

**THE EUROPEAN COUNCIL**

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Documents in the dossier include:

*Copenhagen European Council*  
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# I — Copenhagen European Council

## Copenhagen, 21 and 22 June

*1.1.* The meeting of Heads of State or Government was chaired by Mr Rasmussen, President of the Council and Prime Minister of Denmark, and attended by Mr Delors, President of the Commission, and Mr van den Broek, Member of the Commission. During his customary meeting with the members of the European Council, Mr Klepsch, President of the European Parliament, gave a rundown of Parliament's position on the main items on the summit agenda, with particular reference to the economic and social situation in the Community. He called upon the Member States to review their position with regard to the duties of the Ombudsman and the regulations governing their performance. Mr Klepsch urged the national parliaments to press ahead with ratification not only of the Treaty on European Union but also of the Agreement setting up the European Economic Area and the 'Europe Agreements' with the countries of Central and Eastern Europe.

Unemployment and the economic recession eclipsed all other issues at Copenhagen, with the European Council demonstrating its resolve to tackle the problems at Community level through a series of short- and long-term measures. Backing Mr Delors's analysis of the strengths and weaknesses of the European economy, the European Council approved the points for consideration put forward by the Commission President and instructed the Commission to present a White Paper on a long-term strategy to promote growth, competitiveness and employment to the European Council in Brussels next December. The European Council acknowledged the necessity of immediate measures to kick-start the economy. In this context it invited the EIB, in cooperation with the Commission, to increase by ECU 3 billion the temporary facility of ECU 5 billion agreed in Edinburgh and to extend its duration beyond 1994. This would be used to

develop the trans-European networks (ECU 2 billion) and to strengthen the competitiveness of small and medium-sized enterprises (ECU 1 billion). The European Council also welcomed the suggestion put forward by Mr Delors for a ECU 5 billion bridging facility to boost investment projects under the Structural Funds.

The European Council stressed the overriding importance of creating such economic and budgetary conditions as will permit a rapid cut in interest rates in Europe, a fundamental prerequisite for economic recovery and the promotion of investment.

Having confirmed that the accession of Austria, Finland, Sweden and Norway is to be accomplished by 1 January 1995, the European Council welcomed the adoption by the Commission of its opinions in respect of the membership applications from Cyprus and Malta.

The European Council also conveyed a very explicit political message to the countries of Central and Eastern Europe by providing them with the assurance that, in accordance with the Commission communication 'Towards a closer association with the countries of Central and Eastern Europe', associated countries that wish to become full members of the Union will be admitted as soon as they satisfy the requisite political and economic conditions. In this context, the European Council acknowledged the need for a reinforced and extended multilateral dialogue and concertation on matters of common interest as well as the need to accelerate efforts to open up Community markets. It also acknowledged the necessity of providing adequate support for Albania and endorsed the implementation of free-trade agreements with the Baltic States, as a prelude to the conclusion of Europe Agreements once the necessary conditions have been met. The European Council welcomed the progress made in the negotiations on a partnership agreement with Russia.

After reviewing the situation in the former Yugoslavia, the European Council encouraged the negotiators at the International Conference on the former Yugoslavia to pursue their efforts to promote a fair and viable settlement acceptable to all three constituent peoples of Bosnia-Herzegovina. It decided to respond positively to the request of the UN Secretary-General and to provide men and money to help implement the UN Security Council resolutions on safe areas.

Reiterating the guidelines laid down at its meeting in Lisbon, the European Council reaffirmed the need to intensify cooperation and further develop relations with Turkey with a view to establishing a customs union between that country and the Community. Underlining its determination to see the Community's relationship with the Maghreb countries placed at a level of importance and intensity which corresponds to the close links which have been formed by geography and history, the European Council invited the Council to approve the draft directives currently being examined for a partnership agreement with Morocco, noting with satisfaction the Commission's intention to submit draft directives for the negotiation of a similar agreement with Tunisia.

The European Council took note of the conclusions adopted by Foreign Ministers concerning Africa (South Africa, Sudan, Somalia, Angola, Mozambique, Liberia, Malawi, Zaire and Nigeria), the Middle East, Central America and Cambodia.

The European Council strongly condemned the attacks on immigrants and refugees in a number of Member States and pledged to use all available means to combat such manifestations of racism and intolerance.

With regard to subsidiarity and openness, the European Council welcomed the action taken by the Commission, particularly in the area of public access to Community documents, and invited the Council and the European Parliament to settle any outstanding issues relating to the establishment of the European Ombudsman.

