

Outcome of the European Council meeting of 29-30 June 2023

EU leaders had a very full agenda for their June meeting. The war in Ukraine was again one of the focal points of the European Council, with EU leaders for the first time expressing readiness to contribute to a future 'security guarantee' to Ukraine. They also took stock of the Union's efforts to bolster joint defence procurement, and acknowledged that 'defence preparedness' was key in the current security context. With the adoption of conclusions on China, the European Council chose to display unity and stress its political will to forge a common approach based on the concept of [de-risking](#) – not de-coupling from China'. As anticipated, migration became a very divisive point, with two countries, Hungary and Poland refusing to endorse joint conclusions, which were replaced by conclusions of the European Council President. In addition, EU leaders addressed a range of external relations topics, including the Western Balkans accession process, the situation in Kosovo, the Cyprus settlement and relations with Turkey following the re-election of President Erdogan, with the High Representative/VP and the Commission invited to report on the state of play. EU leaders also discussed relations with the Southern Neighbourhood, welcoming the partnership [package](#) with Tunisia, and prepared for the July 2023 EU-CELAC Summit aimed at renewing the EU partnership with Latin America, a priority for the incoming Spanish Council Presidency.

1. General remarks

The [meetings](#) of EU Heads of State or Government started with an exchange of views with the NATO Secretary-General, Jens Stoltenberg, on EU-NATO cooperation and Euro-Atlantic security. That was followed by the address of the European Parliament's President, Roberta Metsola, and a discussion with EU leaders [focused](#) on Ukraine, the MFF revision and migration. President Metsola also stressed that the EU needed to prepare for the next enlargement, which required reform. She also asked EU leaders to reflect on their position on the proposed changes for Parliamentary elections.

Worth noting is the [breakfast meeting](#) of a cross political party group of EU leaders (De Croo, Costa, Iohannis, Kristersson, Rutte, Sanchez, Scholz, Macron, Meloni, Morawiecki) that took place on the margins of the European Council, and discussed the 'absorption capacity of the EU for new Member States and the EU's necessary [internal reforms](#) in this regard.

2. European Council meeting

Ukraine

Once again, EU leaders underlined their unity and determination in support of Ukraine, with a particular focus on military support. The stark contrast between the unity at EU-level and the 'cracks in the Putin system' was [underlined](#) strongly in the discussions. While no conclusions were adopted on the recent Wagner mutiny, EU leaders discussed the situation in Russia, with some describing the country as weakened, but [treated the episode](#) as an internal Russian matter. That notwithstanding the Baltic leaders [called](#) for increased surveillance on the EU's eastern borders with Belarus, where Wagner fighters are supposed to be relocated. Highlighting his distinct views, Hungarian Prime Minister Viktor Orban [described](#) the situation as being of 'no major importance'.



Overall, four topics dominated the discussions. Ahead of NATO's Vilnius summit, the question of security guarantees for Ukraine was a central issue in the discussion on Ukraine. EU leaders [indicated](#) their readiness 'to contribute, together with partners, to future security commitments to Ukraine'. The views of the different EU leaders were however quite divergent in this respect, with some [pushing](#) for swift accession of Ukraine to NATO once the war is over, while others [argued](#) that Ukraine's accession is something unrealistic or that other measures should be [prioritised](#). As EU Member States have different security arrangements - most being NATO members but some being neutral, the respect for specific national security considerations was reiterated in the conclusions.

Financing the reconstruction, and the use of Russian frozen assets to that end, was the second element of the discussion. Some EU leaders urged speeding up work on identifying possible solutions for using these assets, stressing that the funds needed for the reconstruction of Ukraine [should](#) not be the burden of European taxpayers. The ECB and EU countries such as Germany have shown more [reluctance](#) towards that approach, fearing that such a decision could lower the trust of foreign states wishing to store assets in Europe. Belgium Prime Minister Alexander De Croo also [stated](#) that the method used should not undermine financial security in the EU.

Russia's accountability was the third issue discussed, with EU leaders welcoming the start of the support operations of the International Centre for the Prosecution of the Crime of Aggression. The fourth aspect was the condemnation of the military support provided by Belarus to Russia, notably allowing Russian armed forces to use its territory (as well as the support from Iran).

