

# The European Council again in the driving seat: EU - UK negotiations on the British Exit

## Points of Discussion

- The 'Brexit' case – the European Council's role in exceptional crisis situations
- European Council meetings covering 'Brexit'
- The legal basis: Article 50 TEU, the European Council as the driving force
- Reactions of European Council members
- A new initiative for the future of Europe

Dossier on the basis of: Wessels, Wolfgang (2016): The European Council, Palgrave Macmillan.

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## 1. Introduction: Role of the European Council and the ‘Brexit’ case

Who thought to know the role and working methods of the European Council might have been surprised by the developments of the last months before and after the ‘Brexit’ referendum. While the Heads of State or Government again and again proved their relevance as ultimate decision makers and crisis managers in constitutional questions, economic governance and external action, the Brexit-case constitutes a new type of problem. The activities of the past months once again confirmed that Heads of State or Government intensely use and develop this institution in different forms of formal and informal summits – especially to solve crisis situations. In times of existential problems for which conventional procedures and instruments are not available or practiced, political leaders, namely national and EU-executives, take centre stage. The European Council acts as ‘locus of power’ of the Union, with significant impact on the EU’s institutional architecture. In this context, not only the powers of the European Council but also its internal power constellations are a matter of high political and academic relevance and of major concern.

In the long history of the European Council’s crisis management the Brexit case is a new type which combines the role of a crisis manager with that of constructing the EU system. The decision of the citizens of the United Kingdom in June 2016 to leave the Union constitutes a so far unprecedented shock. It is up to the Heads of State or Government to build a mutual reaction and to define the following process. This definition implies a distribution of competences and a power struggle among the EU institutions. However, to date the European Council seems to be in the driving seat of this process.

## 2. Timeline: European Council meetings covering ‘Brexit’

In comparison to other external or economic crises the European Council’s activities in the Brexit case seem to be better coordinated at a first glance. The following timeline (see Figure 1) provides an overview of relevant events starting from June 2015, when UK Prime Minister David Cameron officially informed his colleagues about his plans for a referendum, to June 2016, when the first meetings after the referendum took place. A summary of decisions taken can be found under each summit. The exact wording of the respective paragraphs of the conclusions and official statements are compiled in appendix I.

Figure 1: Timeline: From attempts to preserve the old Union to managing a Union of 27

<p>25-26 June 2015</p> <p>I V</p>	<p><b>European Council</b> UK Prime Minister, David Cameron, set out his plans for an (in/out) referendum in the UK. The European Council agreed to revert to the matter in December. Ahead of the meeting, President Tusk holds a bilateral meeting with Cameron.</p>
<p>15 October</p>	<p><b>European Council</b> The European Council was informed about the process ahead concerning the UK plans for an (in/out) referendum. Cameron indicated he will set-out the UK's specific concerns in writing by early November. The European Council decided to revert to the matter in December.</p>
<p>17 December</p>	<p><b>European Council</b> The December European Council debated the UK plans for the in/out referendum and agreed to find solutions in all the four areas of concern (economic governance, competitiveness, sovereignty, social benefits and the free movement of persons) at their February meeting. In his remarks following the debate on the UK issue, Tusk announced that he will keep on working closely with Cameron and the European Commission to draft a proposal in the run-up to the February European Council.</p>
<p>18-19 February 2016</p>	<p><b>European Council</b> Following intense negotiations, EU leaders achieved a deal which strengthens Britain's special status in the EU. It is a legally binding and irreversible decision by all 28 leaders. The reform package being offered to the British public was considered as neither transformative nor trivial: However it is the largest single shift in a member state's position within the EU. The changes were supposed to help supplement the reforms which already happened and the opt outs which the UK already has on the Euro and Schengen.</p>
<p>23 June 2016</p>	<p><b>United Kingdom European Union membership referendum</b> Overall vote to leave the EU, by 51.9%.</p>
<p>27 June 2016</p>	<p><b>Joint Declaration by the Chancellor of the Federal Republic of Germany, the President of the French Republic and the President of the Council of Ministers of the Italian Republic</b> After the British vote to leave the EU the German, French and Italian Heads of State or Government confirmed their belief in the European Union. However, they also emphasised the necessity to "respond to challenges presented by the result of the UK referendum and develop concrete solutions for a good future of the EU and its citizens." They defined three key priorities to address concerns of the EU's citizens and proposed to the European Council a timetable and commitments to tackle these challenges.</p>
<p>28 June 2016</p>	<p><b>European Council</b> The UK Prime Minister informed the European Council about the outcome of the referendum in the UK.</p>
<p>29 June 2016</p>	<p><b>Informal meeting at 27</b> At an informal meeting without the British Prime Minister members of the European Council emphasised the requirement of Article 50 that "there would <i>be no negotiations of any kind before this notification has taken place.</i>" It was hoped that the UK remained a "close partner of the EU" but also stressed that "Access to the Single Market requires the acceptance of all four freedoms". The Leaders stated that in this "new situation for the European Union" they stood "ready to tackle any difficulty that may arise" from it. They announced "to start a political reflection to give an impulse to further reforms".</p>

