



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2017) 2215 final

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

Brussels, 21 June 2017

TEXTE EN

MINUTES

of the 2215th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 7 June 2017

(morning)

—

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Single sitting: Wednesday 7 June 2017 (morning)

The sitting opened at 10.15 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	
Ms MOGHERINI	High Representative / Vice-President	
Mr ANSIP	Vice-President	
Mr DOMBROVSKIS	Vice-President	
Mr KATAINEN	Vice-President	
Mr OETTINGER	Member	
Mr HAHN	Member	
Ms MALMSTRÖM	Member	
Mr ARIAS CAÑETE	Member	
Mr VELLA	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	
Ms THYSSEN	Member	
Mr HOGAN	Member	
Ms BULC	Member	
Ms BIENKOWSKA	Member	
Ms JOUROVÁ	Member	
Mr NAVRACSICS	Member	
Ms CREȚU	Member	Items 1 to 12
Ms VESTAGER	Member	
Mr MOEDAS	Member	
Sir Julian KING	Member	

Absent:

Mr ŠEFČOVIČ	Vice-President
Mr MIMICA	Member
Mr MOSCOVICI	Member
Mr STYLIANIDES	Member

(7 June 2017)

*- English language version of the French text which is authentic -*The following sat in to represent absent Members of the Commission:

Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	Item 13 (in part)
Mr ČAJO	A member of Mr MIMICA's staff	
Mr BAILLY	Chef de cabinet to Mr MOSCOVICI	
Ms CHRISTOPHIDOU	Chef de cabinet to Mr STYLIANIDES	

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	
Ms DEJMEK-HACK	Adviser in the PRESIDENT's Office	Item 9
Mr THOLONIAT	Adviser in the PRESIDENT's Office	Items 10 to 12
Ms SILLAVEE	PRESIDENT's Office	
Ms PANZETTI	Chef de cabinet to Ms MOGHERINI	
Mr WYNANDS	Chef de cabinet to Mr DOMBROVSKIS	Items 1 to 9
Mr ROMAkkANIEMI	Chef de cabinet to Mr KATAINEN	
Mr KLEINER	Deputy Chef de cabinet to Mr OETTINGER	Items 9 (in part) to 12
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) 2215/FINAL; SEC(2017) 269/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) 2215)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Friday 2 June.

**3. APPROVAL OF THE MINUTES OF THE 2212TH MEETING OF THE COMMISSION (16 MAY), THE MINUTES AND SPECIAL MINUTES OF THE 2213TH MEETING OF THE COMMISSION (24 MAY), AND THE MINUTES OF THE 2214TH MEETING OF THE COMMISSION (31 MAY)
(PV(2017) 2213; PV(2017) 2213, 2ND PART)**

The Commission approved the minutes of its 2213th meeting, and decided to hold over for one week approval of the minutes of its 2212th and 2214th meetings.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2017) 64)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Thursday 1 June (RCC(2017) 64).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) Trilogues

(point 3.1 of the IRG record)

- Amendment of Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing and amendment of Directive 2009/101/EC (Directive) – KARIŇŠ & SARGENTINI report – 2016/0208 (COD)

The Commission approved the line set out in SI(2017) 262 and /3.

- Amendment of Council Regulation (EC) 1030/2002 laying down a uniform format for residence permits for third-country nationals (Regulation) – HALLA-AHO report – 2016/0198 (COD)

The Commission approved the line set out in SI(2017) 281.

ii) European Parliament dossiers – June part-session

(point 3.2 of the IRG record)

Ordinary legislative procedure – First reading

- Setting of a framework for energy efficiency labelling and repeal of Directive 2010/30/EU – TAMBURRANO report – 2015/0149 (COD)

The Commission approved the line set out in SP(2017) 365 and /2, and took note of the compromise text attached to SP(2017) 365/2.

- Amendment of Decision 445/2014/EU establishing a Union action for the European Capitals of Culture for the years 2020 to 2033 (Decision) – FISAS AYXELÀ report – 2016/0186 (COD)

The Commission approved the line set out in SP(2017) 366 and /2 and took note of the compromise text attached to SP(2017) 366.

