

Security and defence

The European Council will continue its discussions on security and defence, with the aim of ensuring that Europe takes greater responsibility for its own security. The leaders are expected to call for the fulfilment of the Permanent Structured Cooperation (PESCO) commitments and for further development of work in this area with a view to reaching agreement on new projects in November 2018. Leaders should also call for the implementation of the recently agreed European Defence Industrial Development Programme (EDIDP) and for progress on the European Defence Fund.

In the framework of both PESCO and EU-NATO cooperation, leaders are expected to welcome progress on military mobility. Leaders will have an exchange of views with NATO Secretary-General Jens Stoltenberg ahead of the NATO summit on 11-12 July and look forward to an envisaged second Joint Declaration on EU-NATO cooperation as a follow up to the declaration adopted in 2016.

The heads of state or government will also discuss and adopt conclusions on strengthening civilian CSDP, the challenges of disinformation, the need to strengthen capabilities against cyber threats from outside the EU and further cooperation to reduce threat from hostile intelligence activities. As a follow-up to the Salisbury attack the leaders will emphasise the importance of Europe's resilience to hybrid and chemical, biological, radiological and nuclear related threats and call for a new EU regime of sanctions to address the use and proliferation of chemical weapons.

[EU security and defence cooperation - press release Foreign Affairs Council 25 June, 2018](#)

Jobs, growth and competitiveness

In the current favourable economic climate leaders will focus their discussions on trade, taxation and the European Semester, and will adopt conclusions.

Trade will be discussed in light of recent, global and growing trade tensions. The European Council is expected to underline the importance of the multilateral rules-based system, call for improvements to the functioning of the World Trade Organisation (WTO) and emphasise the EU's positive trade agenda. In reaction to the unjustified US tariffs on European steel and aluminium products, the European Council will express its full support for the rebalancing measures, potential safeguard measures and the legal proceedings at the WTO.

Under the Leaders' Agenda, heads of state or government discussed digital taxation as well as tax avoidance and evasion at the European Council in March. Based on a discussion note by President Tusk, the debate focused on how to adapt tax systems to take into account the growing digital economy, what more can be done to fight tax evasion and avoidance, and how best to ensure synergies at the EU and international level. At this European Council the heads of state or government are expected to adopt conclusions on the way forward and the need to adapt tax systems at both at global level (OECD) and within the EU.

The European Council is furthermore expected to endorse the country-specific recommendations, which will conclude the 2018 European Semester.

[EU trade policy](#)

[Leader's Agenda note on taxation](#)

[European Semester](#)

Innovation and digital

At their informal dinner in Sofia on 16 May the leaders discussed innovation and digital. The European Council is now expected to follow-up on this debate and adopt conclusions. Leaders are likely to highlight the need for Europe to further develop its high-quality research and turn it into new products, services and business models. They are also expected to call for delivery on the remaining legislative proposals concerning the Digital Single Market before the end of the current legislative cycle, to build a European data economy and fully implement the General Data Protection Regulation. The European Council is also expected to request a coordinated plan on Artificial Intelligence and insist on improving businesses' access to financing that supports greater risk-taking. Finally, the European Council should invite the Commission to launch a pilot initiative on breakthrough innovation within the remaining period of Horizon 2020 and to set up a European Innovation Council under the next MFF.

[Leader's Agenda note on digital and innovation](#)

Multiannual Financial Framework

When the heads of state or government met at their informal meeting under the Leader's Agenda in February, they had a first discussion on the post-2020 Multiannual Financial Framework. At that time they agreed to come back to the issue after the Commission had issued its package of proposals on the MFF for the period 2021-2027. The leaders are now expected to call for the proposals to be examined in a comprehensive manner and as soon as possible.

[Multiannual Financial Framework: Shaping EU expenditure](#)

[Leaders agenda note on MFF](#)

External relations

The European Council is expected to adopt conclusions on the downing of flight MH17, calling on the Russian Federation to accept responsibility and fully cooperate with all efforts to establish the truth, justice and accountability. Over dinner, Chancellor Merkel and President Macron are also expected to update the other leaders on the Normandy talks and Minsk implementation. Finally, President Tusk will debrief from the G7 meeting in Canada, in particular on trade and EU-US relations.

Migration

The heads of state or government are expected to underline the need for a comprehensive approach to migration and the importance of effective control at the EU's external borders. Leaders are equally expected to highlight the achievements since the height of the crisis in 2015. Illegal migration has since been reduced by more than 95% (see infographic attached).

