

24th France-Spain Summit

JOINT DECLARATION

Élysée Palace, 1 December 2014

At the end of the 24th France-Spain Summit, held today in Paris, the President of the French Republic and the President of the Spanish Government agreed to the following conclusions:

1/ To re-launch growth and employment in Europe

Major changes have taken place in Europe since the France-Spain Summit in Madrid in November 2013.

Banking union, which we needed to take place quickly, has made significant progress with the entry into force of the single supervisory mechanism. The stress tests have shown that the French and Spanish banking sectors can be considered to be cleaned up. The single resolution mechanism should now be fully applied.

We welcome the European Commission's investment plan; we support its swift implementation. This is in line with the proposal made by France and Spain last year.

However, there are numerous actions still to be taken to help stimulate growth, reduce unemployment rates – which are still too high against a backdrop in which inflation remains incredibly low – and attain the objectives set in the Treaties of the European Union: developing a social economy with a highly competitive market and which protects the environment so as to lead to full employment and social progress.

The new European institutional cycle now starting may offer new possibilities to speed up our exit from the crisis and prepare Europe for tomorrow's challenges.

A productive investment policy for Europe

Both France and Spain support the adoption of an ambitious industrial agenda for Europe, with the aim of increasing its weight in wealth produced. The two countries promote a global European policy aimed at creating an attractive and competitive framework for productive investments and financing the economy.

The 300-billion euro plan presented on 26 November by the European Commission could help catalyse a more ambitious investment policy by the European Union.

Three major shifts in policy are priority:

- The investment plan must translate, without delay, into specific projects, which are swiftly implemented and in receipt of the right financing. Particular emphasis must be placed on the following six strategic sectors: energy union to enable an energy transition and a secure supply; energy, transport and telecommunication interconnections; digital modernisation; research and innovation; the development of companies and SMEs in particular; education and training. France and Spain agree to identify specific projects that could receive financing within this framework.
- A favourable environment: the investment plan will better stimulate private financing of projects when Member States and the European Union have enacted legislation that ensures the simplicity and stability of the economic and financial environment, and attract private investors that enable the internal market to be exploited to the full.
- The implementation of banking union and the creation of a capital market union with the aim of reducing the fragmentation of the financial markets and to allow European companies to receive financing and make investments. Aside from banking union, it is important to diversify the sources of financing by means other than bank loans and reduce their cost.

The Commission must swiftly present ambitious legislative proposals that:

- Define a new concept of quality securitization that enjoys preferential treatment (specifically on matters of capital requirements);
- Improve access to finance to meet obligations for SMEs and medium-size companies;
- Lead to the controlled development of sources of financing that complement bank financing, including private investment, securities (fixed or variable) savings plans issued by SMEs and mezzanine financing.

Coordination of economic and budgetary policies

Given the global economic environment, to ensure maximum growth while protecting its model, the Eurozone must undertake coordinated actions, convergence and show greater solidarity on economic policies.

Continuing with reform is essential to unblock situations, free up the potential of our economies and invest where we need to invest while offering our citizens the support and protection they need. France and Spain have carried out far-reaching national reforms and they intend to continue down this path. In order to

achieve full effectiveness, our two countries are convinced that these reforms need to be better coordinated at a European level.

Budgetary consolidation must also continue and be coordinated between Member States, with the aim of progressing towards a true European economic strategy founded, in particular, on joint guidelines regarding budgetary policies. Its rhythm will adapt to the times and all the flexibilities contained in the rule-book will be employed while maintaining the credibility and sustainability of the public accounts.

Our two countries congratulate the European Central Bank on its commitment, within the framework of its independence and its statute, to use all those instruments it deems necessary to ensure the correct transmission of monetary policy and reach the target assigned under its mandate of achieving lower inflation, albeit close to 2%.

With these new instruments to help foster investment, these parameters will result in a true economic policy for the Eurozone.

They will constitute the basis of a framework for the convergence of our economies in relation to competitiveness, employment, potential growth, efficacy and the inclusive nature of our social systems and fiscal harmony.

Work – Youth employment

The unemployment rates of our young people are still too high. We would ask the European Commission to facilitate and simplify the implementation of the Youth Employment Initiative, and for it to last until 2020.

We have decided to step up our cooperation in the fight against illegal employment and fraud relating to posted workers (exchange of information, organisation of common cross-border controls and controls on companies on both sides of the border). This is essential for preserving the growing mobility of workers within the European Union and to improve the efficacy of these controls.