## Conclusions of the Presidency

### Introduction

1.2. The European Council welcomed the outcome of the Danish referendum and the prospect of a rapid completion of ratification procedures on the Maastricht Treaty in all Member States. It is determined that this important step should mark the ending of a prolonged period of uncertainty on the Community's direction and be the occasion for the Union to meet with renewed vigour and determination the many challenges with which it is faced internally and externally, making full use of the possibilities offered by the new Treaty. The principles spelled out by the European Councils in Birmingham and Edinburgh regarding democracy, subsidiarity and openness will guide the implementation of the new Treaty with a view to bringing the Community closer to its citizens.

The European Council in Copenhagen gave special attention, on the one hand, to action aimed at tackling the economic and social problems faced by the Community and particularly the unacceptably high level of unemployment and, on the other hand, to the wide range of issues relating to peace and security in Europe. It recognizes that only by proving that the Community is instrumental in contributing to the security and well-being of all the citizens can the Community count on continued public support for the construction of Europe.

The members of the European Council held an exchange of views with the President of the European Parliament. The discussion took place against the background of the increased political and legislative role which the European Parliament will have under the Treaty of Maastricht. The European Council underlined the importance of making the best possible use of those provisions while fully respecting the institutional balance set out in the Maastricht Treaty. It at the same time stressed the need for national Parliaments to be more closely involved in the Community's activities. It welcomed the growing contacts between national parliaments and the European Parliament.

### Growth, competitiveness and unemployment

#### References:

Proposal for an addition to the Protocol on the Statute of the European Investment Bank empowering

the EIB Board of Governors to establish a European Investment Fund; proposal for a Council Decision on Community membership of the European Investment Fund: OJ C 37, 11.2.1993; COM(93) 3; Bull. EC 1/2-1993, point 1.2.40

Commission working paper and Council conclusions on the Edinburgh declaration on promoting economic recovery in Europe: Bull. EC 4-1993, points 1.2.27 and 1.2.28

Proposal for a Council Regulation amending Regulation (EEC) No 2052/88 on the tasks of the Structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments; proposal for a Council Regulation amending Regulation (EEC) No 4253/88 laying down provisions for implementing Regulation (EEC) No 2052/88; proposal for a Council Regulation amending Regulation (EEC) No 4254/88 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the European Regional Development Fund; proposal for a Council Regulation amending Regulation (EEC) No 4255/88 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the European Social Fund; proposal for a Council Regulation amending Regulation (EEC) No 4256/88 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the EAGGF Guidance Section; proposal for a Council Regulation laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the financial instrument for fisheries guidance: Bull. EC 5-1993, point 1.2.83

Commission communication on transport infrastructure accompanied by a proposal for a Regulation amending Council Regulation No 3359/90 for an action programme in the field of transport infrastructure with a view to the completion of the integrated transport market in 1992, a proposal for a Council Decision on the trans-European road network and a proposal for a Council Decision on the development of a European inland waterway network: COM(92) 230; Bull. EC 6-1992, point 1.3.73

Commission communication to the European Parliament and to the Council on trans-European data-communications networks between administrations accompanied by a proposal for a Council Decision on a series of guidelines on trans-European data-communications networks between administrations and a proposal for a Council Decision adopting a multiannual Community programme to support the implementation of trans-European networks for the interchange of data between administrations (IDA): OJ C 105, 16.4.1993; COM(93) 69; Bull. EC 3-1993, point 1.2.61

Proposal for a Council Decision on inter-administration telematics networks for statistics relating to the trading of goods between Member States (Comedi — Commerce electronic data interchange): OJ C 87, 27.3.1993, COM(93) 73; Bull. EC 3-1993, point 1.2.62

1.3. The European Council is deeply concerned about the present unemployment situation and the grave dangers inherent in a development where an

increasing number of people in the Community are becoming permanently detached from the labour market. The European Council pledged the determination of the Community and its Member States to restore confidence through the implementation of a clear strategy — covering both the short term and medium to long term — to restore sustainable growth, reinforce the competitiveness of European industry and reduce unemployment.

### *Short-term measures*

1.4. The European Council agreed that concerted economic action based on the principles set out in 'The plan of action of Member States and the Community to promote growth and to combat unemployment' established by the European Council in Edinburgh, should continue to be given the highest priority. It welcomed the initial package of national and Community measures established by the Council (economic and financial affairs) at its meeting on 19 April and noted with satisfaction that some Member States have since then implemented new and additional measures with the same objective in mind.

