

February 2016

Outcome of the European Council of 18-19 February 2016

The European Council meeting of 18-19 February 2016 was dominated by the negotiation of an agreement between the United Kingdom and the other 27 Member States the basis for the former's continued membership of the European Union. The migration crisis received less attention and mainly led to calls for better implementation of previous agreements. The European Council also endorsed the recommendations on economic policy for the euro area and expressed its views on the political situations in Syria and Libya. The President of the European Parliament, Martin Schulz, not only participated at the outset of the meeting, but also attended the informal working session the following day on the discussions on a 'new settlement' for the UK in the EU.

1. Renegotiation of UK membership of the EU

After lengthy talks, EU leaders [reached mutually satisfactory solutions](#) covering all four areas set out in UK Prime Minister David Cameron's [letter](#) of 10 November 2015 to the President of the European Council, Donald Tusk: economic governance, competitiveness, sovereignty and immigration (Table 1 summarises the evolution of the negotiation, from the original requests to the final agreement). Before the European Council meeting started, Donald Tusk [defined](#) the meeting as a 'make-or break' summit. Following the meeting, he [stated](#) that 'we have just achieved a deal which strengthens Britain's special status in the European Union', further adding that it is 'a legally binding and irreversible decision by all 28 leaders'. The UK Prime Minister, David Cameron, [stated](#): 'I believe the deal has delivered on the commitments I made at the beginning of this renegotiation process', and that 'Britain will be permanently out of ever closer union – never part of a European superstate'.

The European Parliament's President, Martin Schulz, [opened](#) the European Council's discussions on the United Kingdom's membership of the European Union by stressing that the 'overwhelming majority in the European Parliament wants to see the UK remain in the European Union'. He emphasised that the concept of 'ever closer union' is very important for the future perspective of the EU and that the currency of the European Union is the euro, as stated clearly in the Treaties. He underlined that Parliament would not allow any discrimination against EU citizens in the area of social benefits. President Schulz [pointed out](#) that many of the calls for greater efficiency and more transparency have been addressed in the new [Inter-institutional Agreement on Better Law-Making](#). He also [stressed](#) that it was extremely important for the European Parliament that future Treaty changes relate not only to the specific role of the UK as regards 'ever closer union', but also cover other topics, such as reinforcement of Economic and Monetary Union.

The final text of the agreement addresses the issues discussed by the United Kingdom and its EU partners, such as restricting access to in-work benefits for workers from other Member States in the United Kingdom and reducing child benefits. It also contains safeguards on euro-area governance, and an exemption for the United Kingdom from further political integration into the European Union. Perhaps the most controversial issue was the 'safeguard mechanism', a so-called 'emergency brake' on in-work benefits for EU workers in the UK. On this, it was decided that the mechanism can apply for seven years but will be non-renewable. This proposal was the subject of [strong opposition](#) from, in particular, central and eastern European Member States. (See the [EPRS analysis of the renegotiation](#).)

Table 1: Development of the reform proposals

Policy area	<u>Cameron's request</u>	<u>Tusk proposal</u>	<u>Final result</u>
Economic governance: Multi currency	Recognise that the EU has more than one currency.	Not specified.	Recognises that not all Member States have the euro as their currency.
Economic governance: Currency-based discrimination	No discrimination based on the currency of the country.	Discrimination based on the official currency of the Member State is prohibited.	Discrimination based on the official currency of the Member State is prohibited.
Economic governance: The Single Market	Protect the integrity of the Single Market.	Make all efforts to strengthen the internal market and to adapt it to keep pace with the changing environment.	Make all efforts to strengthen the internal market and to adapt it to keep pace with the changing environment.
Economic governance: EMU governance	Any changes that the euro area decides need to be voluntary not compulsory for non-euro area members.	Further deepening of EMU will be voluntary for Member States whose currency is not the euro.	Further deepening of EMU will be voluntary for Member States whose currency is not the euro.
Economic governance: Emergency assistance mechanisms	Non-euro-area countries should not be financially liable to support euro-area countries.	Emergency and crisis measures addressed at safeguarding the financial stability of the euro area will not entail budgetary responsibility for Member States whose currency is not the euro.	Non-euro-area countries cannot impede further integration but not responsible for bailouts.
Economic governance	Any issue that affects all Member States must be discussed and decided by all Member States.	Different sets of Union rules may have to be adopted in secondary law, thus contributing to financial stability.	Any Member State can request a Council discussion on euro laws that may affect financial stability, without prejudice to the ordinary legislative procedure.
Economic governance	National institutions of non-euro-area countries have a key competence in financial stability and supervision.	Makes reference to a 'single rulebook' concerning prudential requirements for credit institutions or other legislative measures to be adopted for the purpose of safeguarding financial stability.	The Single Rulebook is to be applied by all credit institutions and other financial institutions in order to ensure the level playing field within the internal market.
Competitiveness: Cutting red tape	Cut the total burden on business.	Lower administrative burdens and compliance costs.	Concrete steps towards better regulation.
Competitiveness: Free movement	Fulfil the commitment to the free flow of capital, goods and services.	The free movement of goods, persons, services and capital is ensured as an essential objective of the Union.	The free movement of goods, persons, services and capital is ensured as an essential objective of the Union.
Competitiveness: Enhancement	Long-term commitment to boost competitiveness and productivity of the EU.	The EU must increase efforts towards enhancing competitiveness.	The EU must increase efforts towards enhancing competitiveness in line with European Council declaration on competitiveness.
Sovereignty: Ever-closer union	End Britain's obligation to work towards an 'ever-closer union'.	Ever-closer union not equivalent to the objective of political integration.	At the time of the Treaties' next revision, it will be made clear that 'ever-closer union' does not apply to the UK.

