



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2017) 2203 final

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

Brussels, 22 March 2017

TEXTE EN

MINUTES

of the 2203rd meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 8 March 2017

(morning)

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PV(2017) 2203 final

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Single sitting: Wednesday 8 March 2017 (morning)

The sitting opened at 10.09 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	
Mr ANSIP	Vice-President	Items 1 to 7 (in part)
Mr DOMBROVSKIS	Vice-President	
Mr KATAINEN	Vice-President	
Mr OETTINGER	Member	
Mr MIMICA	Member	
Mr ARIAS CAÑETE	Member	
Mr VELLA	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	
Ms THYSSEN	Member	
Mr MOSCOVICI	Member	
Mr HOGAN	Member	
Ms BULC	Member	
Ms JOUROVÁ	Member	Items 1 to 8 (in part)
Ms CREȚU	Member	
Ms VESTAGER	Member	Items 1 to 7 (in part)
Mr MOEDAS	Member	
Sir Julian KING	Member	

Absent:

Ms MOGHERINI	High Representative / Vice-President
Mr ŠEFČOVIČ	Vice-President
Mr HAHN	Member
Ms MALMSTRÖM	Member
Mr STYLIANIDES	Member
Ms BIENKOWSKA	Member
Mr NAVRACSICS	Member

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

Ms PANZETTI	Chef de cabinet to Ms MOGHERINI
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ
Mr KARNITSCHNIG	Chef de cabinet to Mr HAHN
Ms ÅSENIUS	Chef de cabinet to Ms MALMSTRÖM
Ms CHRISTOPHIDOU	Chef de cabinet to Mr STYLIANIDES
Mr HUSAK	Chef de cabinet to Ms BIENKOWSKA
Ms KIRALY	Chef de cabinet to Mr NAVRACSICS

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 MICHOU	Deputy Secretary-General	Items 7 (in part) and 8
Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	
Mr GRASSI	Adviser in the PRESIDENT's Office	
Mr SMULDERS	Chef de cabinet to Mr TIMMERMANS	Items 1 to 7 (in part)
Ms JUUL-JØRGENSEN	Chef de cabinet to Ms VESTAGER	Items 7 (in part) and 8
Ms ANDREEVA	Commission Spokesperson's Service	

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

1. AGENDAS

(OJ(2017) 2203/FINAL; SEC(2017) 128/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) 2203)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 6 March.

**3. APPROVAL OF THE MINUTES OF THE 2201ST AND 2202ND MEETINGS OF THE COMMISSION (22 FEBRUARY, AND 28 FEBRUARY AND 1 MARCH)
(PV(2017) 2201 AND /2)**

The Commission approved the minutes of its 2201st meeting and decided to hold over approval of the minutes of its 2202nd meeting for the following week.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED

(SEC(2017) 129 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 27 February and 3 March.

4.2. EMPOWERMENT

(SEC(2017) 130 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 27 February and 3 March.

4.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2017) 131 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 27 February and 3 March, as archived in Decide.

4.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2017) 132 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 6 and 10 March.

5. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2017) 133/2)

ADMINISTRATIVE MATTERS

(PERS(2017) 11/2)

**5.1. DG TAXATION AND CUSTOMS UNION – APPOINTMENT OF AD14/15
DIRECTOR**

(PERS(2016) 76 TO /3)

The Commission had before it the list of applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the ‘Indirect Taxation and Tax Administration’ Directorate in DG Taxation and Customs Union (PERS(2016) 76).

It took note of the opinions of the Consultative Committee on Appointments of 15 November and 15 December 2016 (PERS(2016) 76/2 and /3).

The Commission proceeded to compare the applicants’ qualifications for the post. It also considered their ability, efficiency and conduct in the service. On a proposal from Mr OETTINGER, in agreement with the PRESIDENT and after consulting Mr MOSCOVICI and also Mr DOMBROVSKIS and Mr KATAINEN, it decided to appoint Ms María Teresa FABREGAS FERNANDEZ to the post.

This decision would take effect on 16 March 2017.

