



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2017) 2229 final

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

Brussels, 29 November 2017

TEXTE EN

MINUTES

of the 2229th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 18 October 2017

(morning)

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PV(2017) 2229 final

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

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Single sitting: Wednesday 18 October 2017 (morning)

The sitting opened at 10.14 with Mr JUNCKER, President, in the chair. Items 13 (in part) and 14 were chaired by Mr TIMMERMANS.

Present:

Mr JUNCKER	President	Items 1 to 13 (in part)
Mr TIMMERMANS	First Vice-President	
Ms MOGHERINI	High Representative / Vice-President	Items 1 to 13 (in part)
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr DOMBROVSKIS	Vice-President	
Mr KATAINEN	Vice-President	
Mr OETTINGER	Member	Items 1 to 13 (in part)
Ms MALMSTRÖM	Member	
Mr MIMICA	Member	
Mr VELLA	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	
Ms THYSSEN	Member	
Mr MOSCOVICI	Member	
Mr STYLIANIDES	Member	
Mr HOGAN	Member	
Ms BULC	Member	
Ms BIENKOWSKA	Member	
Ms JOUROVÁ	Member	
Ms CREȚU	Member	
Mr MOEDAS	Member	Items 1 to 13 (in part)
Sir Julian KING	Member	
Ms GABRIEL	Member	

Absent:

Mr HAHN	Member
Mr ARIAS CAÑETE	Member
Mr NAVRACSICS	Member
Ms VESTAGER	Member

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

Ms UDWIN	Deputy Chef de cabinet to Mr HAHN
Ms LOBILLO BORRERO	Chef de cabinet to Mr ARIAS CAÑETE
Ms KIRÁLY	Chef de cabinet to Mr NAVRACSICS
Ms JUUL-JØRGENSEN	Chef de cabinet to Ms VESTAGER

The following also sat in:

Mr SELMAYR	Chef de cabinet to the PRESIDENT	Items 1 to 13 (in part)
Ms MARTÍNEZ ALBEROLA	Deputy 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 5.3 (in part) to 14
Mr MOTOC	European Political Strategy Centre	Items 1 to 5.3 (in part)
Ms MICHOU	Deputy Secretary-General	Items 5.3 to 14
Mr SHOTTER	Chief adviser in the PRESIDENT's Office	Items 5.3 to 13
Ms DEJMEK-HACK	Adviser in the PRESIDENT's Office	Items 1 to 5.1
Mr SZOSTAK	Adviser in the PRESIDENT's Office	Items 1 to 5.1
Mr DELVAUX	Adviser in the PRESIDENT's Office	Item 13 (in part)
Mr GRASSI	Adviser in the PRESIDENT's Office	Item 13
Ms ARKI	PRESIDENT's Office	
Ms SCHMITT	Chef de cabinet to Mr AVRAMOPOULOS	Items 5.3 to 13 (in part)
Ms CHRISTOPHIDOU	Chef de cabinet to Mr STYLIANIDES	Item 5.3
Mr MORRISON	Chef de cabinet to Sir Julian KING	Items 6 to 12

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Mr BARNIER	Chief negotiator and Head of the Article 50 Task Force	Items 1 to 5.1
Ms ANDREEVA	Commission Spokesperson's Service	
Mr RUETE	Director-General, DG Migration and Home Affairs	Items 5.3 to 13 (in part)

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

1. AGENDAS

(OJ(2017) 2229/FINAL; SEC(2017) 437/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) 2229)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 16 October.

3. APPROVAL OF THE MINUTES OF THE 2222ND AND 2223RD MEETINGS OF THE COMMISSION (26 JULY AND 6 SEPTEMBER) AND THE MINUTES OF THE 2225TH, 2226TH, 2227TH AND 2228TH MEETINGS (20 AND 27 SEPTEMBER, 3 AND 11 OCTOBER)

The Commission held over approval of the minutes of its 2222nd, 2223rd, 2225th, 2226th, 2227th and 2228th meetings for a later meeting.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED

(SEC(2017) 438 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 9 and 13 October.

4.2. EMPOWERMENT

(SEC(2017) 439 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 9 and 13 October.

4.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2017) 440 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 9 and 13 October, as archived in Decide.

4.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2017) 441)

The Commission took note of the sensitive written procedures for which the time limit expired between 16 and 20 October 2017.

