

June 2017

Outcome of European Council meeting of 22-23 June 2017 and the European Council (Article 50) meeting of 22 June 2017

The main results of the European Council meeting of 22-23 June 2017 include the 'historic step' of agreeing to set up 'permanent structured cooperation' in European defence, the commitment to implement the Paris Agreement on climate change in all its aspects, and the extension of sanctions against Russia. The EU Heads of State or Government also reviewed progress in deepening the single market, endorsed the country-specific recommendations on economic policy, pledged to increase cooperation on counter-terrorism, and called for reinforced cooperation with countries of origin and transit to tackle migration issues. EU-27 leaders endorsed the procedural arrangements for the relocation of the EU agencies currently sited in the UK.

1. Implementation of European Council decisions

The Maltese Prime Minister, and President-in-office of the Council, Joseph Muscat, [reported](#) on the progress made in implementing previous European Council conclusions. The follow-up to new commitments made at this European Council meeting (see Table 1) will be reported on at future meetings.

Table 1: New European Council commitments and requests with a specific time schedule

Policy area	Action	Actor	Schedule
External Security and Defence	'Come back to the issue'	European Council	2017
Single Market	'Report on progress in deepening, implementing and enforcing the Single Market in all its aspects'	Council	June 2018
Migration	'Revert to the issue'	European Council	2017
Digital Europe	'Review the cybersecurity strategy'	European Commission	Before the end of 2017

2. Security and defence

- **Internal security and the fight against terrorism**

European leaders strongly condemned the recent terrorist attacks in various Member States, and expressed their united and firm stance in the fight against terrorism and violent extremism. They also underlined the importance of providing support to the victims of acts of terror. Heads of State or Government reiterated their [previous commitments](#) to coordinate their work, enhance relevant information-sharing, combat terrorist financing, strengthen counter-terrorism engagement with partners, and improve the interoperability of databases. In this context, the European Council invited the Commission to prepare, rapidly, draft legislation enacting the [proposals](#) made by the High-Level Expert Group on interoperability.

The European Council addressed the responsibility of the internet industry to help combat terrorism and crime online. It called on social media companies to do whatever is necessary to prevent the spread of terrorist material on the internet, such as establishing an Industry Forum and developing new technology and tools to improve the automatic detection and removal of content that incites terrorist acts. These actions should be complemented by relevant legislative measures at EU level, if necessary.



EU leaders recalled the importance of the proposed Entry/Exit System (EES) and the proposed European Travel Information and Authorisation System (ETIAS) for enhancing external border controls and internal security.

- **External security and defence**

The June 2017 European Council represented a [milestone](#) in the field of Common Security and Defence Policy (CSDP). EU leaders [stressed](#) that 'significant progress' has been made in implementing the security and defence dimension of the [EU Global Strategy](#), and they called for the establishment of 'an inclusive and ambitious [Permanent Structured Cooperation](#) (PESCO)'. In his post-summit remarks, the European Council President, Donald Tusk, [defined](#) this development as a 'historic step' allowing the EU to 'move towards deeper integration in defence'. In the next three months, the Member States will draw up 'a common list of criteria and binding commitments' applicable in relation to PESCO. The use of the phrase 'binding commitments' reflects a policy shift, from voluntary participation in CSDP activities towards mandatory participation in PESCO-run projects and activities for those Member States which agree to take part in the mechanism.

EU leaders reconfirmed their [commitment](#) to strengthen the Union's rapid reaction capacities, both civilian and military. With respect to the latter, they made a [substantive step forward](#) by deciding to have the [EU Battlegroups'](#) deployment costs borne by the [Athena Mechanism](#), which is to be [reviewed](#) by the end of 2017.

EU leaders also welcomed the European Commission's communication on the [European Defence Fund](#) (EDF), which is intended to finance the development of defensive capabilities from the EU budget (research window) and through the pooling of national financial resources (capabilities window). EU leaders called for the 'swift operationalisation' of the fund, which is expected to allow Europe to spend more on defence in better ways. The President of the European Commission, Jean-Claude Juncker, [stated](#) that Europeans are currently collectively spending 50 % of the amount of the US military budget, with only 15 % of the efficiency.

