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NOTE

From:	Presidency
To:	Council
Subject:	Future of Europe
	- Presidency Progress Report

Delegations will find in Annex the Presidency's Progress Report on the work carried out under the Spanish Presidency on the subject above, which will be presented at the General Affairs Council of 12 December 2023 as an AOB item.

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Future of Europe: Presidency Progress Report

I. <u>Introduction</u>

- 1. The Spanish Presidency worked between July and December 2023 on the Future of Europe and in particular on the EU's absorption capacity, following the initial discussions held in June 2023 by the former Swedish Presidency.
- 2. As recalled by the European Council, "the progress of each country towards the European Union will depend on its own merit in meeting the Copenhagen criteria, taking into consideration the EU's capacity to absorb new members" (cf. European Council meeting of 23-24 June 2022)¹. Three aspects are usually referred to when assessing the EU's capacity to absorb new members: EU policies, EU budget and the EU's capacity to act.

II. Council work carried out under the Spanish Presidency

- 3. During the Spanish Presidency, discussions on the EU absorption capacity took place in the framework of the General Affairs Council. The Spanish Presidency dedicated the informal meeting of Ministers for European Affairs to the EU's internal preparations in view of future enlargements and organised three Ministerial lunches at the General Affairs Council in September, October, and November on this matter.
- 4. At the General Affairs Council on 19 September 2023, experts from the Franco-German working group on EU institutional reform presented their report "Sailing on high seas: reforming end enlarging the EU for the 21st century" to the Ministers of the General Affairs Council during an informal lunch, where Ministers had the opportunity to share initial reflexions on the experts' recommendations. Other recent documents and studies on the matter of enlargement and reform were also discussed by the Ministers in their GAC meetings during the semester.

¹ European Council Conclusions of 23-24 June 2022, doc. EUCO 24/22.

- 5. At the informal meeting of Ministers for European Affairs held in Murcia on 27-28 September 2023 under the title "A contribution to the future agenda of the EU", Ministers discussed different aspects of the EU's absorption capacity, i.e., EU policies, EU budget and EU institutions, on the basis of Presidency concept papers, as well as the issue of "gradual integration". These discussions were preceded by a seminar on "The future of Europe: is institutional reform necessary?" held with the participation of representatives of Member States and experts from academia and think thanks.
- 6. The discussions held at this informal meeting of Ministers for European Affairs paved the way for the discussions of the EU Heads of States and Governments at their informal meeting in Granada on 6 October 2023.
- 7. In the Granada declaration of 6 October 2023, the EU Heads of States and Governments stated that, looking ahead to the prospects of a further enlarged Union, both the EU and future Member States need to be ready. They considered that, in parallel to the reform efforts by aspiring members, the EU needs to lay the necessary internal groundwork and reforms. In this framework, they also agreed that the EU needs to set its long-term ambitions and the ways of achieving them and address key questions related to the EU's priorities and policies as well as the EU's capacity to act. This will make the EU stronger and will enhance European sovereignty.
- 8. Following the Granada Declaration, at the meeting of the General Affairs Council on 24
 October 2023, Ministers exchanged views on the EU's reflection and reform process to
 prepare the Union for future enlargements on the basis of a Presidency discussion paper,
 which included a non-exhaustive list of possible issues to be addressed on the method and
 content of the reflection process on EU internal preparations in view of future enlargements.
 The Presidency also asked a set of questions to guide the discussion on three main issues,
 related to the EU's priorities, policies as well as the EU's capacity to act. Different ideas
 were expressed by Ministers on the process for EU internal preparations in view of
 enlargement.
- 9. At the meeting of the General Affairs Council on 15 November 2023, as a follow-up to the discussion held at the General Affairs Council on 24 October, and on the basis of Ministers' comments, the Presidency presented a revised Presidency discussion paper (cf. doc. 15297/23), which included a first draft outline for the EU reflection and reform process. Ministers pursued their reflections and shared their reactions to the questions included in the Presidency paper.

III. Main takeaways

- 10. The following key takeaways can be drawn from the discussions in the Council framework under the Spanish Presidency:
 - a) As stated in the Granada Declaration, the EU's reform process should take place in parallel to the enlargement process.
 - b) There was a general agreement that the reflections on the EU internal preparations in view of future enlargements should start by exploring all the flexibilities and potentialities offered by the current Treaty framework. Many Ministers considered the current Treaties enlargement proof, although some did not exclude the possibility of examining the need for Treaty change at a later stage if needed.
 - c) Concerning EU policies, Ministers considered that the reflection process should start by examining the EU's policies, such as EU values, including respect for the rule of law, the single market and four freedoms, the common agriculture policy, the cohesion policy, Common Foreign and Security Policy, Justice and Home Affairs, etc.
 - d) Concerning budgetary issues, the upcoming Commission's proposals for the MFF 2028-2034 were considered to be very important in this regard.
 - e) As regards the EU's capacity to act as well as some institutional issues linked to enlargement, there was a general agreement to examine them at a later stage, after the EU policies and budget have been examined. In this framework, the flexibilities contained in the Treaties, notably those referred to the Council's decision-making ("passerelle clauses"), were underlined.
 - f) In this context, the announced Commission Communication on pre-enlargement reforms and policy reviews for the first semester of 2024, as well as any further contribution from the Commission during the process, was considered a very important input to this work.
 - g) Finally, Ministers considered that it is necessary to structure the process on the work to be carried out to prepare the EU for future enlargements.

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