

February 2018

## Outcome of the informal meeting of the 27 Heads of State or Government of 23 February 2018

*At an informal meeting on 23 February 2018, 27 Heads of State or Government (the UK did not take part as the discussion were future oriented) discussed two major topics: institutional issues, in particular the future composition of the European Parliament and high-level EU appointments, including the Spitzenkandidaten process, on the one hand, and the next Multiannual Financial Framework (MFF), on the other. Conducted as part of the Leaders' Agenda, the meeting did not produce formal conclusions. According to post-summit statements by the President of the European Council, Donald Tusk, the idea of a European Parliament with fewer MEPs after Brexit was broadly supported, however Heads of State or Government agreed that there could not be any automaticity in proposing, for President of the European Commission, the lead candidate put forward by the European party having come first at the European elections. As regards the MFF, they expressed the view that reaching an agreement in the European Council by the end of 2018 would be very difficult. Heads of State or Government took the opportunity to address other issues briefly, expressing their support for Cyprus and Greece regarding developments with Turkey in the eastern Mediterranean and the Aegean, and urging the Assad regime and its backers to stop the violence in Syria. The European Council President also informed his colleagues that draft guidelines on the future EU-UK relationship will be presented at the 22-23 March European Council meeting.*

### 1. Institutional issues

The discussion on institutional issues was based on a Leaders' Agenda [note](#) on the next institutional cycle, in which President Tusk asked the Heads of State or Government to express their views regarding the future composition of the European Parliament and on high-level EU appointments. On 13 February, the European Commission had provided its [contribution](#) to this debate, in which it elaborated further on some of the proposals that the Commission President, Jean-Claude Juncker, made in his 2017 State of the Union [speech](#) (see EPRS [Briefing](#), The European Council and the 2017 State of the Union proposals). The pre-summit note suggested 'a number of practical steps that can be taken on the basis of the existing Treaties'. The European Parliament had previously expressed its views on institutional affairs, in its [resolution](#) of 16 February 2017 on 'improving the functioning of the European Union building on the potential of the Lisbon Treaty'.

#### 1.1 European Parliament composition and transnational lists

The European Council discussed the composition of the European Parliament after 2019 and broadly supported the idea that 'fewer Member States should mean fewer seats', effectively reducing the number of MEPs from 751 to 705, as proposed by the European Parliament (see EPRS '[At a glance](#)' note). Even before the meeting, President Tusk had [indicated](#) that Parliament's proposal could be 'broadly supported'.

Regarding the idea of a transnational list for elections to the European Parliament, which was [rejected](#) by the Parliament in January 2018, Mr Tusk stated that it 'is not without merit and is certainly worth discussing in view of the 2024 elections.' Therefore the European Council indicated that it 'will come back to this issue in the future'.

On 7 February 2018, the European Parliament [adopted a resolution on its composition](#) for the next parliamentary term (2019-2024). The current allocation of seats in the European Parliament complies with the [European Council Decision of 28 June 2013](#) (2013/312/EU) which applies only to the current term. A decision on the composition of the Parliament in the 2019-2024 term was therefore needed. In its [resolution](#) of 13 March 2013, the Parliament had undertaken to propose a permanent system for the apportionment of its seats before the end of 2016. However, this did not materialise due primarily to legal and political uncertainty caused by the United Kingdom's decision to leave the EU. The Parliament thus now proposes to preserve the distribution of seats as set out in the 2013 European Council Decision until the withdrawal of the UK becomes legally effective. Once the UK leaves, the number of seats would be reduced from 751 to 705. 27 seats would be redistributed among Member States, in keeping with the principle of [degressive proportionality](#). The remainder (46) would be kept in reserve to accommodate potential future enlargements of the European Union.

The February 2018 resolution also mentions that several Member States had voiced support for the creation of a joint constituency (transnational list). However, this proposal failed to win support in the plenary session.

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

When addressing the European Council, President Antonio Tajani [presented](#) Parliament's view on the composition of the European Parliament and raised the issue of transnational lists. He also called upon Member States to accelerate their work regarding the reform of the electoral law of the European Union and recalled Parliament's [position](#).

#### **1.2 High-level EU appointments**

The European Council discussed the issue of high level appointments, and in particular the *Spitzenkandidaten* process, following up on its [conclusions](#) of 26-27 June 2014, which stated that 'once the new European Commission is effectively in place, [it] will consider the process for the appointment of the President of the European Commission for the future, respecting the European Treaties'.

