



Council of the
European Union

Brussels, 25 June 2023
(OR. en)

8748/23

LIMITE

CO EUR-PREP 15

NOTE

From: General Secretariat of the Council
To: Council

Subject: European Council meeting (29 and 30 June 2023)
– 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.

The European Council held an exchange of views with NATO Secretary General Stoltenberg on EU-NATO cooperation and Euro-Atlantic security, in particular following the signature of the third joint declaration on 10 January 2023.

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I. UKRAINE

1. The European Council reiterates its resolute condemnation of Russia's war of aggression against Ukraine, which constitutes a manifest violation of the UN Charter, and recalls the European Union's unwavering support for Ukraine's independence, sovereignty and territorial integrity within its internationally recognised borders and its inherent right of self-defence against the Russian aggression. The European Union will continue to provide strong financial, economic, humanitarian, military and diplomatic support to Ukraine and its people for as long as it takes.

2. The European Council reconfirms the EU's readiness to provide sustainable military support to Ukraine for as long as it takes, notably through the EU Military Assistance Mission and the European Peace Facility. It took stock of the progress in the delivery and joint procurement of one million rounds of artillery ammunition and missiles for Ukraine. It underlines the importance of Member States' continued efforts to help meet Ukraine's pressing military and defence needs, without prejudice to the specific character of the security and defence policy of certain Member States, and taking into account the security and defence interests of all Member States.

3. The European Union and its Member States stand ready to contribute to future security commitments to Ukraine, which will help Ukraine defend itself in the long term, deter acts of aggression and resist destabilisation efforts. In this regard, they will swiftly consider the modalities of such contribution. These commitments will be taken without prejudice to the specific character of the security and defence policy of certain Member States and taking into account the security and defence interests of all Member States.
4. The European Council condemns in the strongest terms the deliberate destruction of the dam at the Kakhovka hydroelectric power plant, which has devastating humanitarian, ecological, agricultural and economic repercussions and puts at risk the safety and security of the Zaporizhzhia nuclear power plant. The European Union and its Member States stand ready to provide further support to Ukraine, in addition to the emergency assistance for relief efforts provided via the Union Civil Protection Mechanism. The European Union fully supports the International Atomic Energy Agency's work to strengthen nuclear safety and security in Ukraine.
5. The European Union and its Member States will intensify their diplomatic outreach efforts and continue to cooperate with Ukraine and other countries to ensure the widest possible international support for the key principles and objectives of Ukraine's Peace Formula, including through an upcoming Global Peace Summit. Any initiative for a comprehensive, just and lasting peace in Ukraine must be based on full respect for its independence, sovereignty and territorial integrity within its internationally recognised borders.

6. The European Council underlines the need to ensure, together with partners, stable, predictable and sustainable financial support for Ukraine for the years to come. The European Council reiterates its call for the European Investment Bank, in close cooperation with the Commission and International Financial Institutions, to step up its support for Ukraine's most urgent infrastructure needs. The European Union also remains committed to supporting Ukraine's repair, recovery and reconstruction, in coordination with international partners, including in the areas of psychological and psychosocial rehabilitation and demining assistance. Moreover, the European Council took stock of the work done regarding Russia's immobilised assets, and invites the Council, the High Representative and the Commission to take work forward, in accordance with EU and international law, and in coordination with partners.
7. The European Union remains firmly committed to ensuring that Russia is held fully accountable for its war of aggression against Ukraine. The European Council welcomes the fact that the International Centre for the Prosecution of the Crime of Aggression against Ukraine (ICPA) is ready to start its support operations. The European Council took stock of efforts to establish a tribunal for the prosecution of the crime of aggression against Ukraine, including work done in the Core Group, and calls for the work to continue. It welcomes the adoption of the Convention on international cooperation in the investigation and prosecution of the most serious crimes and calls on all countries to become parties to the Convention as soon as possible. The European Council also welcomes the establishment of the Council of Europe's Register of Damage Caused by the Aggression of the Russian Federation Against Ukraine and calls for work to continue.
8. The European Council condemns in the strongest terms Russia's unlawful deportation and transfer to Russia and to Belarus of Ukrainian children and other civilians. It calls on the Russian Federation and Belarus to immediately ensure their safe return.