5.2. DG HEALTH AND FOOD SAFETY – LIST OF CANDIDATES FOR THE POST OF AD14 DIRECTOR OF THE EUROPEAN CENTRE FOR DISEASE PREVENTION AND CONTROL (ECDC) (PERS(2016) 118 TO /3)

On a proposal from Mr OETTINGER, in agreement with the PRESIDENT and after consulting Mr ANDRIUKAITIS and also Mr KATAINEN, the Commission decided:

- to approve the list of four candidates set out in point 2 of PERS(2017) 11/2, for the post of Director of the European Centre for Disease Prevention and Control, and to consider this list as the Commission proposal;
- to ask Mr ANDRIUKAITIS, the Member of the Commission responsible for health and food safety, to communicate this decision and the list of

candidates to the Management Board of the European Centre for Disease Prevention and Control (ECDC).

These decisions would take effect immediately.

5.3. DG HUMAN RESOURCES AND SECURITY – MANDATE FOR A CONCILIATION MEETING WITH STAFF REPRESENTATIVES CONCERNING A NEW DECISION ON THE GENERAL PROVISIONS FOR IMPLEMENTING ARTICLE 79(2) OF THE CONDITIONS OF EMPLOYMENT OF OTHER SERVANTS OF THE EUROPEAN UNION AND REPEALING COMMISSION DECISION C(2011)1264 (SEC(2017) 149)

Having noted the procedure followed, as set out in point 3 of PERS(2017) 11/2, the Commission, on a proposal from Mr OETTINGER, in agreement with the PRESIDENT, decided to authorise Mr OETTINGER to:

- convene a meeting with the staff representatives in the framework of the conciliation procedure and to represent the College at this meeting;
- ensure that the main objectives of the proposal for new general implementing provisions for contract staff (CA GIPS) were maintained, in accordance with the Staff Regulations and the existing budgetary resources;
- inform the College of the outcome of this conciliation meeting.

This decision would take effect immediately.

6. COMMISSION DECISION ON A PROCEEDING UNDER ARTICLE 101 OF THE TREATY ON THE FUNCTIONING OF THE EUROPEAN UNION AND

**ARTICLE 53 OF THE AGREEMENT ON THE EUROPEAN ECONOMIC
AREA (CASE AT.39960 – THERMAL SYSTEMS)
(C(2017) 1456 TO /6; (RCC(2017) 24)**

The Commission:

- took note of the opinion of the Advisory Committee on Restrictive Practices and Dominant Positions of 27 February in C(2017) 1456/5;
- took note of the final report of the Hearing Officer of 28 February in C(2017) 1456/4;
- adopted in the authentic language (English) the decision in C(2017) 1456/6 finding that the companies to which the decision was addressed had infringed Article 101 of the Treaty on the Functioning of the European Union and Article 53 of the Agreement on the European Economic Area, requiring the parties to put an end to the infringements immediately and imposing on some of these companies fines totalling €155 575 000;
- decided that the decision in C(2017) 1456/6 would be notified to the companies concerned in the authentic language (English), together with the Hearing Officer’s final report;
- decided that the key parts of the decision, together with the Advisory Committee’s opinion and the Hearing Officer’s final report, would be published in the official languages of the Union in the Official Journal of the European Union (with business secrets and other confidential information removed);
- decided to make the decision (with business secrets and other confidential information removed) accessible on the internet.

**7. INTERINSTITUTIONAL RELATIONS
(RCC(2017) 22)**

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The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 3 March (RCC(2017) 22).

It paid particular attention to the following points.

7.1. HORIZONTAL MATTERS

- i) Inter-Institutional Working Group on resources of decentralised agencies – Contribution from the Commission to the next meeting on 27 March and mandate for drafting recommendations (SI(2017) 75/4)**

The Commission approved the line set out in SI(2017) 75/4.

- ii) Mid-term review/revision of the Multiannual Financial Framework (MFF) 2014-2020 – OLBRYCHT & THOMAS report – 2016/0283 (APP)**

Mr TIMMERMANS spoke about the draft unilateral statement on the mid-term review of the Multiannual Financial Framework 2014-2020 which he had presented on the Commission's behalf, subject to confirmation, at the Council meeting (General Affairs) the previous day, 7 March.

The purpose of this statement was to help lift the reservation placed by Italy on the agreement outlined in the Council. He noted that Italy had signalled its willingness to lift the reservation on condition that the three institutions – Council, Parliament and Commission – present a joint statement providing for the possibility of allocating the funds available under the overall margin for commitments to increase the budget for the Youth Employment Initiative if the trend observed since 2013 were to be reversed, in other words if youth unemployment began to rise again, and also to fund additional measures on the internal and external management of the migration crisis and security issues.

