Outcome of the European Council of 17-18 October 2019

After endorsing the revised UK withdrawal agreement, and approving a revised political declaration, in the European Council (Article 50) format, EU Heads of State or Government had to tackle a range of divisive issues at their 17-18 October meeting, including the 2021-2027 Multiannual Financial Framework, enlargement, climate change and Turkey. EU leaders were not able to find common ground on key elements of the MFF, nor to reach consensus on the opening of accession negotiations with Albania and North Macedonia. On climate, the European Council only reiterated its June 2019 conclusions considering persistent lack of agreement on raising climate targets. With respect to Turkey, EU leaders did not go beyond the Foreign Affairs Council conclusions, either in the area of sanctions or in the area of arms exports control. In the presence of the European Commission President-elect, Ursula von der Leyen, EU leaders also discussed the political priorities of the EU for the coming years and the follow-up to the Strategic Agenda 2019-24.

1. European Council commitments: Implementation and new deadlines

The Prime Minister of Finland, Antti Rinne, President-in-Office of the Council, provided an overview on the progress made in implementing previous European Council conclusions. In accordance with Article 235(2) TFEU, the President of the European Parliament, David Sassoli, addressed the European Council for the first time in his mandate.

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

<table>
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<th>Policy area</th>
<th>Action</th>
<th>Actor</th>
<th>Schedule</th>
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<td>MFF</td>
<td>Present an updated negotiation box</td>
<td>Council Presidency</td>
<td>December 2019</td>
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<td>Climate</td>
<td>Finalise its guidance on the EU’s long-term strategy on climate change</td>
<td>European Council</td>
<td>December 2019</td>
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<td>Enlargement</td>
<td>Revert to the issue of enlargement</td>
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2. European Council meeting

Multiannual Financial Framework

On the basis of a paper prepared by the Finnish Presidency of the Council, EU Heads of State or Government exchanged views on key issues of the 2021-2027 Multiannual Financial Framework (MFF). The paper outlined the ‘key issues’ for discussion: 1) the overall level of the MFF, 2) the division between the main policy areas (i.e. new challenges vs traditional policies), and 3) ‘policy coherence and conditionalities’ (i.e. the link between EU expenditure and the EU’s policies and values). Even prior to the European Council, some Member States, notably the Visegrad countries (i.e. Czechia, Hungary, Poland and Slovakia) criticised the Finnish paper for being ‘vague’, and for crossing their ‘red lines’ on cohesion policy and the common agriculture policy (CAP). While no substantial conclusions indicting progress towards consensus were adopted, the Finnish Presidency was called upon to establish a ‘Negotiating Box with figures’ for the next European Council meeting on 12-13 December 2019.
Attending his final scheduled European Council meeting, the outgoing President of the European Commission, Jean-Claude Juncker, reminded EU leaders of their obligation to conclude the debate quickly, because if the debate continues until next year ‘there will be two years wasted where researchers cannot research and young people cannot go on Erasmus’. Yet, he expressed doubts at the likelihood of reaching a decision even in December, stating that the European Council was thereby not living up to the objectives it had set itself in its June 2019 conclusions, namely ‘reaching an agreement in the European Council before the end of the year’.

Also attending a scheduled meeting for a final time, the European Council’s President, Donald Tusk, said that ‘this was an important discussion and will continue over the next months’.

Main messages of the EP President: The President of the Parliament, David Sassoli reiterated the EP’s view that the EU ‘needs an ambitious budget, equivalent to 1.3% of gross national income’, and that ‘the decision on revenue and expenditure should be a “single package”’. The new long-term budget should be transparent, abolish the whole system of rebates and include various new own resources. Parliament is also favourable to introducing ‘a new budget protection mechanism that would penalise those who disregard the rule of law without affecting payments to final beneficiaries or recipients’. President Sassoli recalled that the EP has been ready to negotiate since November 2018, and expressed his hope that negotiations with the Council can be opened as soon as possible.

