

17 October 2016

Outlook for the European Council of 20-21 October 2016

The [20-21 October 2016 European Council meeting](#) will focus primarily on migration and trade issues, but will also address global economic issues and external relations. On migration, EU leaders will most likely concentrate on progress on the [Partnership Framework of cooperation with countries of origin or transit](#) and on protecting the EU's external borders, as well as on the implementation of the [EU-Turkey statement](#). The EU-Canada Free Trade Agreement, the ongoing free trade agreement negotiations with the United States and Japan, and trade defence instruments will be the main trade-related topics. On other global and economic issues, the European Council will probably welcome the ratification of the Paris Climate Change Agreement, the extension of the European Fund for Strategic Investment and the delivery of the various single market strategies. When it comes to external relations, EU leaders are expected to hold a policy debate on relations with Russia, and will possibly address the current situation in Syria.

1. Migration

The European Council [is expected](#) to take stock of the latest developments and progress on the various elements of the EU's comprehensive migration policy, and chart the future course.

- **Implementation of the EU-Turkey statement**

The European Council will examine the results of the EU-Turkey statement. On account of the sharp and continued decrease in the number of people crossing the Aegean irregularly and of those losing their lives, the Commission [argues](#) that the statement has so far been effective. The Heads of State or Government will stress the need for continued implementation of the statement and highlight some areas where further efforts are needed, such as on returns from the Greek islands to Turkey. They will recall that visa liberalisation will be implemented once all benchmarks have been fulfilled. On this note, EU leaders are expected to call on the co-legislators to seek an agreement on the revision of the [visa suspension mechanism](#). The Commission will present its fourth report on the implementation of the EU-Turkey statement in December 2016, in time for EU leaders to discuss it at the 15-16 December European Council.

- **External border protection**

EU leaders will stress the importance of the European Border and Coast Guard, a priority objective of the European Council as regards external border protection. This new agency [was officially launched](#) on 6 October 2016. In comparison with its predecessor Frontex, the mandate and activities of this new agency have been significantly expanded. In order for the agency to be able to deploy border operations at short notice, its permanent staff will be more than doubled and it will be able to purchase its own equipment.

The European Council is expected to call upon the Council to finalise its position on an [entry/exit system](#) before the end of 2016, as well as anticipate the upcoming Commission proposal for a [European Travel Information and Authorisation System](#) (ETIAS), to allow for advance security checks on visa-exempt travellers.

- **External aspects of migration**

The Heads of State or Government will also receive an [update on the implementation](#) of the [Partnership Framework of cooperation with countries of origin or transit](#), agreed by the European Council on 28 June 2016. High Representative/Vice-President of the Commission (HR/VP) Federica Mogherini was

tasked with leading the implementation of this new approach, with the aim of concluding the first 'compacts' with a limited number of priority countries (Ethiopia, Mali, Niger, Nigeria, Senegal) before the end of the year. The compacts with [Jordan](#) and Lebanon, which are currently being negotiated, might even be finalised before the European Council meeting. The European Council will then assess the impact of these compacts on the levels of returns of irregular migrants when it meets on 15-16 December 2016.

The European Council will also stress the importance of the [External Investment Plan](#) for boosting investment and creating jobs in the partner countries, and will urge the co-legislators to make swift progress on this file.

- **Relocation and resettlement**

EU leaders will repeat their earlier call, made at the 28 June 2016 European Council meeting, for accelerated action to implement the existing relocation and resettlement schemes. The European Commission [reported](#) on 28 September 2016 that important progress on relocation and resettlement had been achieved, with 5 651 persons having been relocated from Greece (4 455) and Italy (1 196). The [Council decision](#) was to relocate 120 000 people in clear need of international protection from Italy and Greece and other Member States.

EU leaders will also reiterate the commitment made in the [Bratislava Declaration](#) to find a satisfactory solution to the reform of the Common European Asylum System, including how to apply the principles of responsibility and solidarity in the future.

2. Trade issues

Leaders will focus in particular on the following key files. A discussion will also be held on the modernisation of legislation on [trade defence instruments](#).

