PV(2017) 2201 final

- English language version of the French text which is authentic -

Brussels, 8 March 2017

TEXTE EN

<u>MINUTES</u>

of the 2201st meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 22 February 2017

(morning)

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<u>Single sitting</u>: Wednesday 22 February 2017 (morning)

The sitting opened at 9.49 with Mr JUNCKER, President, in the chair.

<u>Present</u>:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	
Ms MOGHERINI	High Representative / Vice-President	
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	Items 1 to 14 (in part)
Mr DOMBROVSKIS	Vice-President	Items 1 to 14 (in part)
Mr OETTINGER	Member	
Mr MIMICA	Member	
Mr ARIAS CAÑETE	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	Items 1 to 14 (in part)
Ms THYSSEN	Member	
Mr MOSCOVICI	Member	Items 1 to 14 (in part)
Mr STYLIANIDES	Member	
Mr HOGAN	Member	
Ms BULC	Member	
Ms BIEŃKOWSKA	Member	
Ms JOUROVÁ	Member	
Mr NAVRACSICS	Member	
Ms CREȚU	Member	
Mr MOEDAS	Member	
Sir Julian KING	Member	

Absent:

Mr KATAINEN	Vice-President
Mr HAHN	Member
Ms MALMSTRÖM	Member
Mr VELLA	Member
Ms VESTAGER	Member

The following sat in to represent absent Members of the Commission:

Mr ROMAKKANIEMI	Chef de cabinet to Mr KATAINEN
Mr KARNITSCHNIG	Chef de cabinet to Mr HAHN
Ms ÅSENIUS	Chef de cabinet to Ms MALMSTRÖM
Mr MUELLER	Chef de cabinet to Mr VELLA
Ms JUUL-JØRGENSEN	Chef de cabinet to Ms MALMSTRÖM

The following also sat in:

Mr SELMAYR	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PESONEN	Director-General, DG Communication	
Mr SCHINAS	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	
Ms METTLER	Head of the European Political Strategy Centre	
Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	
Mr THOLONIAT	Adviser in the PRESIDENT's Office	Items 1 to 12, and 14
Ms SILLAVEE	PRESIDENT's Office	
Ms SALLE	PRESIDENT's Office	Items 1 to 12, and 14
Mr SMULDERS	Chef de cabinet to Mr TIMMERMANS	Items 1 to 13
Ms SUTTON	Deputy Chef de cabinet to Mr TIMMERMANS	Item 14
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	Item 14 (in part)
Mr SUARDI	Deputy Chef de cabinet to Mr DOMBROVSKIS	Items 1 to 12
Mr BAILLY	Chef de cabinet to Mr MOSCOVICI	Items 1 to 12

Ms ANDREEVA	Commission Spokesperson's Service

Secretary: Mr ITALIANER, Secretary-General, assisted by Mr AYET PUIGARNAU, Director in the Secretariat-General.

The PRESIDENT opened the meeting by pointing out that in accordance with the working methods in force since the start of the present Commission's mandate, attending all the meetings of the College formed part of the obligations of Commission Members. Only the PRESIDENT could decide to release Members from the obligation to be present, in duly justified cases and on the basis of a written request. Absence from the meetings of the College should be restricted to exceptional and justified circumstances such as interinstitutional obligations and the formal requirements of the external representation of the Union.

He also informed the Members that he had decided to organise the next Commission meeting in two parts, the first on Tuesday 28 February at 17.00 and the second on Wednesday 1 March at 9.00 as planned, in order to examine and adopt the White Paper on the Future of Europe, which would be the subject of a policy debate that day.

Finally, he said that he might convene an extraordinary Commission meeting on the evening of 6 April or on 7 April.

* * *

1. AGENDAS
(OJ(2017) 2201/FINAL; SEC(2017) 96/FINAL)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF CHEFS DE CABINET
(RCC(2017) 2201)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 20 February.

3. APPROVAL OF THE MINUTES OF THE 2198TH MEETING OF THE COMMISSION (1 FEBRUARY), THE MINUTES AND SPECIAL MINUTES OF THE 2199TH MEETING (8 FEBRUARY), AND THE MINUTES OF THE 2200TH MEETING (14 FEBRUARY) (PV(2017) 2198; PV(2017) 2199; PV(2017) 2199, 2ND PART)

The Commission approved the minutes of its 2198th and 2199th meetings and decided to hold over for one week approval of the minutes of its 2200th meeting.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED (SEC(2017) 97 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 13 and 17 February.

4.2. EMPOWERMENT (SEC(2017) 98 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 13 and 17 February.

4.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2017) 99 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 13 and 17 February, as archived in Decide.