EU leaders also noted the progress made in implementing the Joint Declaration with NATO, particularly in countering security threats, as well as terrorism, and cyber and hybrid warfare. With respect to the last of these, the Heads of State or Government welcomed the creation of a [European Centre of Excellence for Countering Hybrid Threats](#), which will also contribute to strengthening EU-NATO cooperation.

3. The Paris Agreement on climate change

As [expected](#), the European Council reiterated the EU's and its Member States' [determination](#) to fulfil their commitment to the 2015 [Paris Agreement](#), including financial contributions, underlining that the agreement is not renegotiable. EU leaders also [reaffirmed](#) their willingness to act as a leader in the global fight against climate change, and [highlighted](#) the need to build new, and strengthen existing, partnerships. The Council and the Commission were also invited to pursue their efforts to implement the Paris Agreement.

4. Jobs, Growth and Competitiveness

The President of the European Central Bank, Mario Draghi, [briefed](#) the Heads of State or Government on the generally improved economic situation in the Union. In [accordance](#) with [previous conclusions](#), the European Council [took stock of progress](#) in deepening and modernising the Single Market, welcoming the progress already achieved, and called for continuing efforts in the fields not only of the Single Market, but the Digital Single Market, the Capital Markets Union and the Energy Union. EU leaders endorsed the Commission's mid-term reviews on the [Digital Single Market](#) and the [Capital Markets Union](#), underlining the effective implementation and enforcement of existing legislation.

In line with the [Council conclusions](#) of May 2017, which called for a holistic EU industrial policy strategy, EU leaders emphasised the fundamental role of industry in generating growth and jobs in the EU. They [reiterated](#) the need to reinforce the industrial base of the single market. In terms of boosting investment, EU leaders repeated their call for the co-legislators to rapidly agree on the [proposed extension](#) of the European Fund for Strategic Investments (EFSI), having [previously](#) asked for its adoption 'during the first half of 2017'. EU leaders

reiterated their call for an agreement on [trade defence instruments](#) and have called on the Commission to ensure their effective application, in addition to looking into any complementary measures (if necessary). EU leaders emphasised that trade and investment can only be free if accompanied by mutually reciprocal benefits. In February 2017, the German, French and Italian governments expressed their [concern](#) that certain countries did not match the EU level of market openness when it came to investment and [public procurement](#). EU leaders have invited the Commission to analyse investments from third countries in strategic sectors while respecting Member States' competences. Member States are [divided](#) on this issue, with [some states](#) favouring stronger protection for key industries while others oppose unnecessary barriers to trade and investment. The European Council also referred to free trade agreement negotiations with [Mercosur](#), [Mexico](#) and the Asia-Pacific region, in particular [Japan](#), where there is a strong incentive to reach an early [political agreement](#) ahead of the July 2017 G20 summit.

As flagged up in the EPRS [Outlook](#), the European Council endorsed the [country-specific recommendations \(CSRs\)](#) previously discussed in the Council and in accordance with the 2017 European Semester.

5. Migration

Following the presentation on the follow-up to the [Malta Declaration](#) of February 2017 by the Maltese Prime Minister and President-in-office of the Council, Joseph Muscat, EU leaders reiterated their commitment to 'the Union's comprehensive approach to migration', including the effective control of external borders, the reform of the [Common European Asylum System](#) (CEAS) and the implementation of the [EU-Turkey Statement](#). They called for 'stepping up coordination and delivery on all the elements contained in the Malta Declaration, the Partnership Framework and the Joint Valletta Action Plan, underpinned by sufficient financial resources'. President Tusk had already drawn EU leaders' attention to this issue, because he felt that 'at the working level some of [the Member State] representatives are not taking the necessary decisions in this regard'. President Juncker [stressed](#) that it is unacceptable that many Member States have not followed up on their financial pledges, in particular for the [Trust Fund for Africa](#), and he urged EU leaders to do more.

In order to stem the migratory pressure on Libya's and other neighbouring countries' land borders, Heads of State or Government called for cooperation with countries of origin and transit to be reinforced, and asked for the training and equipping of the Libyan Coast Guard to be speeded up. While concentrating their attention on the Central Mediterranean route, EU leaders also pledged to continue being vigilant on all migration routes. EU leaders also called for further progress in the return and readmission policy.

