



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2017) 2223 final

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

Brussels, 8 November 2017

TEXTE EN

MINUTES

of the 2223rd meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 6 September 2017

(morning)

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Single sitting: Wednesday 6 September 2017 (morning)

The sitting opened at 9.13 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	
Ms MOGHERINI	High Representative / Vice-President	Items 1 to 8/11 (in part)
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr DOMBROVSKIS	Vice-President	
Mr KATAINEN	Vice-President	
Mr OETTINGER	Member	
Mr HAHN	Member	Items 1 to 13 (in part)
Mr MIMICA	Member	
Ms MALMSTRÖM	Member	
Mr ARIAS CAÑETE	Member	
Mr VELLA	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	
Ms THYSSEN	Member	Items 1 to 7.2
Mr MOSCOVICI	Member	
Mr STYLIANIDES	Member	
Mr HOGAN	Member	
Ms BULC	Member	
Ms BIENKOWSKA	Member	Items 1 to 7.1
Ms JOUROVÁ	Member	
Mr NAVRACSICS	Member	
Ms CREȚU	Member	Items 1 to 11
Ms VESTAGER	Member	
Mr MOEDAS	Member	
Ms GABRIEL	Member	

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Absent:

Sir Julian KING

Member

The following sat in to represent an absent Member of the Commission:

Mr MORRISON Chef de cabinet to Sir Julian KING

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	Items 7 to 13
Mr SWIEBODA	European Political Strategy Centre	Items 1 to 6
Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	
Mr SZOSTAK	Adviser in the PRESIDENT's Office	Item 7.1
Mr GRASSI	Adviser in the PRESIDENT's Office	Items 7.1 (in part) to 13
Mr DELVAUX	Adviser in the PRESIDENT's Office	Item 13
Ms ARKI	PRESIDENT's Office	Item 13
Mr SMULDERS	Chef de cabinet to Mr TIMMERMANS	Items 7.2 to 13
Ms ÅSENIUS	Chef de cabinet to Ms MALMSTRÖM	Item 13
Ms SCHMITT	Chef de cabinet to Mr AVRAMOPOULOS	Items 8 to 11
Ms BERNAERTS	Chef de cabinet to Ms THYSSEN	Items 8 to 13
Mr HEDBERG	Deputy Chef de cabinet to Ms BIENKOWSKA	Items 7.2 to 13
Ms ANDREEVA	Commission Spokesperson's Service	
Mr DEMARTY	Director-General, DG Trade	Item 13
Mr BARNIER	Chief negotiator and Head of the Article 50 Task Force	Item 7.1

Secretary: Mr ITALIANER, Secretary-General, assisted by Ms Ghislaine ALLOUIS-LE LOSTEC, Head of Unit in the Secretariat-General.

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1. AGENDAS

(OJ(2017) 2223/FINAL; SEC(2017) 364/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) 2223)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 4 September.

3. APPROVAL OF THE MINUTES AND SPECIAL MINUTES OF THE 2220TH MEETING OF THE COMMISSION (12 JULY) AND THE MINUTES OF THE 2221ST AND 2222ND MEETINGS (19 AND 26 JULY)

(PV(2017) 2220; PV(2017) 2220, 2ND PART; PV(2017) 2221)

The Commission approved the minutes of its 2220th and 2221st meetings and decided to hold over approval of the minutes of its 2222nd meeting for a later meeting.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2017) 102)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group held on Friday 1 September (RCC(2017) 102).

It paid particular attention to the following points.

4.1. HORIZONTAL ITEM

- i) Negotiations on an agreement with the United Kingdom setting out the arrangements for its withdrawal from the European Union pursuant to Article 50 of the Treaty on the European Union – Position Papers on Intellectual Property Rights / Customs Related Matters needed for an Orderly Withdrawal of UK / Use of Data and Protection of Information Obtained or Processed before the Withdrawal Date / Public Procurement / Guiding Principles for the Dialogue on Ireland and Northern-Ireland**

The Commission took note of the information in SI(2017) 389 and SI(2017) 392, and authorised the ‘Article 50 Task Force’ to send to the 27 Member States the five ‘Essential Principles’ papers in question.