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

The Commission took note of SP(2017) 367, further to note SI(2017) 139, which it had already approved on 12 April.

iii) Council dossiers

(point 3.3 of the IRG record)

- Binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement and amendment of Regulation 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change (Regulation) – GEBRANDY report – 2016/0231 (COD)

The Commission approved the line set out in SI(2017) 264.

- Inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework and amendment of Regulation 525/2013 of the European Parliament and the Council on a mechanism for monitoring and reporting greenhouse gas emissions and other information relevant to climate change (Regulation) – LINS report – 2016/0230 (COD)

The Commission approved the line set out in SI(2017) 265/2.

- Banking Package – Amendment of Regulation (EU) 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements and amendment of Regulation (EU) 648/2012 (Regulation) – SIMON report – 2016/0360 (COD) / Amendment of Regulation (EU) 806/2014 as regards loss-absorbing and Recapitalisation Capacity for credit institutions and investment firms (Regulation) – HÖKMARK report – 2016/0361 (COD) / Amendment of Directive 2014/59/EU on loss-absorbing and recapitalisation capacity of credit institutions and investment firms and amendment of Directive 98/26/EC, Directive 2002/47/EC, Directive 2012/30/EU, Directive 2011/35/EU, Directive 2005/56/EC, Directive 2004/25/EC and Directive 2007/36/EC (Directive) – HÖKMARK report – 2016/0362 (COD) / Amendment of Directive 2014/59/EU of the European Parliament and of the Council as regards the ranking of unsecured debt instruments in insolvency hierarchy (Directive) – HÖKMARK report – 2016/0363 (COD) / Amendment of Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (Directive) – SIMON report – 2016/0364 (COD)

The Commission approved the line set out in SI(2017) 270.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iv) Programming of Council business

(SI(2017) 283)

The Commission took note of the information in SI(2017) 283 on the Council meetings between 8 and 21 June.

v) Non-legislative dossier

(point 4.1 of the IRG record)

- Joint EEAS-Commission services Issues Paper on the EU Integrated Approach to external conflicts and crises ('The Integrated Approach')

The Commission approved the line set out in SI(2017) 247.

vi) Preparations for Council meeting (Transport, Telecommunications and Energy) (Luxembourg, 8 and 9 June)

(point 4.2.1 of the IRG record)

- Cross-border parcel delivery services (Regulation) – ANDERSON report – 2016/0149 (COD)

The Commission approved the line set out in SI(2017) 278/2.

- European Electronic Communications Code (Directive) – DEL CASTILLO VERA report – 2016/0288 (COD)

The Commission took note of the information in SI(2017) 275.

vii) Preparations for Council meeting (Justice and Home Affairs) (Luxembourg, 8 and 9 June)

(point 4.2.2 of the IRG record)

- Countering money laundering by criminal law (Directive) – CORRAO report – 2016/0414 (COD)

The Commission took note of the information in SI(2017) 269.

- Establishment of a European Travel Information and Authorisation System (ETIAS) and amendment of Regulations (EU) 515/2014, (EU) 2016/399, (EU) 2016/794 and (EU) 2016/1624 (Regulation) – GÁL report – 2016/0357 (COD)

The Commission approved the line set out in SI(2017) 271/2.

- Draft Council conclusions on the way forward to improve information exchange and ensure the interoperability of EU information systems

The Commission approved the line set out in SI(2017) 276/2 and /3.

- Establishment of the European Public Prosecutor's Office (Council Regulation) – MATERA report – 2013/0255 (APP)

The Commission approved the line set out in SI(2017) 272.

- Certain aspects concerning contracts for the supply of digital content (Directive) – VOSS & GEBHARDT report – 2015/0287 (COD)

The Commission approved the line set out in SI(2017) 279.

- Protection of individuals with regard to the processing of personal data by the Union institutions, bodies, offices and agencies and on the free movement of such data, and repeal of Regulation (EC) 45/2001 and Decision 1247/2002/EC (Regulation) – ERNST report – 2017/0002 (COD)

The Commission approved the line set out in SI(2017) 280.