4.4. SENSITIVE WRITTEN PROCEDURES (SEC(2017) 100 AND /3)

The Commission took note of the sensitive written procedures for which the time limit expired between 20 and 24 February.

5. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2017) 101)

ADMINISTRATIVE MATTERS (PERS(2017) 8)

5.1. EUROPEAN ANTI-FRAUD OFFICE / OFFICE FOR THE ADMINISTRATION AND PAYMENT OF INDIVIDUAL ENTITLEMENTS – AMENDMENT OF THE ORGANISATION CHARTS

On a proposal from Mr OETTINGER, in agreement with the PRESIDENT, the Commission decided:

– to transfer the Secretariat of the Supervisory Committee of the European Anti-Fraud Office (OLAF) to the Office for the administration and payment of individual entitlements (PMO), with the corresponding quota of posts, staff and budget, as agreed by the two departments;

– to set up a new unit, ‘SUPCOM – Secretariat of the Supervisory Committee of the European Anti-Fraud Office’, at the Office for the administration and payment of individual entitlements;

– to close down the 'OLAF.SUPCOM – Secretariat of the Supervisory Committee of the European Anti-Fraud Office' unit at the European Anti-Fraud Office;

– to adopt the new organisation charts set out in SEC(2017) 114 and SEC(2017) 115.

The Commission took note of the fact that the definitive transfer of the establishment plan posts and the corresponding budget had been taken into account in the budget for 2017.

These decisions would take effect immediately. Their technical implementation would take place on 1 March at the latest.

Following the reorganisation, the total number of units in the European Anti-Fraud Office would decrease from 21 to 20, and the total number of units at the Office for the administration and payment of individual entitlements would increase from 7 to 8.

5.2. EUROPEAN ANTI-FRAUD OFFICE – ADMINISTRATIVE ARRANGEMENTS FOR THE SECRETARIAT OF THE SUPERVISORY COMMITTEE OF THE EUROPEAN ANTI-FRAUD OFFICE

On a proposal from Mr OETTINGER, in agreement with the PRESIDENT, and after consulting the Supervisory Committee of the European Anti-Fraud Office (OLAF), the Commission decided to approve the following arrangements in order to maintain the independence of its Secretariat and avoid any potential conflicts of interest:

– the Chair of the Managing Committee of the Office for the administration and payment of individual entitlements (PMO) would ensure that the Secretariat operated independently and would have competence for handling any disagreements between the PMO and the Supervisory Committee concerning the Secretariat;

– if the Supervisory Committee decided to end the assignment of an official in the Administrators (AD) function group, the Directorate-General for Human Resources and Security would reassign the official concerned, in the interests of the service, to a vacant post in his or her Directorate-General of origin; this provision would apply without prejudice to the right of officials to apply for any vacant post;

– if the Directorate-General of origin was OLAF, it would be possible to return to that DG immediately after leaving the Secretariat only with the written consent of the official concerned, the Supervisory Committee, and OLAF; in the event that consent was withheld, the Directorate-General for Human Resources and Security would reassign the official concerned, in the interests of the service, to a vacant post in another Directorate-General after having consulted the official and the Directorates-General with suitable vacant posts, taking particular account of the official's previous professional assignments; this provision would apply without prejudice to the right of officials to apply for any vacant post;

– in any event, even in cases in which an AD official had been temporarily assigned to other Directorates-General, he or she could not be transferred to OLAF unless a period of three years had elapsed between the end of his or her assignment to the Secretariat, unless there is a written agreement of the official concerned, the Supervisory Committee, and OLAF;

– if the Secretariat were to recruit an official from another institution of the Union, this would in principle take the form of a secondment in the interests of the service, so that the official could immediately resume his or her former post when the secondment came to an end.

These decisions would take effect immediately.

5.3. DG BUDGET – INTERNAL AND INTERINSTITUTIONAL PUBLICATION AT GRADE AD15/16 OF THE VACANCY NOTICE FOR A DEPUTY DIRECTOR-GENERAL AND COMMISSION ACCOUNTING OFFICER, APPOINTMENT AS COMMISSION ACCOUNTING OFFICER AND SUBSTITUTION FOR DEPUTY DIRECTOR-GENERAL (PERS(2017) 9)

On a proposal from Mr OETTINGER, in agreement with the PRESIDENT, the Commission decided:

– to authorise, with immediate effect, the publication under Article 29(1)(a)(i) and (iii) and (1)(b) of the Staff Regulations of the vacancy notice in PERS(2017) 9 regarding the post of Deputy Director-General responsible for Directorate BUDG.DGA1.C, ‘Budget Execution (General Budget and EDF)’ and Commission Accounting Officer at the Directorate-General for Budget;

– to appoint Ms María Rosa ALDEA BUSQUETS, an official at grade AD15 and currently Director of Directorate BUDG.DGA1.C, ‘Budget Execution (General Budget and EDF)’, to the post of Commission Accounting Officer until the post was definitively filled, and to inform the budgetary and discharge authorities of this decision without delay;

– to appoint Ms María Rosa ALDEA BUSQUETS to act as interim Deputy Director-General responsible for Directorate BUDG.DGA1.C, ‘Budget Execution (General Budget and EDF)’, until the post was definitely filled.