16 September  
2016

#### Informal Meeting at 27 in Bratislava

As a consequence of the negative votum for the EU in the British referendum, the 27 the Heads of State or Government will reflect on reforms of the EU in September. As a preparation, President Tusk intends to consult all 27 Leaders in advance of the meeting.

Source: compiled by the author on the basis of: <http://www.consilium.europa.eu/en/policies/uk/2016-uk-settlement-process-timeline/>,  
[https://www.google.de/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKewjP-PBloLOAhWEuRoKHVSbBX0QFgghMAA&url=http%3A%2F%2Fwww.governo.it%2Fsites%2Fgoverno.it%2Ffiles%2Fdichiarazione\\_congiunta\\_ita\\_fra\\_ger.pdf&usq=AFQjCNHPcVxNvHVuJ2GfiDFSqAU2KWS7sg&cad=rja;](https://www.google.de/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&ved=0ahUKewjP-PBloLOAhWEuRoKHVSbBX0QFgghMAA&url=http%3A%2F%2Fwww.governo.it%2Fsites%2Fgoverno.it%2Ffiles%2Fdichiarazione_congiunta_ita_fra_ger.pdf&usq=AFQjCNHPcVxNvHVuJ2GfiDFSqAU2KWS7sg&cad=rja;http://www.consilium.europa.eu/en/press/press-releases/2016/06/29-27ms-informal-meeting-statement/)  
<http://www.consilium.europa.eu/en/press/press-releases/2016/06/29-27ms-informal-meeting-statement/>

Preceding the British referendum, several European Council meetings covered a reform of the European Union. Initiated by David Cameron, the EU's political leaders invested considerable time and efforts to keep the United Kingdom a member of the Union. Until the unexpected outcome of the UK leaving the EU, the activities of the European Council can be classified as coordinated 'crisis management'. The situation after the Brexit is one of institutional uncertainty, where the implementation of article 50 still needs to be defined (see chapter 4) and is a matter of controversy with the UK. The 27 remaining Heads of State or Government have to find a common way to manage this new situation.

### 3. After the Referendum – Reactions of European Council members

In the unexpected situation of a British 'leave' vote, the informal meeting of the EU's Heads of State or Government, excluding David Cameron, was decisive for defining a way to move on.

The 27 heads of state or government stated their deep regret for the outcome of the referendum but also their respect for the decision of the British. However, as a first substantial act regarding the further procedure, they emphasised the absolute necessity for the UK to notify the European Council its intention to withdraw from the Union. Without such notification 'no negotiations of any kind' (European Council, Informal meeting at 27, 29.6.2016) could take place. Doing this, the European Council significantly improved the EU's negotiation position as the UK now has to decide upon withdrawal in a situation of total uncertainty and considerable time pressure.

Against the British demands, the European Council also made clear that full access to the internal market required the ‘acceptance of all four freedoms’ (European Council, Informal meeting at 27, 29.6.2016). In an official government statement on June 28<sup>th</sup> German Chancellor Angela Merkel stressed that negotiations would not follow a principle of cherry-picking: “There has to and will be made a difference between whether a country wants to be a part of the family of the European Union, or not. Someone wanting to withdraw from that family cannot expect that he will be released from his duties while privileges remain”<sup>1</sup> (Merkel, 28. June 2016). Beyond common statements, the question of how to proceed with the negotiations also seems to divide members of the European Council. Straight after the British vote, the Governments of Italy and France along with Commission President Jean-Claude Juncker acted as ‘hawks’ when demanding a fast divorce process. In contrast, Brexit ‘doves’, like Donald Tusk, President of the European Council, granted the British ‘to allow the dust to settle’ (Eder, 26.06.2016; Wessels/Schäfer 2016; General Secretariat of the Council, 28.06.2016).

