



Council of the
European Union

Brussels, 12 April 2024
(OR. en)

8358/24

LIMITE

CO EUR-PREP 10

NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
Subject:	Special meeting of the European Council (17 and 18 April 2024) – Draft conclusions

DOCUMENT PARTIALLY ACCESSIBLE TO THE PUBLIC (24.05.2024)

In accordance with Article 3(1) of the Rules of Procedure of the European Council, 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.

In the context of the upcoming European elections, the European Council underlines the Union and its Member States' determination to closely monitor and contain any risks stemming from disinformation, including through Artificial Intelligence, as well as foreign information manipulation and interference in electoral processes.

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I. A NEW EUROPEAN COMPETITIVENESS DEAL

1. In the face of a new geopolitical reality and increasingly complex challenges, the European Union is committed to acting decisively to ensure its long-term competitiveness, prosperity and leadership on the global stage.
2. Recalling its conclusions of March 2023 and June 2023, the European Council will ensure an integrated approach across all policy areas to increase productivity and sustainable and inclusive growth throughout Europe, build a robust, innovative and resilient economy and advance Europe's unique social and economic model that will boost the Union's competitive digital and green transitions.
3. Over the past 30 years, the Single Market and its four freedoms have been a powerful engine of convergence and growth in the EU and its Member States, promoting a highly competitive social market economy, economic, social and territorial cohesion, and a level playing field based on an effective state aid and competition framework. Geopolitical tensions and more assertive policy measures taken by international partners and competitors, notably on subsidies, have exposed the Union's vulnerabilities, while long term productivity and technological and demographic trends necessitate urgent policy adjustments.

4. The European Council [welcomes the presentation of the High-Level Report on the Future of the Single Market, and invites the Council to analyse the recommendations therein and take work forward accordingly.] The European Council looks forward to the presentation of the upcoming report on Europe's competitiveness. The new Strategic Agenda will provide further guidance and frame the work ahead.

A new European competitiveness deal

5. A new European competitiveness deal is needed. This will require efforts at both Union and Member State levels and across policy areas to close growth, productivity and innovation gaps between the Union and its international partners and main competitors. To that end, policy action must be better put at the service of enhancing Europe's economic, manufacturing, industrial and technological base, thereby securing the Union's economic resilience and industrial renewal, global competitiveness, technological leadership, and attractiveness as a business location. Pursuing a level playing field, both globally and within the Single Market, is essential in that context.
6. Creating the conditions to allow European operators to seize the opportunities of a climate-neutral, digital and circular economy will help the Union deliver sustainable solutions that work for all. The objectives of cohesion policy to narrow disparities and stimulate long-term sustainable growth remain key. Cross-border connectivity and high-quality infrastructure play a key role in this regard. Europe also needs to reduce its strategic dependencies in certain sensitive sectors, notably energy, critical raw materials, semi-conductors, health, digital, food and critical technologies.

7. Investments in key strategic sectors and infrastructures require a combination of both public and private financing working together. European companies need access to more diversified financing at lower costs, channelling domestic savings, and mobilising the substantial amount of private investment needed to meet the challenges of the green and digital transitions. Access to capital, including venture and growth capital, should also be facilitated and simplified, especially for SMEs and start-ups; the EIB group has a key role to play in that respect.
8. To implement the new European competitiveness deal, the European Council calls for work to be taken forward decisively and swiftly on the following key competitiveness drivers:

Single Market

- deepening the Single Market by removing remaining barriers, in line with the 2020 Barriers Report, the ‘Single Market at 30’ Communication, and the Annual Single Market and Competitiveness Report, and by fully implementing and enforcing the free movement rules. In light of servitisation and the twin transition, the focus should be on the cross-border provision of services, notably horizontal and economically significant ones, as well as cross-border movement of essential goods such as medicines, based on the needs of businesses and citizens;
- improving transport links and mobility within the Union by addressing missing links or bottlenecks and upgrading the framework;
- developing a new horizontal strategy for a modernised Single Market by June 2025. Special focus should be put on SMEs;

