Council of the European Union

Brussels, 27 February 2017
(OR. en)

5577/17

LIMITE

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NOTE

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

In accordance with Article 2(3)(a) of the Council's Rules of Procedure, 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.

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I. JOBS, GROWTH AND COMPETITIVENESS

1. Last year, we saw economic growth in all 28 Member States and the outlook is encouraging, both for the euro area and the EU overall. Unemployment, though still at too high a level, is at its lowest since 2009, the state of public finances is improving and investment is growing.

2. Uncertainties persist however and it is therefore important to ensure the sustainability of the recovery. To this end reforms aimed at modernising our economies must be pursued, public finances strengthened and investment promoted, including through the swift extension of the European Fund for Strategic Investments.

3. Recalling its December conclusions, the European Council reiterates the importance it attaches to a well-functioning Single Market for growth and employment and reaping the benefits of the digital era. This requires both to effectively implement decisions already taken and to close existing gaps through swift progress on legislative proposals, in line with the Joint Declaration of 13 December 2016 on the EU's legislative priorities for 2017. Europe needs a thriving industry and a flourishing services sector, and both will benefit from a stronger Single Market. Therefore, delivering on the various Single Market strategies by 2018 remains our shared objective. The European Council will review progress in June.

4. Trade remains one of the most powerful engines for growth, supporting millions of jobs and contributing to prosperity. The European Council welcomes the positive vote in the European Parliament on the EU-Canada Comprehensive Economic and Trade Agreement (CETA) and looks forward to its imminent provisional application. This is a clear signal at a time when protectionist tendencies are re-appearing. The EU remains strongly committed to a robust trade policy in an open and rules-based multilateral trading system, while equipping itself with modernised tools to tackle unfair trade practices. The European Council calls for the quick adoption of the relevant proposals in this respect. The EU will continue to engage actively with international trade partners. This includes resolutely advancing ongoing negotiations for balanced free trade agreements notably with Japan, which is closest to an early conclusion. While doing so it will be particularly vigilant concerning the respect of key standards.

5. The European Council reiterates the need to complete the Banking Union in terms of reducing and sharing risks in the financial sector, in the appropriate order. It calls on the Council to conclude its examination of the proposals to increase resilience in the financial sector by the end of the year. In this context it also recalls the importance of international cooperation on the design of common prudential and supervisory standards for financial services.

6. It is of vital importance that the benefits of economic growth are spread more widely and fairly. The European Council welcomes the holding of the Social Summit for Fair Jobs and Growth in Gothenburg on 17 November 2017.

7. The European Council endorses the policy priority areas of the Annual Growth Survey, and invites Member States to reflect them in their forthcoming National Reform Programmes and Stability or Convergence Programmes. The European Council also endorses the draft Council recommendation on the economic policy of the euro area.

II. EXTERNAL SECURITY AND DEFENCE

8. The European Council wants the dynamics set in motion by its December 2016 conclusions to be maintained and reinforced, according to the parameters set out therein. In the present international environment, Europe must do more to protect its citizens and maintain stability in the neighbourhood and beyond, including by committing sufficient additional resources. [It welcomes the update by the Council on the progress achieved so far.] Building on that momentum, work should be taken further with even greater determination and speed. The European Council will revert to this issue in June 2017.

III. MIGRATION

9. As shown in the report by the Maltese Prime Minister, many operational measures decided at the informal meeting in Malta on 3 February 2017 are in the process of being implemented. The European Council reiterates its determination to deliver on all the elements of the Malta Declaration and fully supports the work of the Council Presidency, in close cooperation with the Commission and the High Representative. [It welcomes the Commission Communication on a Renewed Action Plan on Returns, called for in the Malta Declaration, and invites the Council to rapidly examine it.]

10. The European Council encourages further efforts by the Council to also rapidly deliver on other aspects of the EU's comprehensive migration policy during the current Council Presidency.

IV. EXTERNAL RELATIONS

11. The European Council discussed the situation in the Western Balkans, which it will keep under review. Recalling its support to the European perspective of the Western Balkans, the European Council stresses that the EU remains committed to the region and engaged at all levels, to support stability and to deepen political and economic ties with and within the region. In this context it welcomes the holding of the Western Balkans Summit in Trieste on 12 July.

V. OTHER ITEMS

European Public Prosecutor's Office

12. 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.

Election of the President of the European Council

13. *[p.m.]*