Unless indicated otherwise, these decisions would take effect on 1 March 2017.

5.4. DG MARITIME AFFAIRS AND FISHERIES – APPOINTMENT OF AD14 DIRECTOR

On a proposal from Mr OETTINGER, in agreement with the PRESIDENT, and after consulting Mr VELLA and also Mr ŠEFČOVIČ and Mr KATAINEN, the Commission decided to transfer in the interests of the service, under Article 7 of the Staff Regulations, Ms Helene CLARK, currently Director of the 'Resources, planning and communication' Directorate at the Directorate-General for Employment, Social Affairs and Inclusion, to the post of Director of the 'Fisheries Policy: Atlantic, North Sea, Baltic and Outermost Regions' Directorate at the Directorate-General for Maritime Affairs and Fisheries.

This decision would take effect on 16 March 2017.

6. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN CENTRAL BANK AND THE EUROGROUP – EUROPEAN SEMESTER 2017 – ASSESSMENT OF THE PROGRESS MADE ON STRUCTURAL REFORMS, PREVENTION AND CORRECTION OF MACROECONOMIC IMBALANCES, AND RESULTS OF IN-DEPTH REVIEWS UNDER REGULATION (EU) 1176/2011 (COM(2017) 90 AND /2; SWD(2017) 67 TO SWD(2017) 93; RCC(2017) 18)

7. COMMUNICATION FROM THE COMMISSION – FISCAL COMPACT – TAKING STOCK (C(2017) 1200; RCC(2017) 18)

**8. COMMISSION REPORT UNDER ARTICLE 8 OF THE TREATY ON STABILITY, COORDINATION AND GOVERNANCE IN THE ECONOMIC AND MONETARY UNION
(C(2016) 1201; RCC(2017) 18)**

**9. REPORT FROM THE COMMISSION TO THE COUNCIL PREPARED IN ACCORDANCE WITH ARTICLE 126(3) OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION
(COM(2017) 106; RCC(2017) 18)**

**10. REPORT FROM THE COMMISSION ON THE INVESTIGATION RELATED TO THE MANIPULATION OF STATISTICS IN AUSTRIA AS REFERRED TO IN REGULATION (EU) 1173/2011 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ON THE EFFECTIVE ENFORCEMENT OF BUDGETARY SURVEILLANCE IN THE EURO AREA (COMMISSION DECISION OF 3 MAY 2016)
(COM(2017) 94; SWD(2017) 105; RCC(2017) 18)**

**11. PROPOSAL FOR A COUNCIL IMPLEMENTING DECISION IMPOSING A FINE ON AUSTRIA FOR MANIPULATION OF DEBT DATA IN LAND SALZBURG
(COM(2017) 93 AND /2; RCC(2017) 18)**

It was agreed to adopt the set of documents on the European Semester (under items 6 to 11 of these minutes) - the communications, the reports and the proposal for a Council Implementing Decision – by written procedure pursuant to Article 12(5) of the Rules of Procedure, the deadline for which was set at 10.30 on Wednesday 22 February (PE/2017/1073, PE/2017/1047, PE/2017/1051, PE/2017/1202, PE/2017/1121, PE/2017/1119, respectively).

M. DOMBROVSKIS presented the assessment of the progress made by the Member States in achieving the economic and social priorities at this new phase of the 2017 European semester. The country reports had been drawn up by teams that brought together all the Commission's relevant departments, which had worked together for several months with the support of the cabinets. For the first time, the Member States had been consulted on the content of the draft report concerning them. This had helped to bring about an improvement in the quality of the reports and greater ownership by all the parties concerned. As a result the reports were more succinct and more targeted than in the past.

From a general viewpoint, the reports and the overall communication accompanying them reflected positive trends in the winter economic forecasts. The good performance in terms of growth and employment indicated that the Union's economic policy strategy, based on the virtuous triangle of investment, structural reforms and responsible budgetary policies, was sound and was working well. However, the current recovery was also an opportunity to tackle the considerable challenges still facing the Union.

