

# Outcome of the meetings of EU leaders, 12-13 December 2019

At the first meeting chaired by the new President of the European Council, Charles Michel, EU Heads of State or Government gathered for meetings of the European Council, the European Council's Article 50 formation and the Euro Summit. The main issues on the agenda of the European Council itself were climate change, the next Multiannual Financial Framework (MFF), and the proposed Conference on the Future of Europe. Regarding climate change, the European Council announced an agreement on the objective of achieving a climate-neutral EU by 2050, despite the refusal of one Member State to commit to implementing this objective at this stage. On the MFF, the European Council did not reach agreement, but mandated its President to take the negotiations forward. The European Council also considered the idea of a Conference on the Future of Europe, and tasked the incoming Croatian Council Presidency to work towards defining a Council position on the matter, and on that basis, to engage with the European Parliament and the Commission. EU leaders also discussed a wide range of international issues, including relations with Turkey and Russia, notably the renewal of the economic sanctions on the latter, and the mounting terrorist activities in the Sahel. Following the general election in the United Kingdom, the European Council's Article 50 formation called for the timely ratification and effective implementation of the Withdrawal Agreement, and confirmed its desire to establish as close as possible a future relationship with the UK. It invited the Commission to submit to the Council a draft comprehensive negotiating mandate for this process, to begin immediately after the UK's withdrawal. The Euro Summit tasked the Eurogroup to continue working on the package of reforms to the European Stability Mechanism (ESM), and on all elements contributing to a stronger banking union. On the Budgetary Instrument for Convergence and Competitiveness (BICC), EU leaders invited the Eurogroup to swiftly provide appropriate solutions for its financing.

## 1. Implementation: Follow-up on previous European Council commitments

In accordance with Article 235(2) TFEU, the President of the European Parliament, David Sassoli, [addressed](#) the European Council at the start of its proceedings. The Prime Minister of Finland, Sanna Marin, President-in-Office of the Council, provided an overview on the progress made in implementing previous European Council conclusions.

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

Policy area	Action	Actor	Schedule
Climate change	Come back to the objective of achieving a climate-neutral EU by 2050	European Council	June 2020
Climate change	Prepare a proposal for the EU's long-term strategy with a view to its adoption by the Council and its submission to the UNFCCC.	European Commission	Early 2020

## 2. European Council meeting

### Climate change

EU leaders endorsed ‘the objective of achieving a climate-neutral EU by 2050’, although one of the Member States, [Poland](#), could not commit to implementing this objective at this stage. Poland will not, for now, implement the objectives of the European Commission’s [European Green Deal](#), which entail the adoption of a European Climate Law setting climate-neutrality by 2050 as a legally binding objective. EU leaders took note of the Commission communication on the European Green Deal and asks the Council ‘to take work’ forward with a view to enabling a fair, just and ‘socially balanced’ green transition, compliant with the Paris Agreement commitments. They agreed that ‘significant public and private investments’ were needed for a successful green transition and ‘welcomed’ the European Investment Bank’s intention ‘to support €1 trillion of investment’ in climate and environmental action between 2021 and 2030.

Funding clearly remains a sensitive issue. With several Member States concerned by the impact and cost of the green transition, the lack of clarity in the MFF ‘negotiating box’ put forward by the Finnish Presidency, with no [indicative amount](#) for the forthcoming Just Transition Mechanism, did not enable further progress. Prior to the meeting, the European Commission had [announced](#) its intention to mobilise €100 billion ‘targeted to the most vulnerable regions and sectors’, a proposal ‘welcomed’ by the European Council, and which could also be [supported](#) by Parliament. Moreover, EU leaders acknowledged the importance of mainstreaming climate in ‘all relevant EU legislation and policies’. They invited the Commission to propose adjustments to the existing (legislative) situation where necessary, including ‘on state aid and public procurement’.

