European Council

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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	European Council meeting (28 June 2018) – Conclusions

Delegations will find attached the conclusions adopted by the European Council at the above meeting.

I. MIGRATION

1. The European Council reconfirms that a precondition for a functioning EU policy relies on a comprehensive approach to migration which combines more effective control of the EU's external borders, increased external action and the internal aspects, in line with our principles and values. This is a challenge not only for a single Member State, but for Europe as a whole. Since 2015 a number of measures have been put in place to achieve the effective control of the EU's external borders. 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, even if flows have been picking up recently on the Eastern and Western Mediterranean routes.

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 stem illegal migration on all existing and emerging routes.

3. As regards the Central Mediterranean Route, efforts to stop smugglers operating out of Libya or elsewhere should be further intensified. The EU will continue to stand by Italy and other frontline Member States in this respect. It will step up its support for the Sahel region, the Libyan Coastguard, coastal and Southern communities, humane reception conditions, voluntary humanitarian returns, cooperation with other countries of origin and transit, as well as voluntary resettlement. All vessels operating in the Mediterranean must respect the applicable laws and not obstruct operations of the Libyan Coastguard.

4. As regards the Eastern Mediterranean Route, additional efforts are needed to fully implement the EU-Turkey Statement, prevent new crossings from Turkey and bring the flows to a halt. The EU-Turkey readmission agreement and the bilateral readmission agreements should be fully implemented in a non-discriminatory manner towards all Member States. More efforts are urgently needed to ensure swift returns and prevent the development of new sea or land routes. Cooperation with, and support for, partners in the Western Balkans region remain key to exchange information on migratory flows, prevent illegal migration, increase the capacities for border protection and improve return and readmission procedures. In the light of the recent increase in flows in the Western Mediterranean, the EU will support, financially and otherwise, all efforts by Member States, especially Spain, and countries of origin and transit, in particular Morocco, to prevent illegal migration.

5. In order to definitively break the business model of the smugglers, thus preventing tragic loss of life, it is necessary to eliminate the incentive to embark on perilous journeys. This requires a new approach based on shared or complementary actions among the Member States to the disembarkation of those who are saved in Search And Rescue operations. In that context, the European Council calls on the Council and the Commission to swiftly explore the concept of regional disembarkation platforms, in close cooperation with relevant third countries as well as UNHCR and IOM. Such platforms should operate distinguishing individual situations, in full respect of international law and without creating a pull factor.

6. On EU territory, those who are saved, according to international law, should be taken charge of, on the basis of a shared effort, through the transfer in controlled centres set up in Member States, only on a voluntary basis, where rapid and secure processing would allow, with full EU support, to distinguish between irregular migrants, who will be returned, and those in need of international protection, for whom the principle of solidarity would apply. All the measures in the context of these controlled centres, including relocation and resettlement, will be on a voluntary basis, without prejudice to the Dublin reform.

7. The European Council agrees on launching the second tranche of the Facility for Refugees in Turkey and at the same time on transferring 500 million euro from the 11th EDF reserve to the EU Trust Fund for Africa. Member States are moreover called upon to contribute further to the EU Trust Fund for Africa with a view to its replenishment.

8. Tackling the migration problem at its core requires a partnership with Africa aiming at a substantial socio-economic transformation of the African continent building upon the principles and objectives as defined by the African countries in their Agenda 2063. The European Union and its Member States must rise to this challenge. We need to take the extent and the equality of our cooperation with Africa to a new level. This will not only require increased development funding but also steps towards creating a new framework enabling a substantial increase of private investment from both Africans and Europeans. Particular focus should be laid on education, health, infrastructure, innovation, good governance and women's empowerment. Africa is our neighbour and this must be expressed by increased exchanges and contacts amongst the peoples of both continents on all levels of civil society. Cooperation between the European Union and the African Union is an important element of our relationship. The European Council calls for further developing and promoting it.

9. In the context of the next Multiannual Financial Framework, the European Council underlines the need for flexible instruments, allowing for fast disbursement, to combat illegal migration. The internal security, integrated border management, asylum and migration funds should therefore include dedicated, significant components for external migration management.

10. The European Council recalls the need for Member States to ensure the effective control of the EU's external borders with EU financial and material support. It also underlines the necessity to significantly step up the effective return of irregular migrants. In both respects, the supportive role of FRONTEX, including in the cooperation with third countries, should be further strengthened through increased resources and an enhanced mandate. It welcomes the intention of the Commission to make legislative proposals for a more effective and coherent European return policy.