Mr DOMBROVSKIS went on to outline in more detail the main trends identified in the country reports, namely (i) progress in adjusting macroeconomic imbalances, which had now been corrected in certain Member States, (ii) continuing differences in revenue and labour market levels, (iii) the still relatively high private and public debt levels in some Member States, (iv) the remaining structural obstacles to growth and productivity gains, (v) the weaknesses of the banking sector which, although it had recovered from the financial crisis, was still suffering in some countries from a significant stock of non-performing loans. As regards implementation of the reforms, he felt that the glass was still only half full and it was necessary to go further. Although the multiannual analysis of the country-specific recommendations showed that the reforms advocated had been broadly implemented, their momentum and pace had slowed down owing, in particular, to growing political uncertainty.

He specifically highlighted the case of the three Member States which still had excessive imbalances and should be given special attention when they submitted their national reform programmes in the spring. These countries were Cyprus, Italy and Portugal, which were making only slow progress in correcting their excessive macroeconomic imbalances and were still affected by weak productivity, a significant level of debt and the vulnerability of their banking sector owing to the significant stock of non-performing loans.

M. DOMBROVSKIS added that the package proposed for adoption also included the report on the implementation at national level of the Fiscal Compact. The 2012 intergovernmental Treaty on Stability, Coordination and Governance in Economic and Monetary Union, which included the Fiscal Compact, entrusted this task to the Commission. All the contracting parties agreed with the Compact and had made changes to their legislative framework to incorporate its provisions.

With regard to the report on Italy under Article 126(3) of the Treaty on the Functioning of the European Union, it had been decided to return in the spring to the question of whether to launch an excessive deficit procedure when the Commission presented its spring economic forecasts and was able to verify whether the Italian government had fulfilled its commitment to reduce its government deficit by an additional 0.2 % of gross domestic product through structural measures.

He had also taken the initiative, in agreement with Mr MOSCOVICI, of sending a letter to the Romanian government to inform it of economic forecasts indicating that its government deficit would exceed the threshold of 3 % of the gross domestic product this year and next.

Mr DOMBROVSKIS also pointed out that according to the winter economic forecasts, there were likely to be some cases of non-compliance with the preventive arm of the Stability and Growth Pact in 2016 and 2017. If these were confirmed at the time of the spring economic forecasts, serious consideration would have to be given to opening a procedure for serious deviation from the structural adjustment path under the preventive arm of the Pact. Reinforcing the preventive aspect of the governance framework had been one of the main innovations implemented in the wake of the financial crisis and was the chief objective of the Fiscal Compact. Prevention should not lead to austerity, but rather to creating the means for stabilisation in a period of crisis.

Mr MOSCOVICI presented his own analysis of this new phase of the European semester exercise. He made three main observations:

First, the macroeconomic imbalance procedure was working, as shown by the progressive reduction in the level of imbalances in most Member States both in the EU as a whole and in the euro area. He flagged the good news concerning Finland, which was exiting the procedure, and the positive message sent to Ireland, Slovenia and France. If these Member States kept up the momentum, the first two States could follow Finland's example from next year. At the same time, the Member States still exposed to significant risks should be encouraged to present comprehensive strategies to remedy this situation to the Commission next spring. Among these risks, he highlighted the still high levels of non-performing loans in Italy, Portugal and Cyprus. He also suggested that the Commission should endeavour to establish a genuine EU-level strategy by offering a legal framework to the countries in question.

Second, Mr MOSCOVICI referred to Germany's current account surplus, which was historically high at over 8 % of its gross domestic product. This was not healthy for the German economy and was creating significant economic and political distortions in the euro area. In his view, the Commission would be judged on its capacity to help Germany reduce this clear imbalance; the Commission would certainly ask Germany to do this in its forthcoming recommendations in the spring. However, he accepted that the German government did not have full control over the management of the current account and that it had started stimulating public investment in 2016.

Third, with regard to Italy, the Commission should continue to be constructive and call on the Italian authorities to meet their commitments. Italy was in a difficult situation, including on the political front, and after a decade of stagnation its economy seemed to be once more showing some signs of growth. This tentative recovery was due in particular to the numerous reforms introduced by the current government in a large number of area - ranging from the budgetary process to the banking sector and public administration and the labour market - which, however, needed time in order to be translated into concrete results. The Commission's report found that the momentum of reforms had slowed in Italy in mid-2016 and that significant gaps remained in the reforms to be undertaken, in particular with regard to competition, taxation, the fight against corruption and the collective negotiation framework.

