Pre-European Council Briefing



October 2017

Outlook for the European Council meeting on 19-20 October 2017 and the European Council (Article 50) meeting on 20 October 2017

At their meeting on 19-20 October 2017, EU leaders will focus on migration, in particular assessing the progress made in stemming illegal flows on all migration routes, and digital Europe, following up on the Digital Summit held in Tallinn on 29 September. Heads of State or Government will also discuss defence, in particular the preparations for permanent structured cooperation (PESCO) as well as external relations, including relations with Turkey. The President of the European Council, Donald Tusk, is expected to present the new 'Leaders' Agenda 2017-2018', outlining the decisions that need to be taken at the level of the European Council in the coming year. Finally, EU-27 leaders will meet on 20 October in a separate formal European Council (Article 50), without the United Kingdom, to discuss the latest developments in the latter's withdrawal negotiations. It is expected that the European Council (Article 50) will postpone the decision on starting the second phase of negotiations on the EU's future relations with the UK until the December 2017 European Council, due to insufficient progress having been made to date.

1. Implementation - follow-up on previous European Council commitments

According to commitments made in its previous conclusions, the European Council should return to migration and external security and defence issues (Table 1) at the October meeting. Both feature prominently on the <u>annotated draft agenda</u>.

Table 1: Commitments relating to the agenda of the European Council meeting of 19-20 October 2017

Policy area	Previous commitment	Meeting at which commitment was made
Migration	'Revert to the issue' in 2017	European Council June 2017
External security and defence	'Come back to the issue' in 2017	European Council June 2017

2. Migration

On migration, the European Council is expected to assess progress on the measures taken to stem illegal flows on all migration routes and to decide on additional measures as required, in particular to support those directly affected or involved.

EU Heads of State or Government will also consider stronger cooperation with the <u>United Nations Refugee</u> <u>Agency</u> (UNHCR) and the <u>International Organization for Migration</u> (IOM), as well as with countries of origin and transit, in particular Libya. On 28 August 2017, the leaders of France, Germany, Spain and Italy and Chad, Niger and Libya issued a <u>joint statement</u> agreeing to step up the fight against smugglers' networks, building upon existing EU instruments, and to promote development prospects in the African countries of origin and transit.

EU leaders will also call for further progress towards a balanced agreement on the reform of the Common European Asylum System (CEAS), bridging the gap between those Member States which favour 'relocation' and others which insist on 'effective solidarity'. In this respect, the recent ruling by the European Court of Justice, dismissing the actions brought by Slovakia and Hungary against the mandatory relocation of asylum-seekers, is likely to shape discussions on the reform of the CEAS.

3. Digital Europe

EU leaders will address <u>digitalisation</u> of the European economy and society, with the aim of speeding up the discussion on a digital vision for Europe, not least because this is one of the <u>key priorities</u> of the Estonian Presidency of the Council of the EU (second half of 2017). The European Council will assess progress in the implementation of the Digital Single Market and is <u>likely to call</u> upon the co-legislators to rapidly examine pending <u>legislative initiatives</u>, such as those on the free flow of data, audiovisual media services and geoblocking. In this context, it will probably also urge Member States to implement existing legislation effectively, in order to better address the opportunities and challenges of the digital transformation.

In <u>June 2017</u>, EU leaders welcomed the European Commission's intention to review the EU's cybersecurity strategy. A cybersecurity package was <u>published</u> on 13 September 2017, alongside the 2017 State of the Union speech. At that same European Council meeting, Heads of State or Government <u>underlined</u> the importance of a holistic approach to the potential benefits and risks of the digital age. The discussion continued at the Digital Summit of Heads of State or Government in Tallinn on 29 September 2017, the <u>outcome of which</u> will contribute to the <u>preparation</u> of the October European Council.

4. Defence

The European Council will address the deepening of EU defence cooperation, primarily <u>focussing</u> on permanent structured cooperation (PESCO) (TEU Articles 42(6) and 46, and Protocol 10). The Heads of State or Government are expected to review progress and give further guidance regarding the establishment of PESCO. Both Federica Mogherini, the <u>High Representative</u>/Vice President, and <u>Donald Tusk</u>, have envisaged that the launch of PESCO could take place before the end of 2017.

