



Council of the
European Union

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NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: European Council meeting (28 June 2018)
– Draft conclusions

In accordance with Article 3(1) of the Rules of Procedure of the European Council, delegations will find attached the draft conclusions prepared by the President of the European Council, in close cooperation with the member of the European Council representing the Member State holding the six-monthly Presidency of the Council and with the President of the Commission.

I. MIGRATION

1. The European Council reconfirms that a precondition for a functioning EU policy on migration is effective control of the external borders. Since 2015 a number of measures have been put in place to achieve that objective. As a result, the number of detected illegal border crossings into the EU has been brought down by 95% from its peak in October 2015.
2. The European Council is determined to continue and reinforce this policy to prevent a return to the uncontrolled flows of 2015 and to further reduce illegal immigration on all routes. Specifically as regards the Central Mediterranean route, efforts to stop smugglers operating out of Libya should be further intensified. The EU will continue to stand by Italy in this respect, and will step up its support for the Libyan Coastguard, coastal and Southern communities, humane reception conditions, and voluntary humanitarian returns.
3. As regards the Eastern Mediterranean Route, more efforts are needed to ensure swift returns and prevent the development of new sea or land routes. Cooperation with, and support for partners in the region remain key. As regards the Western Mediterranean route, the EU will continue to support all efforts by Member States and key third countries to prevent illegal migration.
4. In order to establish a more predictable framework for dealing with those who nevertheless set out to sea and are rescued in Search And Rescue Operations, the European Council supports the development of the concept of regional disembarkation platforms in close cooperation with UNHCR and IOM. Such platforms should provide for rapid processing to distinguish between economic migrants and those in need of international protection, and reduce the incentive to embark on perilous journeys.
5. The European Council will also strengthen EU external instruments on migration in the context of the negotiations on the next Multiannual Financial Framework, in particular so as to ensure effective cooperation with countries of origin and transit. To this end, the external components of the internal, border, asylum and migration funds should include a dedicated external migration management window specifically geared towards stemming irregular migration flows.

6. Concerning the situation internally in the EU, secondary movements of asylum seekers between Member States put the integrity of the Asylum System severely at risk. Member States should take all necessary internal legislative and administrative measures to counter such movements and to closely cooperate amongst each other to this end.
7. As regards internal migration policy much progress has also been achieved thanks to the tireless efforts of the Bulgarian and previous Presidencies. [p.m. Dublin]

II. SECURITY AND DEFENCE

8. Europe must take greater responsibility for its own security and underpin its role as a credible and reliable partner in the area of security and defence. The Union is therefore taking steps to bolster European defence, by enhancing defence investment, capability development and operational readiness. These initiatives enhance its autonomy while complementing and reinforcing the activities of NATO. The European Council:

- calls for fulfilling the PESCO commitments, further developing the initial projects and building up the institutional framework, in a way that is fully consistent with the Coordinated Annual Review on Defence and the revised Capability Development Plan adopted within the European Defence Agency. A next set of projects will be agreed in November 2018;
- welcomes progress on military mobility in the framework of PESCO and EU-NATO cooperation, expects the military requirements under the EU Action Plan now to be finalised, and calls on Member States to standardise rules and regulations by 2024. These efforts, which should fully respect the sovereignty of the Member States, be mutually reinforcing and follow a whole-of-government approach, will be reviewed yearly on the basis of a report by the Commission and the High Representative, starting in spring 2019;

- calls for further deepening EU-NATO cooperation, including through a new Joint Declaration, building on the progress made in implementing the 2016 Joint Declaration and the related proposals for action;
- calls for the swift implementation of the European Defence Industrial Development Programme and for further progress on the European Defence Fund in both its research and capability windows;
- recalls that military and civilian aspects need to be addressed in a comprehensive manner with a focus on concrete deliverables. Welcoming the work undertaken to strengthen civilian CSDP, it calls for an agreement on a civilian CSDP Compact by the end of this year, thus providing a new EU framework for civilian crisis management and CSDP missions, with ambitious commitments at EU and national levels;
- welcomes the Joint Communication on Europe's resilience to hybrid and Chemical, Biological, Radiological and Nuclear threats and invites the Commission and the High Representative to propose as soon as possible a new EU regime of restrictive measures to address the use and proliferation of chemical weapons. Following the extraordinary Conference of States Parties at the Organisation for the Prohibition of Chemical Weapons, the EU commits to supporting the implementation of its outcomes;
- invites the High Representative and the Commission to present, in cooperation with the Member States and in line with the March 2015 European Council conclusions, an action plan by December 2018 with specific proposals for a coordinated EU response to the challenge of disinformation, including appropriate mandates and sufficient resources for the relevant EEAS Strategic Communication teams;
- calls for further co-ordination between Member States and, as appropriate, at EU level and in consultation with NATO, to reduce the threat from hostile intelligence activities.