Capital Markets Union

- advancing work in the Council and the Commission without delay on all identified measures that are necessary to improve the functioning of European capital markets, especially on:
 - harmonising relevant aspects of national corporate insolvency frameworks and of corporate tax law to foster equity investments;
 - relaunching the European securitisation market, including through regulatory and prudential changes, using available room for manoeuvre;
 - improving the supervision of capital markets across the EU, e.g. by allowing them to effectively supervise the most systemic relevant cross-border capital and financial market actors;
 - improving the conditions for institutional, retail and cross-border investment in equity and for the financing and exit-options of European scale-ups;
 - designing and implementing a simple and effective cross-border investment/savings product for retail investors; developing pensions and long-term savings products;
 - strengthening financial literacy of citizens and promoting awareness-raising initiatives;

Industry

- implementing an effective industrial policy that decarbonises our industry in a competitive manner, develops the Union's competitive edge in digital and clean technologies, diversifies and secures strategic supply chains, and strengthens Europe's defence, technological and industrial base;

Energy

- achieving a genuine energy union, by securing the supply of abundant, affordable and clean energy, that serves the dual objective of pursuing European energy sovereignty and climate neutrality. This will require ambitious electrification using all net-zero- and low-carbon solutions, flexibility, substantial deployment and investment in grids, storage and interconnections;

Circular economy

- increasing circularity and resource efficiency, including by exploiting the potential of the bioeconomy, thereby reducing primary resource dependencies, notably on critical raw materials;

Digital

- supporting the digital transformation of business, government and society, which requires a true Single Market in digital services and data, encouraging investment in digital infrastructure and the application of game-changing digital technologies such as AI and quantum computing, and exploiting the untapped potential of data in Europe while ensuring privacy and security. The European Council also highlights the need to strengthen the EU's leadership in global digital affairs and invites the Commission and the High Representative to prepare a joint communication on the subject;

Social

- fostering high-quality jobs throughout Europe, by stepping up the pursuit of the 2030 headline targets on increased participation in the labour market, reskilling/upskilling and lifelong learning, tackling skills and labour gaps in the context of wider demographic trends, including talent mobility to and within the EU, and ensuring equal opportunities;

Research and innovation

- fostering a more innovation-friendly environment based on excellent science, which accelerates market uptake, as well as the industrial and commercial scale-up of innovation;

Trade

- pursuing an ambitious, robust, open and sustainable trade policy that opens third-country markets to EU companies, defends EU interests when facing unfair practices, allows resilient and reliable supply chains to develop, guarantees a true level playing field, ensures reciprocity, and supports the central role of the WTO in the multilateral rules-based system.

A better and smarter regulatory framework

9. The regulatory framework should ensure legal certainty and predictability, be better integrated, coherent across policy areas, open to innovative approaches and digital by default, while reducing the administrative burden that weighs on companies, in particular SMEs.
10. The European Council invites the Commission to prevent overregulation and to ensure the enforcement of EU rules, and highlights the importance of correct and timely implementation of EU legislation by Member States, avoiding over-transposition.

11. Harmonising regulatory frameworks, encouraging mutual recognition, streamlining reporting data, and continuing the at least 25 % reporting reduction initiative will contribute to that objective. In particular, ensuring the simplification of procedures for permits and licenses, eliminating unnecessary reporting, and preventing the introduction of overlapping obligations, will also be important. The Commission should provide high-quality, timely and thorough impact assessments and competitiveness checks, including of cumulative effects, for legislative proposals with significant impact.

A competitive, sustainable and resilient agricultural sector

12. A competitive, sustainable and resilient agricultural sector is a key strategic interest of the Union. Farmers need a stable and predictable framework, including to accompany them in tackling environmental and climate challenges. In line with its previous conclusions, the European Council calls for a swift adoption of the amendment to the CAP regulation and encourages the Council and the Commission to pursue work especially on:

- implementing short- and medium-term measures to reduce administrative burden and achieve simplification;
- strengthening the position of farmers in the food supply chain to ensure a fair income;
- ensuring rules-based and fair competition globally and in the internal market.

[p.m. COM measures of additional support to ease farmers' financial strain]

Review of progress

13. The European Council will regularly review progress on initiatives to enhance the Union's competitiveness and achieve the full potential of the Single Market.
14. At its meeting in June 2024, the European Council will review progress and discuss additional steps to deepen the Capital Markets Union.
15. The European Council will keep actions in favour of a competitive, sustainable and resilient agricultural sector under review.

II. UKRAINE

16. **DELETED**
17. **DELETED**
18. **DELETED**
19. **DELETED**

III. TÜRKİYE

20. **DELETED**

21. **DELETED**

IV. LEBANON

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