Sovereignty: Red card for national parliaments	Groups of national parliaments can stop unwanted legislative proposals.	Where reasoned opinions on the non-compliance of a draft Union legislative act with the principle of subsidiarity represent more than 55% of the votes allocated to the national parliaments, the Council Presidency will include the item on the agenda of the Council for a comprehensive discussion on these opinions.	Where reasoned opinions on the non-compliance of a draft Union legislative act with the principle of subsidiarity represent more than 55% of the votes allocated to the national parliaments, the Council Presidency will include the item on the agenda of the Council for a comprehensive discussion on these opinions.
Sovereignty: Subsidiarity	EU's commitments to subsidiarity fully implemented.	The application of the principles of subsidiarity and proportionality are to be duly taken into account.	The application of the principles of subsidiarity and proportionality are to be duly taken into account.
Sovereignty: JHA Protocols	Any future proposals in JHA matters must fully respect the JHA protocols allowing the UK to choose to participate or not.	Title V of Part Three of the TFEU does not bind the Member States covered by Protocols 21 and 22 unless this is in accordance with the wishes of the Member State.	Title V of Part Three of the TFEU does not bind the Member States covered by Protocols 21 and 22 unless this is in accordance with the wishes of the Member State.
Sovereignty: National security	National security is and must remain the sole responsibility of the Member States.	National security remains the sole responsibility of each Member State.	National security remains the sole responsibility of each Member State.
Immigration: Free movement	Free movement will only apply for new Member States joining the EU in future, once their economies have converged much more closely with existing Member States.	Concerning future enlargement of the EU – appropriate transitional measures concerning the free movement of persons will be provided for.	Concerning future enlargement of the EU – appropriate transitional measures concerning the free movement of persons will be provided for.
Immigration: Tackling fraud	Tougher and longer re-entry bans for fraudsters and people who collude in sham marriages.	Take action to prevent abuse of rights or fraud.	Take action to prevent abuse of rights or fraud.
Immigration: Restrictive measures	Stronger powers to prevent criminals from entering the country deport them and stop them from coming back.	Member States may take restrictive measures to protect themselves against individuals whose personal conduct is likely to represent a genuine and serious threat to public policy or security.	Member States may take restrictive measures to protect themselves against individuals whose personal conduct is likely to represent a genuine and serious threat to public policy or security.
Immigration: Safeguard mechanism	People coming to Britain from the EU must contribute for four years before they qualify for in-work benefits or social housing.	Limit the access of new Union workers to in-work benefits for a period up to four years.	Introduction of a 'safeguard mechanism' to restrict benefits in exceptional circumstances. The measure bans benefits for four years and remains in place for seven years and cannot be extended.
Immigration: Child benefits	Ending the practice of sending child benefits overseas.	Index benefits to the standard of living in the Member State in which the child resides.	For new migrants, index child benefits to the standard of living where the child resides.

In view of the UK in-out referendum, which is to be held on [Thursday 23 June 2016](#), British Prime Minister David Cameron has now begun campaigning for the UK to stay in the European Union, and argued that 'Britain will be safer, stronger and better off in a reformed European Union'.

The [final](#) text is legally binding on EU governments under international law but will take effect only if and when the UK [votes to remain in the EU](#). In the event that the result of the referendum in the United Kingdom is to leave the European Union, the set of arrangements in the agreement would cease to exist. Not all measures can come into immediate effect. As mentioned in the [EPRS pre-European Council Briefing](#), this includes any changes to the principle of 'ever closer union' which can be dealt with only upon the next revision of the Treaties. Moreover, the changes for EU workers' access to in-work benefits will need to be implemented via secondary legislation, through the ordinary legislative procedure. In the near future, the European Commission is expected to propose the necessary legislation concerning both the indexation of child benefits and the introduction of an 'emergency brake'. While meeting with David Cameron prior to the European Council, representatives of the European Parliament [expressed](#) their view that there can be 'no guarantees' in advance that such measures will move easily through the Parliament. However, the larger political groups in the EP subsequently stated their support for the announced agreement.