Related to the reform of the CEAS, Heads of State or Government invited the European Commission to 'explore possible solutions to alleviate the burden on front-line Member States' and invited 'the Council to continue negotiations on this basis and amend the legislative proposals as necessary, with the active help of the Commission'. This [conclusion](#) adapts a previous objective of the European Council, in which it had [aimed](#) at achieving consensus on the EU's asylum policy during the Maltese Presidency, but was unsuccessful due to highly divergent [positions](#). The President of the European Parliament, Antonio Tajani, [stressed](#) that the issue of migration is of absolute priority for the European Parliament.

6. Digital Europe

EU leaders strongly [embraced](#) the digital transformation. The European Council underlined the necessity of implementing the Digital Single Market strategy and the importance of having a broad digital vision for Europe, including a holistic approach to its various dimensions. EU leaders also endorsed the forthcoming [review](#) of the existing cybersecurity strategy.

7. External relations

EU leaders discussed the situation in the EU's neighbourhood, without adopting any conclusions. President Tusk [informed](#) them about the meetings in May 2017 with the US President, [Donald Trump](#), and with the President of Turkey, [Recep Tayyip Erdoğan](#). He [reported](#) on the outcome of the [G7 Summit](#) in Taormina and the [EU-China Summit](#), and [called](#) for the finalisation, in the coming weeks, of ratification of the Association

Agreement with Ukraine, following his meeting with the President of Ukraine, Petro Poroshenko, prior to the European Council meeting. The new President of France, Emmanuel Macron, and the German Chancellor, Angela Merkel, [informed](#) their colleagues about the implementation of the [Minsk agreements](#), and the European Council agreed to [extend](#) the [sanctions](#) on Russia due to their limited implementation.

8. Other items

- **Tribute to Helmut Kohl**

European leaders also paid tribute to Helmut Kohl, former German Chancellor and Honorary Citizen of Europe, who passed away on 16 June 2017. To [honour](#) his legacy, the three European institutions are co-organising a European Ceremony of Honour on 1 July, in the European Parliament's Strasbourg hemicycle.

- **United Kingdom's withdrawal from the European Union**

The British Prime Minister, Theresa May, set out the [UK's plans](#) 'to protect the rights of EU citizens living in the UK, and UK citizens living in the EU'. The detailed [UK offer](#) for EU citizens' settlement rights was published on Monday 26 June 2017. In President Tusk's [opinion](#), 'the UK's offer is below our expectations, and it risks worsening the situation of citizens', [restating](#) that 'citizens' rights are the number one priority for the EU-27'.

- **European Council minutes**

This meeting also [introduced](#) the new procedure of making European Council minutes [publicly available](#) automatically, following their formal adoption at the subsequent European Council meeting. EU leaders can, however, still decide not to publish minutes, on a case-by-case basis.

9. European Council (Article 50) meeting on 22 June 2017

The EU's chief Brexit negotiator, Michel Barnier, briefed the 27 members of the European Council (Article 50) on the first [meeting](#) between the EU and the UK in the Article 50 negotiations, on 19 June 2017, at which the two sides agreed on the [terms of reference](#) for the negotiations. Both the [UK government](#) and the [EU negotiator](#) evaluated the start of negotiations as very constructive. President Donald Tusk stated that 'Brexit took up very little time at this European Council.'

- **Relocation of the European Medicines Agency and the European Banking Authority**

In the margins of the European Council (Article 50) meeting, leaders endorsed the [procedural arrangements](#) for the relocation of the EU agencies currently sited in the UK, including the timeline set out below. The five criteria for the relocation of each agency are: 1) the assurance that the agency can be set up on-site and take up its functions at the date of the UK's withdrawal from the Union; 2) the accessibility of the location; 3) the existence of adequate education facilities for the children of agency staff; 4) appropriate access to the labour market, social security and medical care for both children and spouses; and 5) business continuity.

Timeline

Date	Actor	Action
31/07/2017	All interested Member States	Submit an offer to host one or both agencies.
30/09/2017	European Commission	Provide an assessment of the offers received.
17/10/2017	General Affairs Council (Article 50)	Political discussions.
19/10/2017	Prime Minister of the Member State holding the Presidency	Inform the 27 Heads of State or Government about the discussions.
14/11/2017	General Affairs Council (Article 50)	Take decision on the new location.

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