



**EUCO 1/25**

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*The European Council held an exchange of views with UN Secretary-General António Guterres on the geopolitical situation and multilateralism.*

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## **I. UKRAINE**

1. The European Council held an exchange of views with Volodymyr Zelenskyy, President of Ukraine.
2. The European Council discussed the latest developments as regards Ukraine. The text set out in document EUCO 11/25 was firmly supported by 26 Heads of State or Government.
3. The European Council will revert to the issue at its next meeting.

## **II. MIDDLE EAST**

4. Recalling its previous conclusions, the European Council addressed the situation and latest developments in the Middle East.
5. The European Council deplores the breakdown of the ceasefire in Gaza, which has caused a large number of civilian casualties in recent air strikes. It deplores the refusal of Hamas to hand over the remaining hostages. The European Council calls for an immediate return to the full implementation of the ceasefire-hostage release agreement. It stresses the need for progress towards its second phase, with a view to its full implementation leading to the release of all hostages and a permanent end to hostilities. The European Council recalls the importance of unimpeded access and sustained distribution of humanitarian assistance at scale into and throughout Gaza. This access and distribution, as well as the supply of electricity to Gaza, including for the water desalination plants, must be resumed immediately.

6. The European Council welcomes the Arab Recovery and Reconstruction Plan endorsed at the Cairo Summit on 4 March 2025. The European Union stands ready to engage with its Arab partners, as well as with other international partners, on that basis.
7. The European Union remains firmly committed to a lasting and sustainable peace based on the two-state solution. The European Union is ready to contribute to all efforts towards this solution and calls on all parties to refrain from actions that undermine its viability. It will continue to work with regional and international partners to that end. The European Union will continue supporting the Palestinian Authority and its reform agenda.
8. The European Council strongly condemns the recent widespread violence against civilians in Syria's coastal region and urges the transitional authorities to ensure the protection of all civilians and that perpetrators of violence are held accountable in accordance with international norms and standards. The European Council notes that comprehensive transitional justice in particular is essential on the path to reconciliation.
9. The European Council underlines the importance of a peaceful and inclusive transition in Syria, free from harmful foreign interference, and the protection of the rights of Syrians from all ethnic and religious backgrounds without discrimination. Syria's independence, sovereignty and territorial integrity within secure borders should be fully respected, in accordance with international law. It welcomes the agreement reached on 10 March 2025 between the transitional authorities and the Syrian Democratic Forces. The European Council recalls the EU's recent suspension of restrictive measures as part of a gradual, reversible approach. The European Union will continue to examine possible further suspensions of restrictive measures on the basis of close monitoring of the situation in Syria. The European Council welcomes the outcome of the ninth Syria Conference 'Standing with Syria: meeting the needs for a successful transition' of 17 March 2025.

10. The European Council welcomes the end of the political impasse in Lebanon and expresses the European Union's readiness to work with the new authorities to stabilise the economic and security situation in the country. The European Council reiterates its call on the parties to implement the terms of the 27 November 2024 ceasefire agreement and for the implementation of UN Security Council Resolution 1701.

### **III. COMPETITIVENESS**

11. A more competitive Union will be a stronger Union, better able to protect its citizens, its values and its interests on the global stage while sustaining its prosperity and the European social model. The need to invest in our defence and our competitiveness are closely interlinked. The European Council underlines the urgent need to strengthen Europe's competitiveness, building on the Budapest Declaration on the New European Competitiveness Deal and on its conclusions of 6 March 2025 on European defence. In that regard, the European Council welcomes in particular the presentation of the Competitiveness Compass of 29 January 2025, the Clean Industrial Deal of 26 February 2025 and the Omnibus simplification agenda.
12. 2025 should therefore mark a step change in the EU's action to boost competitiveness, strengthen the Single Market, promote quality jobs and ensure successful twin transitions, in line with the agreed climate objectives. In order to achieve these goals, and contribute to closing the innovation and productivity gap with the EU's global competitors and within the EU, the European Council agrees to give priority to simplification and reducing regulatory and administrative burdens, lowering energy prices and mobilising private savings to unlock necessary investment in the EU economy.

