

January 2018

## Outcome of the meetings of EU leaders of 14-15 December 2017

On 14-15 December 2017, EU Heads of State or Government convened in four different settings with varying compositions and levels of formality: a regular summit of the European Council, a Leaders' Meeting on migration, a European Council (Article 50) meeting, and an enlarged Euro Summit. While the European Council meeting adopted conclusions focused on security and defence, social policy, education and culture, the informal debate on migration concentrated on the reform of the Dublin Regulation, in particular on the relocation mechanisms for asylum-seekers. The European Council also discussed tax evasion, welcomed the outcome of the [One Planet Summit](#) in Paris, agreed to roll over the sanctions on Russia in response to the annexation of Crimea, and reiterated the EU's firm commitment to the two-state solution for the Israeli-Palestinian conflict. The main results of the European Council (Article 50) meeting were the decision that 'sufficient progress' has been achieved to proceed to the second phase of Brexit negotiations, and the adoption of guidelines in this respect. While there were no formal conclusions at the Euro Summit meeting, participants agreed to focus on areas where the convergence of views is the greatest, most notably the completion of the Banking Union and the transformation of the ESM into a European Monetary Fund.

### 1. Implementation of European Council commitments

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

Policy area	Action	Actor	Schedule
Security and defence	Adopt the European Defence Industrial Development Programme	EP and Council as co-legislators	2018
Security and defence	New instrument for capacity-building in security and development	Council	Spring 2018
Security and defence	Strengthen civilian CSDP and produce a Civilian CSDP Compact	HR/VP, Member States, Commission	June 2018
Social issues	Come back to all these matters	European Council	March 2018
Social issues	Implement the Council Recommendation on Upskilling Pathways	Member States	2018
Education and culture	Present, where relevant, proposals for Council recommendations	Commission	Spring 2018
Education and culture	Strengthen partnerships across the EU – 'European Universities' initiative	Member States	2024

Jüri Ratas, Estonian Prime Minister and President-in-Office of the Council, provided an overview 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.

### 2. European Council meeting

#### a. Security and Defence

The European Council welcomed the [establishment of permanent structured cooperation \(PESCO\)](#) in defence, called for quick implementation of the first projects and urged Member States to deliver on their national implementation plans. The projects are expected to be formally [adopted](#) by the Council in early 2018. Heads of State or Government also called for progress in implementing the set of proposals on EU-NATO cooperation, including the [additional](#) ones agreed in December. A [second progress report](#) on the implementation of the 42 actions based on the [Warsaw Joint Declaration](#) was released on 5 December 2017. Moreover, the High Representative, the Commission and the Member States were invited to bring forward

work on [military mobility](#), both in PESCO and in the context of EU-NATO cooperation. The European Council also [reiterated](#) its request to the Council for a comprehensive revision of the Athena mechanisms for financing common costs of EU military missions and operations.

#### *Main messages of the European Parliament President*

President Antonio Tajani underlined that, by signing the Rome Declaration, the Member States committed 'to revitalise the Union starting from a common defence. The first step is to develop a European industry and a European market, which generate economies of scale and facilitate interoperability'.

## **b. Social policy, education and culture**

### **Social policy**

Following the November 2017 [Gothenburg Social Summit](#), the European Council agreed that the following issues should be taken forward: (i) the implementation of the [European Pillar of Social Rights](#) at Union and Member State level; (ii) an improvement of [social dialogue](#) at all levels, including the '[new start for social dialogue](#)' at EU level; (iii) progress on [pending](#) social files at EU level, as well as on future initiatives in the [2018 Commission work programme](#); (iv) follow-up on the priorities of the [EU Action Plan](#) on tackling the gender pay gap; and (vi) further delivery on the [European Skills Agenda](#).

### **Education and culture**

Following initial talks at the [Gothenburg Social Summit](#) on the basis of a [Leaders' Agenda note](#), the European Council called on Member States, the Council and the Commission to carry work forward with a view to: (i) stepping up mobility and exchanges, including the Erasmus+ programme; (ii) strengthening strategic partnerships between higher education institutions across the EU; (iv) enhancing the learning of languages; (v) promoting mobility and participation of students in educational and cultural activities, including through a 'European Student Card'; (vi) promoting mutual recognition of higher education and school-leaving diplomas at secondary education level; and (vii) increasing awareness of the social and economic importance of culture and cultural heritage as part of the European Year of Cultural Heritage (2018). The European Council also asked the Commission, the Council and the Member States to examine possible measures addressing: (i) the skills challenges linked to digitalisation, cybersecurity, media literacy and artificial intelligence; (ii) the need for an inclusive, lifelong-learning-based and innovation-driven approach to education and training; and (iii) the legal and financial framework conditions for the development of cultural and creative industries and the mobility of professionals in the cultural sector.