4.2. LEGISLATIVE MATTERS

ii) Trilogues

(point 3.1 of the IRG record)

- Amendment of Directive 2003/87/EC to enhance cost-effective emission reductions and low-carbon investments (Directive) – GIRLING report – 2015/0148 (COD)

The Commission approved the line set out in SI(2017) 380.

- Amendment of Regulations (EU) 1316/2013 and (EU) 2015/1017 as regards the extension of the duration of the European Fund for Strategic Investments as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub – BULLMANN & FERNANDES report (Regulation) – 2016/0276 (COD)

The Commission approved the line set out in SI(2017) 387/2.

iii) European Parliament dossiers – September part-session

(point 3.2 of the IRG record)

Ordinary legislative procedure – First reading

- Approximation of the laws, regulations and administrative provisions of the Member States as regards the accessibility requirements for products and services (Directive) – LØKKEGAARD report – 2015/0278 (COD)

The Commission approved the line set out in SP(2017) 525 and /2.

- Inclusion of greenhouse gas emissions and removals from land use, land use change and forestry into the 2030 climate and energy framework and amending 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 SP(2017) 533.

- 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 SP(2017) 534.

- Repeal of Council Regulation (EEC) 1101/89 and Regulations (EC) 2888/2000 and (EC) 685/2001 of the European Parliament and of the Council (Regulation) – DELLI report – 2016/0368 (COD)

The Commission approved the line set out in SP(2017) 526 and /2.

- Amendment of Regulation (EU) 99/2013 of the European Parliament and of the Council on the European statistical programme 2013-17, by

extending it to 2018-2020 (Regulation) – GUALTIERI report – 2016/0265 (COD)

The Commission approved the line set out in SP(2017) 527 and took note of the compromise text annexed thereto.

- Circular Economy Package – Rules on the making available on the market of CE marked fertilising products and amending Regulations (EC) 1069/2009 and (EC) 1107/2009 (Regulation) – GÁLL-PELCZ report – 2016/0084 (COD)

The Commission approved the line set out in SP(2017) 528.

- Amendment of Regulation (EU) 345/2013 on European venture capital funds and Regulation (EU) 346/2013 on European social entrepreneurship funds (Regulation) – PIETIKÄINEN report – 2016/0221 (COD)

The Commission took note of the compromise text in SP(2017) 529, further to note SI(2017) 180/2, which it had already approved on 10 May.

- Amendment of Regulations (EU) 1316/2013 and (EU) 283/2014 as regards the promotion of Internet connectivity in local communities (Regulation) – ZORRINHO report – 2016/0287 (COD)

The Commission took note of the compromise text in SP(2017) 530, further to note SI(2017) 225/2, which it had already approved on 31 May.

- Measures to safeguard the security of gas supply and repeal of Regulation (EU) 994/2010 (Regulation) – BUZEK report – 2016/0030 (COD)

The Commission took note of the compromise text in SP(2017) 531, further to note SI(2017) 162/2, which it had already approved on 26 April.

- 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 took note of the compromise text in SP(2017) 532, further to note SI(2017) 281, which it had already approved on 7 June.

- Multi-annual plan for demersal stocks in the North Sea and the fisheries exploiting those stocks and repealing Council Regulation (EC) 676/2007 and Council Regulation (EC) 1342/2008 (Regulation) – RODUST report – 2016/0238 (COD)

The Commission approved the line set out in SP(2017) 535.

4.3. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iv) Programming of Council business

(SI(2017) 391)

The Commission took note of the information in SI(2017) 391 on the Council meetings between 4 and 20 September.

v) Non-legislative matters

(point 4.1 of the IRG record)

- High-level ‘Our Ocean Conference’ organised by the European Union (Malta, 5 and 6 October) – Voluntary commitments to be presented on behalf of the EU

The Commission approved the line set out in SI(2017) 381 and /2.