Taxation

In principle, a complete agreement on the first stage of the imposition of financial transactions will be reached before the end of the year. France and Spain will work together on the issue of allocating the revenue from the Financial Transaction Tax (FTT), part of which should be used for financing development and in the fight against global warming.

Furthermore, Europe must swiftly adopt new and ambitious initiatives designed to combat aggressive tax practices.

Digital preservation and copyright

Europe must re-establish a driving role in terms of the digital economy. It must take measures to develop technologies in the large data process and cloud computing, regulate platforms with the aim of guaranteeing their interoperability, transparency and non-discriminatory nature, and protect personal data of users.

In line with the ministerial declaration approved, in the Annex hereto, France and Spain would ask the European Union to adopt a European strategy on culture in the digital era, with a specific view to adapting taxation to the challenges raised by digitalisation, and that it takes into account the key role of copyright for remunerating creators.

2/ Step up cooperation to develop a low carbon emission economy

France and Spain will work to promote the success of the 2015 Paris Climate Conference, which must give rise to a binding, ambitious and global universal agreement on climate. We welcome the European Council's agreement on 23 and 24 October on the framework for climate and energy issues for 2030, which thus allows Europe to fully perform its role. This must now be swiftly implemented so that companies can enjoy the visibility necessary regarding investments to be made.

This agreement similarly provides a framework for energy transition in Europe, which is a challenge for growth. This energy transition must guarantee energy at an affordable price, ensure industrial competitiveness and reduce our dependence on fossil-based energies, and thus better strengthen energy security on our continent.

Against this backdrop, France and Spain have decided to maintain their commitment to promote the development of interconnections, both on energy issues and on clean transmission (see Annex).

Energy interconnections

Significant progress has already been made. Our two countries have decided to take urgent measures to reach the 10% target of electricity interconnections by 2020. France and Spain will ask for the necessary European funding, as well as

through the investment plan proposed by the European Commission, to study and carry out these projects.

France and Spain have also decided to develop a common strategy on renewable energies, their capacities and interconnection. France and Spain will organise a joint high-level seminar in the first half of 2015, inviting participation from both States, including the regulators, the transmission networks and the main interested companies.

Transport interconnections

France and Spain will continue to develop land and sea transport interconnections as specific alternatives to road transport. We will make progress with the projects that appear in the Annex to the summary of these conclusions, to which end such European funding, as is deemed necessary, will be sought.

3/ Develop our cooperation on domestic security issues and justice in new areas

Cooperation to fight terrorism in general and ETA in particular is a model that should inspire us in other areas. We have decided to step up our cooperation in three priority areas, to which end we have approved a declaration: the fight against Jihadi terrorism; the fight against trafficking (people, drugs); the fight against illegal immigration.

France and Spain will continue with their cooperation, extending the work undertaken in 2001 with the creation of the bilateral Work Group to fight terrorism, which was continued in 2008 with the creation of the Anti-drug Liaison Group (Spanish acronym: GEAD). Since the balance of the system established as from 2011 for the implementation of the requests for mutual aid on criminal issues, in relation to drugs, is positive, it has been decided to extend it to common law jurisdictions. Our two countries will also step up their cooperation on matters relating to the identification, seizure and confiscation of assets from offenders.

A ministerial declaration has been approved on these issues.

4/ Promote alliances in the fields of higher education, research and vocational training

In relation to professional training and education, France and Spain will apply an action plan decided on in Madrid on 19 September 2014. In the first half of 2015, they will organise a seminar to help identify obstacles and boost mobility.

As regards the area of higher education and research, France and Spain seek to step up their collaboration. Talks will resume on updating the “agreement to mutually recognise higher education degrees and titles” of 16 November 2006. Common initiatives will be proposed with a view to the upcoming France-Spain ministerial conference devoted to higher education and research, to be held on 23 and 24 March 2015 in Madrid.

The two countries also intend to cooperate within the framework of the Bologna Secretariat, which France will head up.

Finally, as regards research, France and Spain will organise joint thematic seminars on the priorities of the European programme Horizon 2020, with the aim of sharing awareness of the financing opportunities and driving cooperation between research laboratories in the two countries. They will also organise a dialogue workshop on their respective public policy instruments designed to support private investment in R&D and enhance research.

France and Spain share the same ambition on matters of space policy and will study avenues of bilateral cooperation.