- **EU-Canada Free Trade Agreement (CETA)**

On 5 July 2016, the Commission proposed that the signature and conclusion of CETA be treated as a [mixed agreement](#) and no longer as an EU-only agreement as originally intended. This means that the agreement will be signed by the EU and the Member States, and then ratified by national and regional parliaments. The Commission considers the agreement to fall under EU competence but this issue is ultimately for the European Court of Justice to clarify.¹ EU Trade Ministers will meet at a special [Foreign Affairs \(Trade\) Council on 18 October 2016](#) in order to adopt a package of decisions on the conclusion, signature and provisional application of the CETA. In response to Member States' concerns, the European Commission and the Canadian government have issued a [joint interpretative declaration](#) to accompany the CETA addressing sensitive issues, such as the protection of public services, labour and environmental standards, investment protection, and the Investment Court System. All 28 EU Member States will need to agree on the CETA before it can be signed at the EU-Canada summit on 27 October 2016.

- **Transatlantic Trade Investment Partnership (TTIP)**

At the [June 2016 European Council](#), EU leaders [renewed the mandate for negotiations](#), aiming to conclude [TTIP](#) by the end of 2016. Some German and French officials [have voiced their objections](#) to the pace of the negotiations. The French Secretary of State for Trade, Matthias Fekl, [called for a halt in the negotiations](#) in August 2016. However, 12 Member States [voiced their support for TTIP and CETA in an open letter](#) to Trade Commissioner Cecilia Malmström on 14 September 2016. At the informal Trade Council on 22-23 September 2016, EU trade ministers [expressed doubts that TTIP could be concluded](#) before the end of the Obama administration on 20 January 2017. The last round of negotiations, held on 3-7 October 2016, focused primarily on [consolidating existing texts](#) and did not address contentious issues, such as public procurement and investment protection. No future round has since been announced.

¹ In this regard, the European Court of Justice is expected to publish its opinion on the EU-Singapore Free Trade Agreement early next year ([Opinion 2/15 \(2015/C 363/22\)](#)).

- **EU-Japan Free Trade Agreement**

After 17 rounds of negotiations on the [EU-Japan Free Trade Agreement](#) (FTA), both parties have said that they [intend to conclude the negotiations](#) by the end of 2016. Following the last G7 summit held in Japan on 26-27 May 2016, President Donald Tusk [reiterated the commitment](#) to conclude the negotiations by the end of the year. The last round of talks, held in Brussels on 26-30 September 2016, saw the finalisation of several chapters. Nevertheless, more [work is needed in key areas of the negotiations](#), such as tariffs, services, public procurement, non-tariff measures and geographical indications.

- **Trade defence instruments**

At their [March](#) and [June](#) 2016 European Council meetings, EU leaders urged the Council to examine the current situation of the European steel industry in light of the Commission's March 2016 [communication](#). The Commission highlighted the important role of Member States, not least in the [adoption of the proposal made in 2013](#) on the modernisation of trade defence instruments. Trade defence instruments – [anti-dumping, anti-subsidy and safeguarding measures](#) – are used to address unfair practices occurring in international trade. The Commission is expected to table a legislative proposal this autumn to contain, inter alia, a new methodology for calculating dumping duties in relation to third countries.

3. Global economic issues

In addition to the items listed on the [draft annotated agenda](#), the Heads of States or Government will endorse the ratification of the Paris Agreement on Climate Change. Following the [Bratislava Declaration and Roadmap](#), the European Council will probably address specific timely issues related to the delivery of various single market strategies and the extension of the European Fund for Strategic Investment.

- **Paris Agreement on climate change**

The EU deposited its instrument of ratification of the [Paris Agreement](#) at the UNFCCC on 5 October 2016, following the Council decision and the European Parliament's [consent](#). At their October meeting, EU leaders are expected to welcome this ratification, which triggered the entry into force of the agreement, due on 4 November 2016. The objective of the Paris Agreement to limit global warming to well below 2°C shows a strong commitment to fight against climate change and to push for transformation towards a low-carbon economy. In this regard, the European Council has in [previous conclusions](#) highlighted the importance of implementing the 2030 Climate and Energy Policy Framework and building an Energy Union for Europe.