***Simplification and reducing administrative burdens***

13. Following up on the Commission communication of 11 February 2025 on implementation and simplification, the European Council calls for efforts at all levels – EU, national and regional – to ensure a clear, simple, smart and innovation-friendly regulatory framework and to drastically reduce, as a matter of urgency, administrative, regulatory and reporting burdens for businesses and public administrations, without undermining predictability, policy goals, high standards and the integrity of the Single Market. In this context, the European Council:
- a) calls on the Commission and the co-legislators to work towards achieving the target of reducing the cost of all administrative burdens by at least 25 %, and by at least 35 % for SMEs;
  - b) calls on the Commission to keep reviewing and stress-testing the EU acquis to identify ways to further simplify and consolidate existing legislation;
  - c) urges the co-legislators to take work forward on the Omnibus simplification packages presented on 26 February 2025 as a matter of priority and with a high level of ambition, with a view to finalising them as soon as possible in 2025;
  - d) calls on the co-legislators to adopt the proposal on the stop-the-clock mechanism on sustainability reporting and due diligence without delay and at the latest by June 2025;
  - e) calls on the Commission to rapidly follow up with further simplification initiatives, including on industrial decarbonisation and on security and defence; and
  - f) urges the Commission and the co-legislators to adhere to better regulation principles throughout the legislative process, thereby avoiding over-regulation and the introduction of administrative burdens, in particular on SMEs.

***Energy***

14. Recalling its commitment to pursue the dual objective of European energy sovereignty and climate neutrality by 2050, and in order for the Union to remain competitive globally, the European Council:
  - a) calls for all efforts at EU and Member State level to be urgently stepped up, in order to better protect EU citizens and businesses from high energy costs, secure the supply of affordable and clean energy and build a genuine Energy Union before 2030, which will require ambitious electrification using all net-zero and low-carbon solutions, and investment in grids, storage and interconnections at national and EU level. Recalling the agreed energy targets, the European Council calls for cross-border and Union-wide long-term investment planning, with a view to fully integrating and interconnecting the EU energy market, contributing to the Union's energy security, and infrastructure protection and resilience; and
  - b) welcomes in that context the presentation of the Commission's Action Plan for Affordable Energy on 26 February 2025, which outlines both structural and short-term measures, in particular for the most affected citizens and businesses, while preserving the integrity of the Single Market; and urges the Commission, the Council, the Member States and all other relevant stakeholders to start delivering on these actions in 2025. It calls for efforts to enable additional energy supplies to Europe to be intensified, notably to ensure security of supply for all Member States.

***Savings and Investments Union***

15. Having regard to the challenges to the EU's competitiveness, it is of paramount importance to create truly integrated and deeper European capital markets, by achieving the Capital Markets Union as a matter of urgency and completing the Banking Union. A genuine Savings and Investments Union will help channel hundreds of billions of euro of additional investment to the European economy every year, helping to boost the EU's competitiveness, strategic autonomy and economic security.
16. In this context, and in the light of the Commission communication of 19 March 2025, the European Council:
  - a) expects the co-legislators to quickly agree on all pending proposals from the 2020 Action Plan on the Capital Markets Union, including on insolvency;
  - b) to complement actions at EU level, stresses the need for national-level actions in order to increase the size and depth of capital markets that are accessible to all citizens and businesses across the Union;
  - c) with a view to expanding opportunities for citizens, calls:
    - on the Commission, the Council and Member States to advance work towards greater retail participation in capital markets by making available European investment and savings possibilities, including enhanced possibilities for EU-wide savings and pension products, drawing on best practices, in time to allow decisive steps to be taken in 2025; and
    - on the Commission to swiftly propose, in 2025, improvements to the existing pan-European personal pension product;

