Outcome of the meetings of EU Heads of State or Government, 17-18 October 2018

Although Brexit was the most anticipated point on the agenda, the European Council (Article 50) meeting of 17 October 2018 did not make any significant progress towards finalising a withdrawal agreement; nor did it decide to hold a special meeting on Brexit in November. There was consensus amongst EU Heads of State or Government that ‘for now, not enough progress has been made’ but they would ‘continue talks in a positive spirit’. At the regular European Council meeting, Heads of State or Government continued discussions on migration as well as internal security, following up on their informal meeting in Salzburg on 20 September. Regarding migration, they stressed the need to cooperate with countries of origin and transit, as well as in fighting people-smuggling-networks. On internal security, they adopted conclusions regarding many of the new threats the EU is facing, including cyber-attacks, disinformation campaigns and terrorism. They also addressed a number of external relations issues, including EU-Africa relations, the upcoming EU-League of Arab States meeting and climate change. The informal Euro Summit assessed the state of play on EMU, specifically the completion of banking union and the reform of the European Stability Mechanism.

1. European Council commitments: Implementation and new deadlines

Sebastian Kurz, Austrian Chancellor, and President-in-Office of the Council, provided an overview on the progress made in implementing previous European Council conclusions. The follow-up to new commitments made at this European Council meeting will be reported on at future meetings.

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

<table>
<thead>
<tr>
<th>Policy area</th>
<th>Action</th>
<th>Actor</th>
<th>Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Migration</td>
<td>Develop operational measures to better monitor and disrupt smuggling networks’ online communication</td>
<td>Council/Commission</td>
<td>31 December 2018</td>
</tr>
<tr>
<td>Internal security</td>
<td>Conclude negotiations on all cybersecurity proposals</td>
<td>Co-legislators</td>
<td>18 April 2019</td>
</tr>
<tr>
<td>Internal security</td>
<td>Agree on the proposal on e-evidence</td>
<td>Co-legislators</td>
<td>18 April 2019</td>
</tr>
<tr>
<td>Internal security</td>
<td>Agree on the proposal on access to financial information</td>
<td>Co-legislators</td>
<td>18 April 2019</td>
</tr>
<tr>
<td>Internal security</td>
<td>Agree on the proposal to better combat money laundering</td>
<td>Co-legislators</td>
<td>18 April 2019</td>
</tr>
</tbody>
</table>
2. European Council meeting

Migration

At its formal meeting on 18 October 2018, the European Council called for continuing the work on all elements of its ‘comprehensive approach to migration’. While recalling that ‘the number of detected illegal border crossings into the EU has been brought down by 95% from its peak in October 2015’, it cautioned that ‘some recent internal and external flows warrant sustained attention’. The conclusions stressed that, following the informal Leaders’ discussions in Salzburg, cooperation with countries of origin and transit, particularly in North Africa, should be strengthened. This reiterates previous European Council conclusions since the start of the migration crisis, such as at the November 2016 Valletta summit.

In the fight against people-smuggling networks, the European Council called for establishing a joint task force, with third-country partners, within Europol. It also invited the co-legislators to examine, as a matter of priority, the proposals on the return directive, the Asylum Agency and the European Border and Coast Guard. Heads of State or Government reiterated their call to do more on facilitating effective returns, in particular by better implementing existing readmission agreements and concluding new arrangements. Regarding the reform of the common European asylum system (CEAS), the European Council encouraged the Council Presidency to continue its work and conclude it as soon as possible. In this context the European Parliament’s Committee on Civil Liberties, Justice and Home Affairs wrote a letter to the Austrian Council Presidency on 10 October 2018, expressing its disappointment on the state of play in the negotiations on CEAS reform, as despite two and a half years of negotiations, the co-legislators had not been able to adopt any of the seven specific proposals. They requested clarity from the Austrian Council Presidency on its plans to take this issue further, and stressed that Parliament rejects reopening negotiations on any of the specific proposals where agreement had already been reached by the co-legislators under the Bulgarian Council Presidency.

Main messages of the EP President. Referring to the reform of the CEAS, the President of the European Parliament, Antonio Tajani, stated: ‘the Council has not yet been able to adopt a negotiating mandate on two of the [7] proposals …. We in the Parliament find it difficult to understand why the Council does not apply the qualified majority rule …. We cannot go on being hostages to the unanimity principle.’ Regarding the issue of relocation and the principle of solidarity, he supported the idea that ‘those who do not want to take in asylum-seekers should be able to display their solidarity by other means, for example by providing financial or administrative support to the States receiving refugees’.

Internal security

On the issue of internal security, EU Heads of State or Government discussed many of the new threats the EU is facing, including cyber-attacks, hostile activities of foreign intelligence networks, disinformation campaigns, and radicalisation and terrorism. For many of the new policy initiatives in this area, they urged the co-legislators to consider them as a matter of priority, while also inviting them to speed up work on several of the ongoing legislative files in this area (see Table 1).
As indicated by President Tusk prior to the meeting, EU Heads of State or Government condemned the hostile cyber-attack carried out against the Organisation for the Prohibition of Chemical Weapons (OPCW) and called for measures to ‘further strengthen [the EU’s] deterrence and resilience against hybrid, cyber, as well as chemical, biological, radiological and nuclear (CBRN) threats’. In this context, the European Council welcomed the adoption of a new regime of restrictive measures to address the use and proliferation of chemical weapons, and anticipates progress being made on the listing of relevant individuals and entities.

