

4 March 2017

Outlook for the 9 March 2017 European Council, and the Informal meeting of the 27 Heads of State or Government on 10 March 2017

At their 9-10 March 2017 meeting, EU leaders will focus on the economic situation in Europe, including the economic and social priorities of the 2017 European Semester, trade policy and delivery of the different single market strategies. The European Council will also discuss migration, security and defence, and external relations and will (re-)elect its President. Following the European Council, the 27 Heads of State or Government – without the United Kingdom – will meet informally on 10 March 2017 to continue their discussions on the future of Europe and prepare the upcoming 60th anniversary of the Rome Treaties. The recently elected President of the European Parliament, Antonio Tajani, will address the European Council for the first time.

I. Follow up to previous European Council commitments

Based on commitments made at previous meetings, the following issues should be discussed at the 9-10 March 2017 European Council meeting:

Table 1: Agenda commitments for the European Council of 9-10 March 2017

Previous commitment	Policy area	Meeting at which the commitment was made
Review progress	Single Market strategies (including Digital Single Market, Capital Markets Union, Energy Union)	Informal meeting of 27 Heads of State or Government, 16 September 2016
Review progress	Migration	Informal European Council and informal meeting of 27 Heads of State or Government, 3 February 2017
Report on progress	External security and defence	European Council, 15-16 December 2016

Based on the latest [draft agenda](#), it is expected that the European Council will follow up on all of the above-mentioned commitments at its 9 March 2017 meeting.

II. Jobs, Growth and Competitiveness

- **Economic situation in Europe**

The European Commission's [2017 Winter Forecast](#) estimates that modest economic recovery will continue across the EU, albeit with challenging uncertainties in Europe and globally. The European Council is likely to call for continued efforts to modernise European economies, ensure sustainable public finances and further stimulate investment. EU leaders are also expected to reiterate their call for the co-legislators to prioritise the [adoption](#) of the Commission [proposal](#) on reinforcing the European Fund for Strategic Investment (EFSI).

- **Single Market**

EU leaders [will assess](#) progress on delivering the legislative priorities of the Single Market strategies. The European Council is expected to repeat its calls from [October](#) and [December 2016](#) on the swift completion and ambitious implementation of the different Single Market strategies, in order to better exploit the potential of the EU single market to generate growth, create employment and advance digitalisation. Regarding ongoing legislative files, EU leaders will probably request that the co-legislators take rapid action as set out in the [Joint Declaration](#) on the EU's legislative priorities for 2017.

- **Trade policy**

The European Council is likely to consider the modernisation of trade defence instruments, and call for progress in ongoing free trade agreement negotiations, notably with Japan. It will reassert the European Union's [commitment to a robust trade policy](#) that 'reaps the benefits of open markets while taking into account concerns of citizens'. EU leaders will reiterate their call for the swift finalisation of legislative work on [trade defence instruments](#), and welcome the imminent provisional application of the EU-Canada Comprehensive Economic and Trade Agreement (CETA).

- **Banking Union**

The European Council will probably once more [underline](#) the importance of completing Banking Union, an issue it has followed closely. It has emphasised the need to reduce and share risks in the financial sector, in line with the [Council roadmap](#), and called for the Council to rapidly assess the Commission's [proposals](#) on strengthening the resilience of the EU's banking and financial sector.

- **Social dimension of Europe**

In light of the objective set in the [Bratislava roadmap](#) to 'create a promising economic future for all, safeguard our way of life and provide better opportunities to youth', it is likely the European Council will endorse the [Social Summit](#) for Fair Jobs and Growth to be held in Gothenburg, Sweden, on 17 November 2017. This will bring together the EU Heads of State or Government, the social partners and other key players to reflect on a more social Europe.

- **European Semester**

According to the [European Semester cycle](#), the European Council is expected to welcome the policy priorities of the [2017 Annual Growth Survey](#) and to invite the Member States to take them into account in their national reform, and stability or convergence programmes. The European Council is also expected to endorse the [draft Council recommendation](#) on the economic policy of the euro area, which would then be formally adopted by the Economic and Financial Affairs Council.

III. Migration

Heads of State or Government will review the progress made since their [informal European Council meeting](#) in Valletta, Malta on 3 February 2017, and also the implementation of the '[Malta Declaration](#)', which looks at external aspects of migration, in particular in the Central Mediterranean. The Maltese Prime Minister and President-in-office of the Council, Joseph Muscat, is expected to present the state of play of discussions in the Council on this issue, and EU leaders will most likely reiterate their determination to deliver on all the elements of the Malta Declaration. Possibly they will also welcome the Commission communication on a [renewed Action Plan on Returns](#) and invite the Council to examine it rapidly.

EU leaders are expected to encourage further efforts by the Council to deliver speedily on all aspects of the EU's comprehensive migration policy during the current Council presidency.