#### 4. The European Council and article 50

First included in the constitutional treaty a withdrawal was only made possible in the Lisbon treaty. In the so far unprecedented situation of a state actually seeking to withdraw from the Union, article 50 TEU provides the legal basis according to which the Heads of State or Government have to identify a new procedure. The article (see document 1 and figure 2) defines the European Council as the officially responsible institution for setting guidelines for exit negotiations. This is in line with article 15 TEU, requiring the European Council to ‘define the general political directions’ of the Union (Art. 15(1) TEU).

##### *Document 1: Art. 50 TEU: Withdrawal from the European Union*

1. Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements.
2. A Member State which decides to withdraw shall notify the European Council of its intention. In

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<sup>1</sup> Citation translated by the author: „Es muss und wird einen spürbaren Unterschied machen, ob ein Land Mitglied der Familie der Europäischen Union sein möchte, oder nicht. Wer aus dieser Familie austreten möchte, der kann nicht erwarten, dass damit alle Pflichten entfallen, die Privilegien aber bestehen bleiben.“

the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. That agreement shall be negotiated in accordance with Article 218(3) of the Treaty on the Functioning of the European Union. It shall be concluded on behalf of the Union by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament.

3. The Treaties shall cease to apply to the State in question from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in paragraph 2, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period.

4. For the purposes of paragraphs 2 and 3, the member of the European Council or of the Council representing the withdrawing Member State shall not participate in the discussions of the European Council or Council or in decisions concerning it.

A qualified majority shall be defined in accordance with Article 238(3b) of the Treaty on the Functioning of the European Union.

5. If a State which has withdrawn from the Union asks to rejoin, its request shall be subject to the procedure referred to in Article 49.

Duff (2016) outlines two separate objectives in paragraph 2 that have to be treated. First, a set of transitional arrangements by which the UK withdraws from its EU rights and obligations. These include inter alia many technical issues such as the budget, the employment of British citizens abroad or common military missions. Standard procedures of accession negotiations according to Art. 49 TEU might serve as a model.

*Document 2: Issues of a withdrawal agreement to withdraw the UK from its rights and obligations*

- ending UK contributions to and receipts from the EU budget, including the winding down of EU spending programs in the UK;
- catering for the acquired rights of British nationals resident in other EU states, and of EU citizens living in the UK;
- managing the withdrawal of British civil servants working in the EU institutions, including the unpicking of the European External Action Service;
- preparing for the exit of British members from the European Parliament, European Court, Committee of the Regions, Economic and Social Committee, etc.;
- relocating EU agencies out of the UK – notably the hotly sought-after European Banking Authority;
- drawing down UK military involvement from common security and defence policy missions,