2. Migration crisis

The majority of the European Council's conclusions on migration focused on the implementation of previously agreed measures. Prior to this European Council meeting, European Commission President Jean-Claude Juncker had already [announced](#) that no major decisions would be taken because the next European Council meeting, on 17-18 March 2016, will feature a comprehensive debate on reforming the EU's existing framework for a common asylum policy. EU leaders mainly [recalled](#) their priorities, as already set out in the conclusions of the [18-19 December 2015 European Council meeting](#), namely 'to rapidly stem the flows, protect our external borders, reduce illegal migration and safeguard the integrity of the Schengen area'. Taking stock of implementation, EU leaders [concluded](#) that while some improvements have been made, further efforts are needed, in particular for the decisions on relocation and measures to ensure an effective return and readmission policy, which should be implemented rapidly. Work on the 'European Border and Coast Guard' proposal should be accelerated, as the aim is to reach a political agreement before July 2016.

Speaking to the Heads of State or Government, the President of the European Parliament, Martin Schulz, [argued](#) that the EU is suffering a 'crisis of solidarity.' European Commission President Jean-Claude Juncker [recalled](#) that the European Council has already agreed on measures to deal with the refugee crisis, including redistribution and relocation, and that '*Member States must make good on what they agreed*'. European Council President Donald Tusk [stressed](#) that the rules and laws adopted by all Member States need to be respected: both the decision made on relocation and the [Schengen Borders Code](#) need to be applied in full.

The European Council [expressed](#) the EU's solidarity with Turkey and condemned the recent terrorist attacks in Ankara, which had killed at least 28 people and injured over 60. As a result of the attacks, Turkish Prime Minister Ahmet Davutoğlu [was unable](#) to come to Brussels where he had been scheduled to meet with a group of EU leaders (those he had also met with [prior to the 16 December 2015 European Council](#)), to discuss wider issues on migration. European Council President Donald Tusk [announced](#) that there would be a special meeting with Turkey at the beginning of March 2016 to discuss implementation of the EU-Turkey Action Plan. EU leaders stressed the importance of the 'full and speedy implementation of the EU-Turkey Action Plan'. While acknowledging that some progress has been made, they called for more decisive efforts on the Turkish side to ensure its effective implementation. The European Council also welcomed the agreement reached on the [Facility for Refugees in Turkey](#) and called on the Commission and the Member States to swiftly implement the priority projects.

EU leaders expressed their concerns over the irregular migrant flows along the Western Balkans route, and insisted on further concerted action and putting an end to the so-called '[wave-through](#)' approach. The humanitarian situation for migrants along the Western Balkans route requires urgent action using all available EU and national means. Therefore, Heads of State or Government called for the EU to be allowed to provide humanitarian assistance inside the EU, in cooperation with organisations such as the [UNHCR](#), to support countries facing the influx of large numbers of refugees and migrants. On 17 February 2016, Presidents Juncker and Tusk [co-hosted](#) a dinner with leaders from the Western Balkans, including the Croatian and Slovenian Prime Ministers and the Presidents of Serbia and of the Former Yugoslav Republic of Macedonia. Participants underlined the need to avoid an already developing humanitarian crisis, and discussed the importance of avoiding unilateral measures. European Commission President Jean-Claude Juncker, [criticising](#) the increasing number of national border controls in the EU due to the fact that there is no common European approach, also commented negatively on Austria's recent decision to cap asylum applications, adding that the European Commission is currently examining the legality of these measures.

The European Council also welcomed NATO's decision to provide assistance in the reconnaissance, monitoring and surveillance of illegal crossings in the Aegean Sea, and called upon all members of NATO to actively support these measures.

3. External relations

3.1. Syria

The European Council expressed its concerns over the political-military situation in Syria. It welcomed the [outcome](#) of the 11-12 February 2016 [International Syria Support Group \(ISSG\)](#) meeting in Munich, and called for the implementation of commitments made, including a nationwide cessation of hostilities and the facilitation of humanitarian assistance throughout Syria, in full respect of [international humanitarian law](#). The outcome of the Munich meeting represents an encouraging development towards resolving the conflict. However, its viability remains to be tested during the implementation phase. EU leaders also welcomed the outcome of the [conference on supporting Syria](#) and the region held in London on 4 February 2016.

3.2. Libya

The European Council reiterated its [December 2015](#) call for the implementation of the [Libyan Political Agreement](#) among the representatives of a broad base of Libyan society. EU leaders urged the parties to form a Government of National Accord, while underlining the importance of a stable Libyan government to ensure economic reconstruction, and for stabilising the country and fighting terrorism. They reiterated the EU's commitment, in close cooperation with the UN, to capacity-building in Libya in support of Libyan society's efforts to stabilise the country.

4. European Semester

EU leaders endorsed [recommendations](#) on economic policies for the euro area within the framework of the European Semester. The Ecofin Council will formally adopt the euro-area recommendations at its next meeting, on 8 March 2016.

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Manuscript completed in February 2016. Brussels © European Union, 2015.

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