#### *Main messages of the EP President*

President Tajani stressed that 'the new EU budget should make additional resources available, not only for the Erasmus programme, but also for apprenticeships and traineeships for persons seeking to re-enter the labour market'. To create jobs, focus must be put on 'sectors of high labour intensity and creativity', including tourism, design, the digitalisation of cultural sites, luxury goods and high-end craft products.

## **3. Leaders' Meeting on migration on 14 December**

Following the new [working methods](#) of the European Council, Heads of State or Government held an informal discussion on migration without any written conclusions. The discussions were based on a [Leaders' Agenda note](#), distributed in advance by the European Council's President, Donald Tusk. It argues that an effective European migration and asylum policy requires tailor-made, long-term partnerships with neighbouring countries and countries of transit and origin, an increase in the returns of irregular migrants, global efforts to fight people-smuggling and human trafficking, the effective protection of the external border, and finding ways of combining responsibility and solidarity in the Dublin reform, as well as stable and long-term financing mechanisms. Regarding the latter, the paper calls for a dedicated financial instrument for stemming illegal migration as one of the priorities in the next Multiannual Financial Framework (MFF). These priorities strongly resemble the main recommendations of the European Commission in its [contribution](#) to the EU leaders' discussion on migration. Following the meeting, the President of the European Commission, Jean-Claude

Juncker, [reiterated](#) that the relocation mechanism was a success, and also called upon the Member States to contribute more to the African Fund in order to follow up on their previous commitments.

The President of the European Council, Donald Tusk, [reported](#) that the main priorities for the Heads of State or Government regarding migration were to protect the EU's external borders and to stem illegal migration. He indicated that the next step will be the February 2018 informal European Council meeting, which will discuss the inclusion in the post-2020 MFF of a specific financial instrument to stem illegal migration. Subsequently, the European Council meeting of March 2018 will assess progress regarding the reform of the Dublin system, including the relocation mechanism, with the aim of taking a decision at the June European Council meeting. President Tusk still [aims](#) to find a decision by consensus, but [indicated](#) that reaching a compromise on the relocation mechanism might be hard to achieve and that the use of QMV would be an alternative if no compromise can be found on the relocation issue.

Prior to the meeting, the Leaders' Agenda note had already received criticism from several sides, including the [EU Commissioner responsible for migration](#), Dimitris Avramopoulos, and a number of MEPs, during the Parliament's [plenary debate](#) on the preparation of the December 2017 European Council meeting. In particular, the statement describing the migration relocation quotas as 'highly divisive' and 'ineffective' has caused controversy, with the [European Commission](#) 'firmly disagree[ing] that relocation, as an emergency response, has been ineffective'.<sup>1</sup> The First Vice-President of the European Commission, Frans Timmermans, [called](#) on Heads of State or Government 'to unblock the stalemate in Council [on the reform of the Dublin regulation] and strike the right balance between solidarity and responsibility'. He stressed that 'what is up to co-legislators, should be left in the hand of co-legislators, and not ... returned to Member States'. The European Parliament has already [adopted](#) its position on the reform of the [Dublin Regulation](#), stressing that all Member States need to accept 'a fair sharing of the responsibility to receive asylum seekers in Europe'.

#### *Main messages of the EP President*

As [announced](#) during the EP's preparatory debate before the European Council meeting, President Tajani defended the Parliament's prerogatives in the legislative process, and stressed that 'it is not right to insist on unanimity at all costs in cases where the Treaties provide for decision-making by a qualified majority under the ordinary legislative procedure'. Referring to the [joint declaration](#) on the EU's legislative priorities for 2018-19, which states that the three institutions will give priority to reforming the Union's migration policy, including the Dublin mechanism, he underlined that Parliament's position introduces changes 'which make the system more uniform and effective. ... Now it is up to the Council to do its part, as quickly as possible'.