- Issues Paper on ‘Preservation and Protection of Cultural Heritage in Common Security and Defence Policy (CSDP) Missions and Operations’

The Commission approved the line set out in SI(2017) 382/2.

- High-level meeting on migration (Paris, 28 August)

The Commission took note of the information in SI(2017) 383.

- Provisional Application of Comprehensive Economic and Trade Agreement between the EU and Canada ('CETA').

The Commission approved the line set out in SI(2017) 384.

- OECD (Organisation for Economic Co-operation and Development) Enlargement - Accession of some EU Member States

The Commission approved the line set out in SI(2017) 388 and /2.

vi) Preparation of the informal meeting of Ministers for Development (Tallinn, 11 September)

(point 4.2.4 of the IRG record)

- Non-paper on 'Implementing the new European Consensus on Development with more advanced developing countries'

The Commission approved the line set out in SI(2017) 385.

vii) Preparation of the informal meeting of Ministers for Energy and Transport – 'Energy' session (Tallinn, 20 September)

(point 4.2.5 of the IRG record)

- Tallinn e-Energy declaration

The Commission approved the line set out in SI(2017) 386 and /2.

4.4. RELATIONS WITH PARLIAMENT

viii) Action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its July part-session

(point 5.6.1 of the IRG record)

The Commission approved document SP(2017) 538 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its July part-session, for transmission to Parliament.

ix) Action taken on the non-legislative resolutions adopted by Parliament at its May II part-session
(point 5.6.2 of the IRG record)

The Commission approved document SP(2017) 536 on the action taken on the non-legislative resolutions adopted by Parliament at its May II part-session, for transmission to Parliament.

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) 365 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 24 June and 1 September.

6.2. EMPOWERMENT
(SEC(2017) 366 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 24 July and 1 September.

6.3. *DELEGATION / SUBDELEGATION OF POWERS*
(SEC(2017) 367 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 24 July and 1 September, as archived in Decide.

6.4. *SENSITIVE WRITTEN PROCEDURES*
(SEC(2017) 368 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 4 and 8 September and of the finalisation written procedure initiated following the weekly meeting of Chefs de cabinet on Monday 4 September.

7. OTHER BUSINESS

7.1. STATE OF PLAY CONCERNING THE WITHDRAWAL OF THE UNITED KINGDOM FROM THE EU UNDER ARTICLE 50 OF THE TREATY ON EUROPEAN UNION FOLLOWING THE THIRD ROUND OF NEGOTIATIONS AND PRESENTATION OF THE DOCUMENT SETTING OUT THE COMMISSION'S POSITION REGARDING IRELAND AND NORTHERN IRELAND

At the invitation of the PRESIDENT, Mr BARNIER briefed the meeting on the results of the third round of negotiations between himself and the chief British negotiator, David Davis, which had taken place in Brussels from 28 to 31 August, and commented on the situation in general.

The PRESIDENT thanked Mr BARNIER for his expert and skilful handling of this task. Mr BARNIER for his part thanked the PRESIDENT for giving him the opportunity to report back regularly to the Members of the Commission on the ongoing discussions in these extraordinary and unique negotiations.

The Commission took note of this information.

7.2. RELATIONS WITH TURKEY

The Commission gave an update on relations with Turkey.

- 8. SEVENTH 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) 470 TO /3; RCC(2017) 103)**
- 9. FIFTH 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) 471 TO /3; RCC(2017) 103)**
- 10. FIFTEENTH REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL AND THE COUNCIL ON RELOCATION AND RESETTLEMENT
(COM(2017) 465 AND /2; RCC(2017) 103)**

11. FIFTH 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) 467 AND /2; RCC(2017) 103)

As part of the preparations for his State of the Union address, the PRESIDENT asked the Members of the Commission concerned to present a review of the situation regarding migration policy, as reflected in the series of regular reports presented that day.