4.3. RELATIONS WITH PARLIAMENT

- viii) Action taken on legislative opinions and non-legislative resolutions adopted by Parliament at its April I and II part-sessions**
(point 5.6.1 of the IRG record)

The Commission approved SP(2017) 363 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its April I and II part-sessions, for transmission to Parliament.

- ix) Preparation of the 33rd Joint Parliamentary Assembly of the African, Caribbean and Pacific States and the European Union (ACP-EU) (St Julian's, 19 to 21 June) – Replies to oral questions**
(point 5.9 of the IRG record)

The Commission approved the replies to the oral questions from the Joint Parliamentary Assembly set out in SP(2017) 368 and /2, for transmission to the Assembly.

- x) Preparation of the 33rd Joint Parliamentary Assembly of the African, Caribbean and Pacific States and the European Union (ACP-EU) (St Julian's, 19 to 21 June) – Follow-up to the resolutions adopted in Nairobi on 21 December 2016**
(point 5.10 of the IRG record)

The Commission approved the follow-up to the resolutions adopted by the Joint Parliamentary Assembly set out in SP(2017) 369, for transmission to the Assembly.

- xi) Action to be taken on Parliament's legislative resolutions and other resolutions of a legal nature**
(SP(2017) 374)

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) 374, drawn up following the part-session of Parliament of 31 May and 1 June, the contents of which were noted.

xii) Results of Parliament's May II part-session

(SP(2017) 370)

The Commission took note of the information on Parliament's part-session held on 31 May and 1 June in Brussels, set out in SP(2017) 370.

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

xiii) Follow-up to opinions of the European Economic and Social Committee – Plenary session of December 2016

(point 6.3.1 of the IRG record)

The Commission approved document SC(2017) 21/2 on the follow-up by the Commission to the opinions adopted by the European Economic and Social Committee during the December 2016 session, for transmission to that Committee.

5. MONITORING THE APPLICATION OF EUROPEAN UNION LAW

STATE AID AND OTHER COMPETITION RULES

The Commission's decision on this item is recorded in the special minutes.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2017) 277 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 29 May and 2 June.

6.2. EMPOWERMENT

(SEC(2017) 278 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 29 May and 2 June.

6.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2017) 279 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 29 May and 2 June, as archived in Decide.

6.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2017) 280 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 6 and 9 June and of the finalisation written procedures initiated following the weekly meeting of Chefs de cabinet on 2 June.

7. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2017) 281)

ADMINISTRATIVE MATTERS

(PERS(2017) 82)

7.1. DG COMMUNICATION – EXTENSION OF THE TERM OF OFFICE OF THE HEAD OF A COMMISSION REPRESENTATION

The Commission took note of the information in point 1 of PERS(2017) 82 and, on a proposal from Mr OETTINGER, in agreement with the PRESIDENT, decided to derogate from Article 2 of the Commission Decision establishing Rules on the rotation of officials in Representations (C(2008) 3983) and to extend, on an exceptional basis, the term of office of Ms Inna STEINBUKA as Head of the Commission's Representation Office in Latvia from 1 September 2017 to 31 August 2018, the eve of her retirement.

This decision would take effect on 1 September 2017.

7.2. EUROPEAN ANTI-FRAUD OFFICE – EXTERNAL PUBLICATION OF THE VACANCY NOTICE FOR THE POST OF AD15 DIRECTOR-GENERAL

(PERS(2017) 83)

On a proposal from Mr OETTINGER, in agreement with the PRESIDENT, the Commission decided to authorise the publication, under Article 29(2) of the Staff Regulations, of the vacancy notice in PERS(2017) 83 for the post of Director-General of the European Anti-Fraud Office in order to recruit a member of the temporary staff under Article 2(a) of the Conditions of Employment of Other Servants of the European Union.

This decision would take effect immediately.

7.3. DG HUMAN RESOURCES AND SECURITY – LAUNCH OF THE 2016 APPRAISAL EXERCISE FOR SENIOR MANAGEMENT STAFF

On a proposal from Mr OETTINGER, in agreement with the PRESIDENT, the Commission decided to authorise the launch of the 2016 appraisal exercise for senior management in line with the rules applied during the previous exercise.

This decision would take effect immediately.

8. JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL – A STRATEGIC APPROACH TO RESILIENCE IN THE EU'S EXTERNAL ACTION

(JOIN(2017) 21 TO /3; SWD(2017) 226 AND /2; SWD(2017) 227; RCC(2017) 69)

The Commission approved the joint communication in JOIN(2017) 21/3 for transmission to the European Parliament and the Council, and, for information, to the national parliaments, together with the joint staff working documents distributed as SWD(2017) 226/2 and SWD(2017) 227, the contents of which were noted.

9. OTHER BUSINESS

9.1. COMMISSION DECISION ON THE ADMISSIBILITY OF THE PROPOSED CITIZENS' INITIATIVE ENTITLED 'STOP EXTREMISM' (C(2017) 4105)

Mr TIMMERMANS presented the draft decision submitted for approval by the Commission on the registration of the Citizen's Initiative entitled 'Stop

Extremism’, which invited the Commission to propose legislation to prevent the negative consequences of extremism, particularly for the internal market. He pointed out that registering this initiative on 12 June would signal the start of a 12-month process of collecting statements of support.

The conditions for admissibility provided for in the Citizens’ Initiative Regulation stated that, in order for the proposed action to be registered, it must not manifestly fall outside the Commission’s powers to submit a proposal for a legal act for the purpose of implementing the Treaties.

Mr TIMMERMANS proposed, as the Commission had already done in other cases, to consider the ‘Stop Extremism’ initiative to be partially admissible and to register it, specifying that the signatures would be collected for the admissible legal acts, i.e. the proposals which were in line with the competencies set out in the Treaties, which he identified as the proposals aiming to (i) approximate the laws, regulations and administrative provisions of the Member States which had as their object the establishment and functioning of the internal market, (ii) lay down provisions for the protection of workers where their employment contract was terminated, and (iii) combat discrimination.

He pointed out that the College’s task that day was to decide only on the legal admissibility of the proposed initiative and not at this stage to analyse its substance. If, in the space of a year, one million statements from citizens from at least seven Member States were collected, the Commission would have three months to decide whether or not to consent to the requests, duly justifying its decision.

The Commission confirmed that the admissibility criteria under Article 4(2) of Regulation (EU) 211/2011 were fulfilled for the proposed citizens’ initiative entitled ‘Stop Extremism’. The Commission therefore decided to register the initiative subject to the conditions set out above, in accordance

with document C(2017) 4105, and authorised Mr TIMMERMANS to sign the decision on its behalf, to notify the organisers of the initiative thereof in the authentic language (German), and to publish it, for information, in the Official Journal of the European Union.

9.2. COMMISSION DECISION APPROVING THE RESOLUTION REGIME FOR THE BANCO POPULAR ESPAÑOL S.A.

At the PRESIDENT's request, Mr DOMBROVSKIS reported on the Single Resolution Board's important decision, which had been endorsed by the Commission a few hours previously by means of an urgent written procedure (PE/2017/4038). This decision concerned the resolution of the Spanish bank *Banco Popular Español S.A.*, the first resolution to be made under the Union's rules on bank recovery and resolution adopted as part of the European Banking Union.

He indicated that the establishment in question was an important retail bank which operated in Spain and had around 60 branches across the country. The *Banco Popular*, which was under the supervision of the Single Supervisory Mechanism, had been declared bankrupt and its resolution consisted of the sale of the *Banco Popular* to *Banco Santander*, a strong and stable Spanish financial institution. He clarified that the *Banco Popular* would in that way still be able to serve its clients and its depositors would continue to have uninterrupted access to the full amount of their assets.

Mr DOMBROVSKIS highlighted that the Commission had approved the draft resolution because the conditions for a resolution had been met, because it was the best solution to guarantee the continuity of the bank's important functions and because it made it possible to avoid significant negative effects on financial stability. In this case, he noted that the losses had been fully absorbed by shares and subordinated debt and that the situation had now stabilised.

He welcomed the successful outcome brought about through the application of the Banking Union's rules to this operation, the effective functioning of the Single Resolution Board and the good cooperation with the Spanish authorities.