In their conclusions of <u>December 2016</u> and <u>March 2017</u>, EU leaders <u>welcomed</u> the development of PESCO. In their <u>most recent meeting</u> in June 2017, EU leaders agreed to launch an inclusive and ambitious PESCO and called for the Member States to define within three months a common list of criteria and binding commitments, including a list of projects, a timetable and assessment mechanisms. The launch of PESCO was one of the <u>key elements</u> in European Commission President Jean-Claude Juncker's 2017 <u>State of the Union</u> speech. It also featured prominently in the <u>'Initiative for Europe'</u> speech of French President Emmanuel Macron. During the European Parliament's <u>plenary discussion</u> on the preparation of this European Council meeting, the Commission expressed its support for further EU cooperation in the area of defence, in line with previous European Council conclusions. It also called for rapid <u>agreement</u> of the co-legislators on the European defence industrial development programme. The purpose of this <u>proposal</u> is to strengthen the competitiveness and innovative capacity of the EU defence industry, including in cyber-defence, as well as to support better exploitation of the results of defence research, and to enhance cooperation between undertakings in the development phase of defence products and technologies.

5. External relations

EU Heads of State or Government are expected to <u>discuss</u> the political situation in Turkey, as well as developments in the wider region. Following the attempted <u>military coup</u> in July 2016 and the subsequent <u>repressive measures</u> taken by Turkey, the European Parliament <u>called</u> in November 2016 to freeze Turkey's accession process. Furthermore, constitutional reforms were proposed in 2017 which gave extended powers to the Turkish President, Recep Tayyip Erdoğan. Some of these <u>constitutional changes</u> have already been implemented. The Parliament <u>reiterated its position</u> on Turkey in July 2017.

The accession process is expected to continue, as stated in September 2017 by High Representative/Vice President, Federica Mogherini, however, the opening of new negotiating chapters will not be considered under the current circumstances. On 7 September, Sigmar Gabriel and Sebastian Kurz, the then foreign ministers of Germany and Austria, respectively, called for the suspension of EU accession negotiations with Turkey, whereas other ministers have insisted on continuing the process. In its recently presented programme the incoming Dutch coalition government stated that the current situation of human rights and rule of law in Turkey meant that the country had 'no perspective' of joining the EU. In his State of the Union

<u>speech</u>, Jean-Claude Junker declared that accession countries had to respect the rule of law, justice and fundamental rights which 'rules out EU membership for Turkey for the foreseeable future'.

EU leaders might also discuss the agreement on the Iranian nuclear programme and the 13 October <u>decision</u> of US President Donald Trump not to certify it. Federica Mogherini <u>stated</u>, shortly after his announcement, that no single country can terminate the agreement, as it is a multilateral agreement unanimously endorsed by the UN Security Council. Finally, EU leaders might also discuss the <u>situation in the Korean peninsula</u>, in view of recent nuclear and ballistic missile tests conducted by the Democratic People's Republic of Korea (DPRK). The Foreign Affairs Council of 16 October 2017 <u>discussed</u> both issues, and <u>adopted</u> additional measures to complement and reinforce UN Security Council sanctions against the DPRK.

6. Other items

• Future of Europe

While not part of the annotated draft agenda, EU leaders are expected to discuss the future of Europe. Heads of State or Government, the European Commission President, the European Council President and European Parliament President held an informal discussion on 29 September 2017 in Tallinn¹ on the situation of Europe and on future work in the European Council. Subsequently, Donald Tusk announced that, at the 19-20 October meeting, he would present the 'Leaders' Agenda 2017-2018', a refined version of the programme he outlined prior to the meeting in Tallinn. It will include, inter alia, the launch of permanent defence cooperation (PESCO) by the end of 2017, a Euro Summit in December to further deepen Economic and Monetary Union with a special focus on the completion of the Banking Union and the European Stability Mechanism (ESM), and a Western Balkans summit during the Bulgarian Presidency of the Council. President Tusk indicated that concrete decisions on these issues should take place in the European Council by June next year at the latest. This discussion should also be seen in the context of the 2017 State of the Union address by Jean-Claude Juncker, as well as Emmanuel Macron's September speech. Both set out their views on the future of Europe, showing not only convergence between the two, but also with many of the views previously expressed by the European Parliament.

Recent events seem to <u>indicate</u> that Heads of State or Government will meet more frequently over the coming months to discuss topics relevant for the future of Europe, be it as part of formal and informal European Council meetings and Euro summits, or wider formats such as the <u>Social Summit</u> in Gothenburg on 17 November 2017. At their informal meeting in Tallinn, the Romanian President, Klaus Iohannis, formally invited all the EU-27 leaders to attend an informal European Council meeting in Sibiu on 30 March 2019.

