



European Council

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**COVER NOTE**

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From: General Secretariat of the Council  
To: Delegations  
Subject: European Council (18 December 2014)  
– Conclusions

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Delegations will find attached the conclusions adopted by the European Council at the above meeting.

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**I. FOSTERING INVESTMENT IN EUROPE**

1. Fostering investment and addressing market failure in Europe is a key policy challenge. The new focus on investment, coupled with Member States' commitment to intensifying structural reforms and to pursuing growth-friendly fiscal consolidation, will provide the foundation for growth and jobs in Europe. The European Council:
  - a) calls for setting up a European Fund for Strategic Investments (EFSI) in the EIB Group with the aim to mobilise 315 billion euro in new investments between 2015 and 2017. The Commission will present a proposal in January 2015, which the Union legislators are invited to agree on by June, so that the new investments can be activated as early as mid-2015. The EIB Group is invited to start activities by using its own funds as of January 2015. The EFSI will be open to contributions from Member States, directly or through national promotional banks. The European Council takes note of the favourable position the Commission has indicated towards such capital contributions in the context of the assessment of public finances under the Stability and Growth Pact, necessarily in line with the flexibility that is built into its existing rules;
  - b) supports the Commission's and the EIB's intention to strengthen technical assistance to projects at the European level and to create an investment advisory hub to be operational as of mid-2015;
  - c) underlines that the EFSI will complement and be additional to ongoing EU programmes and traditional EIB activities. In this context the full use of all existing and allocated EU resources needs to be encouraged. The Commission will work closely with the Member States concerned to find solutions to maximise the use of commitments under the 2007-2013 MFF period and recognises the desirability of delivering long-term projects in the years ahead using the flexibility of the existing rules;

- d) invites the Commission and the Union legislators to step up work on key measures to increase the Union's attractiveness for production, investment and innovation, and to improve the regulatory environment for investments, including moves towards better integrated capital markets, while at the same time robustly pursuing the better regulation agenda aimed at transparent and simple regulation achieved at a minimum cost, consistent with the Council conclusions of 4 December 2014;
  - e) calls for speeding up adoption, transposition and implementation of Union legislation in the Single Market area and enhancing efforts to remove barriers and complete the internal market in products and services;
  - f) calls on the Commission to present a comprehensive Energy Union proposal well ahead of the March 2015 European Council;
  - g) calls on the Union legislators to give new momentum to the work on the pending proposals regarding the Digital Single Market and on the Commission to submit an ambitious communication in this area well before the June 2015 European Council;
  - h) calls for the further strengthening of the multilateral trading system and the conclusion of bilateral trade agreements with key partners. The EU and the US should make all efforts to conclude negotiations on an ambitious, comprehensive and mutually beneficial TTIP by the end of 2015.
2. The European Council will take regular stock of the implementation of the above-mentioned orientations.
3. There is an urgent need to advance efforts in the fight against tax avoidance and aggressive tax planning, both at the global and EU levels. Stressing the importance of transparency, the European Council looks forward to the Commission's proposal on the automatic exchange of information on tax rulings in the EU. The Council will discuss how to make progress on all these issues and report back to the June 2015 European Council.

4. Closer coordination of economic policies is essential to ensure the smooth functioning of the Economic and Monetary Union. Following a discussion on this issue on the basis of an analytical note at the informal meeting of the Heads of State or Government in February, the President of the Commission, in close cooperation with the President of the Euro Summit, the President of the Eurogroup and the President of the European Central Bank, will report at the latest to the June 2015 European Council. The Member States will be closely involved in the preparatory work.

## **II. UKRAINE**

5. The European Council congratulates Ukraine on its new government and welcomes its determination to carry out political and economic reforms. Following the Commission's second disbursement in December of 500 million Euro in macro-financial assistance, the EU and its Member States stand ready to further facilitate and support Ukraine's reform process, together with other donors and in line with IMF conditionality. The European Council welcomes the Commission's readiness to increase humanitarian aid to the suffering people in Ukraine.
6. The situation in eastern Ukraine remains a strong concern. The Union's policy of not recognising the illegal annexation of Crimea and Sevastopol was further tightened today. The EU will stay the course; the European Council is ready to take further steps if necessary. All parties, including Russia, should actively engage in and implement fully the Minsk agreements. The European Council calls for unhindered access to the crash site of MH17 in the interest of the ongoing investigations.