In conclusion, Mr MOSCOVICI explained that the Commission was continuing to apply the rules robustly, although without provoking unnecessary confrontation. He therefore stressed the clear conclusion of the Commission's report pursuant to Article 126(3) of the Treaty on the Functioning of the European Union that, on the basis of the current projections, Italy had not complied with the government debt criterion in 2015. In 2016 the Commission had asked the Italian authorities to comply with this rule in their 2017 budget. It was therefore now up to the government to keep the commitment made in writing this month in a letter to the Commission.

Ms THYSSEN took the floor and referred to the positive developments she had presented to the Commission the previous week concerning job creation and the fall in unemployment. 232 million Europeans were currently in work, an all-time record, and unemployment was set to fall to 8.2 % in 2017.

The set of documents adopted that day under the European Semester represented the result of the structural reforms undertaken in the Member States, with the financial support of the European Structural and Investment Funds.

However, the challenges remaining should not be underestimated. Unemployment was still too high, in particularly youth unemployment at 18.6 %, and poverty levels had not yet fallen to below the pre-financial crisis level. Workers were not yet feeling the effect of the economic recovery in their wages and it was also necessary to address differences in productivity in the EU, which was another essential means of correcting inequalities.

The PRESIDENT thanked Mr DOMBROVSKIS, Ms THYSSEN, Mr MOSCOVICI and their departments for the substantial and high-quality work carried out under this new phase of the European Semester in 2017.

12. INTERINSTITUTIONAL RELATIONS (RCC(2017) 17)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 17 February (RCC(2017) 17).

It paid particular attention to the following points.

12.1. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

i) Programming of Council business
(SI(2017) 54)

The Commission took note of the information in SI(2017) 54 on the Council meetings between 23 February and 8 March.

ii) Outcome of the Eurogroup meeting (Brussels, 20 February 2017)

The PRESIDENT invited Mr MOSCOVICI to report to the College on the outcome of the Eurogroup meeting held on 20 February as regards the situation in Greece.

Mr MOSCOVICI said that at the meeting the euro area Finance Ministers had reached a political agreement on the parameters of the second review of the financial assistance programme for Greece. These parameters had been established by the Greek authorities, the Member States and the institutions associated with the programme: the Commission, the International Monetary Fund, the European Central Bank and the European Stability Mechanism. On that basis, representatives of the four institutions would travel to Athens to negotiate the completion of the review and, accordingly, the release of the corresponding financial assistance.

This was good news for more than one reason. The agreement enabled the parties to extract themselves from a political dead-end which could have resulted in Greece defaulting in the summer, and recreated positive momentum.

The agreement would reinforce the positive trends currently observed in Greece, where, after several years of recession, the growth forecast for 2017 and 2018 was 2.7 % and 3.1 % respectively and the government deficit was close to 1 %. The country would probably exit the excessive deficit procedure next May. Investment was up and unemployment was finally coming down.

Summing up, he said that this was a balanced agreement, thanks largely to the Commission, which had opposed the excessive demands made by some of its partners, such as the budget cuts which the Greek government had been asked to make. The previous week he had agreed a package of growth-enhancing measures to accompany the new fiscal effort with the Greek Prime Minister, Mr Alexis Tsípras, and the Finance Minister, Mr Euclides Tsakalotos.

Mr MOSCOVICI ended by noting that much work still had to be done to wrap up the second review of the financial assistance programme and to enable Greece to return to the financial markets in summer 2018. He stressed that the Commission would continue to play a facilitating role in the negotiations.

The Commission took note of this information.

iii) Non-legislative dossiers
(item 4.1 of the IRG record)

– *Implementing the EU Global Strategy – Strengthening synergies between EU climate and energy diplomacies and priorities for 2017 EU climate diplomacy*

The Commission took note of the information in SI(2017) 46.

– Extension of the mandates of the EU Special Representatives in Kosovo[1] and Bosnia and Herzegovina − HR(2016) 171 and HR(2016) 164 − and amendments to decision 2012/389/CFSP on the European Union Capacity Building Mission in Somalia (*EUCAP Somalia*) − HR(2017) 6 (Council decisions)

The Commission approved the line set out in SI(2017) 48/2.

– Authorisations for opening negotiations between the European Union and the Republic of Serbia, and between the European Union and the former Yugoslav Republic of Macedonia, with a view to agreements on the measures taken by the European Border and Coast Guard Agency on the territory of the Republic of Serbia and the former Yugoslav Republic of Macedonia respectively (recommendations for Council decisions)

The Commission approved the line set out in SI(2017) 51.

[1] This designation is without prejudice to positions on status, and is in line with UN Security Council

iv) Preparations for Council meeting (Competitiveness) – Internal Market and Industry (Brussels, 20 February 2017)
(point 4.2.1 of the IRG record)

– Cooperation between national authorities responsible for the enforcement of consumer protection laws (Regulation) – SEHNALOVÁ report – 2016/0148 (COD)

The Commission took note of the information in SI(2017) 47.