Following a recent letter by the governments of the UK, the Netherlands, Romania, Finland, Estonia and Lithuania, the European Council also agreed that, in the context of cybersecurity, work on restrictive measures should be taken forward.

EU Heads of State or Government also agreed on providing ‘law enforcement authorities and Europol with adequate resources to face new challenges posed by technological developments and the evolving security threat landscape’. They also called for examination of the proposal to extend the competences of the European Public Prosecutor’s office to cross-border terrorism.

Main messages of the EP President. As regards measures to combat disinformation and fake news, ‘I am delighted that the European Council considers the protection of our democratic system as a priority. […] We cannot stand idly by while our citizens’ rights to choose their elected representatives, freely and in full knowledge, is jeopardised.’

External relations

As flagged up in the EPRS outlook, EU Heads of State or Government discussed climate change ahead of the UN Climate Change Conference (COP24) to be held in Katowice, Poland, in December 2018. Referring to the latest special report of the Intergovernmental Panel on Climate Change, they reiterated their support for the full implementation of the Paris Agreement, and expressed the view that parties to the Agreement should set more ambitious and comprehensive implementing rules.

The European Council prepared for the upcoming summit with the League of Arab States, to be held in Egypt in February 2019. The primary focus of the summit will be on the external dimension of migration, as announced by Donald Tusk at the informal European Council meeting held in Salzburg in September 2018.

Moreover, the European Council reiterated the EU’s commitment to taking the EU-Africa partnership to a new level, by developing ‘a fair and equal partnership’, underpinned by the necessary resources, aimed at advancing the socio-economic transformation of the African continent, and not just focused on migration. Heads of State or Government welcomed the initiative for a new Africa-Europe Alliance for Sustainable Investment and Jobs and called for proposals from Member States in this regard. They also emphasised their commitment to the implementation of the 2030 Agenda for Sustainable Development, and welcomed the Commission’s intention to publish a reflection paper in 2018.

Main messages of the EP President. President Tajani called for increased support in replenishing the EU Trust Fund for Africa, as well as for mobilising investments in the region.

3. Euro Summit

The informal Euro Summit, which took place over lunch on Thursday, assessed the state of play on EMU reform, specifically the completion of banking union, the reform of the European Stability Mechanism and the establishment of the European deposit insurance scheme. Decisions on these issues are expected in December.

The Commission President, Jean-Claude Juncker, confirmed that the Italian prime minister had presented his country’s budget to the leaders, but that the issue had not, however, been discussed in depth. He added that the Commission ‘will be examining [the Italian budget] with the same rigour and the same flexibility as is applied to examin[ing] others’.
4. European Council (Article 50) meeting

The most anticipated point on the agenda was clearly the European Council (Article 50) dinner discussion on Brexit. Preceding this, the UK Prime Minister, Theresa May, addressed the EU-27 leaders. She outlined the UK perspective on the state of play in the Brexit negotiations, but reportedly provided no new elements which could enable the discussions to be unlocked. Subsequently, based on a presentation by the EU’s Chief Negotiator, Michel Barnier, EU-27 Heads of State or Government discussed ways of taking the negotiations forward. There was consensus amongst Heads of State or Government that ‘so far not enough progress has been achieved’, but that negotiations should be continued in a positive spirit. Thus, for the moment, they postponed a decision to call a special meeting on Brexit – expected for November – although Donald Tusk declared his readiness to convene such a meeting, if and when the Union negotiator reports that decisive progress has been made. Prior to the meeting, he had already indicated that recent reports on the progress of the negotiations gave ‘no grounds for optimism’. He added that, for a breakthrough to take place, new facts were needed. These did not materialise at this meeting, in particular regarding the Irish border issue. President Tusk concluded that the European Council (Article 50) had again expressed its full trust in Michel Barnier, and asked him to continue efforts to achieve an agreement.

While the length of the transition period was not discussed, Mr Tusk indicated that if the UK would prefer a longer period than set out in the draft withdrawal agreement, the leaders ‘would be ready to consider it positively’. Jean-Claude Juncker indicated that extension of the transition period was a good option, which would provide room to find a sustainable solution.

While still hoping to reach an agreement, EU-27 Heads of State or Government called for a stepping-up of the EU’s preparations for a ‘no-deal’ scenario. While they did not discuss the issue, Heads of State or Government were informed by Jean-Claude Juncker, on the Commission’s work in this respect.

Main messages of the EP President. Participating for the first time at a European Council (Article 50) meeting, President Tajani reiterated the Parliament’s three priority issues for the Brexit negotiations, and stressed that ‘without resolving these three key points, it will be impossible for us to vote in favour of the agreement’. The Parliament wanted to achieve a withdrawal agreement, but not at any price. He also underlined that the EP favoured a three-year transition period.