In the absence of agreement in the Council on the approach to be followed, Mr TIMMERMANS had presented, on behalf of the Commission, a unilateral statement to this end at the previous day's meeting. The Council had welcomed the statement, which offered the necessary flexibility to react quickly to crises and to any new financing priorities, as the Commission wanted.

He concluded by asking the College for its agreement in order to formally validate the unilateral statement he had made on its behalf, subject to confirmation.

Mr OETTINGER reported on his recent contacts with the Italian authorities in an effort to secure the lifting of the reservation, adding that the statement would undoubtedly be valuable in implementing the Multiannual Financial Framework. He believed that once the Italian reservation had been lifted, Parliament would be able to adopt all the proposals on the mid-term review in the coming week. For that reason he supported what he felt was a wise solution put forward by Mr TIMMERMANS, and the most likely to open the way to an agreement.

The PRESIDENT thanked Mr TIMMERMANS and Mr OETTINGER for their sound political management of this dossier. He noted the Commission's agreement on the statement presented to the Council the previous day by Mr TIMMERMANS.

The Commission approved the statement in question and the line set out in SI(2017) 76 and /2.

7.2. LEGISLATIVE MATTERS

iii) European Parliament dossier – March II part-session

(point 3.2 of the IRG record)

Ordinary legislative procedure – Second reading

- Official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health, plant reproductive material and plant protection products, and amendments to the various regulations and directives (Regulation) – KADENBACH report – 2013/0140 (COD)

The Commission took note of SP(2017) 134, further to note COM(2017) 6, which it had already approved on 6 January.

Ordinary legislative procedure – First reading

- Circular Economy package – Amendment of Directive 2000/53/EC on end-of-life vehicles, Directive 2006/66/EC on batteries and accumulators and waste batteries, and Directive 2006/19/EU on waste electrical and electronic equipment (Directive) – 2015/0272 (COD) / Amendment of Directive 1999/31/EC on the landfill of waste (Directive) – 2015/0274 (COD) / Amendment of Directive 2008/98/EC on waste (Directive) – 2015/0275 (COD) / Amendment of Directive 94/62/EC on packaging and packaging waste (Directive) – 2015/0276 (COD) – BONAFÈ reports

The Commission approved the line set out in SP(2017) 135 and /2.

- Mercury and repeal of Regulation (EC) 1102/2008 (Regulation) – ECK report – 2016/0023 (COD)

The Commission took note of SP(2017) 136, further to note SI(2016) 483, which it had already approved on 7 December 2016.

- Amendment of Council Directive 91/477/EEC on control of the acquisition and possession of weapons (Directive) – FORD report – 2015/0269 (COD)

The Commission approved the line set out in SP(2017) 137 and /2 and took note of the compromise text attached to SP(2017) 137, further to note SI(2016) 527/5, which it had already approved on 21 December 2016.

- Use of the 470-790 MHz frequency band in the Union (Decision) – TOIA report – 2016/0027 (COD)

The Commission took note of SP(2017) 138, further to note SI(2016) 465, which it had already approved on 13 December 2016.

- Setting up of a Union system for supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores, and gold originating in conflict-affected and high-risk areas (Regulation) – WINKLER report – 2014/0059 (COD)

The Commission approved the line set out in SP(2017) 139 and took note of the compromise text attached to that document.

- Amendment of Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement and Directive 2013/34/EU as regards certain elements of the corporate governance statement (Directive) – COFFERATI report – 2014/0121 (COD)

The Commission took note of SP(2017) 140, further to note SI(2016) 484, which it had already approved on 7 December 2016.

- Money market funds (Regulation) – GILL report – 2013/0306 (COD)

The Commission took note of SP(2017) 141, further to note SI(2016) 460, which it had already approved on 7 December 2016.