The summit will consolidate and strengthen work on the external dimension. Leaders are expected to agree on increased support for Libyan authorities, and the Libyan Coastguard in particular, in dealing with migration challenges. They should also discuss the latest developments on the Eastern and Western Mediterranean routes and offer further support to member states and partners, as well as countries of origin and transit.

With the aim of breaking the business model of smugglers, the European Council is expected to agree on further exploring the concept of regional disembarkation platforms, in close cooperation with relevant third countries, the United Nations High Commissioner for Refugees (UNHCR) and the International Organisation for Migration (IOM).

In terms of funding, it is hoped that member states will be in a position to welcome an agreement on the financing of the facility for refugees in Turkey and the EU trust fund for Africa. Leaders are also expected to call for a new and dedicated external migration management facility to be included under the next EU long term budget (MFF).

The European Council should also address the need for a significant increase in the effective return of irregular migrants, a strengthening of the European Border and Coastguard Agency (Frontex) and a reduction in secondary movements of migrants within the EU. Finally, taking note of progress made on the reform of the Common European Asylum System, leaders are expected to agree on continuing work on finding a consensus based on a balance of responsibility and solidarity. They are expected to task the incoming Austrian presidency to take work forward on this.

[Finding solutions to migratory pressures](#)

Brexit

EU27 leaders will take stock of the progress made in Brexit negotiations and adopt conclusions assessing the state of play. The European Council (Article 50) is expected to welcome the progress made on parts of the withdrawal agreement, while stressing that further work is still needed on important issues. Leaders will also express their concern because no substantial progress has yet been achieved on agreeing a backstop solution for the border between Ireland and Northern Ireland and recall earlier commitments in this regard. Regarding future relations and the work on a political declaration, leaders are expected to ask the UK for further clarity on its position and for realistic proposals. The conclusions will also call for stepping up the work to be prepared for all possible outcomes.

[Draft withdrawal agreement](#)

[Brexit: background information and timeline](#)

Economic and monetary union

The Euro summit on Friday morning will be held in an inclusive format (EU27) and leaders will be joined by ECB President Draghi and Eurogroup President Centeno. Leaders will discuss and take first decisions on the reform of the European Monetary Union. They are also likely to welcome the successful completion of Greece' third (and final) adjustment programme.

Decisions are expected to be taken on the next steps for the Banking Union and on the further development of the ESM. In particular, the European Council is expected to take the decision on ESM becoming the backstop in the form of a fiscally neutral credit line for the Single Resolution Fund (SRF). The backstop's size would be aligned with the target level of SRF. The ESM should also take a stronger role in designing and monitoring programmes, in close cooperation with the European Commission and in liaison with the European Central Bank (ECB).

In December 2017 the heads of state or government agreed that in the coming 6 months, work should concentrate on areas where the convergence of views is the greatest. Progressing step-by-step on issues such as the completion of the Banking Union, and the development of the European Stability Mechanism (ESM), should significantly strengthen the resilience of the EMU.

