

Outlook for the meetings of EU leaders on 12-13 December 2019

At the meeting of EU Heads of State or Government in December 2019, the first to be presided over by Charles Michel, EU leaders will meet in three different formats: a regular European Council, a European Council (Article 50) meeting, and an inclusive Euro Summit. The main issues on the agenda of the European Council are climate change, with EU leaders expected to endorse the objective of climate-neutrality for the Union by 2050, and the Multiannual Financial Framework (MFF), with a discussion, for the first time, on the basis of figures proposed by the Finnish Presidency of the Council, as well as on the procedure for reaching agreement. They will also address the idea of a Conference on the Future of Europe, with the aim of developing a joint position of Member States on the initiative. The European Council (Article 50) meeting is expected to discuss the result of the general election in the UK (taking place on 12 December) and the likely consequences for the Brexit process, as well as preparations for the negotiations on future EU-UK relations. The Euro Summit will concentrate on the revision of the European Stability Mechanism (ESM) Treaty, the budgetary instrument for convergence and competitiveness (BICC), and technical work on the strengthening of the banking union.

1. Implementation: Follow-up to previous European Council commitments

As announced in the October 2019 European Council conclusions, EU leaders will return to the issues of the MFF for the 2021-27 period, and climate change, as reflected in the annotated [draft agenda](#).

Policy area	Previous commitment	Occasion on which commitment was made
MFF	In the light of this discussion, it calls on the Presidency to submit a Negotiating Box with figures ahead of the European Council in December 2019	October 2019
Climate change	Finalise its guidance on the EU's long-term strategy on climate change	October 2019

At the start of the European Council meeting, the President of the European Parliament, David Sassoli, will address the Heads of State or Government. Sanna Marin, newly appointed Prime Minister of Finland, which currently holds the rotating six-month presidency of the Council of Ministers, will provide an overview of progress made in implementing previous European Council conclusions. This meeting will also be the first European Council to be presided over by Charles Michel, previously Prime Minister of Belgium, who took over as President of the European Council on 1 December.

2. European Council meeting

Climate change

The 'objective of achieving a climate-neutral EU by 2050' will be the main and most sensitive issue for the European Council to consider. For the moment, Member States are still seeking agreement on this objective, which is a prerequisite for the successful implementation of the [European Green Deal](#) announced by the new European Commission. Building consensus for the effective 'endorsement' of the objective of climate-neutrality by 2050 will be Charles Michel's first major challenge as new European Council President. He has [called](#) the European Green Deal a 'peace treaty with nature', and [committed](#) to 'work to "convince" all Member States to agree' on this objective. Earlier [attempts](#) to achieve consensus were not fully successful, therefore resulting in the inclusion of a footnote in the June 2019 [European Council conclusions](#), which acknowledged that 'for a large majority of Member States, climate neutrality must be achieved by 2050'.

Climate is increasingly a horizontal issue, mainstreamed in all EU policies. Its funding is a key element for the EU's credibility. EU leaders [are expected](#) to agree that a 'significant percentage' of the next MFF should be allocated to climate change. The Heads of State or Government will probably also discuss investment to [support](#) a 'just and socially balanced transition'. Several Member States, which fear a negative impact of the green transition on their regions, notably [Poland](#), consider that the acceptance of the principle of a socially balanced transition is needed as a guarantee for their support for the climate-neutrality objective. The forthcoming Just Transition Fund [announced](#) by the new Commission President, Ursula von der Leyen, would support those regions be most affected by the green transition. In the absence of an agreement on climate targets, the Just Transition Fund, although mentioned in earlier drafts of the October 2019 European Council conclusions, [was removed](#) from the final version.

Global CO₂ emissions [have risen](#) by four per cent compared to pre-Paris Agreement levels, with the EU at risk of being unable to meet its 2020 climate targets. In the context of its 2030 targets, it is urgent for Member States to finalise their national long-term greenhouse-gas emissions strategies, and to [communicate](#) them to the UN Framework Convention on Climate Change in the first quarter of 2020, in compliance with the Paris Agreement. The European Parliament has [called](#) on Member States 'to consider aviation and shipping' in their national plans and to double their contributions to the [UN Green Climate Fund](#). At its March 2019 meeting, the European Council [called](#) for 'the timely finalisation of the national-long term strategies'. At that point, only four Member States (Czechia, France, Germany and the United Kingdom) had [submitted](#) their contributions. In the meantime, the number has [increased](#) to five with the submission of the Portuguese contribution.

The European Council will most probably concentrate on several other items as part of its climate debate. These [include](#), inter alia, the mooted carbon border tax and energy security, as well as means to counter climate-related aspects of distortions to the internal market generated by foreign subsidies to foreign-owned companies in the EU. The European Council has already [stressed](#) that there is a need to address the 'distortive effects' of such subsidies. Furthermore, ahead of the European Council, the European Commission [is expected](#) to present proposals for the first ever 'European Climate Law'.

The European Council could also consider the external dimension of climate action by stressing the EU's climate diplomacy role in [fulfilling](#) the 2019-24 Strategic Agenda objective to globally lead 'the way forward in the fight against climate change'.

