EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2017) 2216 final

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

Brussels, 28 June 2017

TEXTE EN

MINUTES

of the 2216th meeting of the Commission

held in Strasbourg

(Winston Churchill building)

on Tuesday 13 June 2017

(afternoon)

TABLE OF CONTENTS

<u>Single sitting</u>: Tuesday 13 June 2017 (afternoon)

The sitting opened at 13.39 with Mr JUNCKER, President, in the chair.

<u>Present</u>:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr DOMBROVSKIS	Vice-President	Items 1 to 12 (in part)
Mr OETTINGER	Member	
Mr HAHN	Member	Items 1 to 12 (in part)
Ms MALMSTRÖM	Member	
Mr MIMICA	Member	
Mr ARIAS CAÑETE	Member	
Mr VELLA	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	
Ms THYSSEN	Member	
Mr MOSCOVICI	Member	Items 1 to 12 (in part)
Mr STYLIANIDES	Member	
Mr HOGAN	Member	
Ms BULC	Member	
Ms BIEŃKOWSKA	Member	
Ms JOUROVÁ	Member	Items 1 to 6 (in part)
Mr NAVRACSICS	Member	
Mr MOEDAS	Member	
Sir Julian KING	Member	

Absent:

Ms MOGHERINI	High Representative / Vice-President
Mr KATAINEN	Vice-President
Ms CREȚU	Member
Ms VESTAGER	Member

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

Mr FERNÁNDEZ SHAW	Expert in Ms MOGHERINI’s office	Items 1 to 5 and 7 to 13
Mr RADZIEJEWSKI	A member of Mr KATAINEN's staff	Items 1 to 5 and 7 to 13
Mr DZIECIOLOWSKI	A member of Ms CREŢU's staff	Items 1 to 5 and 7 to 13
Mr SCHØNBERG	Senior adviser in Ms VESTAGER’s office	Items 1 to 5 and 7 to 13

The following also sat in:

Mr SELMAYR	Chef de cabinet to the PRESIDENT	
Mr PESONEN	Director-General, DG Communication	Items 1 to 5 and 7 to 13
Mr SCHINAS	Head of the Spokesperson’s Service and Chief Spokesperson of the Commission	
Ms BANKS	Deputy Director-General, Legal Service	
Mr MOTOC	European Political Strategy Centre	Items 1 to 5 and 7 to 13
Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	
Ms KRAMER	Director of Coordination and Administration in the PRESIDENT's Office	Items 1 to 5 and 7 to 13
Ms SILLAVEE	PRESIDENT’s Office	Items 1 to 5 and 7 to 13
Ms SUTTON	Deputy Chef de cabinet to Mr TIMMERMANS	Items 7 to 13
Ms CHAPUIS	A member of Mr ANSIP's staff	Item 13
Mr WYNANDS	Chef de cabinet to Mr DOMBROVSKIS	Items 7 to 12
Mr LEHMANN	A member of Mr OETTINGER's staff	Item 11
Ms ASTERIADIS	Deputy Chef de cabinet to Mr AVRAMOPOULOS	Items 7 to 10
Mr HULICIUS	A member of Ms JOUROVÁ's staff	Items 7 to 13

Mr BARNIER	Chief negotiator and Head of the Article 50 Task Force	Items 1 to 11
Ms ANDREEVA	Commission Spokesperson's Service	Items 1 to 5 and 7 to 13

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

1. AGENDAS
(OJ(2017) 2216/FINAL; SEC(2017) 286/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) 2216)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 12 June.

3. APPROVAL OF THE MINUTES OF THE 2212TH MEETING (16 MAY), THE 2214TH MEETING (31 MAY), AND THE 2215TH MEETING OF THE COMMISSION (7 JUNE)

The Commission held over approval of the minutes of its 2212th, 2214th and 2215th meetings for the following week.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED (SEC(2017) 287 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 5 and 9 June.

4.2. EMPOWERMENT (SEC(2017) 288 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 5 and 9 June.

4.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2017) 289 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 5 and 9 June, as archived in Decide.

4.4. SENSITIVE WRITTEN PROCEDURES (SEC(2017) 290 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 12 and 16 June and of the finalisation written procedures initiated following the weekly meeting of Chefs de cabinet on 12 June.

5. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 1095/2010 ESTABLISHING A EUROPEAN SUPERVISORY AUTHORITY (EUROPEAN SECURITIES AND MARKETS AUTHORITY) AND AMENDING REGULATION (EU) 648/2012 AS REGARDS THE PROCEDURES AND AUTHORITIES INVOLVED FOR THE AUTHORISATION OF CCPS AND REQUIREMENTS FOR THE RECOGNITION OF THIRD-COUNTRY CCPS
(COM(2017) 331 AND /2; SWD(2017) 246; SWD(2017) 247; SEC(2017) 305; RCC(2017) 76)

Mr DOMBROVSKIS presented the proposal for a Regulation amending the legislation in force on the procedures and authorities involved in the authorisation of central counterparties, as well as the requirements for the recognition of third-country central counterparties.

He pointed out that, following the financial crisis, a European Market Infrastructure Regulation (EMIR) was adopted in 2012 in order to better manage and control the risks relating to the derivatives markets so as to safeguard financial stability. Thanks to the adoption of these measures, EU central counterparties were regulated and equipped to tackle financial difficulties. However, he felt that it was now necessary, in order to address the new challenges, to undertake targeted reforms with a view to harmonising and reinforcing the supervision of EU and third-country central counterparties. He noted in particular that central counterparties represented a part of the financial sector whose importance and systemic significance were growing. He added that the UK’s planned withdrawal from the EU would necessarily have an impact on the regulation and supervision of clearing in Europe.

The proposal presented that day therefore followed a more pan-European approach to the supervision of EU central counterparties in order to bring about greater convergence in this field and speed up certain procedures. With regard to third-country central counterparties, the proposed approach was based on the provisions in force and made the process of recognition and supervision of third-country central counterparties stricter for those that had a decisive systemic importance for the Union, which could be the case for a small number of them. To mitigate the potential risks, Mr DOMBROVSKIS said that in such cases the Commission could, at the request of the European Securities and Markets Authority and in agreement with the relevant central bank, decide that a central counterparty could provide services in the EU only if it established itself there.

The PRESIDENT thanked Mr DOMBROVSKIS for his presentation.

The Commission:

- adopted the proposal for a Regulation in COM(2017) 331/2 for transmission to Parliament, the Council, the European Central Bank, the European Economic and Social Committee and the national parliaments, and, for information, to the Committee of the Regions and the European Data Protection Supervisor, together with the impact assessment and the summary thereof in staff working documents SWD(2017) 246 and SWD(2017) 247, the contents of which were noted;
- also took note of the opinion of the Regulatory Scrutiny Board, distributed as SEC(2017) 305.

6. INTERINSTITUTIONAL RELATIONS (RCC(2017) 75)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 9 June (RCC(2017) 75).

It paid particular attention to the following points.

6.1. HORIZONTAL ITEM

i) State of the negotiations on the withdrawal of the United Kingdom from the European Union under Article 50 of the Treaty on European Union

The PRESIDENT welcomed Michel BARNIER, whom he had invited for the third time to brief Members of the Commission on the state of play regarding the procedure for the UK's withdrawal from the European Union. He indicated that Mr BARNIER would be invited back each month in his capacity as chief negotiator for the Commission, to ensure that the Commissioners were kept abreast of progress in the talks.

Mr BARNIER thanked the PRESIDENT for this latest opportunity to update the College on the preparations for the negotiations which were due to start on 19 June, or at least soon afterwards, when the British Government was ready, now that the election of 8 June had been held. He hoped that the UK would quickly appoint a stable, accountable chief negotiator and team with a mandate so that the negotiations could be officially opened as soon as possible, with all due transparency.

On the European Union side, the positions and timetable had been clearly set out, so he and his team were ready to start talks immediately. The Member States were strongly united. He felt there was now no time to lose, given that a year to the day after the UK referendum and three months after the letter of notification by the UK authorities triggering the withdrawal procedure provided for in Article 50 of the Treaty on European Union had already elapsed.

He reported on his contact the previous day with the UK representatives for an initial discussion about the future negotiations, which touched on the timetable, the organisation and the structure of the talks. For the first round of negotiations, Mr BARNIER had suggested to the UK side (i) an opening day, with a morning session for setting out the general objectives of the negotiations and how they would be conducted and an afternoon session for presenting the respective approaches to the negotiations, (ii) followed by a second day devoted to presenting the respective positions on citizens' rights, in the first session, and on settling the financial issues, in the second session. He had also suggested holding a press conference with his counterpart, the future UK chief negotiator, at the beginning and end of the first round.

