

Outlook for the meetings of EU leaders, 28-29 June 2018

Expectations are high for the meetings of EU Heads of State or Government on 28 and 29 June 2018, as important decisions are required on several policy topics, including the reform of the euro area and the revision of the Dublin Regulation. Whether concrete results will emerge from this meeting on any, or all, of the controversial topics remains to be seen. The very full agenda of the European Council includes security and defence, migration, innovation and digital Europe, jobs, growth and competitiveness, the next multiannual financial framework and external relations. Following recent developments at national and European level, migration is likely to take an even more prominent place than originally expected. After the formal European Council meeting, EU Heads of State or Government will also convene for a Euro Summit and a European Council (Article 50) meeting. The Euro Summit will discuss further developments in the euro area, banking union, the gradual completion of Economic and Monetary Union (EMU) and a possible budget for the eurozone. At the European Council (Article 50) meeting, EU-27 leaders are expected to review the state of play in the Brexit negotiations, and adopt conclusions on the progress made.

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

In accordance with commitments made in its previous conclusions, the European Council should return to various aspects of security and defence policy (Table 1) at its June meeting. This is reflected in the annotated draft [agenda](#) for this European Council. Heads of State or Government are also [expected](#) to formally adopt the decision on the future [composition](#) of the European Parliament (EP).

Policy area	Previous commitment	Meeting at which commitment was made
Security and defence	Report on progress regarding capabilities to address hybrid threats, including in the areas of cyber, strategic communication and counter-intelligence in June 2018	March 2018
Security and defence	Report on the work undertaken regarding the Strengthening of civilian CSDP in June 2018	December 2017
Security and defence	Return to the field of security and defence in June 2018	December 2017

2. European Council meeting

Migration

Heads of State or Government are expected to discuss the internal and external dimensions of migration policy. On the latter, the European Council is expected to recall the importance of effective external border control for a functioning EU migration policy. It will most likely reiterate its continuous vigilance and action on all three migration routes (i.e. the Central, Eastern and Western Mediterranean routes), stressing in particular its support to Italy as well as to the Libyan coastguard. The [draft](#) conclusions also foresee the creation of 'disembarkation platforms', in cooperation with [UNHCR](#) and [IOM](#), which aims at reducing incentives for people to embark on perilous journeys, and at accelerating the division of economic migrants and those requiring international protection. The idea of such platforms had been considered [previously](#), but re-emerged recently following an

[initiative](#) by the Austrian Chancellor, Sebastian Kurz, in cooperation with a small group of Member States. In order to prepare a joint European approach to asylum and migration, as opposed to a series of individual national approaches, a group of countries, including Belgium, Bulgaria, Croatia, Denmark, Germany, Greece, France, Italy, Luxembourg, Malta, the Netherlands, Austria, Slovenia, Spain, Sweden and Finland, met on 24 June in Brussels, hosted by European Commission President, Jean-Claude Juncker. No statement was issued, but some proposals discussed are [expected](#) to feature in the European Council conclusions, including an increase in the EU Trust Fund for Africa, a call on Member States to step up the effective return of irregular migrants, and more resources and a wider mandate for Frontex.

Concerning the internal dimension of migration, the European Council will notably address the reform of the Common European Asylum System (CEAS) under discussion since May 2016. During a plenary debate to prepare the June European Council, where many MEPs [criticised](#) the lack of decision by the Council on this issue, the European Parliament's President, Antonio Tajani, [stressed](#) that Parliament had agreed its [position](#) on the matter in November 2017, and that its text would be an ideal basis for a compromise. On 14-15 December 2017, Heads of State or Government held an informal discussion on migration without any written conclusions, in the Leaders' meetings format, which set the aim of deciding on the CEAS at the June 2018 meeting. President Tusk underlined that he still [aimed](#) to find a decision by consensus, but that reaching a compromise on the relocation mechanism might be hard to achieve and that the use of QMV would be an [alternative](#) if no compromise could be found. According to the new working methods under the Leaders' Agenda, the result of the discussions at the informal leaders' meetings should lead to an agreement at the following formal meeting dedicated to the matter – in this case the June European Council. It remains to be seen whether a consensus can be found at this meeting, some Member States having openly [expressed](#) doubt on the likelihood of meeting the June deadline. Recent developments, such as the position of the newly formed Italian government on migration, the situation resulting from Italy and Malta's refusal to allow the rescue ship *Aquarius*, with 629 migrants on board, to dock, as well as the internal German government [debate](#) on migration, further complicate this already very sensitive dossier, and at the same time puts pressure on the European Council to find a solution.