9. The European Council discussed efforts to further increase pressure on Russia in order to weaken its ability to wage its war of aggression, including through sanctions, their full and effective implementation and the prevention of their circumvention. In this context, it welcomes the adoption of the 11th package of sanctions. The European Council calls on the co-legislators to swiftly finalise work on the proposed Directive approximating criminal offences and penalties for the violation of Union restrictive measures.
10. The European Council condemns the continued military support for Russia's war of aggression provided by Iran and Belarus. Belarus must stop allowing Russian armed forces to use its territory, including for the deployment of tactical nuclear weapons. Iran must stop providing drones to Russia.
11. The European Council acknowledges Ukraine's commitment and substantial efforts to meet the required conditions in its EU accession process. It encourages Ukraine to continue on its path of reforms. The European Union will continue to work closely with Ukraine and support its efforts to fully meet all conditions.
12. The European Union will continue to support the Republic of Moldova in addressing the challenges it faces as a consequence of the Russian aggression against Ukraine and in reform efforts on its European path. The European Council welcomes the recently presented support package and launch of the civilian EU Partnership Mission. It commends the Republic of Moldova for the successful organisation of the second European Political Community Summit on 1 June 2023.
13. Russia continues to weaponise food, thus undermining global food security. The European Council is deeply concerned by the continued slowdown in the implementation of the Black Sea Grain Initiative and calls for the swift and full resumption of its operations. The EU's Solidarity Lanes remain instrumental in bolstering global food security.

II. ECONOMY

14. The European Council held an exchange of views on the current economic situation.
15. Following reporting by the Council Presidency and the Commission, the European Council took stock of progress in enhancing Europe's long-term competitiveness and productivity, with a particular focus on deepening the Single Market, preserving its integrity and ensuring the level playing field while strengthening its industrial policy and reducing strategic dependencies, in particular in the most sensitive areas.
16. Recalling its conclusions of March 2023 and in light of the acceleration of the Union's twin transitions towards a green and digital economy, the European Council:
 - a) invites the co-legislators to accelerate work on the proposals for a Net Zero Industry Act and a Critical Raw Materials Act with a view to reaching an agreement before the end of the current legislative cycle and calls for work to be taken forward on the development of strategic technologies and strengthening their value chains;
 - b) stresses the need to rapidly seize the opportunities and address the risks of specific uses of artificial intelligence (AI) with a view to fostering innovation and trust, promoting investment and uptake, and contributing to setting global standards, and calls on the co-legislators to promptly finalise work on the AI Act;
 - c) invites the Commission to propose an initiative for urgent measures to ensure sufficient production and availability of the most critical medicines and components in Europe and to diversify international supply chains, while inviting the co-legislators to continue work on the proposed reform of the pharmaceutical legislation, including as regards access to medicines;

- d) welcomes the entry into force of the Unified Patent Court Agreement, and the consequent entry into operation of the unitary patent, for the participating Member States which will help boost innovation and competitiveness;
 - e) looks forward to the first annual progress review on enhancing the Union's competitiveness and increasing productivity and growth at its March 2024 meeting;
 - f) calls for an independent High-Level Report on the future of the Single Market to be presented at its meeting of March 2024 and invites the incoming presidencies of the Council and the Commission to take this work forward, in consultation with the Member States;
 - g) invites the Commission to present a toolbox to address demographic challenges and notably their impact on Europe's competitive edge.
17. The Commission reported on the discussions with the United States on the effects of the Inflation Reduction Act (IRA). The European Council invites the Commission, with the support of the Member States, to assess the impact of the IRA on investment and the effectiveness of measures taken in response by the European Union and its Member States, and to continue its work on monitoring and improving the investment conditions.
18. The European Council stresses the need to enhance the Union's economic resilience and security in order to defend the Union's interests while preserving an open economy. It calls for an approach that provides proportionate, precise and targeted answers to security challenges on the basis of a risk assessment.
19. The European Council generally endorses the integrated country-specific recommendations as discussed by the Council, thus allowing the conclusion of the 2023 European Semester.