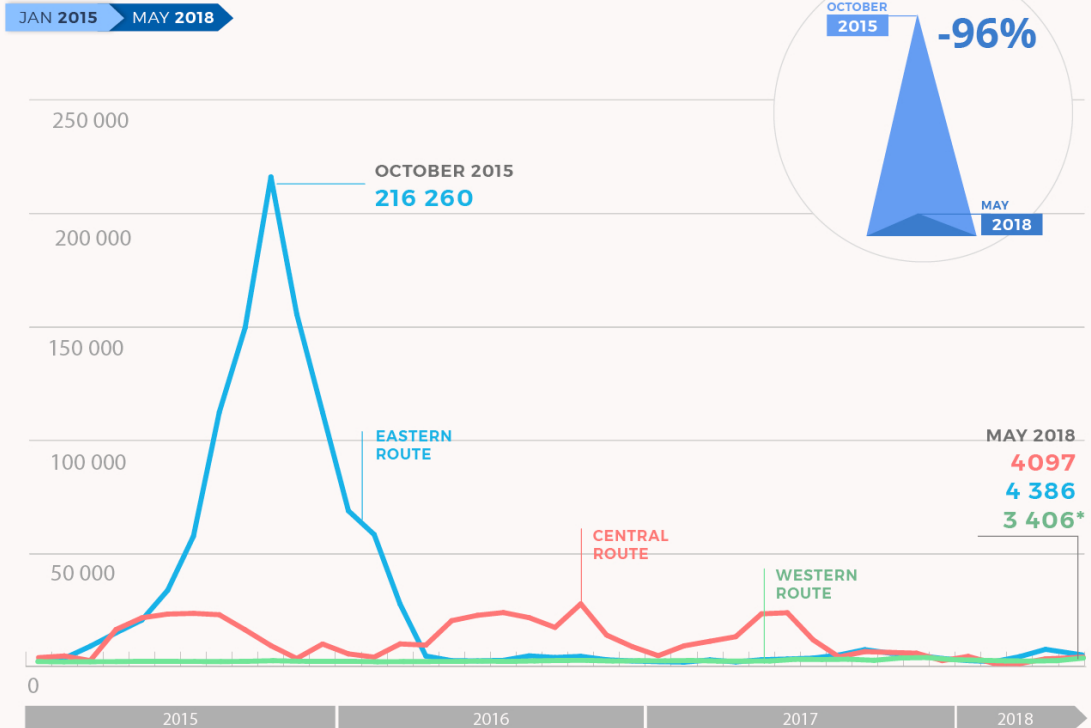
[Letter from President Centeno to President Tusk ahead of the Euro Summit on 29 June, 2018](#)

[Leader's Agenda note on the Economic and Monetary Union, March 2018](#)

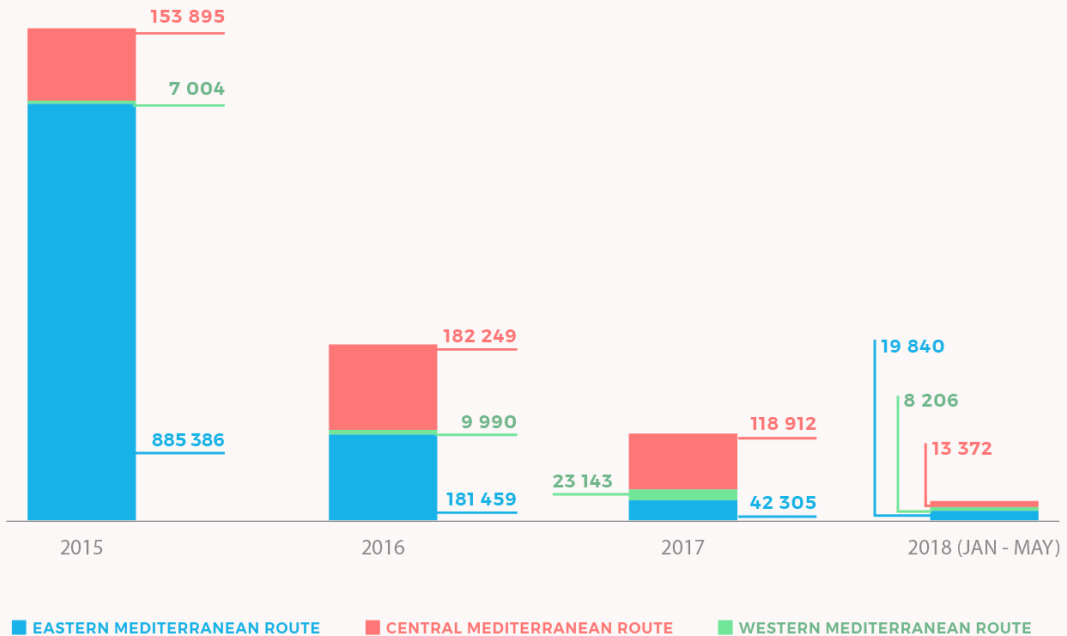
- Media accreditation: <http://www.consilium.europa.eu/en/press/accreditation>
- Press conferences by video streaming: <http://video.consilium.europa.eu/>
- Video coverage in broadcast quality and photos in high resolution: <http://tvnewsroom.consilium.europa.eu>
- Meeting webpage: <http://www.consilium.europa.eu/en/meetings/european-council/2018/06/28-29/>

Migration flows: Eastern, Central and Western Mediterranean routes

MONTHLY IRREGULAR ARRIVALS



YEARLY IRREGULAR ARRIVALS



Source : Frontex
* Data from joint operations (sea crossings)