Under the Lisbon Treaty, the European Council and European Parliament are jointly responsible for the [appointment of the European Commission President](#). Article [17\(7\)](#) TEU stipulates that 'taking into account the elections to the European Parliament and after having held the appropriate consultations, the European Council, acting by a qualified majority, shall propose to the European Parliament a candidate for President of the Commission. This candidate shall be elected by the European Parliament by a majority of its component members. If he does not obtain the required majority, the European Council, acting by a qualified majority, shall within one month propose a new candidate who shall be elected by the European Parliament following the same procedure'.

In his pre-summit [note](#), Mr Tusk asked the Heads of State or Government if the European Council should 'automatically accept the outcome of a *Spitzenkandidaten* process or should the European Council autonomously decide how to take account of the elections, having held appropriate consultations'. Following the meeting, Mr Tusk relayed the European Council's view that it 'cannot guarantee in advance that it will propose one of the lead candidates for President of the European Commission. ... [as] there is no automaticity in this process'. Commission President Juncker had [defended](#) the *Spitzenkandidaten* process. The European Parliament had also reiterated its strong [support for](#) this process, since it 'reflects the interinstitutional balance between the Parliament and the European Council as provided for in the Treaties'. The Parliament stressed 'that by not adhering to the *Spitzenkandidaten* process, the European Council would also risk submitting for Parliament's approval a candidate for President of the Commission who will not have a sufficient parliamentary majority'.

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

President Tajani [recalled](#) Parliament's support for the *Spitzenkandidaten* process, on the grounds that it brings citizens closer to Europe and strengthens democracy. He explained that the process foresees that 'all the European political groups undertake to nominate a candidate for the Commission Presidency, following an internal selection procedure. The candidate from the political group which obtains the largest number of seats in the next Parliament will be put forward for the post of President of the Commission.'

### 1.3 Other institutional issues

Before the meeting, President Tusk clearly [indicated](#) that other institutional issues, such as the number of European Commissioners, the possibility of a merger of the Presidents of the Commission and the European Council, 'red cards' for national parliaments and qualified majority voting, would not be addressed. President Juncker nevertheless availed of the opportunity to [recall](#) his idea to merge the offices of the Presidents of the European Commission and the European Council. According to Tusk, the other leaders did not show any 'appetite' for this. Referring to Article 17(5) TEU – which stipulates that, as of 1 November 2014, the European Commission was to consist of a number of members corresponding to two thirds of the number of EU countries, unless a decision were made to the contrary – Juncker also reminded the Heads of State or Government of the need to decide whether to maintain a European Commission with one member per country or reduce the number of Commissioners.<sup>1</sup> In 2009, the European Council had agreed that the number of Commissioners would correspond to the number of Member States.

## 2. Next Multiannual Financial Framework

The other major topic under discussion at the informal European Council was the next MFF. Unlike the negotiations for the 2014-2020 MFF, in which the European Council only became fully involved after publication of the Commission's proposal (see EPRS [Briefing](#)), this time round the European Council started discussing its priorities for the next MFF at an early stage. The aim is, in the [words](#) of Mr Tusk, for 'the European Commission [to] receive political guidance from the European Council, before coming up with its proposals'. The Leaders' Agenda [note](#) on the next MFF asked Heads of State or Government for their views regarding (i.) the political priorities that should be addressed by the next MFF; (ii.) the overall level of expenditure in the next MFF; and (iii.) the timetable foreseen for the MFF negotiations.

### 2.1 Political priorities and expenditures

Mr Tusk [reported](#) after the summit that many Member States were ready to contribute more to the post-2020 budget. On the political priorities for the next MFF, Heads of State or Government [agreed](#) that 'the EU will spend more on stemming illegal migration, on defence and security, as well as on the Erasmus+ programme'. Other political priorities raised at the summit included 'cohesion policy, the common agricultural policy, investments in research and innovation, and pan-European infrastructure'. President Juncker [indicated](#) that the Commission will propose some cuts in the area of cohesion and agricultural policies in order to avoid reducing funding in agreed priority areas. In its [contribution](#) to the informal meeting, the Commission quantified the financial impact of various possible policy choices such as protecting the EU's external borders, supporting a true European defence union, boosting Europe's digital transformation, and making the EU's cohesion and agricultural policies more efficient. It also suggested the option of making EU funding more conditional (i.e. establishing a mechanism which links EU funding and respect for the EU's fundamental values).