5. OTHER BUSINESS

5.1. STATE OF PLAY CONCERNING THE WITHDRAWAL OF THE UNITED KINGDOM FROM THE EU UNDER ARTICLE 50 OF THE TREATY ON EUROPEAN UNION FOLLOWING THE FIFTH ROUND OF NEGOTIATIONS

At the invitation of the PRESIDENT, Mr BARNIER briefed the meeting on the results of the fifth round of negotiations between himself and the chief British negotiator, Mr David Davis, which had taken place in Brussels from 9 to 12 October, and commented on the situation in general.

The PRESIDENT thanked Mr BARNIER for his skilful and determined 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.

5.2. *POLITICAL SITUATION IN MALTA*

The Commission condemned in the strongest possible terms the tragic car bomb attack, to which a Maltese journalist, Ms Daphne Caruana Galizia, had fallen victim on the previous Monday.

5.3. *FOREST FIRES IN PORTUGAL*

At the PRESIDENT's request, Mr STYLIANIDES drew the Commissioners' attention to the dramatic consequences of the ferocious forest fires that had devastated northern Portugal and caused around 40 deaths in recent days. He believed that these consequences could be explained by the effects of climate change and the fact that several Member States had experienced the same phenomenon at the same time. This meant that the magnitude of the needs had exceeded the Member States' effective capacities, despite the activation of the European coordination mechanism. Thus, on the previous Sunday evening Portugal had requested four Canadair planes, but the Member States had only been able to pledge two planes on Monday, which did not arrive until Tuesday. He added that preparation for natural disasters was first and foremost the responsibility of the Member States.

Mr STYLIANIDES drew two crucial political conclusions from these tragic events, firstly that it was essential to prepare for natural disasters and secondly that collective responsibility needed to be reinforced in these situations. This was why he was proposing to improve the current coordination mechanism in three ways, namely by (i) stepping up the level of financial support it currently received from the Union (only €40 million), (ii) putting a strong emphasis on prevention, and (iii) making the mechanism more effective.

The Union had done its best in the existing legal framework, but this was not sufficient to cope with the forest fires, hurricanes and earthquakes recently experienced in some Member States. He therefore believed it was necessary to give more ambitious resources to the Union and to convince Member States that still had misgivings of the benefits that they would draw from the measure.

The PRESIDENT thanked Mr STYLIANIDES for his presentation and stressed that the Union should equip itself with the means to provide immediate and appropriate responses in serious situations affecting Member States and put forward ideas for improving the present situation. He referred to his contacts in recent days with the Portuguese Prime Minister, António Costa.

During the exchange of views which ensued, the Commission raised the following main points:

- recognition of the unprecedented number of deaths in Portugal as a result of forest fires since the start of the summer; the public anger in the country;
- the Commission's examination of the co-financing that could be granted to Portugal from the 2018 budget to meet the cost of the damage;
- the need to persuade the Member States to pay greater attention to prevention of natural disasters and crisis preparedness; in this respect, efforts should be devoted to training the professionals involved in responding to natural disasters;
- the need to focus on preventing disasters linked to climate change and on developing systemic solutions to this systemic problem, for example in town planning;

- the need for an integrated approach to directives on the protection of the environment and financing from European funds in order to encourage Member States to continue to invest in protection against floods, forest fires and other environmental disasters even when they were not in a growth period;
- recognition of the increased risks of forest fires in areas that were no longer cultivated, and the role of farmers in maintaining landscapes;
- the need for education and awareness-building efforts to prevent individual behaviour from contributing to disasters such as forest fires;
- the public perception, as in the case of the tragic forest fires in Portugal, of a lack of response by the EU, even though the Union did not have either aircraft or personnel of its own to deploy immediately in the event of major disasters in the Member States;
- the importance, in both human and political terms, of providing a European response by the EU putting in place an immediate reaction capacity of its own while at the same time strengthening and speeding up coordination of the Member States' response capacities;
- the urgent need to launch a discussion of the resources with which the Union could equip itself so as to be able to intervene directly in the event of a natural disaster and co-finance the repair of material damage together with the Member States concerned;
- given the rise in the number of disasters due to climate change, support for the idea of creating a permanent European mechanism, guided by a global strategy, that would group together the civil protection resources in which the Member States participated;

- the case for considering increased European financing to grant to Member States afflicted by natural disasters in the EU's 2019 and 2020 annual budgets, as well as in the next Multiannual Financial Framework;
- at the same time, a recommendation to consider, on the one hand, the cumbersome nature of the formalities for granting assistance from the EU Solidarity Fund and Structural Funds, given the complex system of thresholds and the overly long payment periods, and, on the other, the limited resources available to the Union to assist Member States in repair or reconstruction after a natural disaster; the desirability of an in-depth discussion on the criteria for granting European financial assistance;
- a recommendation to stress the importance of using the data provided by Copernicus, the European Earth Observation System, the putting in place of more highly automated processes, and increased use of European agencies to conclude lease contracts, for example in order to rapidly mobilise means of transport;
- a suggestion to examine the possibility of EU cooperation with specialised UN agencies to provide help in the event of a major disaster.

