

## **Report by President Donald Tusk to the European Parliament on December European Council meetings**

I want to wish you all the best for the New Year and also thank the Parliament for its excellent cooperation in 2017.

Before reporting on the main outcomes of the European Council, I want to highlight that during the December summit, 25 Member States launched Permanent Structured Cooperation in defence. The European Union must be both visionary and pragmatic, if it is to be effective. More than half a century ago, an ambitious vision of the European Defence Community was created, but what was missing was the unity and courage to put it into practice. Now the dream is becoming reality. PESCO is the practical expression of the common will to build a European defence. It shows that the Union moves forward when we combine ambition and pragmatism.

Last September, I proposed to leaders a new working method with the intention to speed up decision-making in the Council and to confront quite deliberately the tough issues in the areas where we are deadlocked. December was the first real test of this. We made a good start with frank, open and constructive discussions on migration and EMU. In addition, we took concrete decisions on Brexit, defence and the further extension of sanctions against Russia. I am proud to note that Europeans have stood united together with the Ukrainian people against Russian aggression for 3 and a half years and we will stay the course.

On migration, Member States responded well and generously to our request to re-finance the North African window of the EU-Africa Trust Fund. And here I would like to thank those governments who made it possible. But irregular migration will remain a challenge for decades, not years, and therefore we need a structural solution in the form of a stable and predictable EU funding instrument. I proposed to the leaders that we establish a permanent financing mechanism within the next Multiannual Financial Framework, to stem the flows of illegal migration. And today I can report to this House that there was univocal agreement on the need to establish such a mechanism. We will discuss it in more detail at our summit in February.

The internal dimension of the migration debate was, as expected, less consensual although it confirmed the hierarchy of our aims. Protecting our territory and keeping our promise never again to allow a return to the crisis of 2015 come first. Additionally, while everyone accepts the need for solidarity, there is currently no consensus on what it should mean in practice. The challenge now is how to express the principle of solidarity so that all Member States contribute in concrete terms and in a fair manner. All the leaders agreed to work hard to find a compromise by June. We will assess progress already in March.

On EMU, the Euro Summit discussed ways and means to reform our Economic and Monetary Union with a view to taking a first set of decisions in June. Leaders agreed with my proposal to focus efforts on what is realistic while continuing the discussion on long-term ideas. In this regard, in the next 6 months the work by finance ministers in the Eurogroup and in the Ecofin Council will concentrate on areas where the discussion is more advanced, namely on the completion of the Banking Union, and further developing the ESM. If we achieve these two objectives, we will significantly strengthen the resilience of the EMU, which is my major goal. Discussions, including among the euro area leaders, will also continue on those ideas that are less developed and have a longer-term perspective. For this I have called the Euro Summit in March.

Finally on Brexit. Leaders decided unanimously that sufficient progress had been achieved on the first phase with citizens' rights, Ireland and the financial settlement as priorities. Accordingly, the EU27 adopted a first set of guidelines for the next phase of the talks. This would not have been possible without the unity of the EU27, the hard work of Michel Barnier and the constructive effort of Prime Minister May.

As regards our future relations, what we need today is more clarity on the UK's vision. Once we have that, the leaders will meet and decide on the way the EU sees its future relationship with the UK as a third country. It also means a new set of guidelines. The hardest work is still ahead of us, and time is limited. We must maintain the unity of the EU27 in every scenario, and personally I have no doubt that we will. If the UK government sticks to its decision to leave, Brexit will become a reality – with all its negative consequences - in March next year. Unless there is a change of heart among our British friends.

Wasn't it David Davis himself who said: "If a democracy cannot change its mind, it ceases to be a democracy." We, here on the continent, haven't had a change of heart. Our hearts are still open to you. Thank you.

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