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NOTE

From: General Secretariat of the Council
To: Delegations
Subject: European Council meeting (23 March 2023)
– Conclusions

Delegations will find attached the conclusions adopted by the European Council at the above meeting.

The European Council held an exchange of views with United Nations Secretary-General Guterres.

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I. UKRAINE

1. The European Council reiterates its resolute condemnation of Russia's war of aggression against Ukraine, which constitutes a manifest violation of the UN Charter, and recalls the European Union's unwavering support for Ukraine's independence, sovereignty and territorial integrity within its internationally recognised borders and its inherent right of self-defence against the Russian aggression.
2. The European Council welcomes the UN General Assembly Resolution on 'Principles of the Charter of the United Nations underlying a comprehensive, just and lasting peace in Ukraine', which was adopted with broad support from the international community. It reiterates its support for President Zelenskyy's Peace Formula. The European Union will continue to work with Ukraine on the 10-point peace plan.
3. Russia must stop its aggression and immediately, completely and unconditionally withdraw all of its military forces and proxies from the entire territory of Ukraine within its internationally recognised borders. International humanitarian law, including on the treatment of prisoners of war, must be respected. The European Council condemns in the strongest terms sexual and gender-based violence. Russia must immediately ensure the safe return of Ukrainians forcibly transferred or deported to Russia, in particular children. In this context, the European Council takes note of the arrest warrants recently issued by the International Criminal Court, against Russia's President and his Commissioner for Children's Rights, for the war crime of unlawful deportation and transfer of Ukrainian children from occupied areas of Ukraine to Russia.

4. Russia must immediately cease actions endangering the safety and security of civilian nuclear facilities in Ukraine. The European Union fully supports the work of the International Atomic Energy Agency.
5. The European Union is firmly committed to ensuring full accountability for war crimes and the other most serious crimes committed in connection with Russia's war of aggression against Ukraine, including through the establishment of an appropriate mechanism for the prosecution of the crime of aggression, which is of concern to the international community as a whole. In this context, the European Council welcomes the agreement to create the new International Centre for Prosecution of the Crime of Aggression against Ukraine (ICPA) in The Hague, which will be linked to the existing Joint Investigation Team supported by Eurojust. It reiterates its support for the investigations of the Prosecutor of the International Criminal Court. The European Council welcomes the upcoming negotiations on a new Convention on international cooperation in the investigation and prosecution of genocide, crimes against humanity, war crimes and other international crimes.
6. The European Union remains committed to maintaining and increasing collective pressure on Russia, including through possible further restrictive measures, and to continue working on the oil price cap together with partners. The European Council underlines the importance and urgency of stepping up efforts to ensure effective implementation of sanctions at European and national level and is firmly committed to effectively preventing and countering circumvention in and by third countries. The European Council invites the Council and the Commission to strengthen all necessary enforcement instruments and to develop, together with Member States, a fully coordinated approach to that effect. The European Union will intensify its work with partners to counter false Russian narratives and disinformation about the war.

7. The European Union stands firmly and fully with Ukraine and will continue to provide strong political, economic, military, financial and humanitarian support to Ukraine and its people for as long as it takes. The European Union and Member States are increasing their efforts to help meet Ukraine's pressing military and defence needs. Taking into account the security and defence interests of all Member States, the European Council welcomes the agreement in the Council to urgently deliver ground-to-ground and artillery ammunition to Ukraine and, if requested, missiles, including through joint procurement and the mobilisation of appropriate funding including through the European Peace Facility, aiming at providing 1 million rounds of artillery ammunition in a joint effort within the next twelve months, without prejudice to the specific character of the security and defence policy of certain Member States.
8. The European Union remains committed to supporting Ukraine's repair, recovery, and reconstruction, in coordination with international partners. In this context, the European Council reiterates the EU's full support for establishing an international mechanism to register the damages Russia has inflicted. Together with partners, the European Union will continue to step up work towards the use of Russia's frozen and immobilised assets for Ukraine's reconstruction and for the purposes of reparation, in accordance with EU and international law.
9. The European Council welcomes Ukraine's commitment and reform efforts, and underlines the importance of Ukraine's EU accession process, in line with its earlier conclusions, notably those of 23-24 June 2022.
10. The European Union will continue to provide all relevant support to the Republic of Moldova, including to strengthen the country's resilience, security, stability, economy and energy supply in the face of destabilising activities by external actors, as well as support on its accession path to the European Union. The European Council invites the Commission to present a support package ahead of its next meeting.

