Africa in recent months: the release of Nelson Mandela and of other political prisoners; the unbanning of political organizations; the substantial lifting of the state of emergency; the commitment by the Government to abolish the apartheid system and to create a democratic

and non-racial South Africa, and its willingness to enter into negotiations on the future of South Africa with the representatives of the majority.

They pay tribute to the parts played in bringing about these changes by President F.W.de Klerk and Mr.Nelson Mandela. The efforts of President F.W.de Klerk to bring about a new era in South Africa are testimony to his foresight and courage. Mr Nelson Mandela, a prisoner for 27 years, has inspired millions of South Africans opposed to apartheid and thereby amply demonstrated his qualities of statesmanship, qualities that will be required in the challenging period ahead in South Africa.

The objective of the European Community and its member States is the complete dismantlement of the apartheid system, by peaceful means and without delay, and its replacement by a united, non-racial and democratic state in which all people shall enjoy common and equal citizenship and where respect for universally recognised human rights is guaranteed. They welcome the joint commitment between the South African Government and the ANC in the Groote Schuur Minute to stability and a peaceful process of negotiations. They call on all parties in South Africa to endorse this objective. It is the intention of the European Community and its member States to encourage, by every means available to them, the early opening of negotiations leading to the creation of a united, non-racial and democratic South Africa.

Negotiations on a new South Africa should get under way without delay. The substantial progress made towards removal of the obstacles represented by the state of emergency and the detention of political prisoners is welcome. The European Council looks forward to early agreement between the South African Government and the ANC on the conditions in which exiles can return and on the definition of political prisoners leading to their release. The European Council calls on all parties to remove the remaining obstacles to peaceful negotiations and to refrain from violence or advocacy of violence.

The European Council fully recognises that a new post-apartheid South Africa should be able to avail itself of all the economic resources, including access to external finance, required to ensure its future prosperity and the full development of all its people. South Africa faces acute socio-economic problems, especially in the areas of employment, education and housing, against a background of a high rate of population growth. These problems have been greatly exacerbated by apartheid. Positive action is needed to rectify imbalances.

Through the program of positive measures, the Community has, for a number of years, been providing assistance to the victims of apartheid. In the light of the recent developments in South Africa and as a strong signal of political support to those disadvantaged by apartheid and of the will to contribute to a new socio-economic balance, the Community intends to increase the funds being made available under its program and to adapt the program to the needs of the new situation, including those connected with the return and resettlement of exiles. It welcomes the positive attitude being displayed by all parties, including the new South African Government, to such programs.

At its meeting in Strasbourg in December last, the European Council decided that the Community and its member States would maintain the pressure that they exert on the South African authorities in order to promote the profound and irreversible changes which they have repeatedly stood for. The European Council affirms its willingness to consider a gradual relaxation of this pressure when there is further clear evidence that the process of change already initiated continues in the direction called for at Strasbourg.

The European Council holds the view that the new South Africa, which will have harnessed the full richness, not only of its physical, but also of its abundant human resources, has the potential to act as a stimulus for growth in the Southern African region. The European Council looks forward to being able to welcome, in the near future, a new, democratic and economically prosperous South Africa as it takes its proper place as an African nation in the international community.

## ANNEX V

### DECLARATION ON THE MIDDLE EAST

The European Council recalls its long-standing position of principle on the Arab-Israeli conflict in the Middle East. It is determined to encourage all efforts to promote dialogue between the parties directly concerned leading to the negotiation of a comprehensive settlement consistent with the principles it has set out, beginning with the Venice Declaration ten years ago and further developed since, notably in the Madrid Declaration. This settlement should be found in the framework of an international peace conference under the auspices of the United Nations with the participation of the PLO. The European Council expresses its support for every effort by the permanent members of the Security Council to create a climate of confidence between the parties and, in this way, to facilitate the convening of the international peace conference.

The European Council welcomes the commitment to continuing the peace process expressed in the letter to the President of the European Council from the Prime Minister of Israel. The European Council hopes that it will be followed in practice. It stresses the urgent need for Israel to begin a political dialogue with the Palestinian people which could lead to a

comprehensive, just and lasting settlement to the Arab-Israeli conflict. Such a settlement should be on the basis of Resolutions 242 and 338 of the Security Council based on the principle of "land for peace".

The European Council stresses that all parties have a responsibility to refrain from actions or statements which might impede steps towards dialogue and negotiation. Those who would choose violent over peaceful means for achieving political objectives cannot be allowed to prevail. Neither the taking of human life, whatever the circumstances, nor violence against civilians can play any part in achieving peace and reconciliation.

Threats of war and of the use of weapons of mass destruction serve only to increase tension in the region and should be eschewed. The Community and its member States have consistently condemned both threats and acts of violence in the region, whatever their origin. In such a delicate situation, all channels of dialogue and negotiation should be kept open.

The European Council is concerned that, by making territorial compromise ever more difficult, Israel's settlement policy in the Occupied Territories presents a growing obstacle to peace in the region. Reiterating that Jewish settlements in the territories occupied by Israel since 1967, including East Jerusalem, are illegal under international law, it calls earnestly on the Government of Israel not to permit settlements there. The European Council recognises and supports the right of Soviet Jews to emigrate to Israel and elsewhere. It is, however, firmly of the view that this right must not be implemented at the expense of the rights of the Palestinians in the Occupied Territories.

Recent events underline once again that the status quo in the Occupied Territories is untenable. The lamentable position concerning the observance of human rights in the Occupied Territories has led the Community and its member States to set out repeatedly their concern. They are resolved to step up their already significant support for the protection of the human rights of the population of the Occupied Territories.

In the present situation, and particularly with regard to the protection of the population, the U.N., too, can and should play a useful role. The European Council supports such a role of the U.N.

