



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

From: General Secretariat of the Council
To: Council
Subject: European Council (26 and 27 June 2014)
- 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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L'Europa come non l'avete mai letta

The European Council defined the strategic guidelines for legislative and operational planning for the coming years within the area of freedom, security and justice (see below under Chapter I) and also addressed some related horizontal issues. It concluded the 2014 European Semester and called for additional efforts to strengthen Europe's capacity to grow and create more jobs. The European Council took stock of progress made towards a final decision in October on the 2030 climate and energy policy framework and supported the immediate implementation of a set of most urgent measures to strengthen Europe's resilience and increase its energy security. As part of the preparations for the October European Council meeting, the Council was asked to further analyse other medium to long-term measures to enhance the EU's energy security.

The European Council welcomed the signature of the Association Agreements, including Deep and Comprehensive Free Trade Areas, between the European Union and Georgia and the Republic of Moldova, as well as the signature of the remainder of the Association Agreement and Deep and Comprehensive Free Trade Area, between the European Union and Ukraine.

[p.m. The European Council agreed on the candidate that it will propose to the European Parliament for President of the European Commission. In this context, it agreed the strategic agenda of key priorities for the next five years. It called on the EU institutions to fully implement these priorities in their work and legislative planning.]

I. FREEDOM, SECURITY AND JUSTICE

1. One of the key objectives of the Union is to build an area of freedom, security and justice without internal frontiers, and with full respect for fundamental rights. To this end, coherent policy measures need to be taken with respect to asylum, immigration, borders, and police and judicial cooperation, in accordance with the Treaties and their relevant Protocols.
2. All the dimensions of a Europe that protects its citizens and offers effective rights to people inside and outside the Union are interlinked. Success or failure in one field depends on performance in other fields as well as on synergies with related policy areas. The answer to many of the challenges in the area of freedom, security and justice lies in relations with third countries, which calls for improving the link between the EU's internal and external policies. This has to be reflected in the cooperation between the EU's institutions and bodies.

3. Building on the past programmes, the overall priority now is to consistently transpose, effectively implement and consolidate the legal instruments and policy measures in place. Intensifying operational cooperation while using the potential of Information and Communication Technologies' innovations, enhancing the role of the different EU agencies and ensuring the strategic use of EU funds will be key.
4. In further developing the area of freedom, security and justice over the next years, it will be crucial to ensure the protection and promotion of fundamental rights, including data protection, whilst addressing security concerns, also in relations with third countries, and to adopt a strong EU General Data Protection framework by 2015.
5. Faced with challenges such as instability in many parts of the world as well as global and European demographic trends, the Union needs an efficient and well-managed migration, asylum and borders policy, guided by the Treaty principles of solidarity and fair sharing of responsibility. A comprehensive approach is required, optimising the benefits of legal migration and offering protection to those in need while tackling irregular migration resolutely and managing the EU's external borders efficiently.
6. To remain an attractive destination for talents and skills, Europe must develop strategies to maximise the opportunities of legal migration through coherent and efficient rules, and informed by a dialogue with the business community and social partners. The Union should also support Member States' efforts to pursue active integration policies which foster social cohesion and economic dynamism.

7. The Union's commitment to international protection requires a strong European asylum policy based on solidarity and responsibility. The full transposition and effective implementation of the Common European Asylum System (CEAS) is an absolute priority. This should result in high common standards and stronger cooperation, creating a level playing field where asylum seekers are given the same procedural guarantees and protection throughout the Union. It should go hand in hand with a reinforced role for the European Asylum Support Office (EASO), particularly in promoting the uniform application of the acquis. Converging practices will enhance mutual trust and allow to move to future next steps. In this context, mutual recognition of asylum decisions should be explored.
8. Addressing the root causes of irregular migration flows is an essential part of EU migration policy. It is imperative to avoid the loss of lives of migrants undertaking hazardous journeys as well as to prevent and tackle irregular migration. A sustainable solution can only be found by intensifying cooperation with countries of origin and transit, including through assistance to strengthen their migration and border management capacity. Migration policies must become a much stronger integral part of the Union's external and development policies, applying the "more for more" principle and building on the Global Approach to Migration and Mobility. The focus should be on the following elements:
- strengthening and expanding Regional Protection Programmes, in particular close to regions of origin such as in the Horn of Africa, in close collaboration with UNHCR; Increase contributions to global resettlement efforts, notably in view of the current protracted crisis in Syria;
 - addressing smuggling and trafficking in human beings more forcefully, with a focus on priority countries and routes. Particular attention should go at present to the situation in Lybia, Eritrea and the Sinai;
 - establishing an effective common return policy and enforcing readmission provisions in agreements between the EU and third countries;
 - fully implementing the actions identified by the Task Force Mediterranean.