Ms MOGHERINI reported that, on the external action side, the first results of the Union's policy on managing migration were starting to be felt on the central Mediterranean route, with a considerable reduction in the number of migrants arriving and an increase in assisted returns from Niger and Libya. Although much still remained to be done, she was pleased to report that things were moving in the right direction. The forthcoming EU-Africa summit in November would be important in this respect.

Mr AVRAMOPOULOS confirmed that the situation had markedly improved over the past two years as the Union had moved from crisis management to better control of migratory flows. Thanks to the EU-Turkey statement, only a small number of migrants were now arriving in Greece and as a result of the action on the central Mediterranean migration route, arrivals in Italy had fallen by 81% in August compared with the same month in 2016.

He then summarised the main conclusions of the regular reports being presented that day. He informed the meeting that the EU (i) had succeeded in reducing the number of irregular migrants arriving, (ii) was managing its external borders better, (iii) was making progress on the return and readmission of irregular migrants from Bangladesh and Guinea, (iv) had shown real internal solidarity by relocating some 27 700 people and (v) had resettled 22 500 third-country nationals in need of protection. Without wishing to sound triumphalist, he felt the EU could rightly be

proud of the effectiveness of its sometimes unpopular decisions.

However, he acknowledged that further efforts were needed, in particular to replace uncontrolled migration with regular migration. The aim was to (i) develop safe and legal channels for those in need of protection through resettlement, (ii) open legal migration channels for those who wanted to work, study or join their families in the EU, while stepping up returns and readmissions, (iii) ensure implementation of the Directive on sanctions against employers of irregular migrants, so as to remove the incentives for migration and reserve more jobs for regular migrants, (iv) ensure that the European Border and Coast Guard embraced its new role with regard to returns, in particular by developing a common European system for returns, (v) continue relocations after the cut-off date of 26 September by supporting Member States who so wished, (vi) reflect on a modernised European visa policy which could operate in the context of better managed and more secure borders and, finally, (vii) reflect on the future of intra-Community movement and the Schengen system, with a view to protecting EU citizens without creating almost permanent internal border controls.

Mr AVRAMOPOULOS explained that all these elements would feature in the new package of measures to be presented by the Commission on 27 September, together with its proposal for reforming the Schengen Borders Code. In concluding, he once again highlighted the leap forward taken in the last two years and advocated continuing on a course which had proved to be effective.

Mr TIMMERMANS first of all confirmed this positive conclusion with respect to the massive influx of migrants which the EU had faced in 2015, thereby responding to an issue that was a matter of concern for European citizens, and welcomed the fact that the EU now had an effective system. However, he called for complacency to be avoided and suggested that the tangible results achieved should be used as an argument to regain the trust of the Member States in the EU's capacity to manage migration.

He then endorsed the Commission's neutral and objective reaction to the judgment delivered a few days earlier by the European Court of Justice on actions brought

against the relocation policy by two Member States. The approach, which did not compromise on the fundamental principles of solidarity, could encourage reluctant Member States to face up to their duty of solidarity and allow work on the reform of the Dublin system to continue.

Mr HAHN confirmed the fall in the number of migrants arriving by the Mediterranean route and hoped that it would continue in the long term. In any event, he noted the encouraging results of the combination of measures taken at EU level, focusing on the role played by migration compacts concluded with some African countries.

The PRESIDENT remarked that the positive results seen in Italy were the outcome of significant financial investment by the EU in Libya, a factor that was not clearly perceived by public opinion in certain Member States. On Libya, he said that it was essential to engage in dialogue with the parties concerned and local communities to improve the humanitarian conditions in which migrants were living in Libyan refugee camps. In that regard, he wondered whether additional funding should be made available for such measures, in addition to the EU funds allocated to the United Nations for converging actions.

Mr AVRAMOPOULOS felt that the EU should continue to support the United Nations High Commissioner for Refugees and that means should be put in place to avoid irregular migrants being trapped on Libyan territory, with help from the African countries of origin.

Mr TIMMERMANS believed that the EU should maintain its course and should help improve living conditions for migrants in Libya. He therefore suggested consulting the Member States on obtaining additional funding for humanitarian purposes, which would ultimately benefit the entire region.

