

January 2016

Outcome of the European Council of 17-18 December 2015

The main focus of the European Council meeting of 17-18 December 2015 was on terrorism, migration and the UK's membership of the EU. The latter two issues are also the main items on the agenda of the next European Council meeting, on 18-19 February 2016. Other issues discussed included completion of the internal market and of the Economic and Monetary Union, and climate and energy, following the agreement reached at the UN Climate Change Conference in Paris.

1. Migration

At the European Council meeting, EU leaders recalled the major decisions taken on migration over the previous months and examined the state of play with regard to the management of migration flows. The Luxembourg Council presidency presented a [report on 'implementing solutions and remaining gaps'](#). As foreseen in the [EPRS Outlook for the European Council on 17-18 December 2015](#), the Heads of State or Government highlighted the insufficient implementation of previous European Council strategic decisions on migration. [European Council President Donald Tusk](#) referred to a 'delivery deficit', particularly in the areas of hotspots, relocation, resettlement and returns.

The Head of State of Government [urged](#) EU institutions and Member States to follow up on previous agreements and ensure their proper implementation. In particular, they stressed the need to ensure systematic security checks at the Schengen area's external borders, to address deficiencies in the functioning of the hotspots, to guarantee identification, registration and fingerprinting, to implement relocation decisions, and to fight smuggling and trafficking of human beings. The European Council also called for the adequate follow-up to the [High-level Conference on the Eastern Mediterranean - Western Balkans Route](#), the [Valletta summit](#), and of the [meeting of Heads of State or Government with Turkey](#) on 29 November 2015. EU leaders tasked Committee of Permanent Representatives (COREPER) with rapidly reaching a conclusion on how to mobilise the three billion euro earmarked for the [Turkey Refugee Facility](#)¹.

Prior to the European Council, leaders from ten Member States - Austria, Belgium, Finland, France², Germany, Greece, Luxembourg, the Netherlands, Portugal, Sweden - met with Commission President Jean-Claude Juncker, [European Parliament President Martin Schulz](#) and Turkish Prime Minister Ahmet Davutoğlu, to discuss the Commission's proposal for a voluntary resettlement scheme to move refugees from Turkey to participating EU Member States. While the meeting did not produce any official results, German Chancellor Angela Merkel [reported](#) that it had been constructive, and announced a new meeting of this group on 18 February 2016, immediately prior to the next European Council meeting. Whilst in the view of European Council President Donald Tusk it is too early to realistically assess whether Turkey's actions will be effective enough to reduce the

¹ For an analysis of the EU-Turkey agreement on migration and the diverging views within the European Council, see [Eurocommentary](#) 2015/12.

² French State Secretary for European Affairs, Harlem Désir, participated on behalf of President François Hollande.

migration flows to the EU, Commission President Jean-Claude Juncker [confirmed](#) that the resettlement would definitely take place.

EU leaders called upon the Council to rapidly examine and adopt a position on a [list of safe countries of origin](#), the situation concerning Afghanistan, the [Schengen Borders Code](#), a [voluntary humanitarian admission scheme](#), [travel documents for returns](#) and the [European Border and Coast Guard](#). According to President Donald Tusk, the latter was the '[most controversial](#)' proposal, although following the meeting, he was more optimistic about the chances of reaching an agreement.

Commission President Jean-Claude Juncker [expressed](#) his satisfaction with the fact that all Heads of State or Government welcomed the Commission's proposals for protecting the EU's external borders and that all texts, including the legislative ones, would be adopted by the end of the Dutch Council Presidency (30 June 2016). He announced that the Commission would present proposals for the review of the Dublin system as well as on legal migration in the spring of 2016. The Dutch Presidency of the Council, the Commission and the High Representative are expected to deliver a progress report before the next European Council in February.

2. Terrorism

The Heads of State or Government reaffirmed their resolve to continue the fight against terrorism and stressed that the measures agreed at the informal European Council of 12 February 2015 urgently need to be implemented. Leaders also stressed the need to enhance cooperation and information-sharing between Member States, their security services and European agencies (Europol and Frontex). They again emphasised the importance of a European passenger name record (PNR) directive and the need to strengthen the EU's counter-terrorism engagement with international partners.

EU leaders also called upon the Council rapidly to examine the Commission's proposals on combatting terrorism and on strengthening the control of firearms, and urged both institutions to swiftly take further action to combat terrorist financing. The Commission, the High Representative and the EU Counter-terrorism Coordinator will monitor the situation closely and report to the Council.

3. Economic and Monetary Union

EU leaders - joined by ECB President Mario Draghi - discussed the completion of Economic and Monetary Union (EMU) on the basis of both the [Five Presidents' Report](#) and the [package of measures](#) tabled by the Commission last in autumn 2015. The European Council remains committed to strengthening the resilience of EMU. It called on the Council to make swift progress on the revised economic governance framework, including the establishment of [National Competitiveness Boards](#) within the euro area and of an independent [advisory European Fiscal Board](#).

In its 17 December 2015 [resolution](#), the European Parliament called for greater parliamentary oversight and democratic accountability concerning the decisions taken on EMU. Additionally, the Parliament called on the Commission to start negotiations with the Council, the Eurogroup and the EP on an inter-institutional agreement on economic governance, including the European Semester and scrutiny of the implementation of the macro-economic adjustment programme.