11. The European Council condemns the continued military support for Russia's war of aggression provided by Iran and Belarus. It urges all countries not to provide material or other support for Russia's war of aggression.
12. Russia's war of aggression against Ukraine and its weaponisation of food have undermined global food security. In that context, the European Council takes note of the extension of the UN Black Sea Grain Initiative. This initiative, the EU's Solidarity Lanes and the Ukrainian 'Grain from Ukraine' initiative are instrumental in bolstering global food security. It stresses the need to ensure the continued availability and affordability of agricultural products for the countries most in need.

II. COMPETITIVENESS, SINGLE MARKET AND THE ECONOMY

13. In view of increasingly complex challenges (climate change, the geopolitical situation, energy prices, repeated supply chain shocks, demographic trends, labour shortages, the growth and innovation gap), the European Union is building a robust and future-proof economy that secures long-term prosperity. This requires an integrated approach across all policy areas to increase productivity and growth throughout the whole economic base of our continent, combining a deepened Single Market and reinforced industrial, agricultural and trade policies.

The European Union will ensure its competitiveness by strengthening its resilience and productivity, facilitating financing, aiming at affordable energy, reducing its strategic dependencies, investing in the skills of the future and making its economic, industrial and technological base fit for the green and digital transitions while leaving no one behind.

The European Council invites the Council and the Commission to take work forward on all these aspects, and to report on progress ahead of its June 2023 meeting. Moreover, the Council is invited to assess progress annually based on Commission input, including key performance indicators.

The Single Market and long-term competitiveness and productivity

14. The Single Market has underpinned Europe’s prosperity and improved citizens’ lives since its creation three decades ago. Its social dimension is at the core of a highly competitive social market economy. Over the years, it has led to a substantial increase in trade between Member States and provided a springboard for European businesses to enter global markets. Beyond its significant contribution to growth and competitiveness, the Single Market has also made it possible for European citizens to benefit from high social and environmental standards and strong consumer protection, making Europe a global standard-setter.
15. The European Council supports the renewed focus on enforcing existing Single Market rules and on removing barriers, as proposed in the Commission Communication ‘The Single Market at 30’. A well-functioning Single Market remains fundamental for the success of the green and digital transitions, for our future growth and for economic, social and territorial cohesion. The European Council calls for ambitious action to complete the Single Market, in particular for digital and services, and address the vulnerabilities exposed by recent crises, ensuring a level playing field both internally and globally. Special focus should be put on SMEs.
16. Building on the Commission Communication ‘Long-term competitiveness of the EU - looking beyond 2030’, the European Council calls for advancing work in the following areas:
 - a) A growth-enhancing regulatory environment
 - simplify the general regulatory environment and reduce the administrative burden, including by accelerating permitting procedures, carrying out competitiveness checks for new legislative proposals and considerably increasing the uptake of digital solutions (such as eID and machine-readable and standardised data). Reporting requirements, notably across the EU’s green, digital, and economic legislation, should be rationalised;

- enforce the Single Market rules effectively to ensure regulatory convergence in all sectors, including services;
- step up efforts at national and EU level to reduce barriers to cross-border business and take work forward on access to medicines across Member States while also strengthening incentives for investments in innovation.

b) Investment

- deepen the Capital Markets Union, remove remaining barriers to cross-border finance, ease access to and mobilise private capital for investment, in particular for SMEs. The European Council calls on the European Parliament and the Council to finalise work on the legislative proposals in this area before the end of the current legislative cycle;
- ensure full mobilisation of available funding and existing financial instruments and deploy them in a more flexible manner, so as to provide timely and targeted support in strategic sectors without affecting the cohesion policy objectives. The European Council recalls that it took note of the Commission’s intention to propose a European Sovereignty Fund before summer 2023 to support investment in strategic sectors;
- strengthen key ecosystems to ensure secure, stable and sustainable supply chains for the twin transitions;
- improve connectivity within the Single Market for all Member States, including by developing and upgrading infrastructure and interconnections for transport and energy, including grids.

