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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Today, the European Council focused on strengthening Europe and protecting its citizens through effective measures to fight terrorism and develop its common security and defence, to ensure its economic development in a globalised world, and to protect its external borders. A strong and determined Union is the best way to promote European values and interests, support a rules-based multilateral system and mobilise partners for a positive climate policy. It will also help shape globalisation to reap the benefits of open markets while protecting against unfair practices and promoting the social, environmental, health and consumer standards that are central to the European way of life.

### I. <u>SECURITY AND DEFENCE</u>

#### Internal security and the fight against terrorism

1. The European Council strongly condemns the recent terrorist attacks and stands united and firm in the fight against terrorism, hatred and violent extremism. These acts have strengthened our resolve to cooperate at EU level to fight the spread of radicalisation online, to thwart the financing of terrorism and to facilitate swift and targeted exchanges of information between law enforcement authorities and databases, in order to improve our internal security. Building on the work of the EU Internet Forum, further action is necessary to encourage industry to develop new technology and tools to improve the automatic detection of content that promotes incitement to violence. Efforts to develop a forum with industry to combat online terrorism should be supported. Instruments such as the Entry/Exit System and a European Travel Information and Authorisation System (ETIAS) should be finalised so as to permit rapid implementation. In that context, the European Council invites the Commission to prepare as soon as possible draft legislation implementing the proposals made by the High Level Expert Group on interoperability.

#### External security and defence

- 2. The European Council reiterates its commitment to strengthening EU cooperation on external security and defence so as to protect its citizens and contribute to peace and stability in its neighbourhood and beyond. As reflected in the Council conclusions of 18 May [and 19 June], significant progress has been achieved in implementing the EU Global Strategy in the area of Security and Defence and the Joint Declaration signed in Warsaw by EU and NATO leaders. EU-NATO cooperation remains a key contribution to our overall security. The European Council welcomes the establishment in Helsinki of a European Centre of Excellence for Countering Hybrid Threats.
- 3. The joint development of capability projects commonly agreed by Member States to fill the existing major shortfalls and develop the technologies of the future is key to fulfilling the EU level of ambition approved by the European Council in December 2016. The European Council welcomes the Commission's communication on a European Defence Fund, composed of a research window and a capability window, and is looking forward to its swift operationalisation. It calls for rapid agreement on the proposal for a European Defence Industrial Development Programme with a view to its swift implementation, before more comprehensive programmes for the next multiannual financial framework are proposed. The objective is to ensure a competitive and innovative basis for Europe's defence industry and contribute to greater European defence cooperation, notably by exploiting synergies and mobilising EU support in addition to Member States' financing. European defence industrial development will also require EU support for investments in the area of security and defence by SMEs. In this respect, the European Council recalls its invitation to the European Investment Bank to support investment in defence research and development activities.

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- 4. To strengthen Europe's security and defence in today's challenging geopolitical environment and to help reach the level of ambition of the EU as foreseen in the EU Global Strategy, the European Council agrees on the need to launch an inclusive and ambitious Permanent Structured Cooperation (PESCO). Notification will be sent as soon as a common list of criteria and binding commitments, fully in line with Articles 42.6 and 46 TEU and Protocol 10 to the Treaty, has been agreed. A list of enhanced commitments in the field of security and defence will be drawn up within three months by Member States, with a precise timetable and specific assessment mechanisms, in order to enable Member States which are in a situation to do so to fulfil the most demanding missions.
- 5. To strengthen the EU's rapid response toolbox, the European Council calls for an early conclusion to the discussion on the operational use of the EU Battlegroups by ensuring the permanent funding of their deployment costs.

#### II. JOBS, GROWTH AND COMPETITIVENESS

### Single Market

- 6. The European Council reiterates the importance of a well-functioning Single Market to foster growth, create jobs and promote investments and innovation. Co-legislators have allowed for significant progress towards the shared objective of completing and implementing the various strategies by 2018. There nevertheless remain gaps which require further attention. The European Council therefore emphasizes that further efforts from the EU and its Member States are needed to achieve the level of ambition as reflected in the June 2016 conclusions, in particular where it concerns the Digital Single Market and the Capital Markets Union. In this context it welcomes the Commission's Mid-Term Review of the Digital Single Market. Timely implementation and better enforcement of existing legislation are also key to reap the benefits of Europe's Single Market. The Council will report to the June 2018 European Council on progress in deepening, implementing and enforcing the Single Market in all its aspects. The European Council calls on the Commission to pursue its reflections on innovative ways to address new opportunities, challenges and remaining barriers.
- 7. [p.m.: EFSI]