9. The Schengen area, allowing people to travel without internal border controls, and the increasing numbers of people travelling to the EU require efficient management of the EU's common external borders to ensure strong protection. The Union must mobilise all the tools at its disposal to support the Member States in this task. To this end:

- Integrated Border Management of the external borders should be modernised in a cost efficient way to ensure smart border management with an entry-exit system and registered travellers programme and supported by the new Agency for Large Scale IT Systems (eu-LISA);
- Frontex, as an instrument of European solidarity in the area of border control, should reinforce its operational assistance, in particular to Member States facing strong pressure at the external borders, and increase its reactivity towards rapid evolutions in migration flows, making full use of the new European Border Surveillance System EUROSUR;
- in the context of the long-term development of Frontex, the possibility of setting up a European System of Border Guards to enhance the control and surveillance capabilities at our external borders should be studied.

At the same time, the common visa policy needs to be modernised by facilitating legitimate travel and reinforced local Schengen consular cooperation while maintaining a high level of security and implementing the new Schengen governance system.

10. It is essential to guarantee a genuine area of security for European citizens by preventing and combating serious and organised crime, including human trafficking, and corruption. At the same time, an effective EU counter terrorism policy is needed, whereby all relevant actors work closely together, integrating the internal and external aspects of the fight against terrorism. In this context, the European Council reaffirms the role of the EU Counter Terrorism Coordinator. In its fight against crime and terrorism, the Union should back national authorities by mobilising all instruments of judicial and police cooperation, with a reinforced coordination role for Europol and Eurojust, including through:
- the review and update of the internal security strategy by mid 2015;
 - the improvement of cross-border information exchanges, including on criminal records;
 - the further development of a comprehensive approach to cybersecurity and cybercrime;
 - the prevention of radicalisation and extremism and action to address the phenomenon of foreign fighters, including through the effective use of existing instruments for EU-wide alerts and the development of instruments such as the EU Passenger Name Record system.
11. The smooth functioning of a true European area of justice with respect for the different legal systems and traditions of the Member States is vital for the EU. In this regard, mutual trust in one another's justice systems should be further enhanced. A sound European justice policy will contribute to economic growth by helping businesses and consumers to benefit from a reliable business environment within the internal market. Further action is required to:
- promote the consistency and clarity of EU legislation for citizens and businesses;
 - simplify access to justice; promote effective remedies and use of technological innovations including the use of e-justice;

- continue efforts to strengthen the rights of accused and suspect persons in criminal proceedings;
 - examine the reinforcement of the rights of persons, notably vulnerable persons, in proceedings to facilitate enforcement of judgements in family law and in civil and commercial matters with cross-border implications;
 - enhance mutual recognition of decisions and judgments in civil and criminal matters;
 - reinforce exchanges of information between the authorities of the Member States;
 - fight fraudulent behaviour and damages to the EU budget by advancing negotiations on the European Public Prosecutor's Office;
 - facilitate cross-border activities and operational cooperation;
 - enhance training for practitioners;
 - mobilise the expertise of relevant EU agencies such as Eurojust and the Fundamental Rights Agency (FRA).
12. As one of the fundamental freedoms of the European Union, the right of EU citizens to move freely and reside and work in other Member States needs to be protected, including from possible abuse or fraudulent claims.
13. The European Council calls on the EU institutions and the Member States to ensure the appropriate legislative and operational follow-up to these guidelines and will hold a mid-term review in 2017.

II. GROWTH, COMPETITIVENESS AND JOBS

A. THE EUROPEAN SEMESTER

14. Recent signs of economic recovery are encouraging and demonstrate that the joint efforts of Member States and EU institutions are bearing fruit. Growth has started to return, public finances continue to improve and there is a modest rise in employment, even though in many parts of Europe unemployment, in particular youth unemployment is still at unprecedented and unacceptable levels. Poverty and social exclusion remain major concerns.
15. Thanks to their consistent efforts, several Member States have seen their excessive deficit procedures abrogated. Given the persistently high levels of public debt, growth-friendly and differentiated fiscal consolidation must be continued.
16. Recovery remains fragile and uneven and efforts must continue and be enhanced in order to strengthen Europe's capacity to grow and create more jobs. Increased action is needed to reduce the tax wedge on labour, to reform product and services markets and public administrations, to improve the business and RDI environment, facilitate access to finance, to enhance the functioning of network industries and to reform education systems.
17. Against this background, the European Council generally endorsed the country-specific recommendations (CSR) and thus concluded the 2014 European Semester. Their implementation is key to accelerate growth. Based on the principles of national ownership and social dialogue, Member States should respect the recommendations in their forthcoming decisions on budgets, structural reforms and employment and social policies. The Council and the Commission will further monitor CSR implementation and take action as required.