## **4. Euro Summit**

This Euro Summit took place in an 'inclusive format' with all Member States except the UK participating, and covered euro-area reform. It was agreed that in the next six months, the work of finance ministers should concentrate on areas with the greatest convergence of views. Gradual progress on issues such as the completion of Banking Union and the transformation of the European Stability Mechanism (ESM) into a European Monetary Fund (EMF) should radically reinforce the resilience of EMU. Discussions will also continue on other proposals, which need more time to mature and have a longer-term perspective. President Tusk announced that he would call the next Euro Summit for March 2018, and Member States could take the first decisions in June 2018.

#### *Main messages of the EP President*

President Tajani urged the completion of Banking Union and the capital markets union, underlining that 'reducing risks must imply pooling them'. He expressed the Parliament's support for proposals on transforming the ESM into an EMF and establishing an EU Finance Minister who would also be a Vice-President of the Commission and chair the Eurogroup. Furthermore, President Tajani stressed the need for real powers, a large enough budget and democratic scrutiny as a solid base of all these reforms.

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<sup>1</sup> Another controversial argument in the draft of the Leaders' Agenda note, saying that 'only Member States are able to tackle the migration crisis effectively', was redrafted for the final version. See [Eurocomment 2017/8](#).

## 5. European Council (Article 50) meeting of 15 December

The EU's chief Brexit negotiator, Michel Barnier, briefed the European Council (Article 50) on the outcome of the sixth negotiating round and recommended proceeding to the second phase of negotiations, as 'sufficient progress' had been achieved. Following his proposal, EU-27 leaders recommended the opening of the second phase of negotiations on the EU's future relations with the UK and adopted new [guidelines](#), in addition to their first [guidelines](#) of 29 April 2017. The additional guidelines call upon the Union negotiator and UK 'to consolidate the results obtained and to start drafting the relevant parts of the Withdrawal Agreement'. They underline that the negotiations in the second phase can only proceed if 'all commitments undertaken during the first phase are respected in full and translated faithfully into legal terms'.

The second phase will mainly cover the transition period after the UK's withdrawal and the framework for the future relationship. Regarding the former, the guidelines specify that, during the transition period, 'the UK, as a third country, 'will no longer participate in or nominate or elect members of the EU institutions, nor participate in the decision-making of the Union bodies, offices and agencies'. At the same time, during that period, the UK would have to respect the whole body of EU law, including new law, budgetary commitments, and judicial oversight, including the competence of the Court of Justice of the EU (CJEU). Regarding the future relationship, the European Council (Article 50) reconfirmed its aim of establishing a close partnership between the Union and the UK. As flagged up in the EPRS [outlook](#) before the meeting, in addition to trade and economic cooperation, the guidelines identify the fight against terrorism and international crime, as well as security, defence and foreign policy, as potential policy areas for establishing close partnerships between the UK and the EU. The guidelines state that, 'while an agreement on a future relationship can only be finalised and concluded once the United Kingdom has become a third country, the Union will be ready to engage in preliminary and preparatory discussions with the aim of identifying an overall understanding of the framework for the future relationship, once additional guidelines have been adopted to this effect'.

The European Commission President [gave](#) his first indications for the next steps in the withdrawal procedure. He expects additional guidelines to be adopted at the March 2018 European Council (Article 50) meeting. The negotiations would follow, with the withdrawal agreement entering the ratification process after October 2018. In addition to the European Parliament's right of consent, the UK Parliament will also have to approve 'the final terms of withdrawal of the United Kingdom from the European Union', according to the outcome of a [vote](#) in the House of Commons on 13 December 2017.

### *Main messages of the EP President*

President Tajani [reiterated](#) the importance of unity among the EU-27 during the negotiations. Recalling the European Parliament's [resolution](#) of 13 December 2017, which recommended that the European Council take the decision to move the negotiations to the second phase, he underlined that the exit agreement was to be applied to the letter and that any back-tracking on the agreements reached on the three priority issues in the first phase of the negotiations – citizens' rights, finances, and the border issue in Ireland – would be unacceptable. He also stressed that all problems had not been resolved. Among the 'outstanding issues with respect to providing for an orderly withdrawal of the UK from the EU', MEPs have pointed to the need to ensure that commitments made with respect to Northern Ireland / Ireland are fully enforceable; guaranteeing future free movement rights across the whole EU for UK citizens currently residing in an EU-27 Member State, providing for the binding character of the CJEU decisions in relation to the interpretation of provisions on citizens' rights; extending coverage of citizens' rights to future partners; and ensuring that the administrative procedure is 'light touch' and free of charge.

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