12.2. RELATIONS WITH PARLIAMENT

v) Non-legislative dossier
(item 5.1 of the IRG record)

– Committee of Inquiry into Emission Measurements in the Automotive Sector (*EMIS*) – Exchange of views with Ms BIEŃKOWSKA on 9 February 2017 – Commission's replies to the additional written questions from the Committee of Inquiry for Ms BIEŃKOWSKA

The Commission took note of the replies in the Annex to SI(2017) 81.

vi) Written questions – monitoring procedure
(item 5.5 of the IRG record)

– Minor and major interpellations (Articles 130a and 130b of the European Parliament's Rules of Procedure)

The Commission approved the line set out in SP(2017) 74.

Resolution 1244/1999 and the International Court of Justice Opinion on the Kosovo declaration of independence.

vii) Action taken on legislative opinions and non-legislative resolutions adopted by Parliament at its January 2017 part-session
(point 5.6.1 of the IRG record)

The Commission approved document SP(2017) 113 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its January 2017 part-session, for transmission to Parliament.

viii) Action to be taken on Parliament's legislative resolutions and other resolutions of a legal nature
(SP(2017) 114)

The Commission decided to empower the Commission Members responsible for the sectors in question, in agreement with the PRESIDENT and Mr TIMMERMANS and, if necessary, with the other Members concerned, to adopt the amended proposals for transmission to Parliament and the Council, as set out in SP(2017) 114, drawn up following the part-session of Parliament of 13 to 16 February 2017, the contents of which were noted.

ix) Results of Parliament's February II part-session
(SP(2017) 93; SP(2017) 94)

The Commission took note of the information in SP(2017) 93 and SP(2017) 94 on the proceedings of the part-session of Parliament held in Strasbourg from 13 to 16 February.

x) Participation by Members of Parliament in international conferences
(item 5.7 of the IRG record)

– 61st session of the Commission on the Status of Women (CSW61) of the UN Economic and Social Council (ECOSOC) (New York, 13 to 24 March 2017)

The Commission agreed to the request to the PRESIDENT from Mr Antonio TAJANI, the President of the European Parliament, concerning the attendance of nine Members of the European Parliament at the above-mentioned meeting, from 20 to 24 March 2017 as observers in the EU delegation, with a reminder about the procedure to be followed as set out in SP(2017) 117.

12.3. OTHER BUSINESS

xi) Draft Ministerial Resolution on 'Embracing the new era for sustainable inland transport and mobility' signed on the 70th anniversary of the United Nations Economic Commission for Europe (Geneva, 21 February 2017)

The Commission took note of the information in SI(2017) 50.

13. OTHER BUSINESS

LATEST DEVELOPMENTS CONCERNING THE RULE OF LAW IN POLAND

At the invitation of the PRESIDENT, Mr TIMMERMANS informed the members of the College of the latest developments concerning the rule of law in Poland. The Polish Government had not satisfactorily responded to the additional recommendations that the Commission had sent to it on 21 December 2016. On the crucial point of the nomination of the President of the Constitutional Court and the composition of that judicial body, the Polish authorities maintained that they had fully respected the country's constitution and the rules in force there concerning the rule of law, and they even seemed to consider the current procedure as closed.

Mr TIMMERMANS pointed out that the Polish Government's reply was being translated and had yet to be examined in detail. He therefore proposed that the College return to this question at a later date in order to decide on the follow-up to the reply. He nevertheless took the view that it was necessary at this stage to consider referring the matter to the Member States and to refer to the Council the questions raised by the worrying situation concerning the rule of law in Poland. He therefore suggested that the General Affairs Council put this item on the agenda of one of its forthcoming meetings and noted that he would send a request to that effect to the Maltese Presidency of the Council.

The Venice Commission continued to voice its concerns to the Polish Government regarding the rule of law in the country, which related not only to the constitutional court, but also to the independence of the judiciary, an absolutely essential question. Respect for the basic principles of the rule of law was one of the foundations of European integration and should therefore be defended vigorously.

In the course of the discussion that followed, the Commission raised the following main points:

- the lack of willingness shown by the Polish Government to find a way out of the crisis concerning the rule of law in the country;
- the need to involve the other Member States now in a broader political discussion in order to decide on the response to the refusal by the Polish Government to guarantee the fundamental principles of the rule of law;
- the importance of appropriate communication to inform the public and the media of the need to take action at Union level to ensure compliance with its principles and fundamental values.

The PRESIDENT ended the discussion by pointing out that the College would be required to revisit the rule of law in Poland once its response to the Commission recommendation had been duly analysed.