- Establishment of a Union framework for the collection, management and use of data in the fisheries sector and support for scientific advice regarding the Common Fisheries Policy (Regulation – recast) – AFFRONTE report – 2015/0133 (COD)

The Commission took note of SP(2017) 142/2, further to note SI(2016) 514, which it had already approved on 13 December 2016.

iv) Council dossiers

(point 3.3 of the IRG record)

- Amendment of Council Directive 98/41/EC on the registration of persons sailing on board passenger ships operating to or from ports of the Member States of the Community and amendment of Directive 2010/65/EU of the European Parliament and of the Council on reporting formalities for ships arriving in and/or departing from ports of the Member States (Directive) – BILBAO BARANDICA report – 2016/0171 (COD)

The Commission approved the line set out in SI(2017) 72/2.

- Participation of the Union in the Partnership for Research and Innovation in the Mediterranean Area (PRIMA) jointly undertaken by several Member States (Decision) – SAKORAFa report – 2016/0325 (COD)

The Commission approved the line set out in SI(2017) 74/2.

7.3. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

v) Programming of Council business

(SI(2017) 82)

The Commission took note of the information in SI(2017) 82 on the Council meetings between 9 and 22 March.

vi) Non-legislative dossier

(point 4.1 of the IRG record)

- A joint European Union diplomatic response to cyber operations ('Cyber Toolbox') (Issues paper)

The Commission approved the line set out in SI(2017) 68.

vii) Preparation of the European Council (Brussels, 9 and 10 March)

(point 4.2.4 of the IRG record)

The PRESIDENT opened the discussion on the preparation of the European Council to be held in Brussels on 9 and 10 March. He proposed to address certain issues in more detail, given their complexity and/or sensitivity.

Legislation on the EU system for greenhouse gas emissions trading

Mr ARIAS CAÑETE informed the College of the latest developments relating to the ongoing legislative procedure concerning the EU emissions trading system, which was one of the priority issues identified in the December 2016 Joint Declaration by the Presidents of the three institutions. The system was an essential component to enable the EU to achieve the objectives set by the agreement concluded in Paris at the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change in December 2015, as well as those set by the Energy Union Strategy.

The Commission had presented a legislative proposal in July 2015 and the Council and the European Parliament had since worked hard to define their respective positions. In February, following difficult negotiations for both sides, Parliament had adopted its position and the Council had adopted an overall approach with a view to the forthcoming trilogues. He felt that this was good news because these positions would enable the three institutions to start negotiations in order to conclude the legislative procedure on this file in June, as set out in the Joint Declaration.

However, he noted that there were still a number of obstacles to be overcome. The Maltese Presidency had tried to secure a majority around its compromise proposal, which already struck a delicate balance between the positions of the different Member States. A large number of the Member States wished to make the proposal more ambitious before supporting the overall approach. Although the changes made to take account of these concerns had ensured support for the general approach, they had, on the other hand, increased the number of Member States which opposed the proposed compromise.

Mr ARIAS CAÑETE added that Poland had raised legal and institutional questions about the rules to be applied in order to determine whether there was a majority in the Council and considered that any final decision on the legislative proposals on energy and climate should be submitted to the European Council in order to secure a consensus. That approach would jeopardise the adoption of the proposals according to the timetable laid down by the three institutions and would undermine the legislative effectiveness of the Union by calling into question the Community method.

He took the view that these institutional questions went beyond the specific issue of the emissions trading system and noted that the Commission would continue to play its role as mediator between the institutions by considering the possible ways of addressing the main concerns expressed without,

however, calling into question the need to obtain a sufficiently broad majority in both the Council and Parliament.

The PRESIDENT thanked Mr ARIAS CAÑETE and closed the discussion on this item, pointing out that, in this case, responsibility for finding a compromise lay above all with the Maltese Presidency of the Council.

The dual quality of foodstuffs

Ms JOUROVÁ raised another question that might give rise to discussions at the European Council on 9 and 10 March, namely the dual quality of foodstuffs. This issue concerned several Member States and was making their consumers particularly unhappy, which was why these Member States had expressed their dissatisfaction at the Agriculture Council that Monday.

She noted at the outset that this was not an issue relating to the safety of foodstuffs and other products, nor was it solely about their price and quality; it concerned the perception by consumers in the Member States involved that they were not being treated equally.

She noted that the citizens of these Member States must not be misled or treated differently and must have the right to buy products of the same brand of similar quality, regardless of their region or country. This did not mean the quality must necessarily be identical, but nor must it be markedly different or potentially harmful. She also stressed that the Union could not make promises that it was unable to keep, in the sense that the answer to the question raised did not lie in presenting a new set of rules or setting up a new central agency responsible for guaranteeing the taste of products throughout the internal market.

