Outlook for the European Council and Euro Summit meetings, 20-21 June 2019

The June 2019 European Council meeting, the last regular one in the current institutional cycle, has a full agenda. First, EU leaders will discuss, and potentially agree on, high-level appointments to EU institutions. Moreover, they are expected to adopt their 2019-24 strategic agenda, setting the EU’s political priorities for the next five years. The European Council will also discuss the timetable for the adoption of the next Multiannual Financial Framework (MFF) and the EU’s common climate change position ahead of the United Nations Secretary-General’s Climate Action Summit. Other agenda items include deciding on the number of Commissioners, concluding the 2019 European Semester, possible decisions on opening accession negotiations with Albania and North Macedonia, countering disinformation, and the situation in Ukraine. Finally, EU-27 leaders will meet for a Euro Summit in extended format, to discuss the report submitted by the Eurogroup on EMU reform.

1. Agenda and follow-up to previous European Council commitments

The Leaders’ Agenda had identified the MFF, institutional appointments and the new strategic agenda as the main topics for the June 2019 European Council meeting. The annotated draft agenda introduces other topics, reflecting previous commitments or a call by several Member States.

<table>
<thead>
<tr>
<th>Policy area</th>
<th>Previous commitment</th>
<th>Occasion on which commitment was made</th>
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</thead>
<tbody>
<tr>
<td>Fighting disinformation</td>
<td>The European Council will come back to this issue at its June meeting on the basis of a report on the lessons learnt prepared by the Presidency in cooperation with the Commission and the High Representative, in order to inform our long-term response.</td>
<td>March 2019</td>
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<tr>
<td>Climate change</td>
<td>Further discussion in the European Council in June 2019</td>
<td>March 2019</td>
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At the start of the meeting, there will be an address by Antonio Tajani, President of the European Parliament, and Klaus Iohannis, President of Romania, which currently holds the rotating six-month presidency of the Council of Ministers, will provide an overview on the progress made in implementing previous European Council conclusions.

2. European Council meeting

Next institutional cycle

High-level appointments

The ‘relevant decisions on appointments for the next institutional cycle’ concern the positions of President of the European Commission, President of the European Council, and High Representative of the Union for Foreign Affairs and Security Policy. In addition, the President of the European Central Bank also has to be chosen. These appointments should reflect the EU’s demographic and
geographical balance, as well as gender and political balances, and are thus treated by many as a ‘package’. Although the President of the European Council, Donald Tusk, aims to ‘provide clarity on all these posts already in June’, and while intensive discussions have taken place since the European elections, there is no guarantee that the European Council will reach a final ‘package deal’ in June.

<table>
<thead>
<tr>
<th>Position</th>
<th>Treaty article</th>
<th>European Council role</th>
<th>European Parliament role</th>
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<tbody>
<tr>
<td>President of the European Commission</td>
<td>17(7) TEU</td>
<td>Propose candidate</td>
<td>Elect candidate</td>
</tr>
<tr>
<td>President of the European Council</td>
<td>15(5) TEU</td>
<td>Elect</td>
<td>None</td>
</tr>
<tr>
<td>High Representative of the Union for Foreign Affairs and Security Policy</td>
<td>18(1) TEU</td>
<td>Appoint (with agreement of the President of the Commission)</td>
<td>Part of the approval of the college of Commissioners</td>
</tr>
<tr>
<td>President of the European Central Bank</td>
<td>283(2) TFEU</td>
<td>Appoint</td>
<td>Consulted</td>
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</table>

For the positions of Presidents of the European Council and the European Central Bank, as well as the HR/VP, the decisions rest mainly with the European Council. Regarding the *election of the President of the European Commission*, the European Council and European Parliament are, as stipulated in Article 17(7) TEU, jointly responsible: ‘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’. President Tusk has repeatedly stressed that the decision on a candidate for European Commission President (as well as for the others) should be taken by consensus in the European Council, if possible, but that he ‘would not shy away from putting [it] to the vote’ if needed. If a vote on the candidate is necessary, a ‘reinforced’ qualified majority would be needed. According to Article 238(3)b TFEU this would require at least 72 % of the Member States representing 65 % of the EU’s population. Subsequently, the candidate needs to be elected by Parliament by a majority of its component members (376 of 751).

*Decision-finding process in the European Council:* At their informal meeting on 28 May 2019, EU-28 Heads of State or Government reiterated their agreement that there could be ‘no automaticity’ in proposing the lead candidate of the political family that gained most votes at the EP elections for this position; consequently, they gave President Tusk a mandate ‘to engage in consultations with the European Parliament, as foreseen by the Treaty’. Indeed, Declaration 11 annexed to the Treaty stipulates that ‘the European Parliament and European Council are jointly responsible for the smooth running of the process leading to the election of the President of the European Commission. Prior to the decision of the European Council, representatives of the European Parliament and of the European Council will thus conduct the necessary consultations …’. This procedure is now being used for the first time; back in 2014, the Parliament had rapidly declared its firm support for the EPP Spitzenkandidat, Jean-Claude Juncker, and he was subsequently agreed upon by the European Council. This time, the Parliament has not declared its support for a common candidate, and a more formal consultation procedure is thus required.