The Commission took note of this conclusion and information.

14. POLICY DEBATE IN THE CONTEXT OF THE PREPARATION OF THE WHITE PAPER ON THE FUTURE OF EUROPE (SEC(2017) 118)

The PRESIDENT opened the policy debate on the preparation of the White Paper on the future of Europe that the Commission would adopt the following week and would present ahead of the celebration of the 60th anniversary of the Treaty of Rome on 25 March in the Italian capital, where there would be a declaration by the EU27.

The White Paper, which he had announced in his State of the Union speech on 14 September 2016, would serve to steer the debate among the Heads of State or Government and the Union institutions at the Rome Summit and beyond, and also to launch a wide-ranging public debate on the future of the European Union of 27 Member States. He stressed that the speech and its content had, moreover, received the support of the 27 European leaders at their informal Summit in Bratislava two days later.

The purpose of the White Paper was to start an exercise in collective thinking that he would outline in his 2017 State of the Union speech; the European Council could draw the first conclusions in December and decide on a line of action to be implemented in good time for the European Parliament elections in June 2019. To stimulate the debate, the Commission would present a series of reflection papers in the coming months, all of which would focus on the perspective of Europe in 2025 and would be drawn up under the steer of the Vice-Presidents together with teams of Commissioners.

He referred to the five reflection papers: (i) a first paper, on the social dimension of Europe, together with the adoption on 26 April of the proposal for the

European Pillar of Social Rights and a summit jointly organised by the Commission and the Swedish authorities in Gothenburg on 17 November, (ii) a second, on how to harness globalisation, in mid-May, ahead of the G7 and G20 summits on 26-27 May and 7−8 July respectively, (iii) a third, on the deepening of the Economic and Monetary Union, at the end of May, which would also provide a follow-up to the Five Presidents' Report, (iv) a fourth, on the future of European defence in early June, which would announce the forthcoming proposal for a European Defence Fund, again in conjunction with a conference in Prague at the beginning of June, jointly organised by the Commission and the Czech authorities, and lastly, (v) a fifth, on the future of EU finances, which would be presented at the end of June. These documents would stimulate the European debate with ideas, arguments, options and scenarios for the European Union in 2025.

The PRESIDENT welcomed the Commission debate, which would allow everyone to share their views on the three questions raised in the background note to the policy debate, namely (i) 'if one of the fathers of the European project were beamed from the prison camp on the island of Ventotene to today, which three achievements and strengths of the European Union would he see as the biggest and most unexpected?', (ii) 'which three challenges would citizens consider the most important for the EU27 today? What can the EU do to address them?', and (iii) 'looking ahead, how do you see the European project evolving over the next ten years? What are the drivers behind this change?'. The White Paper that he was drawing up would be structured around these three questions.

During the ensuing discussion, the Commission members raised the following main points.

With regard to the biggest and most unexpected achievements and strengths of the Union, 60 years after the foundation of the European project

- peace, security and stability; democracy, freedom and the rule of law; the contribution to world peace; the Union's values and the protection of fundamental rights;

- the level of integration achieved by the Union, both geographically and in terms of the range of policy areas in which it operated;

- the fundamental importance of the enlargement encompassing Central and Eastern Europe, and the momentous event that was the reunification of two Europes previously separated by an insurmountable wall; the fact that the reunited continent could now be guided by the principles of unity and solidarity;

- the unprecedented increase in European living standards and opportunities for all;

- its flagship achievements: the single market; the four freedoms, in particular the free movement of people; the creation of the euro; democratic governance mechanisms; the Common Agricultural Policy; Erasmus;

- the EU's key role in the world order and its contribution to tackling the major global challenges of peace, security, growth, climate change, development and humanitarian aid; the perception among international partners of the power of the EU;

The key challenges facing the 27-nation Union and the means by which it can address them

- division between Member States; diminishing solidarity within the Union;;

- the gap between the promises and results of the Union;

- the fact that the EU institutions functioned too slowly; the reforms introduced in the functioning of the Commission, which had made our institution faster and more efficient, had not always been followed with the same efficiency in the other institutions;

- the opportunistic disparaging of the Commission by Member States, who passed the buck to it; populism; the return of nationalism; the negative signal sent by ‘Brexit’; the fact that national political figures did not pull their weight in the management of EU affairs;

- the trivialisation of the achievements of European integration, such as peace, stability and democracy, which were taken for granted by the citizens of today; the disengagement of citizens from the European project;

- the sense of insecurity among many citizens, related to the fear of the future and of downward social mobility, and to immigration, new geopolitical challenges, terrorism, globalisation, economic and social change, the quality of jobs, the digital age, ongoing conflicts, and the recent wave of refugees;