However, she took the view that the Commission could play the role of facilitator by helping the national authorities coordinate the enforcement of the existing rules on unfair commercial practices and misleading advertising.

It could, for example, encourage consumer associations to play an active role on the market if they wanted producers and distributors to change strategy.

As regards the next stage of the procedure, Ms JOUROVÁ announced that a meeting would take place on 16 March with the national consumer protection authorities in order to take stock of the situation, the Commission would collate specific case studies from the Member States and the issue would be discussed, probably in June, in the High Level Forum of Member States, producers and distributors tasked with examining ways of improving the functioning of the food supply chain.

Mr ANDRIUKAITIS highlighted the safety of foodstuffs in Europe, but also noted that today's consumers had different expectations and wanted nutritious, healthy food that was produced using sustainable and ethical processes.

He noted that different food standards were applied in different Member States because of national rules but also differences in purchasing power and consumer tastes. In the absence of European rules, it was therefore for the industry to decide on the quality levels that it applied in individual countries. Although this did not usually pose a problem, in the current case the citizens of certain Member States could not understand why the EU was not taking action to ensure equal treatment.

Mr ANDRIUKAITIS supported the willingness expressed by Ms JOUROVÁ to provide assistance to the national consumer protection authorities. He referred to the production by the end of 2017 of a communication evaluating general food law.

During the discussion that followed, the Commission raised the following main points:

- the distinction to be drawn between the legal and political dimension of the issue of the dual quality of foodstuffs;

- in legal terms, the desire not to legislate at European level for fear of laying the European Union open to criticism for interfering in everything and seeking to harmonise tastes;
- in political terms, the perception among the citizens of certain Member States of being treated differently because of the poorer quality of certain products sold in their country whereas the quality of products of the same brand in other Member States was higher; with this in mind, the suggestion to pursue action to raise awareness and, at least, recognise the existence of this dual quality;
- the call from others not to enter into the false debate some Member States were trying to open by exploiting the issue of dual quality of food, by presenting it as proof of discrimination against certain Member States;
- the key issue of correctly labelling food quality;
- the need to explain to consumers the respective responsibilities of producers and distributors as well as the national and European authorities.

The PRESIDENT felt that, even though this problem was perceived as real in some Member States, it did not fall within the competence of the Commission. He explained that efforts were needed to clarify the EU's competences in some situations that were the responsibility of national authorities and not to give the impression of wishing to take on responsibilities for which the Commission was not in a position to deliver results.

The negotiations on the Free Trade Agreement between the European Union and Japan

Mr KATAINEN mentioned the progress made within the framework of the

negotiations on the future Free Trade Agreement between the European Union and Japan, ahead of the visit to Brussels of the Japanese prime minister, Mr Shinzo Abe, on 21 March, when he would be meeting the PRESIDENT and the President of the European Council, Mr Donald Tusk. He indicated that the draft conclusions of the European Council of 9 and 10 March on trade negotiations with Japan clearly identified the relevant priorities.

To assess the significant benefits that the European Union could expect from a trade agreement with Japan and its population of more than 127 million, he compared these elements with the benefits provided by the trade agreement between the EU and South Korea, which had enabled no fewer than 200 000 jobs to be created, for a population of 51 million in South Korea. He added that the conclusion of a trade agreement with Japan would send a strong political signal to Asia in the current business environment. Finally, he proposed replacing ‘free trade’ with the more general term ‘rules-based trade’ to better describe the nature of the EU’s trade relations with its international partners.

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

- the significant opportunities in terms of growth and jobs offered by the prospect of a trade agreement with Japan;
- the close historical and commercial links between the EU and Japan, which should facilitate the conclusion of a balanced agreement;
- the conclusion of negotiations between the two sides on the part of the agreement addressing the health and plant health sector;
- the issues that remained unresolved in the agricultural sector, particularly

with regard to dairy products and beef;

- the importance of working with the Member States in order to convey to the general public the benefits in terms of jobs and growth that an agreement with Japan would bring.

