



Brussels, 18 December 2013

**BACKGROUND<sup>1</sup>**  
**EUROPEAN COUNCIL**  
**Thursday 19 and Friday 20 December in Brussels**

*The European Council will dedicate its first working session to the **Common Security and Defence Policy**. Heads of State or government will have a strategic discussion the development of defence capabilities and the strengthening of Europe's defence industry. The NATO Secretary-General will share his thoughts with the HoSG prior to the discussion.*

*Over dinner on Thursday, the focus will be on **economic and social policy** issues and the **economic and monetary union (EMU)**, in particular leaders will address the banking union and partnerships for jobs, growth and competitiveness. European Central Bank President Mario Draghi will attend the dinner.*

*On Friday morning, the European Council will first take stock of progress of the Compact for Growth and Jobs with a focus on youth employment and SME financing. This will happen in the presence of the President of the European Investment Bank. Afterwards, the HoSG will address **migration flows, enlargement** and external relations issues, including **Eastern Partnership/Ukraine** and the **Central African Republic**.*

Indicative programme:

Thursday:	15.00	exchange of views with the President of the European Parliament
	15.45	family photo
	16.00	first working session
	18.45	working dinner followed by press conference
Friday:	09.30	second working session
	13.00 (tbc)	press conference

[Full media programme](#)

[Invitation letter by President Herman Van Rompuy](#)

[Letter by President Herman Van Rompuy to members of the European Council](#)

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<sup>1</sup> This note has been drawn up under the responsibility of the press office

**P R E S S**

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## Common Security and Defence Policy

Heads of State or government will have a strategic discussion built around three axes: increasing in the effectiveness, visibility and impact of the Common Security and Defence Policy (CSDP), enhancing the development of defence capabilities and the strengthening of Europe's defence industry. The debate, which is the first one on this topic since 2008, will be centred around the question: What should we, as the EU and as EU member states, do to retain and develop critical capabilities for our defence and security, and how can we encourage more cooperation to reach this goal?

This discussion takes place against the background of a changing strategic context. The EU and its member states are called upon to assume greater responsibilities as a security provider while at the same time current financial constraints affect the development of future-oriented capabilities.

In response to these challenges, the Heads of State or government are expected to restate that defence matters and call for more cooperation among member states. The EU's comprehensive approach to conflict management provides it with a unique ability to address root causes, prevent crises and manage them. The CSDP plays a strong role in that, alongside diplomacy, development cooperation, trade relations and financial assistance. At the same time, the defence sector also provides for important jobs, growth and innovation.

Under the subheading ***improving the effectiveness, visibility and impact of the CSDP***, leaders are expected to endorse a number of practical improvements aimed at speeding up the deployment of civilian missions and improve the usability of EU Battlegroups. In addition, work on to the financing of EU civilian mission and military operations may be started. Leaders are also expected set specific targets for further work to highlight CSDP's contribution to emerging security challenges on cyber and maritime security, border management, and space, linking up with the EU's array of instruments in these domains.

In regard to ***enhancing the development of capabilities***, the European Council will welcome the work within the European Defence Agency on launching collaborative projects for the capabilities of the future in the areas of air-to-air refuelling, remotely piloted air systems, government satellite communications and cyber defence. Heads of State or government are also expected to call for a longer-term approach to cooperation from identification of capability needs and transparency of defence planning to research & technology and certification/standardisation.

***Strengthening the European defence industry*** remains an important task in terms of growth, jobs and competitiveness and the European Council is expected to call for a more integrated, sustainable, innovative and competitive European defence industry. Special attention will be given to the role of Small and Medium-sized Enterprises (SMEs), in particular in regard to greater access of SMEs to the defence market. The European Council is also expected to call for work on the development of industrial standards (while avoiding duplication with existing standards), mutual recognition of military certification and synergies between civil and military research to be better exploited.

The European Council is set to come back to these issues in June 2015 so as to take stock of progress and provide further guidance.

Before the working session on defence, the NATO Secretary-General will share his thoughts on the matter with the Heads of State or government.

See also: [Council conclusions on Common Security and Defence Policy](#).

## Economic and monetary union

To promote strong, sustainable and inclusive economic growth, the coordination of economic policies in the EMU needs to be further strengthened, in particular by increasing the level of commitment, ownership and implementation of economic reforms. Leaders will make a **shared analysis of the economic situation in member states and in the Euro area** on the basis of the Annual Growth Survey and examine the strengthening of economic policy coordination.

Following discussions and work done at the October European Council, leaders are expected to continue work on the **Partnerships for Growth, Jobs and Competitiveness**. The idea is to for the leaders to set out the main features of the contractual arrangements and the associated solidarity mechanisms. The partnerships should be home-grown and directed towards more growth, more and better jobs and more competitiveness. The intention is to reach an agreement on both contractual arrangement and associated solidarity mechanisms in June 2014.

In the context of the **social dimension of the EMU**, the European Council is expected to confirm the relevance of the use of scoreboard of employment and social indicators.