The promotion of investment is crucial.

The European Council agreed that on the national level this objective should be given particular importance by Member States in their national budget planning for 1994. The bringing forward in time of public investment, in particular on infrastructure, environment protection and urban renewal, as well as the promotion of private investment (with special attention to small and medium-sized enterprises and housing), are of particular importance in the present phase of the economic cycle in Europe. However, lower taxes on labour would enhance European industrial competitiveness. In connection with this, consideration should also be given to fiscal measures to reduce consumption of scarce energy resources.

Although further national action will depend on each Member State's room for manoeuvre, full account should be taken of the multiplier effect of the internal market, which supports national policy aimed at economic recovery, and of the positive effects on national budgets which would result from increased growth.

On the Community level the European Council invited the EIB, in cooperation with the Commission, to increase by ECU 3 billion the temporary facility of ECU 5 billion agreed in Edinburgh and to extend its duration beyond 1994; ECU 2 billion would be for the trans-European networks and

ECU 1 billion for strengthening the competitiveness of European small and medium-sized enterprises. The Council is invited to examine how the part available for small and medium-sized enterprises could benefit from interest-rate subsidies to a maximum of three percentage points over five years. The interest subsidy would be linked to employment creation (similar to existing ECSC loans) and would be funded within existing financial perspectives. The European Council will review the amount for the small and medium-sized enterprises facility at its meeting in December in the light of its utilization.

The European Council underlined the importance of a rapid implementation of the Community's structural policy programme for the period 1994-99. The implementation of this ECU 160 billion programme (equal in real terms to three times the Marshall Aid programme) is essential for cohesion, as well as for growth and employment creation not only in the less favoured areas of the Community but throughout the Community. The European Council therefore called on the institutions to ensure the formal adoption before the end of July 1993 of the Structural Funds Regulations. It noted that the President of the European Parliament agreed with this objective. The legal texts as well as the practical implementation should fully respect the agreement reached on the Delors II package in Edinburgh.

In addition, and in order to boost ahead of schedule the investment projects under the Structural Funds, the European Council agreed that the Council will examine a proposal from the Commission that would enable Member States to draw on a Community 'bridging facility' at market interest rates up to a maximum of ECU 5 billion available until the end of 1995. Repayment of this Community loan would be drawn from Structural Fund appropriations in subsequent years. Similar arrangements could be applied to the Cohesion Fund.

The European Council underlined the importance of fully exploiting the new provisions in the Maastricht Treaty relating to the promotion of Trans-European networks of the highest quality, in the context of promoting economic and industrial growth, cohesion, the effective functioning of the internal market and encouraging European industry to make full use of modern information technology. The European Council invited the Commission and the Council to complete by early 1994 the network plans in all the relevant sectors (transport, telecommunications and energy) while noting with satisfaction the progress made on high-speed trains, roads, inland waterways and combined transport. It also called on the Council to consider rapidly the Commission proposals on telematic networks. The

Council will also examine, on a proposal from the Commission, the link up between the peripheral Member States and the central regions of the Community.

The extended duration and the increased amount of the Edinburgh temporary facility now agreed will permit a further important contribution to these networks. Trans-European projects which have received the endorsement of the Community through a 'Declaration of Community interest' will be privileged under this instrument and other Community financial instruments.

### *Medium and long-term measures to promote competitiveness and employment*

1.5. The European Council agreed that macro-economic policy should be supplemented by structural measures in each Member State adapted to their individual characteristics in order to achieve a significant reduction of the unacceptably high level of unemployment in particular among young people, those unemployed for a long time and the most socially excluded.

The European Council heard an analysis by the President of the Commission on the competitive situation of the European economy. It fully endorsed his diagnosis.

The European Council welcomed the presentation by President Delors of a medium-term European plan for economic revival, 'Entering the 21st century', attached to these conclusions (see Annex I). The European Council invited the Commission to present a white paper on a medium-term strategy for growth, competitiveness and employment for consideration at its meeting of December 1993. Member States will submit to the Commission, before 1 September, proposals for specific elements which might be included in this initiative. The European Council invited the Commission to prepare its white paper in good time for it to be taken into consideration in the preparatory work to be done by the Council with regard to the broad guidelines for economic policy for the Community and its Member States. The social partners will be consulted by the Commission.

