The progress achieved by the European Union. Report 1997

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OBJECTIVE: to present the annual report, adopted by the Cardiff European Council, on the progress achieved by the Union in 1997. SUBSTANCE: the European Council's report describes - albeit without being exhaustive - the main activities of the European Union in 1997 in all fields. It is firstly recalled that, on 16 and 17 June 1998, the Heads of State and of Government reached agreement on the Amsterdam Treaty which aspires to make a practical response to the challenges facing the EU: - to bring the Union closer to its citizens and make it more comprehensible to them; - to establish an area marked by freedom, security and justice; - to improve the Common Foreign and Security Policy (CFSP) so as to render the Union's external policy more consistent and effective and to raise its profile; - to make a number of institutional changes (increasing the number of fields where codecision applies and procedures are simplified, extending qualified majority voting, increasing the participation of national parliaments, transparency, subsidiarity); - to introduce the concept of enhanced cooperation among Member States in particular fields. As far as the main issues are concerned, the report stresses that substantial progress has been made in the following fields: 1) Enlargement: the European Council confirmed that enlargement of the Union will be possible only on condition that the institutions are first strengthened and their functioning improved. A European Conference is to be held, which will be attended by the Member States and all the European countries which have applied for membership and which share the Union's internal and external values and objectives. The criteria and principles which Member States must endorse in order to participate in the Conference have been laid down. The European Council decided to hold bilateral intergovernmental conferences in spring 1998 to begin the accession negotiations with Cyprus, Hungary, Poland, Estonia, the Czech Republic and Slovenia. Meanwhile, preparations for the negotiations with Romania, Slovakia, Latvia, Lithuania and Bulgaria would be speeded up by studying the Union's acquis and by means of the bilateral meetings at ministerial level with Member States of the Union. 2) Agenda 2000: the need to ensure that before enlargement the Union will be optimally prepared to cope with it was confirmed; this meant making the necessary adjustments to its policies - on agriculture, economic and social cohesion, and internal and external affairs - and to their financing within a predetermined financial framework and taking account of the imperative of budgetary discipline. The Union's intention of continuing to develop the present model of European agriculture was also confirmed. Generally speaking, the proposals made by the Commission in Agenda 2000 were regarded as a good working basis for the continuation of negotiations. 3) Economic and Monetary Union: 1997 saw decisive progress towards the third stage of EMU. Key legislation required for the proper functioning of the single currency was finalised. The Amsterdam European Council in June 1997 agreed the following points: - a stability and growth pact to ensure long-term budgetary discipline during the 3rd stage of EMU; - the main elements of the new exchange rate mechanism linking the euro to the currencies of the Member States not participating in the euro zone; - the legal framework for the euro (continuity of contracts, rules on conversion and rounding, the possibility for Member States to bring forward the full application of the euro to a date before 31/12/2001); - the designs of the euro coins. 4) Employment: the European Council adopted two resolutions, one on the stability and growth pact, and the other on growth and employment. They provide for greater coordination of economic policies, to supplement the procedure laid down by the new Title on employment in the future Amsterdam Treaty, which the Council wished to be implemented immediately. It was in this context that an extraordinary meeting of the European Council devoted to employment was held in Luxembourg on 20-21 November 1997, which adopted at Union level guidelines for 1998 with four main objectives: - to improve people's employability (especially that of young people and the long-term unemployed); - to develop entrepreneurship; - to encourage the adaptability of businesses and their employees; - to strengthen policies on equal opportunities. On the basis of these guidelines, each Member State is now to adopt a national action plan for 1998, which it is to present before the Cardiff European Council in June 1998.