20. The European Council invites the Council to take work forward on the Economic Governance Review, with a view to concluding legislative work in 2023.
21. The European Council invites the Council to take work forward without delay on the proposed revision of the Multiannual Financial Framework. The European Council will remain seized of the matter.

III. SECURITY AND DEFENCE

22. The European Council took stock of work carried out to implement its previous conclusions, the March 2022 Versailles Declaration and the Strategic Compass.
23. The European Council recalls the need to strengthen the technological and industrial base of the European defence sector and to make it more innovative, competitive and resilient, in particular in a new strategic environment which requires a significant increase in Europe's long-term strategic capacity to take more responsibility for its own defence.
24. In this regard, the European Council calls:
 - a) for work to be taken forward on all strands of action for the delivery and joint procurement of ammunition and missiles, notably on the Act in Support of Ammunition Production (ASAP) with a view to its swift adoption;
 - b) on the co-legislators to reach a prompt agreement on the European Defence Industry Reinforcement through common Procurement Act (EDIRPA);
 - c) on the Commission to present a proposal for a European Defence Investment Programme (EDIP) to reinforce the capacity and resilience of the European defence technological and industrial base, including SMEs.

25. The European Council welcomes the decision to further increase the financial ceiling of the European Peace Facility by EUR 3.5 billion in order to preserve the global geographical scope of the Facility, to continue providing military support to Ukraine and to maintain the Union's ability to prevent and swiftly respond to crises and conflicts and to build capacity through its training missions.
26. The European Council welcomes the progress in the implementation of the Strategic Compass, including as regards cyber security and defence, hybrid threats, military mobility, space and maritime security. It also welcomes work undertaken to strengthen Civilian CSDP, in particular the recent approval of the new Civilian CSDP Compact.
27. The European Council welcomes the work on the EU Policy on Cyber Defence and the review of the EU Cyber Diplomacy Toolbox to strengthen the ability to prevent, deter and respond to cyberattacks.

IV. MIGRATION

28. The European Council expresses its profound sorrow for the terrible loss of life as a result of the recent tragedy in the Mediterranean. The European Union remains committed to breaking the business model of traffickers and smuggling networks and to tackling the root causes of irregular migration so as to better address the flows of migrants and avoid that people embark on such perilous journeys.

29. Migration is a European challenge that requires a European response. The European Council reviewed the migratory situation at the EU's external borders and within the EU in a comprehensive way, and took note of the work undertaken so far in the framework of a European response. The Council Presidency and the Commission informed the European Council about the steady progress in implementing its conclusions of 9 February 2023, with a focus on the external aspects of migration. Building on the progress so far, the European Council calls for work to be stepped up on all strands of action, along all migratory routes. It calls on the Council and the Commission to continue to closely monitor and ensure the implementation of its conclusions; the European Council will keep this work under review.

V. CHINA

30. The European Council continued its strategic discussion on the EU's relations with China and reaffirmed the EU's multifaceted policy approach towards China, where it is simultaneously a partner, a competitor and a systemic rival. Despite their different political and economic systems, the European Union and China have a shared interest in pursuing constructive and stable relations, anchored in respect for the rules-based international order, balanced engagement and reciprocity.
31. The European Union will continue to engage with China to tackle global challenges and encourages China to take more ambitious action on climate change and biodiversity, health and pandemic preparedness, food security, disaster reduction, debt relief, and humanitarian assistance.