The European Council recalled that under the provisions of the Treaty on European Union it has to examine such guidelines. It invited the Council, on a proposal from the Commission, to submit to the European Council in Brussels in December draft guidelines based on the objectives set out in the

previous paragraphs concerning both short-term and medium-term aspects, with a view to promoting sustainable non-inflationary growth respecting the environment.

### *Monetary and exchange-rate policy*

*I.6.* Monetary policy and exchange-rate stability are key factors in both the short and medium-term components of a strategy to restore growth and reduce unemployment. The European Council agreed on the overriding importance of creating the budgetary and economic conditions for rapidly bringing interest rates in Europe down, thereby narrowing the existing gap between interest rates in Europe and interest rates in other major industrial countries. Movements in this direction will be essential for economic recovery and in order to promote investment in Europe.

The European Council reviewed recent developments in the exchange-rate situation. It felt that the orientations agreed at the informal meeting of Economic and Finance Ministers in Kolding in relation to the EMS go in the right direction. The European Council recalled that the exchange-rate policy of all Member States is a matter of common interest. It underlined the essential role to be played by the European Monetary Institute (EMI) in this area. It invited the Commission to present proposals on all the necessary implementing measures relating to Stage II of economic and monetary union, so that they can be adopted by the Council as soon as possible after entry into force of the Treaty and before 1 January 1994.

### *International aspects*

*I.7.* The effect of action by the Community and its Member States will be increased through international coordination of policy. In this connection, the European Council welcomed the outcome of the joint EC-EFTA meeting of Economic and Finance Ministers held in April and invited the Council (economic and financial affairs) to continue to maintain close contacts with the EFTA countries in this area. With regard to the global economy the European Council looks to the G7 summit in Tokyo to provide an agreed basis for a determined effort to promote growth in the world economy.

### **The single market and common policies**

Reference: Council conclusions on road transport taxation: point 1.2.111 of this Bulletin

*I.8.* At a time when the problems of creating economic growth and stimulating employment are of increasing concern, the existence of a large single market of 350 million people is a major asset for the Community.

The European Council welcomed the recent decisions of the Council (internal market) and called on it to adopt rapidly the last remaining measures, which are of major importance for the proper operation of the single market.

On transport, the European Council noted with satisfaction that the recent agreement on road transport taxation has cleared the way for full liberalization of the activities of road hauliers within the Community to take its place beside the existing liberalization of air and maritime transport.

The single market has been a legal reality since 1 January 1993; it is essential that it should also become a smoothly-running practical reality, improving the competitiveness of the European economy and yielding maximum economic and social benefit for the citizen. To that end, the European Council called on all concerned, and in particular the Commission and the competent authorities of the Member States, to work together to ensure that the single market is administered efficiently with as little red tape as possible.

The European Council stressed that the single market cannot be brought about without the full implementation of free movement of persons as well as of goods, services and capital, in accordance with Article 8a of the Treaty. This requires measures in particular with regard to cooperation aimed at combating crime and drug trafficking and ensuring effective control of the external borders.

The European Council invited the responsible Ministers to bring their work on these measures forward as a matter of great urgency. With regard to the last outstanding issue on the External Frontiers Convention, the European Council noted with satisfaction that the Member States concerned have expressed their determination to make every effort to reach a mutually acceptable solution as soon as possible.

### **GATT**

*I.9.* The European Council welcomed the Commission's report on progress in the Uruguay Round to date. It underlined the need for the Community to continue to play an active part in achieving further

progress while preserving the European identity throughout the negotiations.

The European Council stressed that it was essential to relaunch the multilateral process in Geneva as soon as possible on all topics, including agriculture, in order to complete a comprehensive, durable and balanced agreement before the end of the year. This was urgently needed in order to create the new, rules-based world trading system in which unilateral action is ruled out. A round concluded on this basis will promote the durable expansion of international trade which is a key to the promotion of economic growth and job creation in Europe and throughout the world.

Early identification of the main elements of a large market access component and real progress on services and intellectual property, including contributions from all GATT partners, would help to maintain momentum and pave the way for the conclusion in time of the final package.

## Enlargement

**Reference:** Ministerial conferences on the accession of Austria, Finland, Norway and Sweden to the European Union: points 1.3.2 to 1.3.5 of this Bulletin

*I.10.* The European Council took note of progress in the enlargement negotiations with Austria, Finland, Sweden and Norway. It noted that the initial difficulties encountered in launching the negotiations had now been overcome and that the pace of the negotiations was speeding up. It recalled that the negotiations will, to the extent possible, be conducted in parallel, while dealing with each candidate on its own merit.