As regards the logistics of the negotiations, he reminded the meeting of the four-week cycle proposed by the Union, consisting of a week of preparation, a week of exchanging documents, a week of negotiations and a week for reporting on the outcome, which would enable the negotiating team to secure the support of Parliament and the Council at all times. He also referred to the Union's decision to conduct the negotiations with full transparency.

As for the substance of the negotiations, Mr BARNIER said the Union would follow the guidelines adopted by the European Council on 29 April and the negotiating directives adopted by the Council on 22 May, based on the Commission's recommendation. He stressed that the negotiations would follow a very clear order, which he saw as a condition for securing an agreement, with the first stage devoted exclusively to the UK's orderly withdrawal from the Union and, if sufficient progress had been made, a second stage in which the details of this orderly withdrawal would be worked out, while at the same time discussions would begin on the outlines of the future relationship between the European Union and the United Kingdom.

The negotiations would start with the two key issues of the first stage: citizens' rights and the financial settlement, based on the Essential Principles Papers which his team had drafted, in close cooperation with the departments most affected, and which the Commission had taken note after examination by the Commission's Interinstitutional Relations Group. These documents had been discussed and received unanimous support by the Member States in the Council's Article 50 working group.

He drew the College's attention to the fact that these first two documents had been published the day before.

The objective as regards citizens' rights was to allow UK citizens resident in the Union and EU citizens resident in the United Kingdom to continue to live as they currently did and to preserve the status quo. He reiterated the Union's positions on (i) applicable law, which should be EU law, under the control of the Court of Justice of the European Union, (ii) the duration of protection, which the 27 wanted to guarantee for the lifetime of the beneficiaries, (iii) the people covered, namely EU citizens and their families, and finally (iv) the date from which these rights would be covered, which should be the date of the UK's withdrawal.

On the subject of the financial settlement he stressed that the 27 wanted the United Kingdom to honour all of the commitments it had made as an EU Member, no more, no less. This meant reaching agreement on the elements to be taken into account and on a method of calculation, before any discussion on the future relationship between the Union and the UK. He had no doubt that this would be one of the most difficult parts of the negotiations.

Mr BARNIER ended by saying that he expected that the negotiations would encounter some difficulties along the way, but assured the College that, thanks to their intensive preparations, his team was ready for this.

In the course of the discussion that followed, the Commission expressed its full support for Mr BARNIER's actions, alluded to the uncertainty surrounding the UK Government's positions and raised a few questions about some technical aspects of the negotiations.

The PRESIDENT wound up the discussion by warmly thanking Mr BARNIER for the information he had provided.

The Commission took note of this information.

6.2. LEGISLATIVE MATTERS

– Adaptation of a number of legal acts providing for the use of the regulatory procedure with scrutiny to Articles 290 and 291 of the Treaty on the Functioning of the European Union (Regulation) – SZÁJER report – 2016/0400 (COD)

The Commission took note of the information in SI(2017) 291.

– Inter-Institutional Working Group on resources of decentralised agencies – Commission contribution – Draft recommendations

The Commission approved the line set out in SI(2017) 179/2 and /3.

ii) Trilogues
(Point 3.1 of the IRG record)

– Introduction of temporary autonomous trade measures for Ukraine supplementing the trade concessions available under the Association Agreement (Regulation) – WAŁĘSA report – 2016/0308 (COD)

The Commission approved the line set out in SI(2017) 290 and /2.

– Maritime Safety Package – System of inspections for the safe operation of ro-ro ferry and high-speed passenger craft in regular service and amendment of Directive 2009/16/EC of the European Parliament and of the Council on port State control and repealing Council Directive 1999/35/EC (Directive) – RIQUET report – 2016/0172 (COD) / Amendment of Directive 2009/45/EC on safety rules and standards for passenger ships (Directive) – AIUTO report – 2016/0170 (COD) / 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 lines set out in SI(2017) 268, SI(2017) 266 and SI(2017) 267 respectively.

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

The Commission approved the line set out in SI(2017) 285.