- **Single market strategies**

In June 2016, the EU leaders called for the completion and implementation of various single market strategies by 2018 and adopted an agenda indicating concrete priority measures in the fields of the Digital Single Market and Single Market strategies and the Capital Markets Union Action Plan. The [Bratislava Declaration and Roadmap](#) provides for a progress review of all single market strategies for spring 2017. In this context, the European Council may trace out the next steps regarding recent Commission proposals on reviewing the [copyright](#) and [telecoms](#) frameworks. In terms of delivering the Capital Markets Union, the Commission recently published a communication on [accelerating](#) the action plan. Concerning finalisation of the first measures, the European Council presented a detailed request with a specific deadline for the co-legislators in its June 2016 [conclusions](#), asking them to advance rapidly and agree by the end of the year on the proposals for simplified [prospectus](#) requirements, and for simple, standardised and transparent [securitisation](#).

- **European Fund for Strategic Investment (EFSI)**

In preparation for the December 2016 European Council meeting, expected to evaluate the extension of the EFSI, there may be a discussion on the recent Commission [communication](#) on upgrading the EFSI and the [proposal](#) for amending corresponding regulations. The proposals include an increase of the EFSI investment target mobilised from public and private sources to €500 billion and an extension of duration to 2020, the end of the current MFF. In June 2016, the European Council already invited the Parliament and the Council to examine the Commission proposal on the upgraded EFSI as a matter of priority.

The European Council might also address youth unemployment and EU youth programmes in preparation for its December 2016 meeting, where these items are scheduled to be on the agenda.

4. External relations

- **Russia**

In the first half of 2016, [several Member States](#) considered the possibility of the progressive [lifting of sanctions](#) imposed on Russia, and have [called](#) for the European Council to hold a debate. The recent deepening of [the crisis in Eastern Ukraine](#) and the [difficulties](#) encountered in implementing the Minsk Agreements make a decision on lifting sanctions now [unlikely](#). Both [national and European officials](#) have recalled, within the past few weeks, the principle set by the European Council in [March 2015](#) when it made full implementation of the Minsk Agreements a precondition for lifting sanctions. Furthermore, last year's practice [shows](#) that, in line with the principle set by the European Council, the renewal of the [various sets of sanctions](#) has become a technical exercise carried out in Council, not requiring a dedicated debate in the European Council. In this context, the Heads of State or Government are more likely to use their October 2016 meeting to hold a wide-ranging, [long-term oriented](#) strategic policy discussion on relations with Russia, starting from, but not limited to, the immediate realities of the [Ukrainian](#) and [Syrian](#) crises. The debate might consider some of the [policy priorities](#) identified at the [March 2016](#) Foreign Affairs Council (i.e. progress on implementing the Minsk Agreements; strengthening cooperation with Eastern partners; selective engagement with Russia on issues of interest to the EU) and discussed, to some extent, by the ministers of foreign affairs in September 2016 in the [Gymnich](#) format.

- **Syria**

The European Council will also address the crisis in Syria in the light of recent developments on the ground, in particular following the Russian military attacks, which have, in the opinion of [analysts](#), contributed to the accentuation of the humanitarian crisis in Aleppo. The [conclusions](#) adopted by the Foreign Affairs Council on 12 October 2016 condemn Russia's recent military attacks and stress the EU's commitment to 'a lasting solution' aimed at ending the conflict in Syria, in line with the 2012 [Geneva Communiqué](#). They outline the urgent need to address the humanitarian crisis, and call on Russia to 'focus its efforts on the common objective of achieving a political solution to the conflict'. The [Foreign Affairs Council](#) revisited this matter at its meeting of 17 October 2016.

- **Ukraine**

EU leaders will hear Prime Minister of the Netherlands, Mark Rutte, on the ratification process of the AA/DCFTA with Ukraine. The European Council last considered this issue at its [28 June 2016 European Council meeting](#).

Other

European Council President Donald Tusk will [present](#) his suggestions for improving the European Council's working methods to the Heads of State or Government.

The British Prime Minister Theresa May, will update colleagues on the situation post the Brexit referendum and in advance of the UK triggering Article 50 TEU.

To contact the European Council Oversight Unit, please e-mail: EPRS-EuropeanCouncilOversight@ep.europa.eu

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