32. The European Union and China continue to be important trade and economic partners. The European Union will seek to rebalance its trade and economic relationship and ensure a level playing field. In line with the Versailles agenda, the European Union will continue to reduce critical dependencies and vulnerabilities in its supply chains and will de-risk and diversify where necessary and appropriate, in order to achieve a balanced, reciprocal and mutually beneficial economic relationship. The European Union does not intend to decouple or to turn inwards. Its policies are not designed to harm China nor to thwart China's economic progress and development.
33. As a permanent member of the UN Security Council, China has a special responsibility in upholding the rules-based international order, the United Nations Charter and international law. Hence, the European Council calls on China to press Russia to stop its war of aggression, and immediately, completely and unconditionally withdraw its troops from Ukraine.
34. The East and South China Seas are of strategic importance for regional and global prosperity and security. The European Union is concerned about growing tensions in the Taiwan Strait. The European Council opposes any unilateral attempts to change the status quo by force or coercion. It reconfirms the EU's consistent 'One China policy'.
35. The European Union remains firmly committed to the promotion of respect for human rights and fundamental freedoms. The European Council welcomes the resumption of the Human rights dialogue with China. It reiterates its concerns regarding forced labour, the treatment of human rights defenders and persons belonging to minorities, the situation in Tibet and Xinjiang, as well as the honouring of China's previous commitments related to Hong Kong.

VI. EXTERNAL RELATIONS

36. The European Council discussed preparations for the EU-CELAC Summit. It will be an opportunity to renew and strengthen a partnership based on shared values, history and culture, and to agree on a positive and forward-looking agenda. Regular and structured bi-regional dialogue will ensure follow-up and implementation of concrete actions in areas of common interest, including on trade and investment. The European Council underlines the importance of addressing together the global climate and environmental crises, the opportunities of the digital transformation, rising inequalities and the need to diversify supply chains, as well as unprecedented threats to global security and the rules-based order.
37. The European Council held a strategic discussion on the European Union's relations with partners in the Southern Neighbourhood. It underlines the importance of strengthening and developing strategic partnerships between the European Union and partners in the region. In this context, the European Council welcomes the mutually beneficial comprehensive partnership package agreed with Tunisia, building on the pillars of economic development, investment and trade, the green energy transition, migration and people-to-people contacts, and supports the resumption of political dialogue in the context of the EU-Tunisia Association Agreement.
38. Recalling the EU-Western Balkans Thessaloniki Summit Declaration of 21 June 2003 and its previous conclusions, notably those of 23-24 June 2022, the European Council reiterates its full and unequivocal commitment to the EU membership perspective of the Western Balkans and its support for the acceleration of the accession process.

39. The European Council condemns the recent violent incidents in the north of Kosovo* and calls for an immediate de-escalation of the situation, based on the key elements already outlined by the European Union on 3 June 2023. Parties should create conditions for early elections in all four municipalities in the north of Kosovo. Failure to de-escalate the tensions will have negative consequences. It is essential that the EU-facilitated dialogue led by the High Representative and the swift implementation of the Agreement on the path to normalisation and its Implementation Annex continue. This includes the establishment of the Association/Community of Serb Majority Municipalities.
40. In line with commitments on multilateralism made at the European Union - African Union Summit of 17-18 February 2022, the European Council supports the African Union's reinforced presence in international forums, notably in the G20.

VII. OTHER ITEMS

41. Recalling its previous conclusions, the European Council remains fully committed to a comprehensive settlement of the Cyprus problem, within the UN framework, and in accordance with the relevant UNSC resolutions and in line with the principles on which the EU is founded and the acquis. The European Union calls for the speedy resumption of negotiations and is ready to play an active role in supporting all stages of the the UN-led process, with all appropriate means at its disposal.
42. The European Council acknowledges the challenges posed by cross-sectoral and cross-border crises or natural and man-made disasters, many of which are exacerbated by climate change and the evolving security landscape in Europe and globally. It underlines the importance of strengthening resilience in strategic areas through an all-hazards approach to preparedness and response using relevant mechanisms, in particular the Union Civil Protection Mechanism.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.