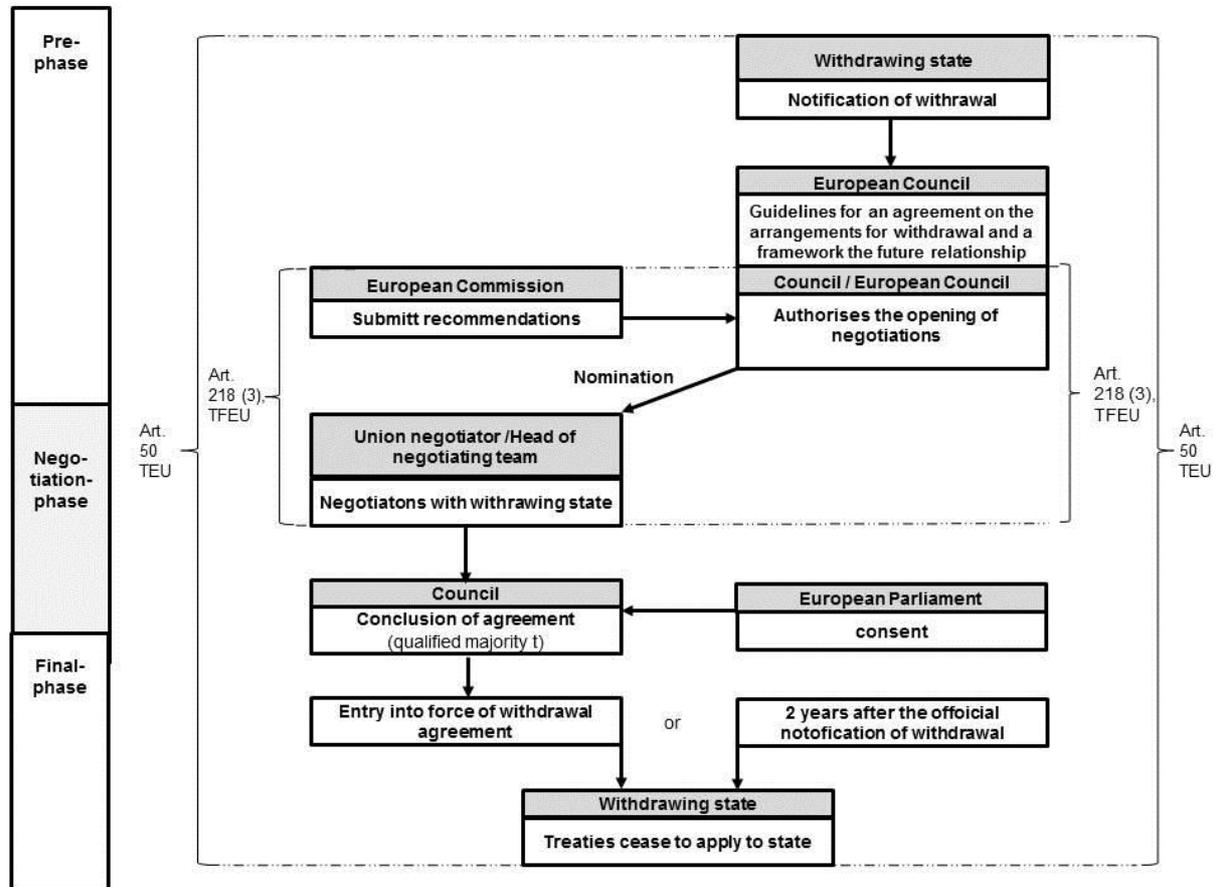
- pulling UK police out of Europol and ending engagement in Frontex;
- establishing new forms of frontier control, not least at Britain's land borders in Northern Ireland and Gibraltar.

*Source: Duff 2016.*

Second, Duff refers to the yet to be specified set of relations between the EU and the UK after the withdrawal. Although formally these are separate issues, they will most probably be on the agenda at the same time.

While article 50 clearly states that the European Council has the responsibility to set initial guidelines, some provisions are more ambiguous (see figure 2). After setting the guidelines not the European Council but the Commission and a special Council committee will conduct the transitional arrangements or negotiations. Due to the sketchy formulation of article 50, this division of labor triggered a power struggle among the institutions. After the European Council nominated Didier Seeuws, former head of cabinet of Herman van Rompuy, as chief negotiator, the Commission herself claimed to lead the exit talks. According to the interpretation of the Commission's legal service, Article 50 treats a withdrawing Member State as a third state, meaning that the Commission would be in charge. The European Council in contrast argues that during the divorce negotiations the UK is still a member of the EU (Eder/Heath, 28.06.2016).

Figure 2: Institutional Powers and Competences in divorce negotiations



Source: compiled by the author based on article 50, TEU and 218(3) TFEU

In any case article 218(3) requires that the Council ‘shall adopt a decision authorising the opening of negotiations and, depending on the subject of the agreement envisaged, nominating the Union negotiator or the head of the Union’s negotiating team. Therefore, no action by the Commission is possible without an initial guiding decision by the (European) Council. Thus, Didier Seeuws and his committee will oversee the process leading to a guiding framework, while the Commission will solve the technical details (Duff 2016). After that, article 50 requires a final agreement to be concluded by the Council. As the Commission nominated Michel Barnier as chief negotiator leading the Commission’s Taskforce for the Preparation and Conduct of the Negotiations with the United Kingdom it remains to be seen whether the power struggle will continue or whether the withdrawal will be organised in an orderly fashion as agreed by the Heads of State or Government and Jean Claude Juncker in June. Apart from the Commission’s claims it has to be considered that the European Parliament’s consent is necessary for the final conclusion of an agreement.