On the basis of work done in the Economic and Financial Affairs Council, leaders will take stock of the completion of the **banking union**, in particular with regard to the Single Resolution Mechanism. The Heads of State or government are also expected to welcome the political agreements reached with the European Parliament on the new rules on Deposit Guarantee Schemes (DGS) and on Bank Recovery and Resolution (BRRD).

European Central Bank President Mario Draghi will join the leaders for the dinner.

## Economic and social policy

In the context of economic and social policy, the European Council will return to the issues of combating youth unemployment and the financing of the economy, in particular with respect to SME's.

In the light of the "credit crunch" in the most vulnerable member states, the persisting financial fragmentation and lending constraints, the European Council in June sent a strong signal on the **financing of the economy**. In the present economic context it is crucial to restore normal lending to the economy and facilitate the financing of investment, in particular as regards SMEs.

On the basis of a report by the President of the European Investment Bank, who will be present at the Friday morning working session, the European Council will assess progress on implementing the Compact for Growth and Jobs and, in particular, the impact the capital increase agreed in the Compact has had on the financing of the economy.

The EU and its member states have already taken steps to address the problem of youth unemployment and this remains a key objective of the EU strategy to foster growth, competitiveness and jobs. The European Council is expected to follow-up on its decisions and discussions from June, in particular with regard to the Youth Employment Initiative and the Youth Guarantee which will start operating on 1 January 2014.

- The **youth guarantee** aims to ensure that all young people under the age of 25 who lose their job or do not find work after leaving education quickly can receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship. They should receive such an offer within four months of becoming unemployed or leaving formal education.
- The **youth employment initiative** will make around 8 billion euro available for the period 2014-2020 with the aim of helping regions with youth unemployment rates above 25 % to implement measures that favour youth employment, such as the youth guarantee. Half of the money will come from the European Social Fund and the other half from a dedicated youth employment budget line.

Leaders are also expected to review action taken in the area of taxation since May 2013.

## Migration flows

On the basis of work done by the [Justice and Home Affairs Council](#), leaders will address migration flows and the work of the Task Force for the Mediterranean in particular.

Based on the imperative of prevention and protection and guided by the principle of solidarity and fair sharing of responsibility the Heads of State or government are expected to call for swift mobilisation of efforts to implement all 38 proposals for operational action outlined in the [task force report](#) and to ensure that appropriate solidarity is shown to all member states under high migration pressure. Importantly, Heads of State or government are expected to invite the Council to regularly monitor the implementation of the actions.

The European Council is also expected to revert to this the issue of migration and asylum in a longer term policy perspective, as these issues will form an important part of the definition of strategic orientations of the Union's justice and home affairs policy foreseen to be discussed by the leaders in June 2014.

## Enlargement

The European Council is expected in particular to confirm the General EU position for the opening of accession negotiations with Serbia and the decision by the General Affairs Council to have the first intergovernmental conference with Serbia in January 2014.

See also General Affairs [Council Conclusions on Enlargement and the Stabilisation and Association process](#).

## External relations

In the light of the latest developments the Heads of State or government are expected to discuss the Eastern partnership/Ukraine as well as on the Central African Republic. The European Council is also expected to welcome the successful outcome of the 9th WTO ministerial conference in Bali, Indonesia and address the continuing dire humanitarian situation in Syria.

Following the **Eastern Partnership** Summit held in Vilnius, Lithuania, on 28-29 November, the European Council is expected to welcome the initialling of Association Agreements, including Deep and Comprehensive Free Trade Agreements (DCFTA), with Georgia and the Republic of Moldova. On 16 December, the Foreign Affairs Council discussed the follow-up to the Eastern Partnership summit and the events in **Ukraine**. Ministers confirmed the European Union's readiness to sign the Association Agreement with Ukraine, with its DCFTA part, as soon as Ukraine is ready and the relevant conditions are met. During her recent visit to Kiev, the EU High Representative condemned the use of violence against peaceful protestors and underlined the importance of a negotiated solution to the political stalemate and the release of prisoners.

The Foreign Affairs Council on 16 December also expressed its utmost concern at the crisis in the **Central African Republic (CAR)**. It welcomed the French intervention in support of the African-led international support mission to CAR (MISCA), which is intended to protect civilians and to contribute to the stabilisation of the country. Given the dramatic humanitarian crisis, the EU and its member states have tripled their humanitarian assistance since 2012 - more than €60 million in 2013. In addition, the EU launched a humanitarian air bridge to ferry humanitarian goods and personnel into the country. The EU also fully supports the determined action by African partners for more stability and mobilises €50 million for MISCA through the African Peace Facility.

See also [Council Conclusions on the Central African Republic](#).

## Other items

The European Council is expected to welcome the Council's report on the implementation of the internal energy market and on external energy relations and invite the Commission, in cooperation with member states, to elaborate and EU Strategy for the Alpine Region.

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