A discussion ensued, during which the Commission raised, in particular, (i) the fundamental issue of integrating migrants and highlighting the multidisciplinary projects undertaken in this area in a number of Member States, in particular to

support municipalities facing this challenge, (ii) the suggestion that the Commission's actions in the field of integration should be better coordinated at internal level, (iii) the European humanitarian funds already allocated for migrants in Libya, which did not reach organisations on the ground because of the lack of security in the country and, finally, (iv) the fact that improving the humanitarian situation of migrants in Libya was not the sole responsibility of the European Union.

The PRESIDENT concluded by thanking everyone for the fruitful discussion, which would be taken into account in his State of the Union speech the following Wednesday in Strasbourg.

Following this presentation, the Commission approved the reports set out in COM(2017) 470/3, COM(2017) 471/3, COM(2017) 465/2 and COM(2017) 467/2, for transmission to the European Parliament, the European Council and the Council, and, for information, to the national parliaments.

12. OTHER BUSINESS (CONTINUED)

PREPARATION OF THE COMMISSION'S 2018 WORK PROGRAMME

Again in relation to the preparation of his State of the Union address, the PRESIDENT invited Mr TIMMERMANS to present an overview of the Commission's 2018 Work Programme, to be submitted for approval on 24 October.

Mr TIMMERMANS explained that the Commission, which was now halfway through its term of office, must continue on the path it had set for itself: namely, to focus its action on the key issues - its 'ten priorities' – where this action at EU level was better able to effectively address the challenges ahead. He hoped that the institution would stick to this approach, which was the trademark of the present Commission.

The implementation of the 2017 Work Programme was on track from the point of view of the proposals and initiatives already presented by the Commission. In the coming weeks and months, efforts would need to be redoubled with Parliament and the Council to secure their adoption, or even implementation, by March 2019. The Commission should keep this date in mind when selecting its work priorities for the following year, while striving to put forward the initiatives needed to meet the commitments made under the ten priorities.

Since the PRESIDENT had indicated that he wished to infuse his State of the Union address with a note of realistic optimism, Mr TIMMERMANS felt that the Commission should emphasise the tangible improvements that Europe could bring to all citizens for their daily lives and their future, throughout the Union. This message would be communicated in the letter of intent accompanying the address, which would outline the aim of completing the legislative programme to address current needs and working with a more forward-looking emphasis by deepening the EU's vision of its future as a union of 27, looking ahead to 2025.

Summarising the aim of this citizen-focused Commission, he explained that the next 18 months would be decisive for demonstrating, through tangible results, that the emerging economic and political revival would lead to more justice, security and lasting results for all. Given that the next European elections were to be held in June 2019, the Commission would have to present its proposals by late spring 2018, and thus between January and May, so that they could be adopted by the end of its term of office. The set of proposals on the future Multiannual Financial Framework would be its last major initiative.

From the point of view of the co-legislators, he explained that the Work Programme should indicate the pending proposals that the Commission wished to see included among the legislative priorities in next year's joint declaration by the presidents of the three institutions. He called for the Work Programme to be structured into thematic clusters and not be overloaded with unnecessary initiatives, so as to give the institutions time to deliberate on the future Multiannual Financial Framework.

Mr TIMMERMANS then set out the numerous initiatives that the Commission would adopt following the State of the Union address the following week and those that would be adopted by the end of the year under the 2017 Work Programme. He proposed that the new legislative initiatives for 2018 should focus, as well as on the Multiannual Financial Framework, on completing the Energy Union, implementing the pillar of social rights, continuing work on Economic and Monetary Union, and completing the Security Union, while continuing to be guided by the need for regulatory fitness and performance.

Lastly, he explained in more detail the next steps of the process for developing the Work Programme for 2018.

Within the Commission, the various cabinets and departments would hold their traditional meetings in groups of Directorates-General (clusters) by the end of September, to examine in detail the draft Work Programme for the following year in light of the ten priorities. Based on their work, he would submit a draft Work Programme for consideration by the College on 24 October.