- social inequality; the widening gap between rich and poor; the ageing of the European population and its implications;

- the feeling some citizens have of losing control of their own lives, and the issues of identity arising from this;

To meet these challenges, the Commission members recommended focusing on

- finding ways of giving European integration a deeper meaning in the eyes of the population; asserting the Union’s collective values more strongly, to this end;

- the need for the EU to take the initiative, to increase awareness of its achievements and to adopt a people-oriented approach in order to engage at a level more in touch with its citizens;

- ensuring a larger media presence for the EU institutions to provide information on key political choices; the need for messages addressed to citizens on issues that concern them directly; the need for factual, simple, comprehensible, and non-bureaucratic communication;

- paying more attention to young people;

- ensuring better communication between the EU institutions and Member States and among Member States themselves;

- the recommendation not to jump on the populist bandwagon but, on the contrary, to be guided by the beliefs, values and principles of the EU; for others, the call to mobilise all pro-European forces in an ideological clash with the populists, *inter alia* by making EU governments face up to their responsibility for the common foreign and security policy, defence policy, and even a common economic policy;

- the desirability of considering new tasks for Europe which would mobilise its citizens and make them proud, for example in the field of research and innovation; the usefulness of thereby mapping out a way to achieve common objectives;

- the call to place justice and equity at the heart of what the EU institutions do, to speak frankly, deliver results and thereby demonstrate the effectiveness of the legislation adopted and measures taken;

- strengthening internal cooperation and factors promoting unity in diversity; boosting investment; contributing to the quality of life; building a common defence; promoting a European identity;

- for some, the need to open the door to a Europe with various speeds of integration; for others, the desire to maintain a model in which all the Member States advance together;

- better control of globalisation; to that end, increased use of digital transformation and social media, support for innovation and research; improved methods for tackling change;

- the need to reconcile the internal and external dimensions of the EU's role in addressing the major challenges of the present and future, and to seek out alliances;

- the advisability of encouraging the Member States to transcend their bilateral approach to relations with Africa, in favour of a comprehensive European policy incorporating all aspects of intercontinental relations;

As regards the evolution of the European project over the next ten years and its drivers

- the various possible scenarios, namely (i) the status quo, (ii) a leap forward in integration, which was difficult in the present circumstances, and (iii) the Community method to achieve ambitious objectives;

- continuing the efforts already made in the light of the Commission's strategic guidelines;

- the desirability of making the EU more efficient, by strengthening cooperation with the Member States, in particular national parliaments, and by listening more carefully to governments and civil society in the Member States;

- the recommendation to build on the trust in the successes, benefits and attractiveness of the EU, on tangible results, on the value of setting an example in areas which related to the fundamental values of the Union – respect for human rights, tolerance, reducing inequality, social policy, free trade, environmental protection, combating climate change, diversity – and externally – trade, defence and development policies, in particular;

– the suggestion to redefine the Union's strategic relationship with its neighbours.

Mr TIMMERMANS drew an initial conclusion from the wide-ranging debate. Firstly, there was broad agreement on the general diagnosis, namely that European citizens felt they were losing control over their own lives and future, and were therefore seeking refuge in nostalgia for an idealised past characterised by nationalism for many and cultural and ethnic homogeneity for some, while others wanted to turn back the clock to an EU with only a few members. Those underlying trends explained the increasing rejection and exclusion of others, which ran counter to the whole point of the EU, namely joining forces to build prosperity for all ('my prosperity depends on the prosperity of others'). Whereas 60 years ago the founding countries, recognising their interdependence, had decided to throw in their lot with each other to move forward together after the Second World War, some EU citizens now regarded that fundamental choice as a kind of subjugation and even an economic, social, political and moral risk factor.

On the basis of the diagnosis, the Commission should not respond to such nostalgia in its upcoming white paper, but rather look to the future with optimism and determination, propose a positive and inclusive vision of an open and diverse European society, and map out a realistic way forward under the current Treaties, while speaking to the hearts of Europeans and recalling the raison d'être of the European project since its origins.

The EU now had three options: continue as it was now doing, pursue multi-speed integration or build something new added onto the existing structure.

The PRESIDENT thanked Mr TIMMERMANS for that initial conclusion. He invited colleagues to continue their reflections. Members were invited to convene on Tuesday 28 February to consider the draft white paper, which he was preparing to draw up taking account of the points raised during the policy debate and would present next Tuesday morning, in order to give the Commission Members the opportunity to study it before the Commission meeting.

The Commission took note of the results and conclusions of the policy debate and of the background note in SEC(2017) 118.

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The meeting closed at 12:13.