Economic and trade relations with China

Mr KATAINEN then evoked the relationship with China and noted the positive change in terms of the attitude of the Chinese authorities towards the EU and its Member States. Nevertheless he pointed out that although China's positions were now more favourable to the development of trade links with the EU, particular attention had to be paid to implementation issues to ensure that commitments were honoured. He reiterated that the next EU-China summit would take place in June 2017 and it would be wise to develop common EU messages ahead of the event in order to take advantage of the current favourable environment.

Generally, Mr KATAINEN pointed out that the EU was receiving increased support from its international trading partners. He also observed that the package of measures proposed by the Commission with a view to modernising the EU's trade defence instruments and adapting EU law to the consequences of the application of the Protocol of accession of China to the World Trade Organisation (WTO) was now supported at the Council and the European Parliament.

An ensuing brief discussion touched on the need to introduce greater transparency in the use of subsidies and the need for China to adapt the public aid granted to undertakings.

Defence

Mr KATAINEN mentioned the progress made on cooperation in the area of

defence in preparation for discussions between Heads of State or Government on this matter at the next meeting of the European Council. He reiterated that the meeting of Foreign and Defence Ministers in Brussels on 6 March had adopted conclusions on progress in implementing the EU's global strategy in the area of security and defence. These conclusions evaluated achievements in implementing the orientations defined by the European Council on 15 December 2016 and formed the basis of a report to the European Council.

In general terms he remarked on the favourable political context and the considerable progress that had been made over recent months, as well as the growing support across the Member States for closer cooperation in the area of defence. He stressed that those Member States that had traditionally been reluctant when it came to developing cooperation in this sensitive area had become much more open to the proposed initiatives.

He explained in particular that the Council conclusions of 6 March included on the one hand the possibility of permanent structured cooperation, and on the other the establishment of a military planning and conduct capability within the existing EU Military Staff of the European External Action Service. This capability would be responsible for the planning and conduct of non-executive military missions. He also said that the Council was looking at the possibility of carrying out a Member State-driven coordinated annual review on defence, which would make it possible to obtain a better overview at EU level of issues such as defence spending and national investment in the defence sector as well as research efforts in that field.

With regard to the last point, Mr KATAINEN highlighted the importance of the research programme in the defence sector defined in the European Defence Action Plan proposed by the Commission for strengthening the competitiveness and functioning of the internal market in that sector.

He pointed out that 80 % of military equipment purchases by Member States

were currently decided nationally without any EU coordination. However, he did clarify that the Commission did not intend to modify the balance of competences, which would remain largely in the hands of the Member States, even if they decided to share responsibility for exercising those competences. Lastly he stressed the likely benefits of the combined use by the Member States of their research capabilities and closer coordination of joint procurement by purchasing agencies such as the European Defence Agency.

During the discussion that followed, the Commission raised the following main points:

- the importance of research for the future of Europe’s defence strategy and for the Union’s competitiveness in this sector of high technological added value;
- the need, however, to continue making the distinction between civilian research and military research in the Union’s research policy and in partnerships established with third countries;
- the need to consider injecting new funding into military research in view of the initiatives taken by the Union in the area of defence;
- the value of a common foreign and defence policy if the Union was to increase its ability to act at global level.

The situation in the western Balkans

Mr MIMICA reported on the debate held at the Foreign Affairs Council of 6 March following Ms MOGHERINI’s visit to the six countries in the western Balkan region – Albania, Bosnia and Herzegovina, the former Yugoslav

Republic of Macedonia, Kosovo¹, Montenegro and Serbia – whose situation would be discussed at the European Council meeting.

He began by pointing out that, significantly, the Member States agreed on the importance of the Union's geostrategic commitment to those countries and of a firm and credible prospect for accession in order to stabilise this region on the Union's doorstep, at a time when Russia was attempting to increase its presence there.

He went on to mention the three specific consequences of that position. Firstly, the Union would have to unequivocally reaffirm the message it had been delivering for the previous 15 years, that its doors were open, the path of the western Balkans led towards the EU and the established criteria, which were both firm and fair, remained unchanged. For this reason he felt the conclusions of the European Council meeting on 9 and 10 March would have to be very clear on that point. Secondly, he recommended that the Union should remain strict with regard to the applicable criteria and should not offer any shortcuts to accession. Thirdly, he called for more intensive communication in order to correct erroneous information and perceptions and also to ensure a political presence on the ground.