As regards the Council, an initial exchange of views had taken place at the General Affairs Council meeting in June, and the Presidency had subsequently set out its priorities in writing. Further discussions would take place based on the letter of intent, which would allow the Commission to incorporate the Council's remarks into the final Work Programme.

With regard to Parliament, Mr TIMMERMANS stressed that the Conference of Committee Chairs had made an important contribution to the work, but that Parliament had not adopted a resolution defining its priorities following the debate during the plenary session in July. He and the PRESIDENT would attend the Conference of Presidents of Political Groups on 7 September. He invited the members of the Commission to note that the usual thematic meetings between commissioners and EP Committee Chairs would be held on 27 September in Brussels and 3 October in Strasbourg, with a plenary meeting planned for 3 October at the end of the day. Finally, he added that the European Economic and Social

Committee and the Committee of the Regions had sent contributions to the Commission.

He ended his presentation by stating that everything that had been said would be discussed in greater depth in the light of the PRESIDENT's State of the Union address as it would be given the following Wednesday, and based on the letter of intent.

The PRESIDENT thanked Mr TIMMERMANS for this information.

The Commission took note of this information.

**13. POLICY DEBATE ON THE EUROPEAN UNION'S TRADE POLICY
FOLLOWING THE REFLECTION PAPER ON HARNESSING
GLOBALISATION AND THE 'SINGAPORE' OPINION HANDED DOWN
BY THE COURT OF JUSTICE OF THE EUROPEAN UNION
(SEC(2017) 385; RCC(2017) 104)**

Mr KATAINEN introduced the Commission's policy debate on the future of the Union's trade policy. This debate followed on from the reflection paper on harnessing globalisation published by the Commission on 10 May 2017 as part of the follow-up to the White Paper on the Future of Europe, and from the opinion handed down on 16 May by the EU Court of Justice on the EU-Singapore trade agreement.

Mr KATAINEN began by pointing out the importance of seeing trade as an integral part of the Union's general political and economic programme, one of whose aims was to promote a more open world. He also noted the close links between the Union's values and interests, as well as the tools at its disposal to promote them. The modernisation of the EU's trade defence instruments, with a new anti-dumping methodology currently being considered by the co-legislators, would provide it with

new tools to encourage international trade that was fair for all.

In this spirit, he referred to the set of proposals on EU trade policy to be submitted to the Commission for approval at its next meeting, on 12 September. In particular, the Commission would propose setting up an evaluation framework for foreign direct investments that would ensure they were compatible with the Union's long-term interests. In the context of this proposal, he mentioned the creation of a cooperation mechanism between Member States and the possibility for the Commission to give the Member States opinions on the foreign direct investments that they might receive. Lastly, the Commission would receive new proposals for negotiating mandates for trade agreements with Australia and New Zealand, and a proposal for a negotiating mandate for setting up a multilateral court to settle investment disputes, which in the long term would be the competent body for settling disputes between investors and Member States.

Ms MALMSTRÖM welcomed the importance given to the Union's trade policy in the PRESIDENT's forthcoming State of the Union speech, and the role of this policy in promoting international trade and the multilateral system.

She explained that the aim of the communication that would accompany the set of measures to be submitted the following week was to adapt trade policy to the new challenges linked to world trade developments. This communication set out the Union's recent approaches to trade, based on openness, fairness, high standards of protection and the Union's fundamental values. The communication established the trade policy priorities until the end of the current Commission's term of office and did not propose a new strategy but rather built on the previous strategy, set out in the 2015 communication 'Trade for All'. Ms MALMSTRÖM also indicated that in November the Commission would publish a report on the implementation of all the free trade agreements concluded by the Union.

She then referred to the recommendations to be addressed to the Council with a view to initiating trade negotiations with Australia and New Zealand, which were largely inspired by the agreements recently concluded with Canada and Japan.