In addition, EU leaders condemned the destruction of the Kakhova dam, welcomed the 11th sanctions package, underlined their active diplomatic efforts in support of Ukraine's Peace Formula and for the organisation of the Copenhagen peace [conference](#) in July, and discussed the EU path of Ukraine and Moldova. As expected, Volodymyr Zelenskyy [addressed](#) EU leaders by video-link, updating them on the situation on the battlefield and stressing Ukraine's readiness to start accession negotiations.

Finally, in a context of strong [criticism](#) of the deal reached between the Commission and five Member States affected by the [import](#) of Ukrainian agriculture products, the European Council did address food security, expressing concern at the [slowdown](#) of the Black Sea Grain Initiative.

Main message of the President of the European Parliament: President Metsola [expressed](#) the European Parliament's desire that the accession negotiations with Ukraine should be opened by the end of the year. Georgia's European path was also mentioned in the conclusions.

Security and defence

President Michel [stressed](#) that 'strong allies make strong Alliances'. He underlined that the efforts undertaken in the EU to develop EU defence capabilities and bolster joint defence procurement also contributed to strengthening NATO, putting emphasis on the complementarity between the two institutions. As for Jens Stoltenberg, he stressed the importance of the EU-NATO strategic partnership in the current context of war in Europe, recalling the work undertaken on resilience and critical infrastructure. The Estonian Prime Minister, Kaja Kallas, [insisted](#) that Europeans needed to further bolster defence investments, and warned that lack of political will could prove dangerous, recalling that, between 1999 and 2021, European defence investments had increased by 19.7 %, whilst the increase had reached 65.7 % in the US, 292 % in Russia and 595 % in China in the same period. The Swedish Prime Minister, Ulf Kristersson, whose country is still waiting to join the Alliance, [stressed](#) that the 'Vilnius Summit is a very good occasion for decision-making'.

The European Peace Facility envelope was increased by €3.5 billion to meet 'the global geographical scope' of the instrument, reaching a total of [€12 billion](#). Besides welcoming this development, EU leaders took stock of the implementation of the [Strategic Compass](#). They also welcomed the [new Civilian CSDP Compact](#) and praised efforts to strengthen cyber-defence.

Main message of the President of the European Parliament: President Metsola [stressed](#) that a new security architecture was required, underlining that the EU and NATO needed to 'complement each

other', and avoid duplication and competition. She underlined the importance of continuing to boost joint defence procurement, urging the adoption of [EDIRPA](#) and [ASAP](#).

Migration

Discussions on migration were difficult and lengthy. As [expected](#), Poland and Hungary expressed their [disagreement](#) with both the content and the procedure for the [adoption of the Council common position](#) on two key pieces of legislation regulating the internal dimension of migration. Although the use of qualified majority voting (QMV) fully complied with the Treaty, the two countries consider that consensus should apply to migration issues. They even [attempted](#) to have a joint statement adopted providing for decision-making by consensus on migration issues in future. Dutch Prime Minister, Mark Rutte, [indicated](#) that, due to their 'anger' on the matter, Poland and Hungary had opposed the adoption of European Council conclusions on migration – even on the external dimension aspect on which they actually agree with the EU position. The views of the other EU leaders were summed up by Xavier Bettel, Luxembourg's Prime Minister, who [stated](#) that 'I prefer to have no conclusions than bad conclusions. If it is to have a breach of Treaties, it is not acceptable'. In the end, there were only [conclusions by the President of the European Council](#) on the external dimension of migration, which largely reflect the [draft conclusions](#) with the addition of a reference to the position of Poland and Hungary.

Another highly debated aspect was the use of '[innovative measures](#)', referring notably to the use of [disembarkation centres](#) (i.e. centres outside the EU where a first screening of asylum applications would be carried out), a proposal supported by Denmark and Austria, but strongly rejected by other Member States such as Belgium, Luxembourg and the Netherlands.

Charles Michel underlined the significant progress achieved on migration measures since the [European Council's February 2023 meeting](#), pointing in particular to closer EU-Tunisia cooperation. Migration has clearly returned to being a '[rolling agenda](#)' topic at European Council meetings, and Michel confirmed that the topic would be on the agenda of the next and subsequent meetings.

Main message of the President of the European Parliament: Roberta Metsola underlined that 'migration cannot be instrumentalised' and that the co-legislators needed to find agreement on the migration package before the European elections in June 2024. For her, the starting position in any debate on migration must always be that no human being should die trying to reach Europe.