Lastly, as highlighted by the Presidents of both the Eurogroup and the Commission during the EP [plenary debate](#) on the future of the EMU and the 2016 euro area recommendations, completion of the Banking Union remains of paramount importance. The Commission [proposed](#) the establishment of a European Deposit Insurance Scheme in late November 2015, with a view to averting capital flight and deposit outflows. However, the proposal remains a major [point of contention](#) within the European Council. Chancellor Merkel made clear that Germany opposes a common deposit guarantee scheme, whereas other large euro-area countries - supported by ECB President Draghi - argue in favour of the establishment of this 'missing pillar' of the Banking Union.

4. Internal market

As expected, EU leaders addressed the completion of the internal market. They called for the ambitious implementation of the Commission's Communication on '[Upgrading the Single Market: more opportunities for people and business](#)', for the EU institutions to accelerate work on the [Digital Single Market Strategy](#) and for rapid early actions in the context of the [Action Plan on Capital Markets Union](#). They welcomed the agreement reached between the Parliament and the Council on 15 December on the [data protection package](#), and which was subsequently confirmed by the Parliament's Civil Liberties, Justice and Home Affairs Committee (LIBE) and COREPER.

The European Council has [previously](#) indicated its preference for concluding the Transatlantic Trade and Investment Partnership (TTIP) by the end of 2015; however, the negotiations are still ongoing. The December 2015 European Council [conclusions](#) again highlighted the importance of a successful outcome of the TTIP negotiations, this time in the context of the internal market.

5. Climate and energy

EU leaders welcomed the historic climate agreement reached at the [UN Climate Change Conference in Paris](#). They invited the Commission and the Council to examine the outcome of the Conference by March 2016, with particular emphasis on its possible impact on the 2030 climate and energy framework, the European Council having reserved the option, in its [conclusions of October 2014](#), of reassessing the 2030 targets after the [Paris Conference](#).

EU leaders took stock of progress made on the Energy Union. With reference to guidance given in its [previous conclusions on the Energy Union in March 2015](#), the European Council called for accelerated work in building the Energy Union, with a special focus on energy efficiency, renewable energy and research, innovation and competitiveness.

EU leaders held a discussion on the implementation of projects of common interest in the context of the internal energy market and energy security. The European Council [conclusions](#) state that any new infrastructure should conform to EU legislation and the objectives of the Energy Union. Although the Nord Stream 2 pipeline project was not formally addressed in the conclusions, it was touched upon in the [press conference](#) following the meeting.

6. UK renegotiation

The European Council had a political exchange of views on the UK renegotiation of its membership of the Union, to be submitted to a referendum, which European Council President Donald Tusk called a 'make-or-break moment'.³ EU leaders agreed to work closely together to find mutually satisfactory solutions at the European Council meeting on 18-19 February 2016 in all four areas (economic governance, competitiveness, sovereignty and immigration) recently [outlined](#) by UK Prime Minister David Cameron.

In the run-up to the February meeting, European Council President Donald Tusk will table a concrete proposal to all leaders. European Commission President Jean-Claude Juncker [cautioned](#) that all four questions are complex, whilst German Chancellor Angela Merkel [confirmed](#) that all leaders agreed that if treaty changes were needed in order to accommodate a solution, these changes would only be effected in the future.

³ For an analysis of Britain and Europe and the significance of this European Council, see [Eurocomment](#) commentary 2015/12.

7. External relations

7.1 Syria

The December 2015 European Council recognised the complexity of the political and military situation in Syria and reiterated its [October 2015](#) assessment that fighting terrorist groups should remain a priority for the Member States. It confirmed the EU's support for the [Global Coalition fighting ISIL/Da'esh](#). The most recent collective response of the Member States in the fight against terrorism was the [solidarity shown to France](#) through the [activation of the mutual defence clause](#) (Article 42(7) TEU) in November 2015.

The Heads of State or Government underlined the importance of a 'political process', in line with the [Geneva Communiqué of 2012](#). They recognised the need for a government renewal and praised the efforts of the [International Syria Support Group \(ISSG\)](#) supporting stability in Syria. The 'political roadmap' resulting from the ISSG meetings in Vienna in [October](#) and [November](#) 2015 supports *inter alia* the development of a new constitutional framework and the facilitation of dialogue and communication between the different segments of Syrian society. The roadmap also foresees the holding free and fair elections, under the auspices of the UN, within 18 months of the start of negotiations between the Syrian government and opposition factions. The roadmap was endorsed by [UN Security Council resolution 2254](#) on 18 December 2015. [Negotiations](#) are expected to start in January 2016. A [donor conference for Syria](#) is scheduled to take place in London in February 2016. The December 2015 European Council reported that the threshold of one billion euro of assistance to UN agencies for the Syrian refugee crisis, set at its [September 2015 meeting](#), has been met.

7.2 Libya

Regarding the situation in Libya, the Heads of State or Government welcomed the signature of a [political agreement](#) between representatives from a broad range of Libyan society in support of a Government of National Accord on 17 December 2015 in Skhirat. On the occasion of her meeting with Prime Minister-Designate Fayez al-Sarraj on 8 January 2016, [HR/VP Federica Mogherini](#) reiterated the EU's offer of humanitarian assistance and support for continued capacity building. The [stability of Libya's government](#) is expected to contribute to the recovery of the country, stem migration flows to the Central Mediterranean and help the fight against terrorism.

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