– Amendment of Regulation (EU) 1303/2013 as regards specific measures to provide additional assistance to Member States affected by natural disasters – MIHAYLOVA report – 2016/0384 (COD)

The Commission took note of the information in SP(2017) 393.

– Objection to the Commission Delegated Regulation amending Delegated Regulation (EU) 639/2014 as regards the control measures relating to the cultivation of hemp, certain provisions on the greening payment, the payment for young farmers in control of a legal person, the calculation of the per unit amount in the framework of voluntary coupled support, the fractions of payment entitlements and certain notification requirements relating to the single area payment scheme and the voluntary coupled support, and amending Annex X to Regulation (EU) 1307/2013 of the

European Parliament and of the Council (Commission Delegated Regulation) – C(2017) 735

The Commission took note of the information in SP(2017) 409.

iii) Council dossiers
(Point 3.3 of the IRG record)

– Amendment of Directive 2003/87/EC to continue current limitations of scope for aviation activities and to prepare to implement a global market-based measure from 2021 (Regulation) – GIRLING report – 2017/0017 (COD)

The Commission approved the line set out in SI(2017) 286/2.

– Establishment of 'Eurodac' for the comparison of fingerprints for the effective application of Regulation (EU) 604/2013 establishing the criteria and mechanisms for determining the Member State responsible for examining an application for international protection lodged in one of the Member States by a third-country national or a stateless person for identifying an illegally staying third-country national or stateless person and on requests for the comparison with Eurodac data by Member States' law enforcement authorities and Europol for law enforcement purposes (Regulation – recast) – MACOVEI report – 2016/0132 (COD)

The Commission approved the line set out in SI(2017) 294.

– Amendment of Directive 2006/112/EC on the common system of value added tax as regards the temporary application of a generalised reverse charge mechanism in relation to supplies of goods and services above a certain threshold (Directive) – MATO report – 2016/0406 (CNS)

The Commission approved the line set out in SI(2017) 287 and /2.

6.3. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iv) Programming of Council business
(SI(2017) 295)

The Commission took note of the information in SI(2017) 295 on the Council meetings between 15 and 28 June.

v) Non-legislative matters
(point 4.1 of the IRG record)

– Draft proposal for an informal Libya-European Union Platform

The Commission took note of the information in SI(2017) 246 and /2.

– Climate Change – Reaction to the United States Administration's decision to leave the Paris Agreement – Draft conclusions of the General Affairs Council (Luxembourg, 19 June)

The Commission approved the line set out in SI(2017) 288 and /2.

7. SIXTH REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL AND THE COUNCIL ON THE PROGRESS MADE IN THE IMPLEMENTATION OF THE EU-TURKEY STATEMENT
(COM(2017) 323 TO /3; RCC(2017) 78)

8. FOURTH PROGRESS REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL AND THE COUNCIL ON THE PARTNERSHIP FRAMEWORK WITH

THIRD COUNTRIES UNDER THE EUROPEAN AGENDA ON MIGRATION (COM(2017) 350 TO /3; RCC(2017) 78)

9. THIRTEENTH REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL AND THE COUNCIL ON THE RELOCATION AND RESETTLEMENT OF REFUGEES (COM(2017) 330 AND /2)

10. FOURTH REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL AND THE COUNCIL ON THE OPERATIONALISATION OF THE EUROPEAN BORDER AND COAST GUARD (COM(2017) 325 AND /2; RCC(2017) 78)

Mr AVRAMOPOULOS presented the set of reports which the Commission was sending to the European Council that day – ahead of its meeting on 22 and 23 June – providing an overview of the measures taken, results achieved and challenges still to be addressed in order to improve the management of migratory flows and the external borders. The reports showed how the internal and external aspects of this issue were closely interlinked and underlined the need to continue efforts simultaneously on all fronts.