- c) Research and innovation
 - incentivise innovation, focusing on areas with a high growth potential;
 - increase investment in research and development to meet the public and private expenditure target of 3 % GDP;
 - facilitate the placing on the market of innovative products and services, including through the use of regulatory sandboxes.

- d) Digitalisation
 - unlock the value of data in Europe while ensuring privacy and security, and harness real-time-economy solutions;
 - foster the take-up of digital tools across the economy and increase support for businesses and administrations in the European Union to stay at the forefront in Artificial Intelligence, quantum computing, microelectronics, 6G, web 4.0, and cybersecurity.

- e) Skills
 - develop skills and match them with attractive, quality jobs, increase the participation of women and young people, and promote vocational education and training to meet the challenges of labour shortages and the transformation of jobs, including in the context of demographic challenges.

- f) Circularity
 - foster the transition towards a more circular economy to improve sustainability, lower input costs for EU industry and reduce dependencies regarding primary materials, including by seizing the opportunities offered by the bioeconomy.

Industrial policy

17. The European Council reviewed progress on the different strands of action. It calls for work to be taken forward on the proposals for a Net Zero Industry Act and a European Critical Raw Materials Act and takes note of the Temporary Crisis and Transition Framework for State Aid.

Trade policy

18. The European Council held a strategic discussion on the geopolitical aspects of trade and underlined the contribution of trade policy to the EU's competitiveness.

Economic policy coordination

19. The European Council endorses:
- the Council conclusions of 14 March 2023 on the economic governance review;
 - the policy priorities of the Annual Sustainable Growth Survey, and invites Member States to reflect them in their National Reform Programmes and Stability or Convergence Programmes;
 - the draft Council Recommendation on the economic policy of the euro area.

III. ENERGY

20. The European Council took stock of the action taken to address high energy prices, reduce gas demand, ensure security of supply and phase out dependency on Russian fossil fuels.

21. Whilst the energy situation in the European Union has improved, the European Council calls on the Commission and the Member States to ensure preparedness and contingency planning in view of the next gas storage filling and heating seasons. In that context, it urges all stakeholders involved to make full use of the AggregateEU joint purchasing mechanism through the EU Energy Platform to further improve the security of gas supplies at affordable prices. The European Council invites the Commission to promptly finalise the assessment of the emergency measures adopted in 2022 and where necessary to propose the extension of their application.
22. The European Council invites the co-legislators to reach prompt agreement on all relevant proposals to accelerate the green transition, and to take work forward without delay on the proposed revision of the EU's internal electricity market design with a view to ensuring its adoption by the end of 2023.

IV. OTHER ITEMS

Migration

23. The Council Presidency and the Commission informed the European Council about progress in the implementation of its conclusions of 9 February 2023 on migration. Recalling that migration is a European challenge that requires a European response, the European Council calls for swift implementation of all items agreed upon. It will review implementation in June.

External relations

24. Following the tragic earthquake of 6 February 2023, the European Council welcomes the outcome of the Donors' Conference in support of the people in Türkiye and Syria and calls for the quick and effective disbursement of the assistance pledged.

25. The European Council welcomes the Agreement on the path to normalisation of relations between Kosovo* and Serbia and its Implementation Annex, reached in the EU-facilitated dialogue led by the High Representative, as an integral part of their respective European paths, and calls on both parties to implement expediently and in good faith their respective obligations.
26. The European Council strongly condemns the sentencing of prominent representatives of the Belarusian democratic opposition to long and unjustified prison sentences. It calls on the Belarusian authorities to uphold human rights, democracy and the rule of law, to end repression, to release political prisoners and to respect minorities.
27. The European Council welcomes the agreement on the Windsor Framework and looks forward to the swift implementation of all agreed solutions in good faith.

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The European Council welcomes the UN 2023 Water Conference and its Water Action Agenda. It acknowledges the need for enhanced EU and global action on water and underlines the importance of a strategic EU approach to water security.

* *This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.*