As in other cases of system making, treaty revisions and accession, we can expect that the European Council will de facto take the key decision on aspects, the transitional arrange-



ments and the future relationship between the UK and the Union. For the political leaders the interests involved are too decisive to be decided by their ministers. Thus, we will probably observe a dramatic all night session of the European Council to find a consensual agreement on all aspects, taking place just before the end of the two-year time limit to negotiate an agreement. Due to the diversity of stakes on the table this compromise will show a high degree of complexity.

## **5. Towards a reformed EU: the European Council's new initiative on the future of Europe**

Apart from negotiating the British withdrawal, the European Council saw the need to take a lead regarding the internal consequences of this first ever step of disintegration. Recognizing that 'Europeans expect us to do better', the 27 announced a 'political reflection to give an impulse to further reforms' (European Council, Informal meeting at 27, 29.6.2016). Preceding the meeting, the Belgian Head of Government Charles Michel called the BREXIT a slap to the face of the European project and demanded an extraordinary summit in September to deal with the future of the EU (euractive.de, 24.06.2016). At an informal meeting before the official European Council, Italian, German and French leaders demanded common actions regarding internal and external security, a strong economy, social cohesion and youth programs. Poland criticized moves for a two speed Union around the Eurozone countries that was proposed by a common paper by the French and German Foreign Ministers Steinmeier and Ayrault (Auswärtiges Amt, 2016; Cienski, 28.06.2016). For Hungarian Prime Minister Viktor Orbán, the most important thing that Brussels had to learn from the British vote was that it has to listen more carefully to the European citizens (Zenker, 24.06.2016).

Following these initial reactions the 27 Heads of State or Government will hold an informal meeting in Bratislava at September 16 to continue their political reflections to reform the Union. To prepare this meeting President Tusk intends to consult all 27 leaders in advance of the meeting. Thus, it is again the European Leaders who define the future of the Union.

## **5. Conclusions: The European Council again in the driving seat**

The British vote to leave the EU can be seen as a historical juncture in the European Integration process. This first ever case of disintegration puts into question the institutional set up

and durability of the EU-countries' cooperation. In such an extraordinary situation, the European Council is again taking major decisions for both the withdrawal negotiations and the still rather vague steps for a reflection and a reform period. However, even though political leaders again take the lead in guiding and managing these procedures, in the situation of decreasing support for the European project they more than before need to secure their domestic consensus.

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## About SUMMIT

Against the background of the existing research and teaching gap concerning the European Council, SUMMIT aims to contribute to the promotion of European Union studies by providing the latest research-based knowledge of this key institution. The project seeks to disseminate research and teaching experience as well as in-depth knowledge of the European Council by addressing academia, the general public and the educational sector. Concretely and particularly, in the course of SUMMIT, the project team will produce online learning material, and organise various transnational seminars for Master students, a public roundtable series all over Europe and two conferences. The project's lifetime is from September 2015 to February 2017. For more information on and results of the project please visit the website: [www.summit.uni-koeln.de](http://www.summit.uni-koeln.de) or contact a member of the project team listed below.

### Imprint

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## Appendix: Heads of State or Government's deliberations on the British exit

### **Brussels 26.06.2015**

*The UK Prime Minister set out his plans for an (in/out) referendum in the UK. The European Council agreed to revert to the matter in December.*

### **Brussels 16.10.2015**

*The European Council was informed about the process ahead concerning the UK plans for an (in/out) referendum. The European Council will revert to the matter in December.*

### **Brussels 18.12.2015**

*The European Council had a political exchange of views on the UK plans for an (in/out) referendum. Following today's substantive and constructive debate, the members of the European Council agreed to work closely together to find mutually satisfactory solutions in all the four areas at the European Council meeting on 18-19 February 2016.*

### **Brussels 19.02.2016**

#### **THE UNITED KINGDOM AND THE EUROPEAN UNION**

*1. At their December meeting, the members of the European Council agreed to work together closely to find mutually satisfactory solutions in all the four areas mentioned in the British Prime Minister's letter of 10 November 2015.*