Strategic agenda and the next institutional cycle

Strategic agenda

EU leaders discussed with the European Commission President-elect, Ursula von der Leyen, the Commission’s contribution to the implementation of the EU’s priorities for the next five years, and gave broad approval to her objective to form a geopolitical Commission, as well as her strategic priorities – climate change (i.e. green deal), digitalisation and competitiveness. The Finnish Council Presidency presented a report on the follow up to the Strategic Agenda 2019-24, which was adopted by the European Council on June 2019. A recent EPRS study identifies strong continuity between the new Strategic Agenda and its predecessor with regard to some policy issues (e.g. taxation, single market, employment and energy), while also noting that in other policy areas, new issues have been added (e.g. natural and man-made disasters, rule of law, functioning of Schengen).

Next institutional cycle

As flagged up in the EPRS outlook, the European Council adopted a decision appointing Christine Lagarde as President of the European Central Bank. She will take office on 1 November 2019.

Since the French, Hungarian and Romanian Commissioners-designate failed to get the European Parliament’s approval earlier in October, the calendar for the start of the new Commission’s mandate has had to be modified. Following hearings with the new candidates, the European Parliament is now expected to vote on the election of the European Commission at its November II plenary session; this would allow the Commission to start on 1 December.

Main messages of the EP President: Regarding the EU’s political priorities, David Sassoli stressed that EU citizens want a ‘new Europe, which is more attentive to their needs, is greener, is more resolute in safeguarding the rule of law, is more protective of social rights, and is more effective and transparent in its decision-making’. He underlined that the leaders’ choice ‘not to take into account the Spitzenkandidaten, although legitimate according to the Treaties, represented for the European Parliament, a wound that will have to be healed’. He pledged that the Parliament ‘intends to assert its role as one of the main actors in the European decision-making process ... working side by side with the Council and Commission; but it will also stand up for itself and its prerogatives’.

Turkey

In the conclusions of the October European Council, ‘the EU condemns Turkey’s unilateral military action in North East Syria, which ... threatens heavily European security’. EU leaders took note of the
US-brokered five-day ceasefire, and urged Turkey to end its military operation and withdraw its forces. They endorsed the 14 October 2019 Foreign Affairs Council Conclusions on Turkey’s military action in north-east Syria, and recalled that Member States decided to stop arms-export licensing to Turkey. Analysts emphasised that in the absence of an ‘EU-wide arms embargo’ there is a broad palette of measures Member States may take, ranging from suspending both ongoing and forthcoming arms-export licences, to only stopping the approval of new ones.

EU Heads of State or Government also underlined the humanitarian dimension of the crisis and called on Turkey to obey international humanitarian law. They confirmed that the EU would continue its ‘efforts towards effectively addressing the serious humanitarian and refugee crisis in light of evolving needs’, reiterated solidarity with those Member States most affected by Eastern Mediterranean migratory flows, and confirmed their will to continue to monitor developments.

Illegal drilling activities

As expected, EU leaders expressed their solidarity with Cyprus, and endorsed the 14 October 2019 Foreign Affairs Council conclusions on Turkey’s illegal drilling activities in the exclusive economic zone of Cyprus. They thus confirmed the Foreign Affairs Council’s decision to put in place a ‘framework regime of restrictive measures targeting natural and legal persons responsible for or involved in the illegal drilling activity of hydrocarbons in the Eastern Mediterranean’, and tasked the High Representative, Federica Mogherini, ‘to swiftly present proposals to this effect.’

Main messages of the EP President: President Sassoli emphasised that people in Europe looked with ‘dismay and anger’ at developments in north-east Syria, and praised the role of the Kurds in the fight against ISIL/Da’esh. He condemned Turkey’s military action, qualified it as ‘an act of war’, stressed its breach of international law, underlined its capacity to destabilise the region and called for its termination.