11. Concerning the situation internally in the EU, secondary movements of asylum seekers between Member States risk jeopardising the integrity of the Common European Asylum System and the Schengen acquis. Member States should take all necessary internal legislative and administrative measures to counter such movements and to closely cooperate amongst each other to that end.

12. As regards the reform for a new Common European Asylum System, much progress has been achieved thanks to the tireless efforts of the Bulgarian and previous Presidencies. Several files are close to finalisation. A consensus needs to be found on the Dublin Regulation to reform it based on a balance of responsibility and solidarity, taking into account the persons disembarked following Search And Rescue operations. Further examination is also required on the Asylum Procedures proposal. The European Council underlines the need to find a speedy solution to the whole package and invites the Council to continue work with a view to concluding as soon as possible. There will be a report on progress during the October European Council.

II. SECURITY AND DEFENCE

13. Europe must take greater responsibility for its own security and underpin its role as a credible and reliable actor and 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 strategic autonomy while complementing and reinforcing the activities of NATO, in line with previous conclusions. The European Council:

- calls for the fulfilment of the PESCO commitments and the further development of the initial projects and 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. It invites the Council to decide on the conditions for third State participation in PESCO projects;

- welcomes progress on military mobility in the framework of PESCO and EU-NATO cooperation, expects the military requirements under the EU Action Plan on military mobility now to be finalised, and calls on Member States to simplify and standardise relevant rules and procedures 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 the swift implementation of the European Defence Industrial Development Programme and for further progress on the European Defence Fund both in its research and capability windows;

- welcomes the work undertaken to strengthen civilian CSDP and 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 level. It recalls that military and civilian aspects need to be addressed in a comprehensive manner with a focus on concrete deliverables;

- welcomes the Joint Communication on Europe's resilience to hybrid and Chemical, Biological, Radiological and Nuclear-related threats and calls for the adoption as soon as possible of a new EU regime of restrictive measures to address the use and proliferation of chemical weapons. Following the extraordinary Conference of States Parties to the Chemical Weapons Convention, the EU commits itself 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 Communications teams;

- stresses the need to strengthen capabilities against cybersecurity threats from outside the EU and asks the institutions and Member States to implement the measures referred to in the Joint Communication, including the work on attribution of cyber-attacks and the practical use of the cyber diplomacy toolbox;

- calls for further coordination between Member States and, as appropriate, at EU level and in consultation with NATO, to reduce the threat from hostile intelligence activities;

- calls for further deepening of EU-NATO cooperation, in full respect of the principles of inclusiveness, reciprocity and decision-making autonomy of the EU, including through a new Joint Declaration, building on the progress made in implementing the 2016 Joint Declaration and the related proposals for action;

- welcomes the intention of the Commission to present a legislative proposal to improve the detection and removal of content that incites hatred and to commit terrorist acts.

III. JOBS, GROWTH AND COMPETITIVENESS

14. 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.

15. Ensuring fair and effective taxation remains a key priority. In that 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 continue on how to ensure effective VAT collection, including swift progress on the Commission proposals on short-term measures.

16. 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 (i) more flexible negotiations, (ii) new rules that address current challenges, including in the field of industrial subsidies, intellectual property and forced technology transfers, (iii) reduction of trade costs, (iv) a new approach to development, (v) more effective and transparent dispute settlement, including the Appellate Body, with a view to ensuring a level playing field, and (vi) strengthening the WTO as an institution, including in its transparency and surveillance function.

17. 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 as soon as possible.

18. In reaction to the United States' decision to impose 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. The EU must respond to all actions of a clear protectionist nature, including those calling into question the Common Agricultural Policy.

IV. INNOVATION AND DIGITAL

19. 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, including SMEs, with disruptive potential to successfully enter global markets.

20. 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.

21. 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 digital skills as well as links between academia, industry and governments. Cooperation between research, innovation and education should be encouraged, including through the European Universities initiative.

22. 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. OTHER ISSUES

23. The European Council strongly welcomes and supports the agreement reached between the former Yugoslav Republic of Macedonia and Greece on the name issue. This, together with the agreement between Bulgaria and the former Yugoslav Republic of Macedonia on the Treaty of Friendship, Good Neighbourliness, and Cooperation, sets a strong example for others in the region to strengthen good neighbourly relations.

24. The European Council endorses the conclusions on enlargement and stabilisation and association process adopted by the Council on 26 June 2018.

25. 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.

26. 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 as soon as possible.