IV. Security and defence

The [December 2016](#) European Council mandated the Council to present a [report](#) on the fulfilment thus far of the [commitments](#) undertaken in the area of external security and defence. [Analysts](#) consider that ‘only slow progress is being made’, particularly on establishing a Military Planning and Conduct Capability (MPCC) for non-executive military missions and a Coordinated Annual Review on Defence (CARD), both of which have been [requested](#) several times by the European Parliament in recent [resolutions](#). As regards the permanent structured cooperation mechanism ([PESCO](#)), the Heads of State or Government will [take stock](#) of where the reflection process on the options to fully operationalise the mechanism stands, whilst a decision is expected to be taken at the June 2017 European Council. No [political agreement](#) on this topic has ever been reached in the past, despite [multiple calls](#) by the European Parliament to do so. The EU leaders may also assess steps undertaken to implement the [Joint Declaration with NATO](#), along with the [seven](#) identified areas and [42 actions](#) aimed at strengthening the complementarity of the two organisations. Cyber-security and countering disinformation represent key priorities for both organisations, and several Member States have recently [stressed](#) the importance of rapid action in these domains, including setting up centres to identify and counter Russian propaganda.

V. External relations

- **Western Balkans**

The March 2017 European Council will be the first to focus on the regional situation in the Western Balkans since the Lisbon Treaty entered into force. EU leaders will almost certainly hold a discussion on the situation in the Western Balkans, building on the [outcome](#) of the 6 March 2017 Foreign Affairs Council. Experts [assessed](#) the current regional situation as ‘tense, even dangerous’, in striking contrast to past analyses which outlined a rather ‘stable, but fragile’ environment. The EU leaders will have to reassure partners in the Western Balkans of the European Union’s continued commitment to supporting the region, a rather difficult task as discussions will [not focus](#) on enlargement. HR/VP Federica Mogherini’s tour of the region a week ahead of the European Council meeting [confirmed](#) that the Western Balkans remain a ‘key priority’ for the EU, called for the continuation of reforms, and reconfirmed the region’s perspective.

VI. Other

- **European Public Prosecutor's Office**

EU leaders will also discuss the state of play on the draft regulation on the European Public Prosecutor's Office, following a [request](#) made by 17 Member States to discuss it at European Council level, due to the absence of unanimity in the Council in support of the [proposal for a regulation creating a European Public Prosecutor's office](#) (EPPO). [Article 86 of the Treaty on the Functioning of the EU](#) (TFEU) stipulates that ‘in the absence of unanimity in the Council, a group of at least nine Member States may request that the draft regulation be referred to the European Council. In that case, the procedure in the Council shall be suspended. After discussion, and in case of a consensus, the European Council shall, within four months of this suspension, refer the draft back to the Council for adoption.’ Some Member States are already [contemplating](#) the use of [‘enhanced cooperation’](#), based on the draft regulation, if there is no agreement.

- **Election of the European Council President**

The European Council is [expected](#) to elect its President for a new term from 1 June 2017 to 30 November 2019. It is [expected](#) that Donald Tusk will be re-elected. While formally [the election of the European Council President](#) is decided by qualified majority voting (Article 15(5) TEU), in practice, European Council Presidents to date have been chosen by consensus rather than as the result of a vote. The [election of the European Council President](#), in contrast to that of the Commission President and the High Representative of

the Union for Foreign Affairs and Security Policy, does not need the European Parliament's approval. In the margins of the European Council meeting, the Heads of State or Government of the Contracting Parties to the [Treaty on Stability Coordination and Governance](#) whose currency is the euro will also appoint (according to Article 12 TSCG) the President of the [Euro Summit](#) for the same term of office as the European Council President.

VII. Informal meeting of the 27 Heads of State or Government

As in previous European Council meetings, leaders will also use this venue to hold discussions among the 27 Heads of State or Government, without the United Kingdom, on the future of the EU, in light of the forthcoming 60th anniversary of the Rome Treaties and the planned 'Rome Declaration'.

On 1 March 2017, European Commission President, Jean-Claude Juncker, [presented](#) to the European Parliament the Commission's contribution to the Rome Declaration, the [White Paper on the Future of Europe](#). It outlines five possible scenarios for Europe by 2025: 'carrying on', 'nothing but the single market', 'those who want more do more', 'doing less more efficiently' and 'doing much more together'; covering the whole spectrum – from concentrating only on the single market, through a multi-speed Europe, to increased power sharing between the EU and the Member States. Following a period of debate across Europe, the 14-15 December 2017 European Council will draw the first conclusions. In the interim, the Commission will publish a series of 'reflection papers' on priority issues including the social dimension of Europe, harnessing globalisation, deepening of the Economic and Monetary Union, the future of European defence, and the future of EU finances.

Following the [informal meeting of 27 Heads of State or Government on 3 February 2017](#), at which the option of a multi-speed Europe was discussed between Heads of State or Government, more and more EU leaders have expressed their support for the idea, including [European Commission President Jean-Claude Juncker](#), [German Chancellor Angela Merkel](#), [French President François Hollande](#), and [Maltese Prime Minister Joseph Muscat](#) as well as the [Prime Ministers of Belgium, Luxembourg and the Netherlands](#). While being open to enhanced cooperation, the Visegrad Group (Czech Republic, Hungary, Poland and Slovakia) [stressed](#) that it 'should be open to every Member State and should strictly avoid any kind of disintegration of Single Market, Schengen area and the European Union itself.'

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