President Sassoli welcomed the initiative to coordinate ‘national embargos on future sales of arms to Turkey’ but spoke of the need to promote ‘a joint EU embargo not just on future arms shipments, but also on those already on their way’. He considered ‘positive’ the decision to impose sanctions on Turkey in connection to its illegal drilling activities, but deplored that ‘the military aggression in north-eastern Syria’ has not ‘prompted a similar response’, including economic sanctions which would target individuals and business but without affecting civil society and the population. As regards the question of Syrian refugees in Turkey, President Sassoli rejected the Turkish authorities’ attempts to use them and their distress ‘as a bargaining chip to justify violations of international law’. In this context and on behalf of the European Parliament, President Sassoli reiterated the Parliament’s call to suspend accession negotiations with Turkey.

Enlargement

The European Council discussed the opening of accession negotiations with North Macedonia and Albania without reaching a decision. EU leaders committed to revert to enlargement prior to the Western Balkans Summit in Zagreb in May 2020. The Prime Minister of Belgium and President-elect of the European Council, Charles Michel, spoke of a ‘dense, an intense debate’ and pointed to the lack of unanimity on enlargement; a topic emerging as a challenge for the beginning of his term as European Council President. Member States remained divided, with France, the Netherlands and Denmark continuing to oppose the opening of new accession negotiations. The stalemate in which the European Council ended led the Italian Prime Minister, Giuseppe Conte, to say that EU leaders had made a ‘historic mistake’. Commission President Juncker qualified the decision as a ‘huge historical error’ and underlined the EU’s lack of credibility with partners. Likewise, President Tusk stressed that ‘North Macedonia and Albania are not to blame for this’, acknowledging the ‘extraordinary achievement’ of the Prespa
Agreement, and deploring the fact that ‘a few Member States are not ready yet’ for the opening of accession negotiations.

Main messages of the EP President: President Sassoli spoke of ‘unity and credibility’, which are critical when the EU calls ‘on neighbouring countries to make an extra effort to change’ and they comply with the request. He expressed support for opening accession negotiations with North Macedonia and Albania, and recalled the European Commission’s positive recommendations. He stressed that a negative decision would provoke disarray in public opinion in the Western Balkans and would have strategic implications for ‘Europe as a whole’.

Climate change

The heavy agenda overshadowed the debate on climate, which was seen more as a ‘stock-taking exercise’. EU leaders welcomed the result of the 2019 UN Climate Action Summit and, in line with their June 2019 conclusions and ahead of the United Nations Climate Change Conference (COP25) to be held in Santiago de Chile in December 2019, reaffirmed their commitment ‘to lead the way in a socially fair and just green transition in the implementation of the Paris Agreement’. Climate will once again be on the agenda of the European Council in December 2019 when the Heads of State or Government are expected to adopt the guidelines for the EU’s long-term strategy, which are to be submitted to the United Nations Framework Convention on Climate Change (UNFCCC) in early 2020. Earlier versions of the European Council conclusions made reference to a Just Transition Fund but have been dropped in the meantime due to Member State sensitivities. This was the case with the Visegrad 4, which have also opposed increases in climate targets.

Main messages of the EP President: David Sassoli confirmed the EU’s wish to take ‘a global leadership role in safeguarding the planet through sustainable policies’. He stressed Parliament’s call to set 2050 as a target to achieve climate neutrality and regretted that the EU ‘was not able to sign up to this’ target. Speaking of the ‘Green Climate Fund’, Sassoli invited those Member States who have not yet increased their contributions to do so, and to support the creation of a European Climate Bank. He spoke of a ‘strategic choice’, which needs to be made by agreeing on an investment plan able to ‘fund the green transition’ and which would lead to industrial development and job creation.

Flight MH17

Referring to their conclusions of 20 June 2019, EU leaders reiterated their ‘full support for all efforts to establish truth, justice and accountability for the victims of the downing of MH17’, calling on all states to cooperate fully with the ongoing investigation in accordance with UNSC Resolution 2166.