



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from: the General Secretariat
to: Committee of Permanent Representatives
Subject: European Council (1-2 March 2012)
- Draft guidelines for the conclusions ¹

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 give their reactions, to help guide the preparations of the draft European Council conclusions which will be submitted to COREPER next week.

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¹ pursuant to art. 3(1) 3rd subparagraph of the EC's rules of procedure

I. ECONOMIC POLICY

The European Council will conclude the first phase of the European semester further to the Commission's Annual Growth Survey and the discussions held in the different formations of the Council. As announced in the Presidency's roadmap on the implementation of the European Semester (5065/12), these will be summarised in a synthesis report to be presented by the Presidency in COREPER next week. Furthermore, the EPSCO and ECOFIN Councils will also adopt conclusions.

On 30 January, the members of the European Council adopted a statement setting out orientations for further work both at Member State and EU level regarding stimulating employment, especially for young people; completing the Single Market; and boosting the financing of the economy, in particular of SMEs. Those measures requiring action at the national level are to be duly reflected in Member States' NRPs. As regards measures to be taken at the EU level, the Council will report back on their implementation in June.

In order to structure the discussion, the President of the European Council intends to submit an issues paper, to be prepared in cooperation with the Commission and the Presidency.

In the light of this, the European Council could:

re the economic situation

- *assess the economic situation and express the EU's determination to continue to take all necessary measures;*
- *stress the need to fully implement the EU's reinforced economic governance and refer to the Alert Mechanism Report on economic imbalances;*
- *call for rapid agreement on the two new governance proposals;*

re guidance to Member States on their NRPs and SCPs

- *discuss preliminary findings and best practices concerning the implementation of the 2011 European Semester country-specific recommendations and commitments under the Euro Plus Pact;*
- *looking to 2012, and recalling the Heads' statement of 30 January, call on Member States to give priority to the measures identified in the Commission AGS and in the Council discussions on the European Semester and reflect this in their NRPs and SCPs;*
- *call on Member States taking part in the Euro Plus Pact to update their commitments, focussing on key reforms necessary to achieve the objectives of the Pact; they should make their commitments more precise, time-limited, operational and measurable;*
- *stress the importance of pursuing differentiated growth-friendly fiscal consolidation;*

re action at EU level

- *reiterate its call for the rapid adoption of growth-enhancing proposals;*
- *on the occasion of the 20th anniversary of the Single Market call for a new step to complete and fully exploit the potential of the Single Market; look forward to the Commission reports on Single Market governance and on the implementation of the Services Directive by June and invite the Commission to come forward with a further legislative initiative by the end of the year;*
- *recalling the importance of the Digital Single Market, call for rapid implementation of the Action Plan on e-commerce;*
- *further to 30 January statement, call on Council to report back in June on progress achieved, in particular as regards the mobilisation of unallocated EU funds; look forward to the Commission's employment package;*
- *call for rapid completion of the regulatory reform of the financial sector; in particular: adoption in June of the changes to the Capital Requirements Directive and prompt adoption of the European Market Infrastructure Regulation;*

In order to help ensure appropriate follow-up to orientations set by the European Council, the Presidency will prepare a report setting out progress achieved in the field of innovation further to the February 2011 European Council. This report will be discussed by the Competitiveness Council on 20 February.

The European Council could take stock of progress and :

- *welcome the new guarantee facility launched by the Commission and the EIB for innovative SMEs as well as the scaling up of the Risk Sharing Finance Facility;*
- *recalling the objective of completing the European Research Area by 2014, look forward to the Commission's proposal for a ERA framework in June 2012;*
- *call for increased open access to the results of publicly financed research and the creation of an interoperable European e-infrastructure for publications and data;*
- *emphasise the need to rapidly finalise and implement a single innovation indicator which will help benchmark Europe's performance in innovation against its main trading partners;*
- *recall the importance of increased mobility of researchers, portability of research grants and more harmonised career structures, pension and social security rights; also recall the importance of making progress on setting up an intellectual property rights valorisation instrument at the European level as well as an EU-wide venture capital scheme.*

II. INTERNATIONAL SUMMITS

The forthcoming G8, G20 and Rio+20 meetings will address issues important to the European Union, and thus would gain from being addressed at the highest level. The difficulty is that they take place in May/June.

G20/G8

The Mexican G20 Presidency has identified the following priorities for the summit:

- economic stabilization and structural reforms as foundations for growth and employment;
- strengthening the financial system and fostering financial inclusion to promote economic growth;
- improving the international financial architecture in an interconnected world;
- enhancing food security and addressing commodity price volatility;
- promoting sustainable development, green growth and the fight against climate change.

G20 Finance Ministers and Central Bank Governors will meet on 25-26 February and 21-22 April ahead of the 18-19 June G20 Summit. Further, the Mexican Presidency will organise preparatory ministerial meetings on foreign affairs, tourism, agriculture, trade and labour. Common EU positions (Terms of Reference) for the G20 Finance Ministers' meetings will be prepared by the Council (ECOFIN) in February and March (informal ECOFIN). The Council will also ensure thorough EU preparation ahead of the other G20 ministerial meetings.

The European Council could stress that the global situation demonstrates that we need to continue to foster cooperative solutions to the global challenges we are facing and identify the main EU priorities for the summit.

On this occasion, the European Council will also be informed of preparations for the G8 summit.

The Council will on 9 March adopt conclusions setting out the EU's position with a view to the Rio+20 United Nations Conference on Sustainable Development (Rio de Janeiro, Brazil, 20 to 22 June 2012). In that context, the March European Council could stress some key principles to guide the EU in the run up to Rio :

- *commitment to an ambitious outcome, advancing the global transition towards a green economy;*
- *objective to ensure endorsement of clear operational targets, commitments and concrete actions at international level within agreed time frames;*
- *need to promote a strengthened global institutional framework for sustainable development and advance work on global and coherent post-2015 goals for sustainable development.*

III. FOREIGN POLICY

Southern Neighbourhood

One year after the start of the Arab Spring, the European Council could usefully look at emerging trends and lessons learnt, assess the implementation of the EU's support to the region and provide guidance for the EU's further engagement and contribution to the process. It could:

- *take stock of latest developments in the region;*
- *reiterate the EU's commitment to the democratic transformation of the Southern Neighbourhood and to the continued development of a partnership based on mutual accountability and adherence to universal democratic values;*
- *noting that significant challenges remain, stress that the EU is committed to offering more support to those partners making greater progress towards democratic reform, whilst confronting regimes which are oppressing their people;*

- *underline that in order to enhance its support, the EU will further mobilise its instruments and reorient its assistance towards governance and job creation;*
- *note that rapid progress is needed in the negotiation of DCFTAs so as to accelerate market opening particularly in areas where partners have a comparative advantage;*
- *call on Member States to examine possibilities for debt relief as a signal of change;*
- *call for the extension of the dialogues on migration, mobility and security with a view to fostering people-to-people contacts, business contacts and mutual understanding.*

p.m. Syria

IV. OTHER ISSUES

p.m. Serbia

p.m. Schengen - accession of Bulgaria and Romania