Ms VESTAGER added that this operation had not led to any State aid or to any assistance from the Single Resolution Fund, which was due in particular to the determination of the Spanish authorities. She felt the smooth operation of the resolution, which included preserving depositors' assets, was a very positive first experience which reflected the good health of the Spanish economy.

She concluded by mentioning the ongoing work concerning other financial institutions in the Union.

The Commission took note of this information.

**10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – LAUNCHING THE EUROPEAN DEFENCE FUND
(COM(2017) 295 TO /3; RCC(2017) 71)**

**11. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING THE EUROPEAN DEFENCE INDUSTRIAL DEVELOPMENT PROGRAMME AIMING AT SUPPORTING THE COMPETITIVENESS AND INNOVATIVE CAPACITY OF THE EU DEFENCE INDUSTRY
(COM(2017) 294 TO /3; SWD(2017) 228 TO /3; RCC(2017) 71)**

Mr KATAINEN presented the communication on launching the European Defence Fund and the proposal for a Regulation establishing the European Defence Industrial Development Programme aiming at supporting the competitiveness and innovative capacity of the EU defence industry.

He highlighted in general terms the importance of these initiatives in a geopolitical context which offered the Union an opportunity to write a new chapter in the history of European integration. In his view, the future European Defence Fund reflected a paradigm shift in the defence sector.

He explained the three fundamental elements underpinning this new European Fund: (i) the use of the Union budget for research and technological development in the defence and security sector, (ii) a new framework for action which would make it possible to encourage Member States to cooperate in the joint development and joint acquisition of key defence equipment and technologies, and (iii) the provision of Commission services and expertise in the form of a financial toolbox setting out the different financial arrangements Member States could deploy in order to resolve the financial difficulties they might encounter in joint development and acquisition.

Ms BIENKOWSKA, for her part, believed that defence would be the cornerstone of the Europe of the future, which would embody the common will of Europe's citizens. She saw the European Defence Fund as the first building block of the Member States' future defence cooperation and noted that over the last six months the Union had made more progress in this field than in the previous 60 years. She said that it had never been clearer that Europe must now also be the guarantor of its security, for which it must increasingly take responsibility, in order to respond to the threats and challenges which no single Member State could deal with on its own. The Union's main aim must be to ensure its strategic autonomy, particularly by developing a competitive industrial base, one pillar of which would be the European Defence Fund.

She stressed the carefully crafted, detailed and practical nature of the legislative

proposal and the actions that had already been undertaken, including the publication that very day of a first call for proposals for projects in the area of unmanned systems in a naval environment and soldiers systems.

The Commission paid particular attention in its proposals to the need for better coordination of investment among Member States throughout the industrial cycle, from research to the development of prototypes and the acquisition of defence capabilities. The financial toolbox envisaged by the Commission would in particular provide a set of standardised and predefined financial tools that could be used flexibly by Member States to jointly finance the projects receiving support from the EU budget in the prototype phase, but would not be limited to this.

Ms BIENKOWSKA noted the leading role of the Member States in all the activities to be carried out under the European Defence Fund and the Industrial Development Programme. She also stressed the importance of the measures aimed at promoting the participation of small and medium-sized enterprises in the projects financed by the Fund, given their vital role as subcontractors in a whole supply chain of interlinked contributing companies.

Finally, she referred to the link between the Fund and permanent structured cooperation, an instrument provided for by the Treaty on European Union which allowed Member States to strengthen their cooperation in the field of defence and security. Thanks to this link, the Fund could, as far as possible, support the ‘capability’ pillar of permanent structured cooperation. In practical terms, this would mean higher co-financing rates for defence capability projects developed within the structured cooperation, thereby facilitating and incentivising Member State participation in this framework.

Mr OETTINGER returned to the budgetary and financial aspects of the European Defence Fund. On the research side the Fund would, for the first time, finance collaborative research activities in innovative defence technologies and products directly from the Union budget. The amount to be made available as of this year was

€ 90 million up to the end of 2019 and € 500 million per year from 2020. In the next Multiannual Financial Framework the Commission would put forward a European Union programme devoted specifically to defence research, with an annual budget of € 500 million, making the Union one of the main investors in defence research in Europe. He specified that this budget would remain separate and resources would not be diverted from non-military research activities. As for the development and acquisition side, this would have a total budget of € 500 million for 2019 and 2020 for a Defence Industrial Development Programme and € 1 billion per year thereafter to support a more substantial programme to be prepared for the post-2020 period, which would leverage national financing with an expected multiplying effect of 5. It could therefore generate total investment in defence capability development of € 5 billion after 2020.