The European Council invited the Commission, the Council, and the candidate countries to ensure that the negotiations proceed constructively and expeditiously. The European Council is determined that the objective of the first enlargement of the European Union in accordance with the guidelines laid down by the Lisbon and Edinburgh European Councils should become a reality by 1 January 1995.

## Relations with Malta and Cyprus

### References:

Commission opinion on Cyprus's membership application: COM(93) 313; point 1.3.6 of this Bulletin

Commission opinion on Malta's membership application: COM(93) 312; point 1.3.7 of this Bulletin

*I.11.* The European Council considered that its guidelines with regard to enlargement with the EFTA countries shall be without prejudice to the situation of other countries which have applied to join the Union. The Union will consider each of these membership applications on its own merits.

The European Council welcomed the Commission's intention to present shortly its opinions on Malta and on Cyprus. These opinions will be examined rapidly by the Council taking into consideration the particular situation of each of the two countries.

## Relations with Turkey

**Reference:** Conclusions of the Lisbon European Council: Bull. EC 6-1992, point I.4

*I.12.* With regard to Turkey, the European Council asked the Council to ensure that there is now an effective implementation of the guidelines laid down by the European Council in Lisbon on intensified cooperation and development of relations with Turkey in line with the prospect laid down in the Association Agreement of 1964 and the Protocol of 1970 as far as it relates to the establishment of a customs union.

## Relations with the countries of Central and Eastern Europe

### References:

Commission communication 'Towards a closer association with the countries of Central and Eastern Europe': Bull. EC 4-1993, point 1.3.5

Council conclusions on financial assistance to Albania: point 1.6.34 of this Bulletin

## *The associated countries*

*I.13.* The European Council held a thorough discussion on the relations between the Community and the countries of Central and Eastern Europe with which the Community has concluded or plans to conclude Europe agreements ('associated countries'), on the basis of the Commission's communication prepared at the invitation of the Edinburgh European Council.

The European Council welcomed the courageous efforts undertaken by the associated countries to modernize their economies, which have been weakened by 40 years of central planning, and to ensure

a rapid transition to a market economy. The Community and its Member States pledge their support to this reform process. Peace and security in Europe depend on the success of those efforts.

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

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

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

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

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

- The Community proposes that the associated countries enter into a structured relationship with the institutions of the Union within the framework of a reinforced and extended multilateral dialogue and concertation on matters of common interest. The arrangements, which are set out in Annex II to these conclusions, include dialogue and concertation on a broad range of topics and in several forums. Where appropriate — in addition to regular meetings between the President of the European Council and the President of the Commission with their counterparts from the associated countries — joint meetings of all the Heads of State or Government can be held to discuss specific predetermined issues.
- The European Council, recognizing the crucial importance of trade in the transition to a market economy, agreed to accelerate the Community's efforts to open up its markets. It expected this step forward to go hand in hand with further develop-

ment of trade between those countries themselves and between them and their traditional trading partners. It approved the trade concessions established by the Council (general affairs) at its meeting on 8 June. It invited the Council to adopt, on a proposal from the Commission, the necessary legal texts before the summer holidays.

- The Community will continue to devote a considerable part of the budgetary resources foreseen for external action to the Central and East European countries, in particular through the PHARE programme. The Community will also make full use of the possibility foreseen under the temporary lending facility of the EIB to finance trans-European network projects involving the countries of Central and Eastern Europe. Where appropriate, part of the resources under the PHARE programme may be used for major infrastructural improvements, in accordance with the arrangements agreed by the Council on 8 June.

- The European Council, welcoming the possibility offered to the associated countries to participate in Community programmes under the Europe Agreements, invited the Commission to make proposals before the end of the year for opening up further programmes to the associated countries, taking as a point of departure those programmes which are already open for participation by the EFTA countries.

- The European Council underlined the importance of approximation of laws in the associated countries to those applicable in the Community, in the first instance with regard to distortion of competition and, in addition — in the perspective of accession — to protection of workers, the environment and consumers. It agreed that officials from the associated countries should be offered training in Community law and practice and decided that a task force composed of representatives of the Member States and the Commission shall be established to coordinate and direct this work.

- The precise modalities regarding the above matters are set out in Annex II.

### *Other Central and East European countries*

*1.14.* The European Council discussed the economic situation in Albania. It welcomed the conclusions of the Council (economic and financial affairs) on 7 June and the recognition by the Community of the need to ensure adequate support, through grants, loans or both to Albania. The European Council also underlined the importance of making full use of the provisions relating to political



