Brussels, 20 February 2017
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NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee
Subject: European Council (9 and 10 March 2017)
   - Draft guidelines for the conclusions

With a view to the forthcoming meeting of the European Council, delegations will find below the state of progress regarding the various topics on its agenda. Where possible, first indications are given on the elements the President of the European Council intends to include in the draft of the conclusions.

Member States are invited to provide their reactions, in order to help guiding the preparations for the draft European Council conclusions which will be submitted in one week.

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At the start of the meeting, the Member of the European Council representing the Member State holding the six-monthly Presidency of the Council will provide an overview of progress on the implementation of earlier European Council conclusions, including on the Malta Declaration on the external aspects of migration.

I. **JOBS, GROWTH AND COMPETITIVENESS**

The Annual Growth Survey is being discussed in different Council configurations in accordance with the Presidency roadmap. As part of the Council contribution to the European Semester 2017, the Council is holding various thematic discussions, including on the implementation of country-specific recommendations. The Presidency will present a synthesis report on the European Semester to the General Affairs Council on 7 March.

The European Council will:

- discuss the economic situation against the background of positive growth in all 28 Member States and a decrease in overall unemployment. It will exchange views on how to ensure the sustainability of these developments, while fully aware of the need for the benefits of economic growth to be spread more widely. It will call for an early adoption of the extension of the European Fund for Strategic Investments;

- welcome the imminent provisional application of the EU-Canada Comprehensive Economic and Trade Agreement (CETA), reassert the EU's commitment to a robust trade policy that reaps the benefits of open markets while taking into account concerns of citizens, stand ready for a rapid conclusion of the negotiations on a free trade agreement with Japan and an intensification of ongoing negotiations with other trade partners, and call for the swift finalisation of the legislative work on Trade Defence Instruments;
• reiterate the importance of advancing all files related to the Single Market and Digital Single Market strategies, the Capital Markets Union Action Plan and the Energy Union, in line with the Joint Declaration of 13 December 2016 on the EU's legislative priorities for 2017;
• advance the first phase of the 2017 European Semester following the preparatory work undertaken by the Council, and provide guidance to Member States for the preparation of their national reform and stability or convergence programmes. The European Council is also expected to endorse the draft Council recommendation on the economic policy of the euro area.

II. EXTERNAL SECURITY AND DEFENCE

The European Council will be called upon to reinforce the message that Europe needs to do more, including by committing sufficient additional resources, in order to strengthen its security and defence in a challenging geopolitical environment and to better protect its citizens. It will assess progress achieved on the various lines of action agreed in December 2016, on the basis of a report by the Council. It will come back to this issue in June 2017 when it will provide additional strategic guidance.

III. MIGRATION

On the basis of the report of the Maltese Prime Minister (see above), the European Council will take stock of the follow up to the guidance provided at the informal meeting in Malta on 3 February 2017, with a focus on operational measures. It will also encourage further efforts by the Council to rapidly deliver on all aspects of the EU's comprehensive migration policy during the current Council Presidency.
IV. **EXTERNAL RELATIONS**

The European Council will discuss the situation in the Western Balkans. In the light of events, it may also address other specific foreign policy issues.

V. **OTHER ITEMS**

**European Public Prosecutor's Office** (*draft conclusions*)

Following the referral by 17 Member States pursuant to Article 86(1), second subparagraph, TFEU of the draft Regulation on the establishment of the European Public Prosecutor's Office, the European Council discussed the draft and noted that the condition set out at the beginning of Article 86(1), third subparagraph was met, thus opening the way to the possible establishment of enhanced cooperation on the basis of that draft.

**Election of the President of the European Council**

The European Council is expected to adopt a decision electing the President of the European Council for the period from 1 June 2017 until 30 November 2019.

In the margins of the European Council meeting, the Heads of State or Government of the Contracting Parties to the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union whose currency is the euro are expected to adopt a decision appointing the President of the Euro Summit for the period from 1 June 2017 until 30 November 2019.