In that context, President Tusk is consulting individual members of the European Council. In parallel, six EU Heads of State or Government – the prime ministers of Croatia, Andrej Plenković (EPP), Latvia, Krišjānis Kariņš (EPP), the Netherlands, Mark Rutte (Renew Europe), Belgium, Charles Michel (Renew Europe), Spain, Pedro Sánchez (PES) and Portugal, Antonio Costa (PES) – were nominated as negotiators for their political families to discuss the high-level appointments informally. Since the European Council does not include any Green Head of State or Government (Current make-up: eight EPP members, eight Renew Europe, six S&D/PES, two ECR, and one GUE/NGL), the Green family is not included in this process.
Discussions in the European Parliament: On 28 May, in view of the results of the European Parliament elections, the EP Conference of Presidents recalled the EP resolutions emphasising the Parliament’s support for the lead candidate process. Subsequently, four of the main political groups – EPP, S&D, Renew Europe and the Greens/EFA – agreed on a political process aimed at defining a programme for change for the next legislative period, to which the new President of the European Commission would need to commit in order to enjoy a broad and stable majority in the EP.

Discussions between the EP and the European Council: On 5 June, President Tusk and the President of the European Parliament, Antonio Tajani, held consultations on the high-level appointments ahead of the June European Council meeting. President Tusk also met individually with leaders of some of the main political groups. On 18 June, he met the Parliament’s Conference of Presidents.

2019-24 Strategic Agenda for the Union

The European Council will also adopt the EU’s strategic agenda for 2019-2024. Its substance is based on the outline prepared by Donald Tusk and the discussion at the informal meeting of EU-27 Heads of State or Government on 9 May 2019 in Sibiu, and sets four core priorities:

1. protecting citizens and freedoms,
2. developing a strong and vibrant economic base,
3. building a more climate-friendly, green, fair and inclusive future,
4. defending European interests and values on the global stage.

The order of the priorities corresponds to the concerns of EU citizens, as indicated in the most recent standard Eurobarometer. Migration is the main concern, followed by terrorism (both part of priority 1). Then come the state of Member States’ public finances and the economic situation (both considered to be part of priority 2). Climate change and unemployment are next on the list of citizens’ concerns (both part of priority 3). And fourth comes the EU’s influence in the world (priority 4). The European Council is likely to invite the other EU institutions to implement these strategic priorities and will monitor their implementation.

Size of the European Commission: In 2013, EU leaders had indicated that they would come back to the issue of a possible reduction in the number of Commissioners – to two-thirds of the number of Member States – before the next European Commission takes office. In accordance with the possibility provided for in Article 17(5) TEU, the European Council is expected to decide unanimously to maintain one Commissioner per Member State, as it had already done in 2009.

Multiannual Financial Framework

The Romanian Council Presidency will update the European Council on the state of play in the Council MFF deliberations. On 14 November 2018, Parliament adopted an interim report on the MFF package, arguing for an increase in the MFF ceiling from the current 1.0 % to 1.3 % of EU gross national income. EU leaders will discuss whether to maintain the calendar set in December 2018, aiming at ‘an agreement in the European Council in autumn 2019’, or to adjust the timeline.

Climate change

The European Council will again consider climate change, at a time when divergent views on the way forward towards a carbon-neutral EU economy persist. A group of Member States (initially eight and now 18) as well as the European Parliament have recently expressed their support for the European Commission’s communication ‘A Clean Planet for all’, pleading for an ambitious and timely climate policy promoting EU carbon-neutrality by 2050. Early agreement on the level of ambition ahead of the United Nations Secretary-General’s Climate Action Summit in September is key if the EU is to play the leading role it aspires to in the global fight against climate change.

Other items

European Semester: EU Heads of State or Government are expected to endorse the 2019 country-specific recommendations (CSR), which set the goals for Member States’ fiscal and economic
policies, outlining necessary structural reforms, thus concluding the policy-guidance phase of the European Semester. In a June communication, the Commission pointed to the worse implementation of 2018 CSRs than in previous years. In addition, EU leaders might address Italy’s public debt (132.2 % of GDP in 2018); the Commission and the Eurogroup believe that an excessive deficit procedure under the Stability and Growth Pact is warranted.

Disinformation: Based on a report from the Romanian Council Presidency, EU leaders will discuss the next steps in countering disinformation. The report assesses efforts made to counter disinformation in the context of the 2019 EP elections, and outlines lessons learned thus far.

Enlargement: EU Heads of State or Government might consider the outcome of the General Affairs Council, following the European Commission recommendation, for the second year in a row, to open accession negotiations with North Macedonia and Albania. Member States remain divided. Some, including France, Germany and the Netherlands, consider it premature to open accession negotiations with one or both, whereas 13 Member States have expressed support for such a move.

External relations: The European Council will consider the situation in Ukraine, including the renewal of the economic sanctions imposed on Russia following the illegal annexation of Crimea in 2014, and the illegal issuing of Russian passports in the Donetsk and Luhansk regions of Ukraine. EU leaders will discuss the Eastern Partnership, and will most probably mandate the Commission and the High Representative to undertake an evaluation of ‘existing instruments and measures’ by early 2020. Moreover, they are expected also to examine Turkey’s actions in the Mediterranean, and reiterate their solidarity with Cyprus. EU leaders might decide to consider freezing ‘talks on an upgraded customs union’ if Turkey’s actions in the Mediterranean do not cease.

Brexit: Although Brexit is not on the agenda, it can be expected that President Tusk will update EU-27 leaders on developments in the UK, in the margins of the Euro Summit.

3. Euro Summit

On Friday 21 June, EU-27 leaders will meet for a Euro Summit in an extended format. In December 2018, euro-area leaders had endorsed the agreement reached in the Eurogroup meeting of 3 December on elements of the banking union package: (i) the European stability fund (ESM) will provide a backstop to the single resolution fund (SRF); (ii) the ESM will be able, under strict conditionality, to provide precautionary loans to Member States. On 13 June, the Eurogroup, which reports directly to the leaders, reached broad agreement on ESM treaty revision and the main features of the euro-area budget. On the European deposit insurance scheme (EDIS), the third pillar of the banking union, the Eurogroup did not take any decisions, with the exception of single supervision and a single resolution mechanism.

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