The European Council refers to the obligation on Parties to the Geneva Convention Relative to the Protection of Civilian Persons in Time of War to respect and to ensure respect for its provisions. The Twelve have repeatedly called on Israel to adhere to its obligations towards the Palestinian population in the territory under its occupation which is protected by that Convention. They have observed that it has notably failed to do so in a number of important areas. Concerned that the human rights of the population of the Occupied Territories continue to be inadequately protected, the European Council calls for further action, in accordance with the Convention, to ensure that protection.

The European Council has reviewed the range of actions taken on the basis of the Strasbourg Declaration in order to arrest the deterioration of the economic and social situation in the Occupied Territories and to help to preserve the future of Palestinian society. It notes with satisfaction the significant increase of Community aid, particularly in the 1990 program of direct aid which is ready for adoption. It confirms its determination to double direct Community aid by 1992.

The European Council also expresses its satisfaction with the growth in exports of agricultural produce from the Occupied Territories to the Community. It invites the Community institutions to take appropriate action for a rapid further improvement of the conditions of access to the Community market for Palestinian products and to examine further possibilities for increasing trade between the Community and the Occupied Territories.

As an expression of the importance which the European Council attaches to facilitating the speedy and efficient implementation of the Community's expanding program for the benefit of the population of the Occupied Territories, the Commission is invited to appoint a representative to the Occupied Territories for this purpose at an early date.

## ANNEX VI

### DECLARATION ON NUCLEAR NON-PROLIFERATION

The European Council strongly supports and is fully committed to the objective of nuclear non-proliferation. It believes that the further spread of nuclear weapons or other nuclear explosive devices would endanger stability and threaten regional and global security. The European Council attaches the greatest importance to the maintenance of an effective international nuclear non-proliferation regime and will make every effort to contribute to strengthening non-proliferation and encouraging the participation of further countries in the regime. The Treaty on the Non-Proliferation of Nuclear Weapons (NPT) is an important element in that regime. The Twelve Member States of the European Community, parties to the NPT or not, will work actively to secure a successful outcome to the discussions which will take place in the forthcoming months, and in particular the deliberations of the Fourth Review Conference of the NPT, and hope that those discussions will provide stable and assured solutions to the problems encountered by the international community in preventing the spread of nuclear weapons. The European Council expresses its concern that there is a continuing risk that further countries

may acquire nuclear weapons and that a number of countries remain outside the non-proliferation regime. It calls on all states to join in efforts to eliminate this risk of nuclear proliferation.

The European Council recognises the indispensable role played by the IAEA and its safeguards in the development of the peaceful uses of nuclear energy. It recognises that these safeguards are the cornerstone of an effective non-proliferation regime. The European Council reaffirms the need for the peaceful application of nuclear energy to take place under credible, effective and efficient international safeguards. In this connection, it recalls the important contribution of Euratom safeguards. For their part, the Twelve Member States of the Community have accepted, in accordance with their respective individual status, the exercise of international controls on their nuclear installations and apply constraints to their export policies. The European Council strongly supports the application of safeguards on as universal a basis as possible. It calls on other States to subscribe to similar commitments.

The European Council believes in the need for an equitable and stable framework for international nuclear trade. The Twelve Member States of the European Community have collectively adhered to the Nuclear Suppliers Group Guidelines, thereby assuming a basic common discipline for their nuclear exports. The European Council expresses the hope that other countries will conduct their nuclear export policies on a similar basis. Within the framework of guidelines for nuclear trade, the European Council wishes to cooperate with all countries, especially developing countries. While maintaining and further developing the existing non-proliferation regime, the European Council will work to uphold the right of all countries to the development of research, production and use of nuclear energy for peaceful purposes.

In a context where several countries in various regions of the world perceive an increasing role for nuclear energy, the European Council believes that the development of the peaceful uses of nuclear energy should be inseparable from necessary action to eliminate the risk of proliferation of nuclear arms, and should be accompanied by the utmost attention to safety. In that regard the Twelve member States of the European Community have proposed that the IAEA convene a Technical Conference in 1991, to review the situation in the field of nuclear safety as well as to formulate recommendations on further measures for improving safety in order to supplement existing measures in this field.

The European Council reaffirms once again its support for the objective of the non-proliferation of nuclear weapons and will continue to work in a spirit of dialogue and co-operation in order to enlarge the international consensus in favour of an effective non-proliferation regime.

## ANNEX VII

### DECLARATION ON THE IRANIAN EARTHQUAKE

The European Council expresses its profound sympathy to the Government and people of the Islamic Republic of Iran at the terrible loss of life, injuries and devastation caused by the earthquake in northwest Iran on 21 June.

The Community and its member States wish to give all possible assistance to the victims of this disaster. They have already begun a substantial program of relief and will give every consideration to immediate further aid and to reconstruction assistance.

The European Council conveys the deep sympathy of the people of the European Community to the injured and condolences to those families and friends who have been bereaved.

## ANNEX VIII

### DECLARATION ON CYPRUS

The European Council discussed the Cyprus question in the light of the impasse in the intercommunal dialogue.

The European Council, deeply concerned at the situation, fully reaffirms its previous declarations and its support for the unity, independence, sovereignty and territorial integrity of Cyprus in accordance with the relevant UN resolutions. Reiterating that the Cyprus problem affects EC-Turkey relations and bearing in mind the importance of these relations, it stresses the need for the prompt elimination of the obstacles that are preventing the pursuit of effective intercommunal talks aimed at finding a just and viable solution to the question of Cyprus on the basis of the mission of good offices of the Secretary General, as it was recently reaffirmed by Resolution 649/90 of the Security Council.