*2. Today, the European Council agreed that the following set of arrangements, which are fully compatible with the Treaties and will become effective on the date the Government of the United Kingdom informs the Secretary-General of the Council that the United Kingdom has decided to remain a member of the European Union, constitute an appropriate response to the concerns of the United Kingdom:*

- a) a Decision of the Heads of State or Government, meeting within the European Council, concerning a new settlement for the United Kingdom within the European Union (Annex 1);*
- b) a Statement containing a draft Council Decision on specific provisions relating to the effective management of the banking union and of the consequences of further integration of the euro area which will be adopted on the day the Decision referred to in point (a) takes effect (Annex 2);*
- c) a Declaration of the European Council on competitiveness (Annex 3);*
- d) a Declaration of the Commission on a subsidiarity implementation mechanism and a burden reduction implementation mechanism (Annex 4);*
- e) a Declaration of the European Commission on the indexation of child benefits exported to a Member State other than that where the worker resides (Annex 5);*
- f) a Declaration of the Commission on the safeguard mechanism referred to in paragraph 2(b) of Section D of the Decision of the Heads of State or Government (Annex 6);*
- g) a Declaration of the Commission on issues related to the abuse of the right of free movement of persons (Annex 7).*

*3. Regarding the Decision in Annex 1, the Heads of State or Government have declared that:*  
*(i) this Decision gives legal guarantee that the matters of concern to the United Kingdom as expressed in the letter of 10 November 2015 have been addressed;*

*(ii) the content of the Decision is fully compatible with the Treaties;*  
*(iii) this Decision is legally binding, and may be amended or repealed only by common accord of the Heads of State or Government of the Member States of the European Union;*  
*(iv) this Decision will take effect on the date the Government of the United Kingdom informs the Secretary-General of the Council that the United Kingdom has decided to remain a member of the European Union.*

*4. It is understood that, should the result of the referendum in the United Kingdom be for it to leave the European Union, the set of arrangements referred to in paragraph 2 above will cease to exist.*

**Brussels 28.06.2016**

**OUTCOME OF THE UK REFERENDUM**

*The UK Prime Minister informed the European Council about the outcome of the referendum in the UK.*

**Berlin, 26.06.2016 Meeting of the Italian, French and German Head of State or Government**

On 23 June 2016, the majority of the British people have expressed their wish to leave the European Union. Germany, France and Italy respect this decision. We regret that the United Kingdom will no longer be our partner within the European Union.

We are fully confident that the European Union is strong enough to give the right answers today. There is no time to waste.

Today we convey our strong commitment to European unity. It is our firm conviction that the European Union is essential to make our countries stronger by acting together, with our common Institutions, in order to ensure economic and social progress for our people and to assert Europe's role in the world.

For almost 60 years, the EU constitutes a unique community of rights, freedoms, law and common values. The EU enables us to safeguard our European social model which combines economic success with social protection. The EU enables us to preserve our cultural diversity. The single Market, our common policies and the Euro are unique in the world. These achievements are the foundation of our prosperity. Jointly, we campaign to promote our interests within an agenda for free and fair trade in the world. Jointly, we progress in our energy policy and jointly we contribute to global climate protection. Jointly, we contribute to stability and development in the world and promote freedom.

It is our equally firm conviction that the European Union can be brought forward again only if it continues to be built upon the support of its citizens.

Therefore, the European Union must address the concerns expressed by its people by clarifying its objectives and its functioning. It should be stronger on essential priorities, where the Europeans must join forces and be less present when the Member States are better placed to act. It remains under the democratic control of its citizens and should be better intelligible. It must act faster, in particular in delivering programs and projects which provide direct benefits to the citizens.

In a changing world, the European Union should preserve its essential acquis and focus on the challenges the Europeans face today like worldwide migration and new threats, in particular international terrorism that no single Member State can effectively overcome alone. It must also reinforce the capacity of the Europeans to respond to growing international competition while strengthening the European social market economy.

Therefore, we propose three key priorities for joint and deepened action based on concrete objectives:

- **Internal and External Security:** Europe is confronted with huge challenges which require strengthening its common means to protect its external borders and to contribute to peace and stability in its neighbourhood, in particular in the Mediterranean, Africa and the Middle East. We will succeed in the fight against terrorism in Europe only if we act united. Terrorism will be defeated only if we prove to be able to rebuild a sense of community; to invest in our cities against social marginalisation.