Security and defence

On security and defence, the European Council will call to continue work on defence and counter-intelligence cooperation, including through the allocation of appropriate resources for fighting disinformation. Defence featured high on the Foreign Affairs Council's agenda in the first half of 2018 and has been discussed at four meetings (in [March](#), [April](#), [May](#) and [June 2018](#)). Progress was made on a select number of cooperation mechanisms, notably on the [European Defence Fund](#) (EDF), with the European Commission proposing a [regulation](#) on 13 June 2018 on funding through the European Defence Fund under the next Multiannual Financial Framework, and on the [European Defence Industrial Development Programme](#) (EDIDP), on which the co-legislators reached a [provisional agreement](#) in May, which may lead to the legislative procedure being finalised by the end of 2018, as suggested by the European Council in its December 2017 [conclusions](#). The European Commission and High Representative have also put forward a [Joint Communication on hybrid threats](#), which the European Council will probably acknowledge in its June 2018 [conclusions](#). Regarding civilian Common Security and Defence Policy (CSDP), progress was evaluated in [May](#), and a civilian CSDP compact is expected for autumn 2018.

The European Council will [request](#) the continuation of work on the institutional architecture of [permanent structured cooperation](#) (PESCO) and on the development of programmes. It will also stress the importance of pursuing an inclusive approach where consistency between the requirements of the newly revised Capability Development Plan, the Coordinated Annual Review on Defence and PESCO projects is privileged. A first series of 17 PESCO projects was [approved](#) by the Council in March 2018, whilst more projects will be adopted in autumn 2018. The Dutch-led 'military mobility' project is the [flagship](#) of PESCO. It represents one of three complementary initiatives aimed at fostering military mobility (the November 2017 [Joint Communication on](#)

[improving military mobility in the EU](#) and March 2018 [Action Plan](#), and NATO's own military mobility programme). Analysts [consider](#) that the upcoming [NATO Summit](#), to be held in Brussels on 11-12 July 2018, could offer an opportunity to build synergies between these initiatives. In the interim, the European Council is expected to reiterate its previous December 2017 call to strengthen cooperation with NATO on military mobility. The EU leaders will also consider EU-NATO cooperation. They are expected to review the implementation of the [2016 Warsaw Joint Declaration with NATO](#) and to call for a [new Joint Declaration](#) to be adopted at the July 2018 NATO Summit.

Jobs, Growth and Competitiveness

The European Council is expected to endorse the integrated country-specific recommendations as discussed by the Council, thus allowing the conclusion of the 2018 European Semester. In the field of taxation, the European Council will follow up on its informal discussion of 23 March 2018. It is likely to stress the EU fight against tax avoidance and evasion both internally and globally, while addressing the need to adapt taxation systems to the digital era, also taking into account the [Commission proposals on digital taxation](#), and on VAT reform.

On trade, the EU remains committed to a rules-based multilateral system with an important role for the WTO. EU leaders are [expected](#) to discuss [ways](#) of improving its functioning, with regard to, inter alia, market distortive practices such as subsidies, and also ways of developing more effective and transparent enforcement of WTO rules. The European Council is also likely to reiterate its support for [measures](#) undertaken by the European Commission to protect the EU's market in response to the [US tariffs on steel and aluminium](#), including through legal proceedings initiated at the WTO.