However, these new negotiating mandates would not cover protection of investments or settlement of disputes with investors. In May the EU Court of Justice had handed down an opinion on the trade agreement with Singapore, in which it considered the concept of ‘mixed agreement’ and spelt out the division of competences between the Member States and the Union in the area of trade. A debate could now be held in the EU on redefining the structure of future trade agreements to implement the conclusions of that opinion and bring more stability to the EU’s trade and investment policy.

On a general note, Ms MALMSTRÖM felt it was important to involve the national parliaments as soon as possible in the decision-making process at national level on trade issues, before initiating negotiations at EU level. She stressed the need to ensure the democratic nature of this decision-making process, beyond the fact that it already involved democratically elected institutions (governments and the European Parliament) and followed the provisions of a treaty ratified by a democratic procedure. Moreover, in the great majority of cases EU legislation was not ratified by national parliaments, and trade policy was often unfairly considered to be the only one that evaded the rules of the democratic process.

For this reason, she explained that in future the most logical solution would be to conclude two separate trade agreements, one on the liberalisation of trade and investments, based on an exclusive competence of the Commission, and the second covering investor protection and dispute settlement, based on shared competence with the Member States.

In this context, she pointed out that the agreements on investments with Australia and New Zealand were a question for the future, and that the response to that question would depend on the result of the debate with the Member States.

Returning to the negotiating mandate for setting up a permanent multilateral court to settle investment disputes, she felt sure that this proposal would initiate a new stage in implementing a more transparent approach based on clear and fair rules for addressing investors’ complaints. She felt that this initiative was an opportunity to

attract partners who were currently critical of the mechanism in place.

She also pointed out that for the first time, the Commission would publish the three new proposals for negotiating mandates for trade agreements once these proposals had been sent to the Council. This would not only reinforce transparency as such but should also make it possible to involve the European Parliament and the national parliaments at an early stage in the process, and allow the Member States to consult civil society before and during the decision-making process.

Ms MALMSTRÖM added that the Commission would set up an expert group on the Union's trade agreements to supplement the existing structures through which it organised its consultations with non-governmental organisations and civil society.

Finally, she pointed out that in the communication 'Trade for All', the Commission had pledged to report on the state of play of revision of the 2010 communication on foreign direct investments before the end of its current term of office. She intended to submit a communication on this point in the second half of 2018 in order to review the different initiatives in the field of investment and revise or replace in part the 2010 communication.

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

- its full support for the set of measures proposed and the balance achieved between openness to international trade, fairness, and defence of the Union's interests;
- the need to define more precisely the concept of critical infrastructure in order to enable a more detailed evaluation of foreign direct investments;
- the desirability of distinguishing between the different types of foreign direct investment, such as investment in new infrastructure and investment in redevelopment of industrial sites, in order to adapt the evaluation;

- the permanent challenge that investments that failed to comply with market rules posed to the EU's economic model;
- the importance of promoting EU rules in the context of international trade so as to ensure product quality, particularly through sanitary and phytosanitary legislation;
- the crucial role of the EU's trade policy in measures to promote sustainable development and in mitigating the effects of globalisation on developing countries.

Ms MALMSTRÖM explained that investments formed an integral part of the trade agreements envisaged, and stressed the opportunity offered from this standpoint by the negotiation of free trade agreements with third countries that had hitherto not benefited from such agreements. She stressed the importance of fully integrating sustainable development goals in the Union's trade strategy. Lastly, she pointed out that the publication of the negotiating mandates was an innovation that could allow national and regional parliaments to familiarise themselves with international trade issues and better contribute to developing EU trade policy.

Winding up the discussion, Mr KATAINEN pointed out that the aim of the measures discussed that day was to make decision-making in the area of EU trade policy more democratic and transparent, and that this should strengthen the support of stakeholders and civil society for its main objectives.

The PRESIDENT thanked Mr KATAINEN and Ms MALMSTRÖM for their presentations.

The Commission took note of the results and conclusions of the policy debate and of the background note in SEC(2017) 385.

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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 12.10.