We will live up to our responsibilities if we develop our European defence and make the necessary commitments for our joint operations as well as for our military capacities and industry. The potential of a true Common Foreign, Security and Defence Policy has not yet been fully used.

- **A Strong Economy and Strong Social Cohesion:** Europe must keep its word on the promise of prosperity to its citizens. We need more growth to fight against unemployment and create jobs, especially for young people, as well as more investment to secure the strength of our economies in the global competition. The success of our European social and economic model, which combines economic strength and social protection requires setting the right regulatory framework ; better policies for entrepreneurship and participation of all in working life ; strengthening research, innovation and training, which play a key role since Europe's wealth is based primarily on the knowledge and the skills of its citizens ; developing the digital economy in Europe for better services, modernised industry and jobs ; exploiting the full potential of energy and climate policies protecting the environment.

For the countries sharing the euro, further steps will be necessary to strengthen growth, competitiveness, employment and convergence including in the social and tax field.

- **Ambitious programmes for youth:** Europe will succeed only if it gives hope to its young people. We need to strengthen European initiatives for training, entrepreneurship and access to jobs across Europe, as the Youth Employment initiative or Erasmus for students, apprentices and young professionals.

The European Union represents our common values: We strive for peace and freedom, for democracy and the rule of law, for mutual respect and responsibility, for tolerance and participation, for justice and solidarity. Today is the day to reaffirm these values.

We will propose tomorrow to the Heads of State and government and the European Institutions to launch a process according to a strict timetable and a precise set of commitments to respond to the challenges presented by the result of the UK referendum and develop concrete solutions for a good future of the EU and its citizens.

On this basis, Leaders in September should discuss the common challenges the 27 Member States are facing and the essential priorities they need to decide upon. They should also agree on concrete projects to be delivered in Europe in the next six months for growth and security. Work should begin immediately to implement the necessary initiatives. Contributions from international personalities could nourish leaders' discussions on the perspectives of Europe in a global context.

The European Council meetings in October 2016 and December 2016 will give us the opportunity to assess the progress made in that regard and give the necessary guidelines.

The 60th anniversary of the Treaty of Rome on 25 March 2017 will be an important moment to reaffirm the unity of Europe and our common commitment to the European project.

***Brussels, 29.06.2016, Informal Meeting at 27***

1. We, the Heads of State or Government of 27 Member States, as well as the Presidents of the European Council and the European Commission, deeply regret the outcome of the referendum in the UK but we respect the will expressed by a majority of the British people. Until the UK leaves the EU, EU law continues to apply to and within the UK, both when it comes to rights and obligations.
2. There is a need to organise the withdrawal of the UK from the EU in an orderly fashion. Article 50 TEU provides the legal basis for this process. It is up to the British government to notify the European Council of the UK's intention to withdraw from the Union. This should be done as quickly as possible. There can be no negotiations of any kind before this notification has taken place.
3. Once the notification has been received, the European Council will adopt guidelines for the negotiations of an agreement with the UK. In the further process the European Commission and the European Parliament will play their full role in accordance with the Treaties.
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4. In the future, we hope to have the UK as a close partner of the EU and we look forward to the UK stating its intentions in this respect. Any agreement, which will be concluded with the UK as a third country, will have to be based on a balance of rights and obligations. Access to the Single Market requires acceptance of all four freedoms.
5. The outcome of the UK referendum creates a new situation for the European Union. We are determined to remain united and work in the framework of the EU to deal with the challenges of the 21st century and find solutions in the interest of our nations and peoples. We stand ready to tackle any difficulty that may arise from the current situation.
6. The European Union is a historic achievement of peace, prosperity and security on the European continent and remains our common framework. At the same time many people express dissatisfaction with the current state of affairs, be it at the European or national level. Europeans expect us to do better when it comes to providing security, jobs and growth, as well as hope for a better future. We need to deliver on this, in a way that unites

us, not least in the interest of the young.

7. This is why we are starting today a political reflection to give an impulse to further reforms, in line with our Strategic Agenda, and to the development of the EU with 27 Member States. This requires leadership of the Heads of State or Government. We will come back to this issue at an informal meeting in September in Bratislava.