Innovation and Digital Europe

During the meeting, leaders will most probably stress the need to deliver on the remaining legislative proposals concerning the Digital Single Market before the end of the current legislative cycle. The European Council will take stock of the [informal discussion](#) in Sofia on 16 May to call for a stronger and inclusive innovation ecosystem improving business access to financing, for encouraging greater risk-taking, and for promoting coordination between academia, industry and governments. It is likely to refer to the [European Innovation Council](#) pilot initiative under the next Multiannual Financial Framework (MFF) to support disruptive innovation. The European Council may also address the question of a European data economy, encouraging further action to foster trust in data treatment and full enforcement of the General Data Protection Regulation for all economic actors in the EU single market. The meeting may also underline the need for a coordinated approach of the Commission and Member States on artificial intelligence, and call for a swift agreement on the latest Commission data package on [copyright](#) and [e-Privacy](#).

Multiannual Financial Framework

Heads of State or Government will continue their discussions on the next MFF following their informal [meeting](#) of 23 February 2018, held in an EU-27 format as the discussions [were](#) 'future-oriented'. This time the UK is expected to take part in the discussions. The first European Council since the publication of the [Commission's proposals](#) on the [MFF](#) in May will focus on its future handling and timeline (i.e. whether or not concluding the MFF negotiations before the EP elections will be attempted). Some members, such as the Portuguese Prime Minister, [Antonio Costa](#), and [Angela Merkel](#), indicated their aim is to complete the negotiations during the current legislature. The European Council is most likely not going to commit to concluding the negotiations before the elections, but will ask Council and Parliament to accelerate the pace of their discussions.

External Relations

The Heads of State or Government could discuss the outcome of the recent [G7 Summit in Canada](#) and its impact on [transatlantic relations](#), and come back to the issue of [trade relations](#) with the US. They could also raise other dossiers, such as the future of the [Iran nuclear agreement](#).

The European Council might adopt [conclusions](#) on the Western Balkans. The timing of enlargement remains a [divisive](#) subject among Member States, and analysts are of the opinion that the decision to start accession negotiations with the former Yugoslav Republic of Macedonia and Albania could be postponed, despite the Commission's April 2018 [recommendation](#) in favour of their opening.

After the [announcement](#) by the governments of the Netherlands and Australia on 25 May 2018 that they 'hold Russia responsible for its part in the downing of flight MH 17', the European Council is [likely](#) to reiterate its [October 2015](#) and [October 2016](#) calls to fully establish the truth.

Other Items

Composition of the European Parliament

While not part of the [draft agenda](#), Heads of State or Government are [expected](#) to formally adopt the decision on the future [composition](#) of the European Parliament. The European Council has, under Article 14(2) TEU, the obligation to adopt by unanimity, at the initiative of the EP and with its consent, a decision establishing the composition of the EP. With 566 [votes](#) for, 94 against, 31 abstentions, the EP has already given its consent in plenary on 13 June 2018. If the European Council confirms this [proposal](#), the number of MEPs will be reduced from 751 to 705 in the 2019-2024 legislature, following the UK's exit from the EU. The decision also provides for partial redistribution, among some Member States, of seats now held by UK Members.

3. Euro Summit

The Euro Summit will take place in an 'inclusive' format (with 27 Member States, including the 19 euro-area members, as well as the other Member States which have ratified the Treaty on Stability, Coordination and Governance in the EMU, TSCG). The Member States' representatives will discuss the long-term development of EMU, and the reforms called for during the [last Euro Summit, on 23 March](#), notably the completion of the Banking Union, the development of the European Stability Mechanism (ESM) and the deepening of EMU. They might also discuss the creation of a eurozone budget, as [proposed](#) during the Franco-German meeting of 19 June 2018.

4. European Council (Article 50) meeting

On 29 June 2018, the Commission's chief negotiator, Michel Barnier, will update the EU-27 Heads of State or Government on the [state of play](#) in the Brexit negotiations. The European Council (Art. 50) will focus on the completion of work on withdrawal issues; the border between Ireland and Northern Ireland; and the framework for the future relationship with the UK. Following the [latest](#) round of negotiations, on 19-20 June 2018, Mr Barnier [outlined](#) the issues where progress had been made such as customs, VAT, Euratom and certificates for goods. He stressed however that 'serious divergences remain on the Protocol on Ireland/Northern Ireland' and recalled 'that the Withdrawal Agreement must contain a fully operational backstop solution for Ireland and Northern Ireland'.

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