- d) with a view to increasing private funding for businesses, calls on the Commission:
  - to put forward proposals to improve the private equity and venture capital ecosystem and, in line with the respective competences under the Treaties, to propose an optional 28th company law regime allowing innovative companies to scale up, in time to allow the co-legislators to take decisive steps by 2026;
  - to swiftly propose, in 2025, a revised securitisation framework, including targeted adjustments to the prudential framework, while maintaining financial stability; and
  - to keep under review the global level playing field in the banking and insurance sectors and take appropriate measures;
- e) with regard to improving the convergence and efficiency of the supervision of capital markets across the EU and reducing fragmentation, calls on the Commission, working where relevant with national and European competent authorities:
  - to ensure convergent supervisory practices. To that end, it is essential to foster homogenous implementation, interpretation, application and enforcement of EU law by national competent authorities;
  - to complete the assessment of and the work on the conditions for enabling the European Supervisory Authorities to effectively supervise the most systemic relevant cross-border capital and financial market actors, with the aim of strengthening financial integration and ensuring financial stability, simplifying processes and reducing compliance costs, taking into account the interests of all Member States, and, on the basis of that assessment, to put forward, as appropriate, a proposal on supervision;



- to swiftly remove barriers to market-led consolidation of market infrastructure and to cross-border investment; and
  - to streamline existing rules and eliminate duplication, clarify regulatory provisions and reduce the cost of compliance and reporting;
- f) underlines the importance of mobilising private financing for the European defence industry and invites the Commission to consider making further use of EU programmes, such as building on the experience of the InvestEU Member State compartment, taking into account the specific character of the security and defence policy of certain Member States.

***Single Market, industry and skills***

17. These competitiveness priorities will be supported by an ambitious new horizontal Single Market Strategy, to be presented in June 2025, which should aim at deepening the Single Market, by removing remaining barriers, in particular in the area of services and essential goods, addressing fragmentation, and improving the application and enforcement of Single Market rules.

18. The European Council also calls for the following specific work strands to be pursued without delay:
- a) building on the Clean Industrial Deal, the Automotive Action Plan of 5 March 2025 and the Steel and Metals Action Plan of 19 March 2025, which refer to technological neutrality, work must be stepped up to secure Europe's industrial innovation, renewal and decarbonisation and to ensure the growth of tomorrow's key technologies, such as artificial intelligence, quantum technologies, semiconductors, 5G/6G and other critical technologies, while paying particular attention to traditional industries in transition, notably the automotive, shipping, aviation and energy-intensive industries, and the need to secure a level playing field. To this end, it calls on the Commission to put forward, without delay, a targeted proposal for additional flexibilities to the 2025 milestone under the Regulation setting CO<sub>2</sub> emissions performance standards for cars and vans, and to take forward the review foreseen in this Regulation; and
  - b) following the Commission communication of 5 March 2025 on a Union of Skills, further efforts should be made to enhance the acquisition, recognition and retention of skills across the EU, from the building of basic skills to engaging in life-long learning, reskilling and upskilling, in line with the European Pillar of Social Rights and its Action Plan.

***Other actions and way forward***

19. The European Council addressed priorities for the 2025 European Semester and endorses the Recommendation on the economic policy of the euro area. The European Council also considered the employment and social situation in the European Union.

20. The European Council stresses that, going forward, all the abovementioned competitiveness priorities and actions should work together, in a mutually reinforcing manner, along with relevant EU instruments, to support research and innovation, investment, convergence and cohesion, connectivity, trade diversification and economic partnerships, growth and economic resilience in the European Union. The European Council remains seized of all these matters, and will assess progress on competitiveness and the green and digital transitions at its meeting in October 2025.

#### **IV. EUROPEAN DEFENCE AND SECURITY**

21. Following up on its conclusions of 6 March 2025 and in the light of the White Paper on the Future of European Defence of 19 March 2025, the European Council calls for an acceleration of work on all strands to decisively ramp up Europe's defence readiness within the next five years. It invites the Council and the co-legislators to swiftly take work forward on the recent Commission proposals. The European Council calls for the implementation of the actions identified in its conclusions of 6 March 2025 in the field of capabilities to start as a matter of urgency and for continued work on the relevant financing options.
22. The European Council recalls that a stronger and more capable European Union in the field of security and defence will contribute positively to global and transatlantic security and is complementary to NATO, which remains, for those States that are members of it, the foundation of their collective defence.
23. The above is without prejudice to the specific character of the security and defence policy of certain Member States, and takes into account the security and defence interests of all Member States, in accordance with the Treaties. The European Council invites the Commission and the High Representative to report regularly on progress made in the implementation of its conclusions on defence. It will revert to all strands of work on this issue at its next meeting.