The new European Commission President, Ursula von der Leyen, [stated](#) that the EU wished to remain a ‘front-runner’ in the fight against climate change and provide the world with a model, whilst the new European Council President, Charles Michel, stressed the geopolitical importance of climate diplomacy. The implementation of the Paris Agreement remains a key objective of the EU’s climate action, and the European Council reminded Member States of their obligation to [submit](#) their ‘nationally determined contributions (NDCs) for 2030 in good time before COP26’.

*Main message of the EP President:* The President of the European Parliament, David Sassoli, [stressed](#) that climate change is the first concern of EU citizens and therefore, rightfully so, a priority for the EU institutions’ ‘shared agenda’. He recalled that, recently the Parliament had recognised climate change as an ‘existential threat’ to humanity and welcomed the Commission’s efforts to tackle it through its newly unveiled [European Green Deal](#). President Sassoli urged EU leaders to support more ambitious climate action and to commit to climate-neutrality by 2050.

### Multiannual Financial Framework

Based on the presentation of the negotiating box with figures by the outgoing Finnish Presidency, EU leaders briefly discussed the main features of the next Multiannual Financial Framework (MFF). Without specifying a concrete deadline, the European Council [called](#) ‘on its President to take the negotiations forward with the aim of reaching a final agreement’.

Following the European Council meeting, the President of the European Council, Charles Michel, [laid out](#) the working methods of the ‘next phase’ in agreeing the MFF, which is his responsibility in close cooperation with the Commission. He indicated that, in order to reach an agreement in the coming weeks or months, he will organise bilateral meetings at technical and political level, and then, judge when the time is right to reach the ‘landing zone’ of the negotiations. Some of the most sensitive issues that need to be addressed include: the level of ambition, the question of rebates, conditionality, balance between classic priorities and new priorities (e.g. climate change) as well as own resources, which were to be discussed in close cooperation with the Parliament.

*Main messages of the EP President:* President Sassoli stressed the ‘need to find an agreement as quickly as possible in order to avoid delays in implementing the Union’s policies and programmes.’ As the Parliament’s position on the MFF is well known, President Sassoli expressed surprise at the

latest proposal from the Finnish Presidency, which fell short of the expectations of all of the Parliament's political groups. He pointed out that the Parliament regarded the decision on the multiannual budget as a 'single package', involving the introduction of a new own resources 'basket' as well as the increase of spending to 1.3 % of gross national income. He underlined that 'no one should make the mistake of taking Parliament's consent for granted without having listened to what it has to say.'

### Conference on the Future of Europe

As flagged up in the EPRS [Outlook](#), the European Council considered the idea of a Conference on the Future of Europe starting in 2020 and ending in 2022. It recalled 'that priority should be given to implementing the Strategic Agenda agreed in June [2019], and to delivering concrete results for the benefit of our citizens'. The conference should contribute to the development of policies in the medium and long term so that we can better tackle current and future challenges. It should build on the citizens' dialogues over the past two years and provide for broad consultation of citizens. It needs to be 'an inclusive process, with all Member States involved equally.' The European Council stressed that the process should 'involve the Council, the European Parliament and the Commission, in full respect of the interinstitutional balance and their respective roles as defined in the Treaties'. It asked the Croatian Council Presidency 'to work towards defining a Council position on the content, scope, composition and functioning of such a conference and to engage, on this basis, with the Parliament and the Commission.' The Parliament is [expected](#) to adopt a resolution in January, in order to start discussions with the Council and the Commission early next year.

*Main messages of the EP President:* President Sassoli welcomed the Commission's step of 'proposing a conference, but [was] even more pleased that, for the first time in these 10 years, the Council/the Member States are also keen to launch a wide-ranging debate on the future of Europe and reach agreement on a shared vision of how we can improve our policy-making in order to achieve practical results and benefits for our citizens.' He stressed that 'Parliament, intend[s] to be a driving force in the organisation of the conference and in its proceedings.' For President Sassoli, 'it is vital that the Presidents of the three institutions show joint leadership by taking on a personal role in this process'.