He ended by thanking Members of the Commission for their cooperation, which had facilitated the provisional budgetary transfers needed to supply the new Fund from existing programmes.

The PRESIDENT thanked Mr KATAINEN, Ms BIENKOWSKA and Mr OETTINGER for their excellent work, which complemented the reflection paper on the future of European defence which was also being presented for approval by the Commission that day.

Following these presentations, the Commission:

- approved the Communication in COM(2017) 295/3 for transmission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments;
- adopted the proposal for a Regulation in COM(2017) 294/3 for transmission to Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the ex-ante evaluation in the staff working document distributed as

SWD(2017) 228/3, the contents of which were noted.

12. REFLECTION PAPER ON THE FUTURE OF EUROPEAN DEFENCE (COM(2017) 315 TO /3; RCC(2017) 72)

Ms MOGHERINI congratulated the Commissioners on the launch of the European Defence Fund, emphasising the importance of the decision (see items 10 and 11 of these Minutes), at the same time as submitting the Commission's reflection paper on the future of European defence. She pointed out that the joint adoption of those documents was evidence that the Commission was capable of taking substantive measures in the short term while reflecting on the long-term perspectives with respect to security and defence issues.

The 27 Member States of the Union, in keeping with the spirit of the Rome Declaration of 25 March 2017, had expressed their readiness to take on greater responsibilities in those areas, as borne out by the conclusions of the Foreign Affairs Council of 18 May.

Ms MOGHERINI went on to explain that the points contained in the document were there solely for further reflection and did not constitute proposals. She also pointed out that the various scenarios discussed were not mutually exclusive, with each one containing elements that could rapidly be put into effect depending on what the Member States really wanted.

She touched on a number of recent positive developments in the field of defence, like the establishment of a permanent military structure in Brussels for the first time, which was to become operational the next day, and the progress made in negotiations with Member States on the activation of permanent structured cooperation (negotiations which might be completed before the end of the year).

Turning back to the reflection paper itself, Ms MOGHERINI emphasised the positive nature of the three scenarios put forward, which were based on the goal of strengthening the Union's security strategy and making Europe's defence industry more competitive. She also focused on the lack of overlap between those scenarios and the activities carried out within the North Atlantic Treaty Organization.

She concluded by noting that some more ambitious options could have an impact on the budget. She therefore felt that further thought was necessary to ensure that the goals pursued were consistent with the budgetary possibilities.

Mr KATAINEN said that the North Atlantic Treaty Organization would remain the backbone of Europe's defence. Nonetheless, he wanted the Member States to make the solidarity clause in the treaties operational and to build up well-trained autonomous capabilities to respond to threats. In his view, the political will to move in such a direction was beginning to emerge.

The PRESIDENT thanked Ms MOGHERINI and Mr KATAINEN. He mentioned the Prague conference on defence and security, which he and the Czech Prime Minister, Bohuslav Sobotka, had launched and which he would be attending on 9 June accompanied by Ms MOGHERINI, Mr KATAINEN and Ms BIENKOWSKA. He let it be known that he maintained close and amicable contact with Mr Jens Stoltenberg, the Secretary General of the North Atlantic Treaty Organization.

Following these presentations, the Commission approved the reflection paper in COM(2017) 315/3, for transmission to the European Parliament, the European Council, the Council, the Court of Justice of the European Union, the European Court of Auditors, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments.

13. OTHER BUSINESS (CONTINUED)

TERRORIST ATTACK IN LONDON

The PRESIDENT invited Sir Julian KING to report to Commissioners on the latest developments concerning the attack carried out in London on 4 June and asked him to keep them informed at all times about the situation and the state of the terrorist threat, as he had been doing for several weeks.

The PRESIDENT once again offered his sincere condolences and those of the Commission to the British people in these tragic circumstances. Our thoughts are with the victims and their families.

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 11.11.