Remarks by President Herman Van Rompuy following first session of the European Council

Let me brief you on the outcome of the first working day of the European Council. Even before we started, it was already a very productive day for the European Union. Late last night: a good decision by finance ministers was taken on how to restructure and resolve failing banks. This morning: the last hurdle for the launch of the Union's multi-annual budget was cleared in an agreement between Council and Parliament at the highest level, brokered together with the Commission President.

Our meeting this evening was dedicated to two urgent issues. Fighting youth unemployment and promoting investment for small and medium-sized enterprises.

On youth unemployment, this meeting was a rallying point. A signal of the broad mobilisation growing across Europe. We were joined – and it was a first – by the EU social partners, representing both large businesses and SMEs, public services and trade unions, and had a good exchange of views.

Unemployment levels are alarmingly high – hiding many different realities and causes that often run deep. And we are under no illusion: the problem won't be solved overnight. But there is no reason for a "mission impossible" mindset. Common resolve and immediate actions can make a difference. That's why we took tonight a number of decisions that can and will create jobs.

Scaling up and speeding up actions like the Youth Employment Initiative or the Youth Guarantees - to ensure that within 4 months of leaving school or becoming unemployed, every young person gets a good offer for a job, education or training.
To this end, first, the Youth Employment Initiative will be frontloaded, with spending concentrated in the first two years. Second, the flexibility offered by the MFF as agreed this morning, means unspent funds go in a pot and will be used primarily to support employment, especially for youth, but also on growth areas like innovation and research.

The flexibility means, in effect, that beyond the 6 billion euro that we reserved in February, there will be substantially more available for the Youth Employment Initiative: according to projections, at least 8 billion euro in total. This is good news. And I am also glad that with the new budget these programmes will be able to start as foreseen as of 1 January.

We took other decisions -- for instance promoting cross-border mobility, including for vocational training, as well as high-quality apprenticeships. They will help bring down hurdles, giving a perspective to hundreds of thousands of young people. But that is not all.

Employment policies are mainly a responsibility for national governments, with the European Union supporting national efforts. Together we have more tools, we can offer more solutions. Leaders are eager to exchange experiences and best practices, bilaterally or for instance next week in Berlin. Today's meeting shows that leaders consider that unemployment in all our countries, even if it's a matter for national governments, also is a joint responsibility. Economically, socially, politically.

Our second focus tonight was on the financing of the economy. SMEs especially are hit by tight lending conditions, while they are the biggest employers of young people.

Even now that government spreads have decreased, access to credit for firms remains too uneven across the Union. To solve this in a lasting way, we're setting up a banking union – with good progress underway. But clearly we cannot just sit back until it is up and running. So tonight we agreed on substantial investment actions for Europe, with a strong focus on SMEs.

The idea is to increase synergies between the EU budget and the European Investment Bank, so as to leverage private investments to finance millions of SMEs. The European Investment Bank will play a central role, drawing on its 10 billion euro capital increase that is already being put to work. Tonight we heard from EIB President Werner Hoyer how the bank has already identified hundreds of billions of euro in investment projects, projects that without public investing would not be taken up. So even if the situation is difficult, opportunities are there.

Tonight we also discussed member states' economic policies. In fact we concluded our annual coordination cycle, the European Semester. It helps member states keep the promises they make to themselves; that's why we set it up 3 years ago. It works around a shared aim: for each country restoring or ensuring sound economic fundamentals and driving forward structural reforms. In the long term, it's the only way to preserve our social models and our competitiveness, to create jobs.

Good night, and see you tomorrow – when we will talk about the Economic Monetary Union, especially the banking union, accession prospects for the Balkans and other foreign policy issues.