### Other Items

#### Working methods of the European Council

Charles Michel [explained](#) how he envisaged the future work of the European Council would be carried out, and presented to European Council members an 'indicative agenda' for its work over the coming years. He [stressed](#) that a concerted agenda, coordinated between the institutions (Council, Commission, Parliament), was a key element in advancing the European project.

#### International trade

EU leaders reiterated their full support for the global rules-based international order, and expressed their concern at the paralysis of the WTO's mechanism for settling disputes. They supported the Commission's efforts to set up [interim arrangements](#) with third countries, as has been done so far with Canada and Norway. They called on the co-legislators to examine the Commission's [proposal](#) to amend the [EU Enforcement Regulation](#). This will allow the EU to [enforce international trade rules](#) in circumstances where the WTO is no longer able to deliver binding dispute-settlement decisions.

#### EU-Africa partnership

The European Council called on the Commission and the High Representative to provide it with the necessary basis for a strategic discussion on EU relations with Africa at its meeting in June 2020. This discussion will contribute to the preparations ahead of the African Union-EU summit, scheduled for autumn 2020, which will be a milestone in modernising and scaling up the EU's partnership with Africa. President Michel [confirmed](#) that EU leaders have discussed the security situation in West Africa and the Sahel, including counter-terrorism aspects, and deplored the [deadly terrorist attack](#) perpetrated in Niger. The development of a comprehensive partnership with Africa is viewed as a high priority in the political agendas of both the [European Council](#) and the [Commission](#).

## External relations

The European Council once again condemned Turkey's illegal drilling activities in the Exclusive Economic Zone of Cyprus, and stressed that Turkey's actions are in violation of the [Law of the Sea](#). In November 2019, the Council [adopted](#) a framework for sanctions targeted against 'individuals or entities responsible for, or involved in, unauthorised drilling activities of hydrocarbons in the Eastern Mediterranean'. President Michel [said](#) that the EU should nevertheless pursue dialogue with Turkey as well as cooperation on certain issues, including migration, but that it needed a 'strategic vision', including short and long-term goals, to define its bilateral relationship with Turkey.

The French President, Emmanuel Macron, and Germany's Chancellor, Angela Merkel, informed their colleagues of the evolution of the situation in Ukraine, of the [outcome](#) of the recent Normandy format discussions and of the [measures agreed](#). Considering the lack of progress in the implementation of the Minsk Agreements, EU leaders gave a green-light for the [renewal](#), for a further six months, of the [economic sanctions](#) on Russia following its illegal annexation of Crimea.

The European Council expressed solidarity with Albania following the recent earthquake, and welcomed the European Commission's [commitment](#) to provide humanitarian assistance.

## 3. Euro Summit

The [Euro Summit](#) welcomed progress achieved in the Eurogroup on deepening economic and monetary union. EU leaders tasked the Eurogroup to continue working both on the European Stability Mechanism (ESM) reforms and on all elements aimed at further strengthening banking union. They also discussed the Budgetary Instrument for Convergence and Competitiveness (BICC), and invited the Eurogroup to find solutions for its financing, to meet the Euro Summit's ambitions for convergence and competitiveness. President Michel will discuss the BICC with Member States in the context of MFF consultations, with the aim of finalising it together with the MFF package. He also mentioned that, in parallel to the work of the Eurogroup, the development of a long-term vision for the international role of the euro, matching the Union's global economic and financial weight, would constitute an important focus in the coming months.

## 4. European Council (Article50) meeting

The UK general election, held on 12 December 2019, saw the Conservative Party win a clear majority of seats in the House of Commons, paving the way for the UK to leave the EU on 31 January 2020. The European Council reiterated its commitment to an orderly withdrawal based on the [Withdrawal Agreement](#) and called for the latter's timely ratification and effective implementation. EU leaders invited the Commission to prepare a draft comprehensive negotiating mandate for the future EU-UK relationship, with a view to its adoption by the General Affairs Council. The future relationship needs to be based on a balance of rights and obligations and ensure a level playing field.

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