18. The European Council reviewed progress made in the area of regulatory fitness and performance on the basis of the Commission Communication. A lot of progress has been achieved in the implementation of the REFIT programme by the Commission, the other EU institutions and Member States; this has led to an effective reduction of the regulatory burden. The European Council considers that regulatory fitness should remain a priority in the work of the institutions. This requires a strong commitment to regulatory simplification and burden reduction in legislative work and better use of impact assessment and ex-post evaluation throughout the legislative cycle, at the EU and national level. Regulatory fitness measures at the European level should be complemented by initiatives for regulatory fitness by the Member States. In this respect Member States should make full use of regulatory flexibility provisions for the benefit of small and medium-sized enterprises in the implementation of EU legislation. The European Council calls on the Council to proceed to a detailed examination of the Commission Communication. The Commission, the other EU institutions and the Member States are invited to continue the implementation of the REFIT programme in an ambitious way, taking into account consumer and employees protection as well as health and environment concerns.

B. CLIMATE AND ENERGY

19. The European Council took stock of progress made towards a final decision in October on the 2030 climate and energy framework in line with its March 2014 conclusions. In that context, it stressed the importance of swiftly developing the key elements of the framework, and looks forward, in particular, to the Commission presenting by July a review of the Energy Efficiency Directive and how energy efficiency can contribute to the 2030 climate and energy framework. It reaffirms the importance of the UN Climate Summit in September 2014 and confirms that the specific EU target for 2030 for greenhouse gas emission reductions will be fully in line with the agreed ambitious EU objective for 2050.

20. The European Council welcomed the Commission's European Energy Security Strategy (EESS) and held a first discussion on that basis. The EESS is closely linked to the 2030 policy framework on climate and energy. The European Council calls for increased efforts to reduce Europe's high energy dependency and supports the immediate implementation of a set of most urgent measures to strengthen Europe's resilience and increase its energy security in the short term, before the winter of 2014/2015. It agrees in particular that:

- in the light of assessments of the risk of short-term supply disruption, existing emergency and solidarity mechanisms, including gas storage, emergency infrastructure and reverse flows, will be reinforced in order to address this risk primarily in the most vulnerable Member States;
- in view of enhancing the EU's energy security, relevant energy infrastructure investments, including those involving third countries, should be pursued in full respect of all the EU's internal market and competition rules, which must be robustly enforced;
- the EU will engage with its international partners to reduce the risk of disruption of natural gas supplies;
- the Energy Community, which aims to expand the EU's energy acquis to enlargement and neighbourhood countries, should be reinforced so as to ensure the application of the acquis in those countries.

In the run-up to the October European Council meeting, the European Council asked the Council to further analyse other medium to long-term measures to enhance the EU's energy security, based on the Commission's EESS. The European Council underlined the importance of energy efficiency, a higher share of domestic production, further implementing and integrating the European energy market based on a regional approach and on fostering missing infrastructure, to put an end to any isolation of Member States from European gas and electricity networks by 2015. In line with the objective of completing the European energy market by the end of 2014, interconnectivity must be increased, including through further examination of the new interconnection target proposed by the Commission, with a particular emphasis on regional settings.

21. The European Council will take a final decision on the new climate and energy policy framework, including on further measures aimed at enhancing Europe's energy security and on specific 2030 interconnection objectives, no later than October 2014. All efforts will be mobilised in order to meet this agreed deadline.
22. The European Council also supports the Rome G7 energy initiative which serves to implement policies to build a more competitive, diversified and resilient energy system with reduced greenhouse gas emissions.

III. OTHER ITEMS

23. The European Council congratulated Lithuania on the convergence it has achieved, based on sound economic, fiscal and financial policies, and welcomed its fulfilment of all the convergence criteria as set out in the Treaty. It endorsed the Commission's proposal that Lithuania adopt the euro on 1 January 2015.

p.m. European Council decision proposing to the European Parliament a candidate for President of the Commission

p.m. Strategic agenda for the EU in the coming years (Ypres)

p.m. Situation in Ukraine

p.m. Albania

DOCUMENTS ENDORSED BY THE EUROPEAN COUNCIL

- *Council report of 24 June 2014 on the 2014 Country Specific Recommendations*
- *European Union Maritime Security Strategy*
- *p.m. ODA - Development*