China

For the first time since [2020](#), the European Council adopted conclusions on China, indicating political will to overcome [divisions](#) and forge a [common approach](#) to the relationship, adapted to the current strategic environment. As [underlined](#) by President von der Leyen, there was 'broad consensus on the [concept of "de-risking"](#) - not de-coupling from China', a country which is 'simultaneously a partner, a competitor and a systemic rival'. The EU would 'continue to engage with China ... but following a European approach based on our interests and on our values'. Thus, the approach implies that the EU would carry out both 'economic de-risking' and 'diplomatic de-risking', which in terms of EU policy towards China will translate at [three levels](#). Economically, first, the relationship with China needs to be re-balanced and based on reciprocity. Following the principle set in [Versailles](#) in 2022, the EU will seek to reduce its 'critical dependencies' and economic vulnerabilities whilst respecting its interests. President von der Leyen mentioned in particular the trade deficit, which had tripled over the past ten years or the unfair practices faced by EU companies in accessing the Chinese market. However, [analysts](#) warned that, in practice, 'de-risking' and 'not decoupling' were far from complementary. The Prime Minister of Latvia, [Krišjānis Karinš](#), summed up the EU's dilemma by stressing the need to reduce dependencies rapidly to avoid later problems.

Defending human rights, democratic values and fundamental principles constitute the second level, with EU leaders expressing support for efforts to address these issues. They welcomed the renewal of the Human Rights dialogue with China, whilst expressing concern about the situation in Tibet and Xinjiang, as well as the (lack of) respect of engagements towards Hong Kong.

Third, the European Council underlined China's special responsibility in upholding the international order as a permanent member of the UN Security Council, and stressed the need to engage with China on global issues such as health, climate change and security. In that context, it called on China 'to press Russia' to end its war and to 'unconditionally withdraw' from Ukraine. So far, China has refrained from condemning Russia's military aggression against Ukraine, abstaining or voting against in the various [resolutions](#) the UN has adopted on Ukraine and/or Russia since the outbreak of the war. EU leaders also recalled the global strategic importance of the East and South China Seas, expressing concern over 'growing tensions in the Taiwan Strait'; they also stressed that the EU opposed revisionism, and confirmed its '[One China policy](#)'.

Economy

EU leaders only briefly discussed economic issues, underlining the need to build European competitiveness on the fundamental asset of the European internal market. For that purpose, they decided to put in place a high-level committee to identify additional steps to strengthen the EU internal market, and tasked the Commission with the preparation of two reports for their meeting in March 2024 – an independent report on the future of the single market and the first progress report on the EU's competitiveness, productivity and growth. In that context, EU leaders called for [demographic challenges](#) – Europe is an ageing continent with a median age of [44.4 years](#) and [low fertility](#) rates – to be addressed, with a toolbox aimed at lessening the impact on competitiveness.

EU leaders also had a first exchange of views on the economic security concept, following the [publication of the strategy](#). The wording of the conclusions is cautious, calling for 'proportionate, precise and targeted answers to security challenges on the basis of a risk assessment'.

Multiannual Financial Framework

EU leaders did not open discussions on the [sensitive](#) and [divisive](#) subject of the revision of the Multiannual Financial Framework – just 'taking note' of the Commission proposal.

Main message of the President of the European Parliament: Focusing a lot on this topic, President Metsola stressed that 'we need to put our money where our mouth is' and adapt the EU's long term budget, if Europe wants to address adequately all the challenges it faces.

EU-priorities 2024-2029

In a [letter](#) sent ahead of the meeting, President Michel proposed a process for the shaping of the EU's next strategic priorities, and suggested four (plus one) priority areas i) the EU's economic and social base; ii) the energy challenge; iii) security and defence capabilities; and iv) engagement worldwide. Migration would also be a core topic. Discussion would kick off under the [Spanish Presidency](#) with the aim of finalising during the Belgian one in the first half of 2024.

DISCLAIMER AND COPYRIGHT

This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament.

Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

© European Union, 2023.

eprs@ep.europa.eu (contact)

www.eprs.ep.parl.union.eu (intranet)

www.europarl.europa.eu/thinktank (internet)

<http://epthinktank.eu> (blog)