In summary, Mr MIMICA stressed that the enlargement process remained a very important strategy for encouraging the necessary reforms and also for reducing the tensions and conflicts. He felt that the Union should maintain the European perspective for the western Balkan countries in order to prevent them from losing hope in their ambitions to join the Union.

¹ This designation is without prejudice to positions on status, and is in line with UN Security Council Resolution 1244/1999 and the International Court of Justice Opinion on the Kosovo declaration of independence.

Mr AVRAMOPOULOS highlighted the importance for the Union of this region, which wanted to cooperate with it on migration policy and security, pointing out that it not only lay on the route for refugees wanting to enter Europe but was also a base for trafficking, including arms trafficking. For that reason he believed Europe should continue to support the region as it was doing, for example with the European Border and Coast Guard and Europol. However, he did not underestimate the burden of history and the rise of nationalism that weighed heavily on the countries concerned and could lead to a resurgence of the tensions between them.

Mr TIMMERMANS warned of the risk posed by the rise in nationalism in the western Balkans, but also of the blow to these countries' hopes if the prospect of a European future faded, as well as the underhand efforts by some of the big regional powers to destabilise the region, while other neighbours seemed to be losing interest. He therefore felt that the Union and its Member States should show their political willingness to oppose a political tendency that could take a negative turn in the region. He stressed the complex, or even explosive, political climate in some of those countries. For all those reasons he felt it was the Union's historic duty to ensure the border issues between them remained relevant without taking centre stage, which would mean political and financial investment.

The PRESIDENT supported this view and noted that border disputes between the western Balkan states were acute. He recommended looking at the overall question of Union accession for these countries from the point of view of solidarity, but also with caution. He pointed out that none of the six countries in the region would be able to accede to the Union before the end of the current legislature in 2019 but felt it was imperative to show them a clear European perspective, as was indeed the case in the draft European Council conclusions.

The PRESIDENT thanked the Members of the Commission for their very useful presentation on the state of play in several dossiers that would be tackled by the European Council two days later.

The Commission took note of this information.

7.4. RELATIONS WITH PARLIAMENT

viii) Action taken on legislative opinions and non-legislative resolutions adopted by Parliament at its December 2016 part-session (point 5.6.1 of the IRG record)

The Commission approved, for transmission to Parliament, document SP(2017) 131/2 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its December part-session.

ix) Results of Parliament's March I part-session (SP(2017) 102)

The Commission took note of the information on Parliament's part-session held on 1 and 2 March in Brussels, set out in SP(2017) 102.

x) Action to be taken on Parliament's legislative resolutions and other resolutions of a legal nature (SP(2017) 132)

The Commission decided to empower the Members of the Commission 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) 132, drawn up following the part-session of Parliament of 1 and 2 March, the contents of which were noted.

7.5. RELATIONS WITH NATIONAL PARLIAMENTS, THE OTHER INSTITUTIONS AND BODIES, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

xi) Follow-up to opinions of the European Economic and Social Committee – Plenary session of September 2016
(point 6.3.1 of the IRG record)

The Commission approved document SC(2017) 9/3 on the follow-up by the Commission to the opinions adopted by the European Economic and Social Committee during the September 2016 session, for transmission to that Committee.

8. OTHER BUSINESS

8.1. ECONOMIC SITUATION IN GREECE

Mr DOMBROVSKIS and Mr MOSCOVICI gave a quick presentation of the work in progress towards the conclusion of the second review of the financial assistance programme for Greece.

8.2. LATEST DEVELOPMENTS CONCERNING THE PROTECTION OF FUNDAMENTAL RIGHTS AND THE RULE OF LAW IN HUNGARY AND POLAND

Mr AVRAMOPOULOS said that the Commission's departments would be conducting an in-depth analysis of the Hungarian Government's latest legislative proposals on migration policy. He stressed that if these proposals should prove to be incompatible with EU law, the Commission would take action in its role of guarantor of fundamental rights.

As regards Poland, Mr TIMMERMANS confirmed that the Commission would also perform its role as guardian of the Treaties once its departments

had concluded their study of the laws proposed by the Polish government, which called into question the independence of the judiciary.

The Commission took note of this information.

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The Commission's other discussions on certain agenda items are recorded in the special minutes.

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The meeting closed at 11.56.