5/ Develop cultural alliances

Our two countries also welcome the development of cultural cooperation projects that help contribute to strengthening the mobility of creators, exchanges of cultural agents, participation in cultural festivals, residence programmes for artists and initiatives on audiovisual co-production and museum exhibitions.

6/ Cross-border healthcare cooperation

The first hospital to operate under a European cross-border cooperation grouping in Europe opened in September 2014 in Puigcerdà. This allows high quality medical care to be offered to neighbouring populations. The healthcare authorities of the two countries undertake to do everything necessary to guarantee the smooth running of the hospital, through enhanced dialogue and the appropriate legal instruments.

7/ Ebola

The Ebola virus disease which mainly affects three countries in West Africa is a public health emergency of international importance, according to the World Health Organization (WHO).

In light of this situation, Spain and France will provide support for all international initiatives aimed at increasing the presence of specialised healthcare personnel on the ground, as well as resources and financial instruments, material and technical staff designed to control and specifically to react to this epidemic in the region affected, and in general to strengthen global health security.

The two countries consider the application of the WHO international health regulation to be very important, as well as the strengthening of the healthcare systems in the countries affected by Ebola.

8/ Cooperation on major international issues and defence issues

Cooperation on major international issues

France and Spain closely cooperate in managing international crises, specifically within the framework of the United Nations Security Council which Spain will join as a non-permanent member for the two-year period 2015-16. From this perspective, our two countries:

- Underline the priority status they assign to developing their relations with all the countries on the shores of the Mediterranean, both within the framework of the Union for the Mediterranean and the 5+5 Dialogue. In this regard, the two thirds/one third financial balance between the Southern and Eastern neighbours under the European Neighbourhood Policy should be maintained as a priority.
- They support an exclusively political solution to the Libyan crisis and underline the need to base this on the three areas of European Union action on Libyan borders: the joint Operation Triton, the programmes implemented with Tunisia on the issue of reforming the security sector and the action plan for the integrated management of the borders in the Sahel-Sahara region.
- They urge the European Union and its High Representative to work on a global European approach to the fight against Daesh. The European strategy to fight terrorism and foreign combatants in Syria and Iraq must allow for effective common action from the EU to combat this threat.
- They consider that it is urgent to resume the Middle East peace process, on the basis of the parameters agreed and with the aim of attaining a two-State solution. They urge the European Union to play a political role, as well as to be present on the ground, including through the reactivation and extension of its EUBAM and EUPOL COPPS missions.

- It should be remembered that the application of the Minsk Accords remain the method for ensuring a peaceful solution to the crisis in Ukraine that respects its unity, sovereignty, independence and territorial integrity. The priority must be to sit Ukrainians, Russians and separatists down at the negotiating table with the aim of bringing an end to the escalation of violence. It is also important to maintain the conditions of our assistance in terms of reforms and transparency, as well as to maintain a focus on dialogue and firmness regarding sanctions.

Cooperation on defence issues

France and Spain are reliable and constant allies, involved in defence on the southern flank of Europe, particularly on the continent of Africa. As well as their on-going support for the French Operation Serval and now through Operation Barkhane, Spain is the leading contributor to the EUTM Mali operation.

France and Spain have decided:

- To step up cooperation in the Gulf of Guinea and work on a three-party basis, together with Portugal, with a view to obtaining better common knowledge of maritime information of interest in this region. This may constitute the first specific application of the European Union Maritime Security Strategy (EUMSS) and its action plan, currently pending finalisation under the aegis of the Italian Presidency.

European Defence:

- To continue with their exemplary cooperation on common defence and security policies, illustrated by Spain's involvement in the EUTM Mali European operation, which it has been heading up since 24 October, after taking over from France;
- Our two countries welcome the results already obtained in the Central African Republic. They wish to continue working together to support MINUSCA, until the end of the EUFOR CAR mission, with the aim of re-establishing the level of the armed forces of the Central African Republic;
- Reaffirm their support for the actions of the European Defence Agency on the issue of developing capabilities and civil and military synergies in light of the upcoming European Council meeting in June 2015.

5+5 Defence:

- Continue with the priorities defined by Spain in 2014 within the framework of its presidency of the 5+5 Defence strategy, consisting of promoting the initiative to civil society, the training of armed forces for

interventions in disaster situations, strengthening synergies with the other 5+5 forums, in particular in the area of maritime security.

Cyber-defence:

- Develop cooperation and increase the exchange of information to more effectively combat cyber-threats.