He outlined the content of the reports, which could be summarised in ten salient points: (i) the EU-Turkey statement on the reception of migrants was delivering results; (ii) the number of migrants returning from the Greek islands to Turkey was on the increase, but still too low, so the pace of returns would have to be stepped up, with support from the Member States; (iii) the Union was cooperating with a growing number of non-EU countries, whether it be in tackling the root causes of migration or in using all available levers in a coordinated effort to develop readmission; (iv) the Union's cooperation with Niger to combat the trafficking of migrants was continuing to bear fruit, and this model should therefore be extended to other transit countries in Africa; (v) the Union's investment in the Libyan coastguard was gradually yielding results and the Union was starting to launch operations to help migrants and refugees stranded in Libya; (vi) over 1 600 border guards and coastguards were supporting their Greek, Italian, Bulgarian and Spanish counterparts, although some of the human resources and equipment promised by Member States had still to materialise; (vii) the pace of return operations organised by the European Border and Coast Guard was still increasing, but the Member States rapidly needed to make use of this increased capacity; (viii) progress in resettlement was still well on track, as three-quarters of the resettlements agreed in July 2015 had now been carried out (16 419 people out of 22 504); (ix) all eligible asylum seekers should and could be relocated within the Union if every single Member State made its fair contribution to the solidarity effort (to date 20 869 people had left Greece and Italy under the European relocation programme); (x) the Commission had therefore decided to open infringement proceedings against those Member States which, in over a year, had not relocated any refugees or pledged to do so, i.e. Hungary, Poland and the Czech Republic.

He explained that these three Member States were not complying with their obligations under the relocation decisions adopted by the Council in 2015 and were disregarding their commitments towards Greece, Italy and other Member States. Hungary had not taken any action at all since the relocation scheme started, and Poland had not relocated anyone or pledged any places since December 2015. The Czech Republic had not relocated anyone since August 2016 and not made any new pledges for over a year.

Following this presentation, the Commission approved, subject to a final clean-up of the text, the reports set out in COM(2017) 323/3, COM(2017) 350/3, COM(2017) 330/2 and COM(2017) 325/2, for transmission to the European Parliament, the European Council and the Council, and, for information, to the national parliaments.

11. 2016 ANNUAL MANAGEMENT AND PERFORMANCE REPORT FOR THE EU BUDGET FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL AND THE COURT OF AUDITORS (COM(2017) 351 TO /3)

Mr OETTINGER presented the 2016 Annual Management and Performance Report for the EU Budget to the Commissioners.

With this Report, the Commission attested to its compliance with the budgetary rules and the proper implementation of the budget, while assessing its results, thereby enabling it to take political responsibility for management of the 2016 budget. Based on the Annual Activity Reports of the Commission DGs and Services and evaluations of programmes, the Report provided an overview of the major points in terms of performance and management of the European Union’s general budget. It was made up of two parts: the first part examined the way in which management of the budget by the Commission enabled it to attain the objectives it had set and the second part focused on the results achieved in internal control and financial management.

He emphasised that, in 2016, the Commission had made significant progress in the ten priorities laid down by the President in his political guidelines. Mr OETTINGER pointed out that, two years after its launch, the European Fund for Strategic Investments had already mobilised more than EUR 190 billion in investment in the European Union as a whole, i.e. more than half of the EUR 315 billion targeted for 2018. As another example he cited the launch into orbit of 18 satellites in the Galileo project, making it possible to use the infrastructure and to propose a number of products and services. He further noted that 140 000 small and medium-sized enterprises in 21 Member States had been able to access EUR 5.5 billion of funding in 2016 under the ‘COSME’ programme for the Competitiveness of enterprises and small and medium-sized enterprises.

Mr OETTINGER also pointed out that the Commission had had to address, sometimes as a matter of urgency, a series of economic and societal challenges – a high level of unemployment, unprecedented inflows of refugees and a sharp increase in the threats to the security of its citizens. Against this backdrop, he stressed that the European Social Fund and the Youth Employment Initiative had enabled 235 000 people to find a job, 181 000 others to obtain a qualification and 100 000 to be admitted to education or training. He added that 174 500 people had been rescued in the Mediterranean thanks to the work of the Member States and the new European Border and Coast Guard Agency.

To conclude, he thanked the Commissioners for their respective contributions to the 2016 Annual Management and Performance Report for the EU Budget, a report that illustrated with real examples the added value of action by the Union.

The PRESIDENT thanked Mr OETTINGER for his presentation of a report that was of great importance for the institution and the Union.

