



Council of the
European Union

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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

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.

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 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 transition. *p.m. High-Level Report on the Future of the Single Market.*
3. Over the past 30 years, the Single Market and its four freedoms has been a powerful engine of convergence and growth in the EU and its Member States, promoting a highly competitive social market economy and a level playing field in the Union. 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 require urgent policy adjustments. To ensure a well-functioning and modernised Single Market, the European Council calls for a new horizontal Single Market Strategy by June 2025 based on concrete steps to remove barriers and to continuously improve the implementation of existing Single Market rules. Special focus should be put on SMEs.

4. 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, its global competitiveness, its technological leadership, and its attractiveness as a business location. Ensuring a well-functioning Single Market, whilst pursuing a level playing field globally, is essential in that context. 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. 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 and critical technologies. Investments in key strategic sectors and infrastructures require a combination of both public and private financing to work together. Access to capital, including venture and growth capital, should also be facilitated and simplified, especially for SMEs; the EIB group has a key role to play in that respect.
5. To implement the new European competitiveness deal, the European Council calls for work to be taken forward decisively and swiftly on:
 - a) 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, in particular in relation to the cross-border provision of services and capital, and by fully implementing free movement rules, based on needs from businesses and citizens. Focus should be on horizontal and economically significant services especially in light of servitisation and the twin transition;

- b) advancing the Capital Markets Union, notably by:
- harmonising national insolvency frameworks and corporate tax law;
 - relaunching the European securitisation market including through regulatory and prudential changes using possible room for manoeuvre;
 - improving the supervision of capital markets across the EU, e.g. by allowing European supervisory authorities 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 of the financing and exit-options for European scale-ups;
 - designing and implementing a simple and effective cross-border investment/savings product for retail investors; working on pensions and long-term savings products to mobilise investment for the significant needs of the twin transition;
- c) 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, as well as strengthens Europe's defence technological and industrial base;
- d) 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 and substantial investments in grids, storage and interconnections;

- e) increasing circularity and resource efficiency, including by exploiting the potential of the bioeconomy, thereby reducing primary resource dependencies notably for critical raw materials;
- f) 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;
- g) fostering high-quality jobs in 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 within and to the EU, and ensuring equal opportunities;
- h) fostering a more innovation-friendly environment, which boosts research and accelerates market uptake, as well as industrial and commercial scale up of innovation;
- i) pursuing an open and fair trade policy that opens third country markets to EU companies and defends EU interests when facing unfair practices, while reinvigorating global trade, in which the WTO plays a central role.

6. To support these objectives, the EU regulatory framework should ensure legal certainty and predictability, be better integrated and consistent across policy areas, be open to innovative approaches and be digital by default, while preventing overregulation and reducing the administrative burden that weighs on companies, in particular SMEs. The European Council calls on the Commission to significantly reduce administrative burden for companies and national authorities , in particular by harmonising regulatory frameworks, streamlining reporting data, and continuing the 25% reporting reduction initiative. The Commission should also provide high-quality, timely and thorough impact assessments and competitiveness checks for legislative proposals with significant impact, that would ensure simplification of procedures for permits and licenses, eliminating unnecessary reporting and prevent introduction of overlapping obligations. This should be accompanied by a reinforced emphasis at all levels on the timely and correct implementation and enforcement of existing EU rules.
7. The European Council will regularly review progress on initiatives to enhance the Union's competitiveness and achieve the full potential of the Single Market. At its upcoming meeting in June, the European Council will review progress and discuss the additional steps to deepen the Capital Markets Union.
8. A competitive, sustainable and resilient agriculture is a key strategic interest of the Union. 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:
 - a) implementing short and medium term measures to reduce administrative burden and achieve simplification;
 - b) strengthening the position of farmers in the food supply chain to ensure a fair income;

- c) ensuring rules-based and fair competition globally and in the internal market.

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

The European Council will keep this item under review.

II. TÜRKIYE

9. The European Council held a strategic debate on EU-Türkiye relations, taking note of the Communication of the High Representative and Commission on the state of play of EU-Türkiye political, economic and trade relations. The European Council requests work to be taken forward on the joint communication in line with previous European Council conclusions and in a phased, proportionate and reversible manner subject to additional guidance from the European Council as needed.
10. Recalling its previous conclusions, the European Council remains fully committed to a comprehensive settlement of the Cyprus problem, within the UN framework, in accordance with the relevant UNSC resolutions and in line with the principles on which the EU is founded and the *acquis*. The European Union welcomes the appointment of Maria Angela Holguin Cuéllar as the UN Secretary-General's Personal Envoy on Cyprus. The European Union is ready to play an active role in supporting all stages of the UN-led process, with all appropriate means at its disposal. The European Union attaches considerable importance to resumption of and progress in the Cyprus settlement talks which can also enhance EU-Türkiye cooperation.