Multiannual Financial Framework

The European Council is expected to hold a substantive discussion on the next Multiannual Financial Framework (MFF). On 2 December, the Finnish Presidency of the Council [presented](#) a negotiating box with figures. The Finnish proposal envisages a budget of 1.06 % of the EU's gross national income (GNI) for 2021-2027, which is significantly lower than the proposals of the European Commission (1.114 %) and Parliament (1.3 %). Nevertheless, some Member States call for the MFF

to be set at 1.0 %. The proposal from the Finnish Presidency also makes reference to the introduction of a general regime of conditionality 'to tackle identified instances of general deficiencies as regards the rule of law in Member States'.

Concerning own resources, the Finnish proposal considers the possible introduction of national contributions for non-recycled plastic packaging, as well as a share of the revenues of the Emissions Trading System. Here again, the proposals of the [Commission](#) (e.g. call rate applied to the new Common Consolidated Corporate Tax Base) and the [Parliament's](#) requests (e.g. digital services taxation, a financial transaction tax, income from the emissions trading scheme, and a carbon border adjustment mechanism) go beyond what the Council currently seems willing to agree on.

Members of the European Council are not expected to reach an agreement on the substance of the MFF at this meeting, but to agree a methodology for reaching consensus. An extraordinary European Council meeting is being considered for early in the New Year, with a view to a possible agreement at the scheduled March 2020 meeting.

On 10 October 2019, the new European Parliament [adopted](#) a resolution on the MFF, reiterating that 'Parliament will not rubber-stamp a *fait accompli* from the European Council', and calling on the latter institution to 'refrain from adopting detailed and purportedly binding conclusions based on the MFF negotiating box, as this would amount to direct interference in the legislative sphere'.

External relations

The European Council [is expected](#) to discuss external relations issues. EU leaders could take stock of the evolution of the situation in Ukraine, including the implementation of the Minsk Agreements, and green-light the renewal of the [economic sanctions](#) imposed on Russia following the illegal annexation of Crimea. Following the 9 December 2019 [Foreign Affairs Council](#), the EU leaders might call, [once again](#), to strengthen the EU-Africa partnership and to speed up work on the forthcoming comprehensive strategy on Africa [announced](#) by the new European Commission President, Ursula von der Leyen.

Other items

Conference on the Future of Europe

The European Council is also expected to discuss the proposal for a Conference on the Future of Europe. The idea was first [suggested](#) by the French President, Emmanuel Macron, in March 2019, and was subsequently [supported](#) by the new Commission President, Ursula von der Leyen, before her election by the Parliament. She indicated that she would also consider Treaty change if the outcome of the conference were to require such a step. The notion of Treaty change elicited little enthusiasm from EU Heads of State or Government when [presenting](#) their views on the Future of Europe in the European Parliament in 2018-2019. Recently, France and Germany have made a joint [proposal](#) outlining their views. For more information, please see the EPRS Briefing, [Preparing the Conference on the Future of Europe](#).

As there is currently no agreed position between the Member States, the European Council is expected to invite the incoming Council Presidency (Croatia) to work towards defining a Council position on the content, scope, composition and functioning of such a conference. This position is likely to emphasise that the conference should as a matter of priority focus on the development of the EU's policies in the medium and long term, building on the recent citizens' dialogues. The European Council is likely to underline the need for an inclusive process and shared ownership by European institutions and Member States. In this context, the European Council is also expected to recall the importance of implementing the [Strategic Agenda 2019-24](#).

3. European Council (Article 50) meeting

On 13 December, EU-27 leaders will discuss preparations for the negotiations on future EU-UK relations, notably a [negotiating mandate](#) for future trade talks. The result of the UK general election,

to be held the previous day, on 12 December, will likely play an important role in the next stage of the withdrawal process, as well as in the shape of the future relationship.

According to Article 50(3) TEU, the Treaties cease to apply to the withdrawing country from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification, unless the European Council, in agreement with the withdrawing country, unanimously decides to extend this period. Following unsuccessful attempts by the UK to [ratify the withdrawal agreement](#) and [two extensions](#) of the period under Article 50(3), the European Council, on 29 October 2019, [approved](#) a [third extension](#) to allow for more time for the ratification of the [revised withdrawal agreement](#), until 31 January 2020, at the latest.

4. Euro Summit

On [Friday 13 December](#), EU-27 leaders will meet for a Euro Summit to follow-up on the discussion [last June](#) on the deepening of Economic and Monetary Union (EMU).

The Euro Summit will take stock of progress made since the June [statement](#) and consider in particular the revision of the European Stability Mechanism (ESM) Treaty, the budgetary instrument for convergence and competitiveness (BICC), and technical work on strengthening the banking union. The Eurogroup, which reports directly to the EU leaders, met to prepare these topics on [4 December](#).

Ahead of the Euro Summit meeting, President Charles Michel met with the President of the European Commission, the President of the European Central Bank, and the President of the Eurogroup to discuss recent economic developments. They reflected on seven consecutive years of growth and record high employment levels in Europe. According to Michel, uncertainties in the international context are the main reason for risks to the economic outlook. In his opinion, it is essential to deepen EMU and strengthen the banking union, so as to ensure that sustainable economic growth and more jobs can be created. The President of the European Council [plans](#) to hold similar meetings ahead of every Euro Summit.

DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2019.

eprs@ep.europa.eu (contact)

www.eprs.ep.parl.union.eu (intranet)

www.europarl.europa.eu/thinktank (internet)

<http://epthinktank.eu> (blog)

