<u>Possible Compromises/Alternative Solutions</u> <u>to the Contentious Issues of the Convention</u>

a. **General Comments**

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- 1. Although the principle governing discussions in the Convention is that "nothing is agreed until everything is agreed", a substantial part of the draft Constitutional Treaty is actually accepted by high consensus by the members of the Convention. The main contentious issues dividing the Convention include the institutional aspects (Presidency of the European Council, size, composition, role of the Commission, QMV, CFSP, etc). Even on these issues the outlines of a possible overall compromise have become apparent. Yet for tactical and political reasons this compromise might not be achieved at the Conventional level. Several countries are strongly in favour of reaching the final compromises at the Intergovernmental (IGC) level, at a latter stage. Only the Parliamnetarian representatives favour a final compromise at this state because they will have no say in the IGC.
- 2. However, from a procedural, negotiating point of view, to achieve a higher degree of consensus around the draft Constitutional Treaty so that the latter to be accepted <u>"as the basis"</u> for the IGC negotiations, formal voting must be avoided in the Convention. For this may result in excluding from the majority some of the key players of the Convention. The preferred solution is to have for a limited number of central issues (two) <u>options</u> reflecting the views of all players of the Convention.

b. Possible Overall Compromise

- 3. A possible overall compromise must be constructed on the respect of a set of basic principles:
 - equality of all member states, be they large, medium or small,
 - respect of the <u>"Community model"</u> which puts at the centre of the system the European Commission,

- respect of fundamental **institutional/interstate balances**
- 4. On the basis of these principles, a possible overall compromise could involve:
 - (i) One Commissioner per member state with powers to the president of the Commission to determine the internal structure/organization of the Commission so that to be effective (VGdE proposes 15 member Commission).
 - (ii) Elected President for the European Commission by the European Parliament. This would strengthen and legitimize the Commission.
 - (iii) A European Minister of Foreign Affairs with double-hatting functions/role. (He/She will be Vice-President in the Commission)
 - (iv) Explicit recognition that practically all executive power lies with the Commission.

(All the above elements satisfy the medium/small memberstates)

- (v) Election of long-term President/Chairman for the European Council with limited powers in the external field that they would avoid to bring him into conflict with the Commission. Clear definition of the powers of the European Council.
- Accordingly, the draft text of the Constitution could either comprise this compromise or the two main alternatives: (a) the long-term stable presidency for the European Council or (b) the six-month rotating Presidency.

c. Presidency of the Council of Minister

• Principles to be applied:

- equality of all member-states
- participation of member-states in the exercise of the Presidency
- continuity, effectiveness

<u>Two basic alternatives</u>

Alternative I

 All Councils (except the RELEX which will be chaired by the Minister for Foreign Affairs) will be chaired by a team of four countries for a period of one year <u>in a predetermined order of equal rotation</u>. That would ensure that all member states will be in the Presidency every six years. The Ecofin Council could be chaired only by Euro-zone countries for the foreseeable future.

- Corepers will be chaired by the respective member-states.

Alternative II

- In addition to RELEX, ECOFIN and General Affairs Council (GAC) will be chaired by members of the Commission. The rest by member states on six month/one year rotation.
- Corepers will be chaired by the Secretary General of the Council.

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Speaking Points

European Convnetion

- The progress made so far in the Convention will allow its President Valéry Giscard d' Estaing to present, at the end of May, the draft Constitutional Treaty to the plenary of the Convention.
- An important issue that requires our close attention is that of the form that the text of the draft Constitutional Treaty will take before being submitted to the European Council at Thessaloniki. Will it be a single text or will it include options on certain issues? The answer largely hinges on the decision-making procedure to be adopted in the closing stages of the Convention's proceedings.

In our view, although we must aim at the highest possible consensus, the different positions presented at the Convention should not be put to the vote, as this could prove very divisive and create deep rifts at the most sensitive point of the proceedings. "No voting" practically means the incorporation of different options into the text. This has a number of unquestionable advantages. First, a bracketed text will, in the end, be endorsed by the Convention as a whole. The Convention will have served its purpose without creating a sense of animosity that could be carried over to the IGC. Second, due respect will be given to minority views on certain important issues. The fate of minority views at the Convention is of great concern to some and we should be sensitive to this matter. Third, the vote would split the Convention in another way: it would separate MS from accession and candidate countries, which, according to the Laeken Declaration, cannot block the creation of consensus. The creation of two kinds of members so late in the process is not advisable and is not compatible with our decision to award accession countries MS status at the IGC.

- Of course we should make a measured use of brackets in the final text. It is not possible to incorporate the different options in every issue, however secondary, without reducing the quality of the Convention's outcome. A draft Constitutional Treaty replete with brackets would be of little value to the upcoming IGC and would certainly result in the prolongation of its work. It is, therefore, important to include only the main options in the key issues.
- I would like to make clear that, in our view, the outcome of the Convention should provide the basis for the discussions at the IGC.

- Let me now come to the European Council at Thessaloniki. The Presidency intends to conduct an in-depth discussion on the outcome of the Convention in order to take stock of the different positions represented at the Council. Discussions should also focus on the follow-up to the Convention. There are three issues on which the European Council should reach decision: First, the timetable of the Convention: the opening and conclusion of its proceedings. There are certain parameters that we should take into consideration before coming to a decision:
 - The need of some MS to conduct an internal debate on the outcome of the Convention. This so-called "reflection period" should be concluded in the autumn.
 - The May 1st 2004 milestone, the date of full accession of the new MS. The new Treaty will have to be signed by all 25 MS on or right after this date.
 - Lastly, the European elections of June 2004, by which time the Treaty must have been signed.
- The last issue that will require our attention at Thessaloniki is the possibility of awarding observer status at the IGC to the candidate countries (Bulgaria, Romania, Turkey).

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