7. European Council (Article 50) meeting on 20 October 2017

The EU-27 leaders will <u>meet</u> again in the formal setting of the European Council (Article 50) on 20 October 2017 to take stock of the latest developments in negotiations with the United Kingdom. In line with the <u>procedural arrangements</u> for Article 50 negotiations as agreed by the Heads of State or Government of the EU-27 on 15 December 2016, EU leaders will be briefed by the EU's chief negotiator, Michel Barnier, on the outcome of the <u>fourth</u> and <u>fifth</u> negotiation rounds (see Table 2). Both rounds took place after the UK Prime Minister, Theresa May, <u>outlined</u> her views on the future EU-UK relationship on 22 September in Florence. Mrs May proposed an 'implementation' period after the UK leaves the EU, and pledged that the 'UK will honour commitments made during the period of our membership'. In the opinion of the EU's chief negotiator, the latest negotiation rounds were more 'constructive' but still fell short of 'achieving sufficient progress'. This view was also <u>expressed</u> by President Tusk after his <u>meeting</u> with Mrs May on 26 September and by President Juncker when <u>speaking</u> in the European Parliament's plenary debate on 3 October.

While welcoming the progress achieved so far, it is expected that the European Council (Article 50) will not recommend the opening of the second phase of negotiations on the EU's future relations with the UK, due

¹ All EU-28 Heads of State or Government were present except the Slovenian Prime Minister, Miro Cerar, and the Spanish Prime Minister, Mariano Rajoy.

to insufficient progress being made on the three priorities: ensuring citizens' rights, agreeing on a financial settlement, and the safeguarding the <u>Good Friday Agreement</u>.² At the special European Council (Article 50) meeting of 29 April 2017, EU-27 Heads of State or Government adopted <u>guidelines</u> which set out a 'phased approach', stipulating that 'before starting the negotiations on the EU's future relations with the UK, sufficient progress needs to be achieved on citizens' rights, finances and the border issue in Ireland'. The European Parliament, in its resolution earlier this month, <u>stressed</u> that 'in the fourth round of negotiations sufficient progress has not yet been made'. It called on the European Council 'to decide at its October meeting to postpone its assessment' – 'unless there is a major breakthrough in all three areas during the fifth negotiation round.' The European Parliament President, Antonio Tajani, and the Parliament's Brexit coordinator, Guy Verhofstadt, have already <u>indicated</u> in early September the possible need 'for the European Council to postpone this point to its December meeting.'

It is likely that EU-27 leaders will <u>invite</u> EU officials to begin 'internal preparatory discussions' to be ready for the second phase of Brexit talks on the UK's future relationship, which could start after the 14-15 December European Council meeting, when EU-27 leaders will reassess the state of progress in the negotiations in order to decide whether sufficient progress has been achieved. Donald Tusk recently <u>reiterated</u> his hope that "sufficient progress" will be possible by December'.

In the margins of the European Council (Article 50) meeting, Jüri Ratas, Estonian Prime Minister and President-in-office of the Council, will inform EU-27 leaders on the discussion regarding the decision-making process for the <u>relocation</u> of the two UK-based EU agencies, the European Banking Authority (EBA) and European Medicines Agency (EMA). The Commission has published its <u>assessment</u> of the offers to host these agencies based on the <u>criteria</u> endorsed by the <u>22 June 2017</u> European Council (Article 50).

Table 2: EU-UK Article 50 negotiation rounds

Round	Date	Main issues and progress	Evaluation by EU's chief negotiator
<u>First</u>	19 June 2017	Organisation and main priorities	'This first session was useful to start off on
<u>round</u>		for the negotiations.	the right foot.' (Press briefing)
Second	17-20 July	Presentation of the respective	'Une clarification de la position du Royaume-
<u>round</u>		positions.	Uni est indispensable.' (Press briefing)
<u>Third</u>	28-31 August	Clarifications on the status of	'No decisive progress on the main subjects.'
<u>round</u>		frontier workers, the aggregation	(Press briefing)
		of social security rights, and	
		pending legal proceedings before	
		the Court of Justice.	
<u>Fourth</u>	25-28 September	On citizens' rights, the UK agreed	'Constructive week but we are not yet there
<u>round</u>		to give direct effect to the	in terms of achieving sufficient progress.'
		Withdrawal Agreement.	(<u>Press briefing</u>)
<u>Fifth</u>	9-12 October	Discussions mainly on technical	'I am not ready to propose to the European
<u>round</u>		aspects and no advances on the	Council to open negotiations on the future
		financial settlement.	relationship.' (Press briefing)

To contact the European Council Oversight Unit, please e-mail: EPRS-EuropeanCouncilOversight@ep.europa.eu.

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² The Good Friday Agreement (GFA) or Belfast Agreement of 10 April 1998, signed by the UK, Ireland, and almost all Northern Irish political parties, allowed for the normalisation of the situation in Northern Ireland and the establishment of devolved institutions as well as a number of common UK-Irish and Northern Irish-Irish institutions.