The Commission:

- approved the 2016 Annual Management and Performance Report for the EU Budget, set out in COM(2017) 351/3, together with the technical annexes, for transmission to Parliament, the Council and the Court of Auditors, and, for information, to the national parliaments, indicating a link giving access to all the annual activity reports (https://ec.europa.eu/info/node/1645);
- took note of the fact that each Member of the Commission had been made aware of the annual activity report and declaration presented by his or her Director(s)-General or Head(s) of Service, and that a reference to this dialogue was specifically mentioned in each annual activity report;

- took note of the fact that the declarations of assurance contained in the annual activity reports did not cover the Members' private offices and their expenditure;

- authorised Mr OETTINGER, the Member of the Commission with responsibility for the Budget and Human Resources, to present the report to the discharge authority;

- took note of the three documents available in De*c*ide as supporting documents: (i) the Annual Report of the Audit Progress Committee for the period from May 2016-May 2017, distributed as SEC(2017) 294; (ii) the overall opinion of the Internal Auditor for 2016; and (iii) the annual report on the internal audit for 2016, reference Ares(2017) 2515409.

12. INTERINSTITUTIONAL RELATIONS (CONTINUED) (RCC(2017) 75

RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

i) Preparation of the Eurogroup meeting (Luxembourg, 15 June 2017)

(point 4.2.3 of the IRG minutes)

At the request of the PRESIDENT, Mr DOMBROVSKIS and Mr MOSCOVICI took stock of the ongoing discussions within the Eurogoup and with the EU's partners with a view to completing the second review of the programme of financial assistance for Greece.

Mr DOMBROVSKIS underlined the significant progress made by Greece in implementing the pre-defined actions and the need for it to continue down the same path, in particular through legislative and administrative actions, institutional reforms and the introduction of new practices. The Commission was assisting the

Greek authorities in order to allow them to optimise the use of EU funding to re-launch investment and undertake the necessary structural reforms in accordance with the Jobs and Growth Plan for Greece approved in July 2015, which made provision for support worth up to EUR 35 billion under the European programmes for the period 2014-2020.

In a context characterised by exceptional measures designed to ease tensions with regard to liquidity and technical assistance from the Commission, he noted that Greece had significantly increased its capacity to take up funds from the Union. This had been made possible by, for example, significant progress in introducing adapted administrative structures, procedural simplification and the implementation of specific projects such as the construction of motorways. He pointed out that Greece had also received technical assistance for the reforms undertaken in the context of the European Stability Mechanism programme, covering a wide range of areas, from taxation to labour market reform, social protection reform and public finance management.

Despite the more efficient allocation and use of European Structural and Investment Funds, Mr DOMBROVSKIS nevertheless saw no room for over-complacency, as Greece was still struggling to develop a reserve of viable investment projects and establish a credible strategy for growth. He explained that the country had received additional funding worth EUR 970 million for the period up to 2020, which should be used wisely in support of sectors with high growth potential or in response to specific, one-off needs, as was the case of the regions most directly impacted by the massive influx of refugees.

In the specific case of technical assistance, he indicated that 17 completed projects and 32 others currently being rolled out in Greece were worth a total of EUR 28.6 million. He added that Greece was also receiving technical assistance in order to facilitate the entry into force of the guaranteed minimum wage from February 2017, recapitalise the Greek banks, combat undeclared work and manage the migration crisis. He announced that Greece had requested further assistance under the Structural Reform Support Programme.

Mr DOMBROVSKIS ended by stating that the aid programme for Greece had reached a critical point at which the country needed to establish a strategy for growth.

Mr MOSCOVICI confirmed that for several months, Greece had been at a crossroads and its economy performing well. The budget surplus in 2016 had been far bigger than expected and was already comfortably outstripping the targets set for 2017 and 2018. Nevertheless he noted that growth in the fourth quarter of 2016 and in the first quarter of 2017 had been lower than expected owing to the uncertainty linked to the delayed completion of the second review of the current programme of financial assistance and the review of the figures by Eurostat. Overall, he felt that the Greek economy was now in a position to resume the path of confidence, growth and jobs.

In this context, Mr MOSCOVICI hoped that the Eurogroup meeting on 15 June would allow a global agreement to be reached on completing this second review. Three key points required clarification: (i) consideration of the package of measures adopted by the Greek Government in recent weeks and the meeting of its reform commitments (135 measures achieved out of 140), and recognition that its efforts were sufficient in order for the review to be completed, particularly as the Greek Government had been obliged to take on an additional two per cent of fiscal consolidation measures; (ii) definition of a more reasonable and more credible primary fiscal path for the post-2018 years after the assistance programme had ended; (iii) sufficient clarification of the medium-term measures relating to the debt, in the context of the agreement already concluded in May 2016.