III. JOBS, GROWTH AND COMPETITIVENESS

9. The European Council endorses the integrated country-specific recommendations as discussed by the Council, thus allowing the conclusion of the 2018 European Semester. The current good economic situation should be used for strengthening the reform momentum.
10. Ensuring fair and effective taxation remains a key priority. In this context, the fight against tax avoidance, evasion and fraud must be vigorously pursued both at global level (notably in the OECD) and within the EU. At the same time, there is a real need to adapt our taxation systems to the digital era. The Council should therefore take work forward on the Commission proposals on digital taxation. Work should also advance on the single VAT area.
11. In a context of growing trade tensions, the European Council underlines the importance of preserving and deepening the rules-based multilateral system. The EU is committed to working towards its modernisation and calls on all partners to contribute positively to this goal. It invites the Commission to propose a comprehensive approach to improving, together with like-minded partners, the functioning of the WTO in crucial areas such as more flexible negotiations, new rules that address current gaps, including in the field of subsidies, reduction of trade costs, a new approach to development and effective and transparent enforcement, with a view to ensuring a level playing field.
12. As part of its positive trade agenda, the EU will continue to negotiate ambitious, balanced and mutually beneficial trade agreements with key partners across the world, promoting its values and standards. The recent adoption of the regulation on the modernisation of trade defence instruments will contribute to ensuring a level playing field. The European Council calls for the legislative proposal on the screening of foreign direct investments to be adopted by the end of the year.
13. In reaction to the United States' decision to impose additional tariffs on the EU for steel and aluminium products, which cannot be justified on the grounds of national security, the European Council fully supports the rebalancing measures, potential safeguard measures to protect our own markets, and the legal proceedings at the WTO, as decided on the initiative of the Commission.

IV. INNOVATION AND DIGITAL

14. Europe must further develop its high-quality research across the EU and turn it into new products, services and business models. We need a stronger, inclusive innovation ecosystem to foster breakthrough and market-creating innovation and provide comprehensive support for businesses with disruptive potential to successfully enter global markets.
15. It is vital to deliver on the remaining legislative proposals concerning the Digital Single Market before the end of the current legislative cycle. To build a European data economy, further action is needed to improve the efficient use of data across the EU and foster trust through high data protection standards and full implementation and proportionate enforcement of the General Data Protection Regulation in respect of all economic actors doing business in our single market. High-quality data are essential for the development of Artificial Intelligence. The European Council invites the co-legislators to swiftly examine the latest data package. It invites the Commission to work with Member States on a coordinated plan on Artificial Intelligence, building on its recent communication.
16. In line with the informal Leaders' discussion in Sofia, the European Council insists on improving businesses' access to financing, including by better coordinating EU and national research and innovation funding schemes and instruments, on providing a favourable regulatory environment that supports greater risk-taking, and on promoting links between academia, industry and governments.
17. The European Council invites the Commission to launch a new pilot initiative on breakthrough innovation within the remaining period of Horizon 2020. A European Innovation Council will be set up under the next Multiannual Financial Framework to identify and scale up breakthrough and disruptive innovation.

V. MULTIANNUAL FINANCIAL FRAMEWORK

18. The European Council takes note of the package of proposals on the Multiannual Financial Framework for the period 2021-2027 presented by the Commission on 2 May 2018, as well as of the sectoral legislative proposals for programmes supporting European policies presented since. It invites the European Parliament and the Council to examine these proposals in a comprehensive manner and at an accelerated pace.

VI. EXTERNAL RELATIONS

19. The European Council reiterates its full support for UNSC Resolution 2166 concerning the downing of flight MH-17. It calls on the Russian Federation to accept its responsibility and to fully cooperate with all efforts to establish truth, justice and accountability.
20. In the light of events, the European Council may address other specific foreign policy issues.