### 2.2 Timetable

As regards the timetable, Mr Tusk [outlined](#) three alternatives. The first one would be to follow the same process as the 2014-2020 MFF negotiations, leading to an agreement in the European Council in late 2019 or early 2020. The second option would be to target an agreement during the current European Parliament term, which would imply an agreement in the European Council in December 2018; and the third, intermediate, option would be to progress as much as possible so as to reach an agreement in the European Council in the course of 2019, followed by negotiations with the future European Parliament.

In its contribution, the European Commission, which [aims](#) to present its formal proposal for the next long-term EU budget by 'early May 2018 at the latest', recalled that 'the late adoption of the current Financial Framework led to significant delays in the launch of the new programmes and consequently to the

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<sup>1</sup> The 2009 agreement concerning the number of Commissioners was implemented in a [decision](#) of 22 May 2013 which requires that 'the European Council shall review this decision ... in advance of the appointment of the first Commission following the date of accession of the 30th Member State or the appointment of the Commission succeeding that due to take up its duties on 1 November 2014, whichever is earlier.'

achievement of our funding priorities'. It stressed that an early agreement is not only politically desirable but also a practical imperative. Jean-Claude Juncker repeated this message at the meeting. In its [report](#) on the next MFF, the Parliament's Committee on Budgets signals a readiness to 'enter immediately into a structured dialogue with the Commission and the Council on the post-2020 MFF with the aim of facilitating the subsequent negotiations and enabling an agreement by the end of this parliamentary term'.

After the summit, Donald Tusk noted that Heads of State or Government wanted to speed up the negotiations, in comparison with the previous MFF. However, they had generally expressed the view that 'finding an agreement in the European Council already this year seems really difficult'.

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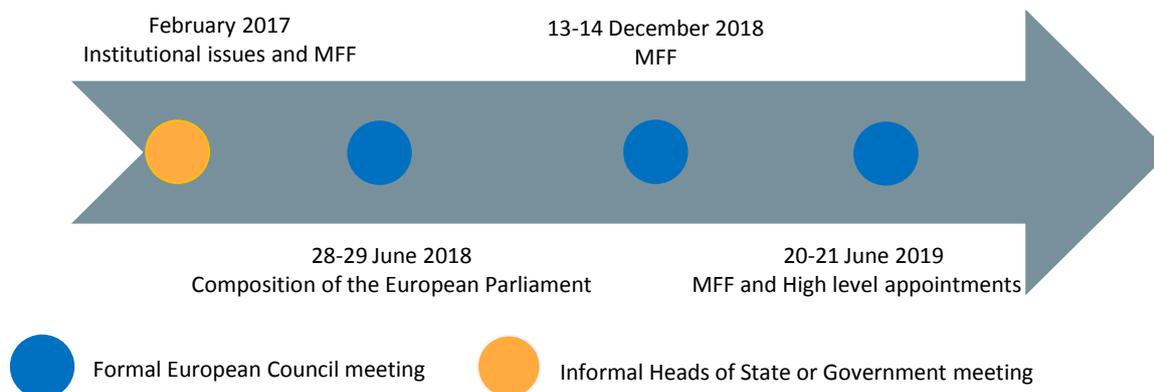
President Tajani [stressed](#) 'the need for a political EU budget reflecting the priorities of the peoples of Europe on security, migration and unemployment'. He also [reiterated](#) Parliament's aim to vote on the MFF before the EP election in May 2019, and expressed support for conditionality criteria on structural funds.

### 3. Outlook

The new working methods of the European Council, as laid out in the [Leaders' Agenda](#) agreed at the European Council [meeting](#) of 19-20 October 2017, call for EU leaders to debate sensitive topics in an informal format before coming back to them in a formal setting (a regular European Council format), to take a decision. Following this first, informal discussion on institutional issues, the timetable outlined in the Leaders' Agenda calls for the European Council to take a decision on the composition of the European Parliament on 28 June 2018. EU leaders will also put forward their proposals on high-level appointments.

Concerning the MFF timetable, there appears to be clear divergence in views between the EU institutions, with the Commission and Parliament preferring an early conclusion, and the European Council favouring finalisation at a later stage (see EPRS [Briefing](#)). The Leaders' Agenda currently foresees that the European Council will come back to the MFF at its 13-14 December 2018 and 20-21 June 2019 meetings.

**Figure1: Meetings of Heads of State or Government on MFF and institutional issues February 2018 – June 2019**



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