On the issue of the Greek debt, he noted that the Eurogroup on 22 May had moved in the direction of a band relating both to deferred payments of interest on loans and to extending the maturity of loans from the European Financial Stability Facility. He explained that an agreement on these two components would mark an important step and would help Greece regain access to the financial markets. He added that these two measures could be combined with another debt mechanism that depended on Greece's performance in terms of growth.

He also pointed out that the principle of trimming the debt had long since been discounted under any circumstances. However, he felt it was vital to examine the details of how the debt would be re-profiled to ensure its viability and that this would be extremely important in allowing Greece to regain access to capital markets, which the country needed to do in order to exit the programme and end its reliance on EU support.

Mr MOSCOVICI ended his presentation by stressing that an agreement on these three points should enable the International Monetary Fund to take a decision around early July this year. This would enable Member States in turn to decide on the next disbursement, which could therefore be made in July. Consequently, he felt that it was necessary for all the parties to face up to their responsibilities in order to achieve a reasonable solution and at last bring the chapter of austerity and uncertainty to a close, for the benefit of Greece and its place in the euro area.

The Commission took note of this information.

ii) Preparation of the Economic and Financial Affairs Council (Luxembourg, 16 June 2017) – European Semester – Country recommendations
(point 4.2.4 of the IRG record)

At the invitation of the PRESIDENT, Mr TIMMERMANS again referred to the continued systemic risk to the rule of law in Poland. He reminded the College that at the meeting of the General Affairs Council on 16 May, the Member States had confirmed that the rule of law was a common interest and a responsibility shared by the EU institutions and the Member States. A very large majority of the Member States had expressed support for the role played by the Commission and for its efforts to encourage Poland to bring an end to the current situation, and had urged the Polish government to resume talks with the Commission.

The situation began in 2015 and the Commission's latest recommendations to the Polish authorities were issued on 21 December 2016, although it was possible that further areas of concern could arise. He explained that the Polish parliament was currently examining draft laws which, if adopted, could threaten the independence of the judiciary and consequently have the knock-on effect of undermining the correct application of EU law; when cases relating to a breach of EU law were brought before the Polish courts, the courts acted as 'EU judges' and had to be independent in accordance with the conditions laid down in Article 47 of the Charter of Fundamental Rights of the European Union.

Mr TIMMERMANS pointed out that the Commission had included a reference to the situation in the country regarding respect for the rule of law in its recommendation for a Council recommendation addressed to the Polish government as part of the 2017 European Semester for the coordination of economic and budgetary policies. A recital inviting the Polish authorities to take measures to remove barriers to investment noted that legal certainty, confidence in the quality and predictability of policies and of regulatory, fiscal and other institutions were important factors for attracting investment. He quoted the wording that had initially been proposed: 'The current systemic threat to the rule of law creates legal uncertainty'.

However, he explained that the Council's Legal Service felt that this wording could be viewed as a breach of the procedure laid down in Article 7 of the Treaty on European Union, and that a large majority of Member States, meeting in COREPER the previous day, had approved an alternative wording, as follows: 'Addressing serious concerns related to the rule of law will help improve legal certainty'. He felt that the Commission could accept this wording, but noted that the Polish authorities might raise objections to it at the meeting of EU Finance Ministers on 16 June.

Mr TIMMERMANS stressed that the recommendations addressed to the Member States regarding their national reform programmes and their stability or convergence programmes focused on the main social and economic challenges faced by each Member State. As a result, he felt it would be incomprehensible if upholding the rule of law were not mentioned as one of the factors influencing investment, as it was an essential means of ensuring not only legal certainty and confidence in the regulatory environment, but also the functioning of the internal market and for the investment climate generally. In his view, economic operators from other Member States carrying out cross-border business activities in Poland needed certainty that an independent justice system could uphold their rights under the internal market *acquis*.