#### Trade

- 8. The EU is strongly committed to free, fair and mutually beneficial trade and investment, while creating reciprocal benefits. The EU will continue to pursue a robust trade policy and defend an open and rules-based multilateral trading system, with a central role for the WTO. The EU will keep its markets open and fight protectionism by pushing for the removal of all trade-distorting practices. It will seek to foster a truly level playing field, and remain vigilant concerning the respect and promotion of key standards, as well as the principle of non-discrimination.
- 9. The European Council calls on the co-legislators to swiftly agree on modern, WTO-compatible trade defence instruments, which will reinforce the ability of the EU to effectively tackle unfair trade practices and market distortions. It sees merit in examining further measures to make EU trade defence instruments more reactive and efficient and to screen foreign investments, in line with the Commission's reflection paper on globalisation. It encourages progress on all ongoing negotiations for ambitious and balanced free trade agreements, including with Mercosur and Mexico, with reciprocity and mutual benefits as guiding principles. The European Council considers that the recent progress achieved in the negotiations with Japan paves the way for an early political agreement.

### European Semester

10. The European Council generally endorses the integrated country-specific recommendations as discussed by the Council, thus allowing the conclusion of the 2017 European Semester.

### III. MIGRATION

11. The European Council remains committed to the Union's comprehensive approach to migration, including effective control of external borders to stem illegal flows and the reform of the Common European Asylum System. Vigilance on all major migration routes will continue. We will continue to strengthen the operational capacities of the European Border and Coast Guard and make full use of them.

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- 12. Loss of life and continuing migratory flows on the Central Mediterranean route remain issues of serious concern. The European Council wants the EU and its Member States to step up coordination and delivery on all the elements contained in the Malta Declaration. The training and equipment of the Libyan Coast Guard is a high priority. Cooperation with countries of origin and transit shall be reinforced in order to stem the migratory pressure on Libya's land borders. The disruption of the business models of human smugglers and traffickers also remains a key objective, including by better controlling the transfer of certain goods used by smugglers and traffickers. Further efforts shall also be made to achieve real progress in return policy. Building on the Renewed Action Plan on Return, well-functioning readmission arrangements with third countries shall be put in place without any further delay, including if needed by reassessing visa policy towards third countries. The IOM will remain an important partner in the Sahel region to facilitate voluntary returns.
- 13. The European Council reaffirms its previous conclusions on the reform of the Common European Asylum System. Thanks to the progress made under the Maltese Presidency, there is a common understanding that the revised Dublin system needs to strike the right balance between responsibility and solidarity and that it needs to ensure resilience to future crises. The system has to be efficient, withstand migratory pressure, prevent pull factors as well as secondary movements, in compliance with international law, and provide adequate support to the most affected Member States. In order to enhance cooperation with third countries and prevent new crises, the "safe third country" concept should be strictly aligned with the requirements arising from the Geneva Convention and EU primary law, while respecting the competences of the EU and the Member States under the Treaties. The European Council invites the incoming Presidency to continue negotiations on this basis and invites the Commission to put forward the necessary amendments to its legislative proposals as soon as possible.

#### IV. THE PARIS AGREEMENT ON CLIMATE CHANGE

14. The European Council strongly reaffirms the EU commitment to swiftly and fully implement the Paris Agreement on Climate Change, including its climate finance goals, and to lead the global transition to clean energy. The Agreement remains a corner stone for global efforts to effectively tackle climate change, and cannot be renegotiated. It is also key for implementing the 2030 Agenda for sustainable development; the recent adoption of the new European Consensus on Development will further contribute to this objective. The EU will enhance cooperation with its international partners under the Paris Agreement, in particular with the most vulnerable countries, thereby demonstrating solidarity with future generations and responsibility for the whole planet. The European Council calls on the Council and the Commission to examine all means to achieve these goals.

#### V. **DIGITAL EUROPE**

15. Looking ahead at the work programme in the second half of the year, and in particular the Digital Summit in Tallinn on 29 September 2017, the European Council highlights the overarching importance of Digital Europe and underlines the need to move from a sectoral to a holistic approach, taking a broader look at markets, infrastructure, societal aspects, norms and standards, content and data, investment, cybersecurity and research & development. In order to meet the current and future cyber security challenges, the European Council welcomes the Commission's intention to present a new, forward-looking Cybersecurity Strategy.

### VI. EXTERNAL RELATIONS

16.	The European Council received an update from the President of the European Council and the
	President of the Commission on recent Leaders' meetings and international summits.

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