**V. NEXT MULTIANNUAL FINANCIAL FRAMEWORK AND NEW OWN RESOURCES**

24. The European Council had a first exchange of views on the next Multiannual Financial Framework and on new own resources.

**VI. MIGRATION**

25. The European Council took stock of progress in the implementation of its conclusions on migration, including in light of the recent letter from the President of the Commission. The European Council encourages further work in particular on: the external dimension, notably through comprehensive partnerships; the implementation of adopted EU legislation and the application of existing legislation; the prevention and countering of irregular migration, including through new ways in line with EU and international law; efforts to facilitate, increase and accelerate returns, using all relevant EU policies, instruments and tools; the concepts of safe third countries and safe countries of origin; the fight against instrumentalisation, human trafficking and smuggling; visa policy alignment by neighbouring countries; as well as safe and legal pathways in line with national competences. The European Council recalls the EU's determination to strengthen security at its external borders and ensure their effective control, in line with EU and international law.
26. The European Council calls on the co-legislators to make progress, as a matter of priority, on files with a migration dimension. In particular, it invites the co-legislators to swiftly examine the recent Commission proposal on returns.

## **VII. OCEANS**

27. In the light of current global and geopolitical challenges, the European Council stresses the strategic importance of the oceans, water resilience and the blue economy in strengthening the EU's competitiveness and resilience, maritime security, and environmental sustainability and protection, in the context of the triple planetary crisis of climate change, pollution and biodiversity loss.
28. The European Council welcomes the Commission's intention to put forward an ambitious, holistic and forward-looking European Ocean Pact, in line with the respective EU and Member State competences, that will foster healthy oceans and seas, energy security, maritime security, food security, sustainable fisheries and a sustainable and competitive EU blue economy, with special emphasis on coastal and island communities, and contribute to global science-based knowledge and responsible governance of the oceans.
29. In addition, the European Council took stock of preparations for the UN Ocean Conference, to be held in Nice from 9 to 13 June 2025, and called for increased global action and ambition, including accelerated ratification of the Agreement under the UN Convention on the Law of the Sea on the Conservation and Sustainable Use of Marine Biological Diversity of Areas beyond National Jurisdiction (BBNJ Agreement), to advance ocean protection and governance at international level.

## **VIII. MULTILATERALISM**

30. The European Union has always upheld and will continue to uphold the UN Charter and the rules and principles it enshrines, in particular those of sovereignty and territorial integrity, political independence and self-determination. The European Council reaffirms the Union's steadfast commitment to effective multilateralism and to the rules-based international order with the United Nations at its core.

31. The European Union will remain a predictable, reliable, and credible partner and welcomes the opportunity to work together in a changing environment with all its partners, as well as with the United Nations and its agencies in driving forward the internal reform process – the UN80 initiative – to ensure that the United Nations remains effective, cost-efficient and responsive.
32. The European Union is committed to the Pact for the Future, which is a crucial step towards revitalising the United Nations, achieving the Sustainable Development Goals, and reforming the international financial architecture. The European Union stands ready to cooperate with all stakeholders to ensure its effective implementation.
33. The European Council looks forward to the Fourth International Conference on Financing for Development, to be held in Seville from 30 June to 3 July 2025, which will be an important step towards putting in place a renewed global financing framework for sustainable development. It calls on relevant EU institutions to work towards an ambitious outcome, together with Member States.

## **IX. OTHER ITEMS**

34. The European Council discussed the situation in the Western Balkans and invites the Council to address the matter in April 2025.
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