In February 2017, the Commission had already highlighted the issue of respect for the rule of law in the report on Poland used to prepare the country-specific recommendations, and parties other than the Commission, particularly credit rating agencies, had emphasised the importance of upholding the rule of law in order to encourage investor confidence and a strong economy. Furthermore, it was not the first time that the country-specific recommendations had referred to this issue and its impact on the economy.

Lastly, Mr TIMMERMANS was convinced of the need to insist on keeping the reference to the serious concerns caused by the rule of law situation in the country in recital (14) of the recommendation on Poland proposed by the Commission.

In the course of the discussion that followed, the Commission raised the following key points: (i) the Commission members' support for the arguments put forward by Mr TIMMERMANS, (ii) the recommendation to take advantage of all contact with Poland, for example during citizens' dialogues, to explain the country's situation vis-à-vis the rule of law, (iii) the issue of the EU's power to act and the next steps in the procedure that the Commission intended to launch, and (iv) a call to communicate clearly why it was a mistake to view as contradictory the

Commission's criticism of harmful legal uncertainty in Poland and the EU funding granted to the country under a number of programmes.

Mr TIMMERMANS called for a constructive relationship to be maintained with the Polish authorities, but urged the Commission members to refer to the issue of the systemic threat to the rule of law whenever they were in contact with the country. He felt it was crucial for the Commission to be united around this issue and for it to express its deep concern. He was available for those Members of the Commission who were due to travel to Poland and asked them to contact him for more information and advice on how to communicate when in the country.

As regards the next steps in the process, he stressed that the Member States supported the Commission's position, whereby it was open to dialogue with the Polish government, without reconsidering its position of principle, but expected the Polish authorities to take concrete measures to re-establish the rule of law. He planned to refer to the situation and possible new measures at the next meeting of the General Affairs Council. In any event, he called for a cautious approach and close cooperation with the Member States on this sensitive matter. He ended by reiterating his call for the Members of Commission to take every opportunity to urge the Polish government to re-establish the rule of law.

The PRESIDENT thanked Mr TIMMERMANS for his efforts and assured him of the Commission's support.

The Commission took note of this information.

13. OTHER BUSINESS

13.1. EARTHQUAKE ON THE ISLAND OF LESBOS

The PRESIDENT mentioned the recent earthquake that had hit the island of Lesbos in Greece and asked what measures had been taken to help the people affected by it.

Mr AVRAMOPOULOS said the situation on the island seemed to be under control and the European Union Solidarity Fund, which was put in place to cope with major natural disasters, had been mobilised. He pointed out that Ms CREȚU was in Greece and had therefore been able to express the Union's solidarity with the region hit by the disaster. He also stressed that, as Lesbos was so close to the Turkish coast, the management of this natural disaster would also be a matter for joint actions by the Greek and Turkish authorities in line with the diplomatic practices put in place after previous earthquakes.

Mr STYLIANIDES explained that the European Civil Protection Mechanism would be ready to coordinate the necessary assistance to inhabitants, should there be a request for it.

The PRESIDENT thanked them for these swift measures and encouraged them to pursue the action on the ground with all available resources to provide relief to those affected by the earthquake be that within the territory of the Union or beyond its borders.

The Commission took note of this information.

13.2. ABOLITION OF ROAMING CHARGES WITHIN THE EUROPEAN UNION

The PRESIDENT invited Mr ANSIP to report on the effective end of roaming charges on mobile communications within the European Union.

Mr ANSIP was pleased to see this file come to fruition as it had been opened exactly ten years ago in 2007 and had faced no end of obstacles. He believed abolishing roaming charges on mobile communications was a very tangible achievement to the Union’s credit and was a very good example of what the Union did to make life easier for its citizens. He said that from the next day on, 98.1 % of Europeans would be able to make telephone calls and remain connected while moving around the Union without paying a higher price for their mobile communications. He was also pleased to note that the Union had managed to find a balance between the abolition of international roaming charges and the need to ensure that national tariffs remained competitive and attractive.

He closed by describing the end of roaming charges as a cornerstone of the EU's Digital Single Market and another step towards building a united and sustainable European digital society, accessible to all citizens.

During a brief discussion the Commission raised the issue of the communication activities being organised around this great European achievement, which should be more visible and aimed more towards young people, and which could have been brought under the umbrella of the promotion of the 30th anniversary of the Erasmus programme.

The Commission took note of this information.

*

*   *

The meeting closed at 15.09.