



Council of the
European Union

Brussels, 8 December 2014
(OR. en)

14868/14

LIMITE

CO EUR-PREP 41

NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: European Council (18 and 19 December 2014)
- Draft conclusions

In accordance with Article 2(3)(a) of the Council's Rules of Procedure, 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.

o

o o

I. IMPROVING THE INVESTMENT FRAMEWORK IN EUROPE

1. Improving the investment framework in Europe is a key policy challenge. The focus on investments will supplement national structural reforms and thereby provide the foundation for a growing economy in Europe. Therefore the European Council:
 - a) calls for a European Fund for Strategic Investments (EFSI) to be set up to mobilise new investments in strategic areas between 2015 and 2017, which will complement ongoing EU programmes and traditional EIB activities. The Commission will present a legislative proposal in early January 2015, which the Union legislators are invited to agree on by June, so that new investments can be mobilised already in mid-2015. The EIB Group is invited to start activities using its own funds as of January 2015, taking into account the pipeline of projects included in the report by the joint Commission/EIB Task Force. Member States, national promotional banks and private investors are encouraged to contribute to the EFSI;
 - b) supports the Commission's and the EIB's intention to strengthen technical assistance to projects at European level and to create an investment advisory hub to be operational as of mid-2015;
 - c) invites the Union legislators to speed up work on key measures to improve the regulatory environment for investment, notably through the robust pursuit of the better regulation agenda; calls for speeding up transposition and implementation of Union legislation in areas relevant for investment, including in the field of the Single Market;
 - d) calls on the Commission to present an Energy Union proposal in good time before the March 2015 European Council and a Digital Single Market initiative before the June 2015 European Council;
 - e) calls for the pursuit of efforts to further strengthen the multilateral trading system and to conclude bilateral trade agreements with key partners;

- f) calls for the presentation by the Commission of an action plan on financing the economy as a contribution towards a Capital Markets Union;
 - g) calls on Member States to intensify their structural reforms effort and pursue growth friendly fiscal consolidation, which are a prerequisite for a successful investment framework in Europe. The improvements proposed by the Commission to the European Semester will enhance ownership and accountability of the process.
2. The implementation of these orientations, both as regards the effective mobilisation of investments through the EFSI and progress in key areas of regulation, will be closely monitored by the European Council. It will take stock of progress made at its March and June 2015 meeting.
 3. Closer coordination of economic policies is essential to ensure the smooth functioning of Economic and Monetary Union. Work on the development of concrete mechanisms for stronger economic policy coordination, convergence and solidarity is being taken forward. Heads of State or Government will exchange views on these matters at their informal meeting 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.

II. UKRAINE

4. 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 of 500 million Euro in macro-financial assistance, the Union and its Member States stand ready to further facilitate and support Ukraine's reform process.
5. 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 strengthened on 15 December.] The European Council is ready to take further steps if necessary. All parties should fully engage and implement the Minsk agreements.