The PRESIDENT wished the College to return to these highly important issues for the Union in a month's time. To this end he invited the Commissioners concerned, led by Mr STYLIANIDES, to draw up concrete proposals. He recommended a discussion where nothing was off limits, covering all the elements that would enable the Union to prove its usefulness in emergency situations, for example the idea of investing in a European fleet of Canadair-type aircraft. He asked Mr STYLIANIDES to involve Mr OETTINGER in this discussion in order to integrate the necessary budgetary dimension.

He thanked all the Members of the Commission for their contributions to this in-depth exchange of views.

The Commission took note of this information and of the PRESIDENT's conclusions.

6. **COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL AND THE COUNCIL – ELEVENTH PROGRESS REPORT TOWARDS AN EFFECTIVE AND GENUINE SECURITY UNION**
(COM(2017) 608 AND /2; RCC(2017) 131)
7. **COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – ACTION PLAN TO SUPPORT THE PROTECTION OF PUBLIC SPACES**
(COM(2017) 612 AND /2; RCC(2017) 131)
8. **COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – ACTION PLAN TO ENHANCE PREPAREDNESS AGAINST CHEMICAL, BIOLOGICAL, RADIOLOGICAL AND NUCLEAR SECURITY RISKS**
(COM(2017) 610 AND /2; RCC(2017) 131)
9. **COMMISSION RECOMMENDATION ON IMMEDIATE STEPS TO PREVENT MISUSE OF EXPLOSIVES PRECURSORS**
(C(2017) 6950 AND /2; RCC(2017) 131)
10. **PROPOSAL FOR A COUNCIL DECISION ON THE CONCLUSION, ON BEHALF OF THE EUROPEAN UNION, OF THE COUNCIL OF EUROPE CONVENTION ON THE PREVENTION OF TERRORISM (CETS No 196)**
(COM(2017) 606 AND /2; RCC(2017) 131)

- 11. PROPOSAL FOR A COUNCIL DECISION ON THE CONCLUSION, ON BEHALF OF THE EUROPEAN UNION, OF THE ADDITIONAL PROTOCOL SUPPLEMENTING THE COUNCIL OF EUROPE CONVENTION ON THE PREVENTION OF TERRORISM (CETS No 217) (COM(2017) 607 AND /2; RCC(2017) 131)**
- 12. RECOMMENDATION FOR A COUNCIL DECISION AUTHORISING THE OPENING OF NEGOTIATIONS ON AN AGREEMENT BETWEEN THE EUROPEAN UNION AND CANADA FOR THE TRANSFER AND USE OF PASSENGER NAME RECORD (PNR) DATA TO PREVENT AND COMBAT TERRORISM AND OTHER SERIOUS TRANSNATIONAL CRIME (COM(2017) 605 AND /2; RCC(2017) 131)**

Sir Julian KING presented the set of practical and operational measures proposed for approval by the College in order better to defend the citizens of the Union against terrorist threats and to build a Europe that protects. This set of measures represented the Union's response to a constantly evolving terrorist threat.

To address the evolution of the terrorist threat, he proposed that the Commission should act in three main areas.

First, he referred to the measures aimed at strengthening the Union's resistance, particularly by means of an action plan intended to support steps taken by the Member States to protect and reduce the vulnerability of their public spaces. These measures were aimed at physically protecting public spaces, maintaining their open nature whilst making them less vulnerable. Sir Julian KING also underlined the importance of supporting the implementation of these measures with budgetary resources, and indicated that as of that year the Commission could make available EUR 18.5 million from the Internal Security Fund, with an additional sum of EUR 100 million in 2018 under innovative urban measures in the field of security.

The package of measures proposed that day covered several fields, so as to provide a comprehensive response to a complex threat. This was particularly the case in the

field of transport security and within the framework of the proposed action plan to enhance preparedness against chemical, biological, radiological and nuclear security risks. This action plan also included measures to improve crisis management and a section relating to health protection.

Sir Julian KING explained that another line of action proposed consisted of depriving terrorists of the resources to act. In this respect, the Union already had legislation enabling restriction of access to explosives precursors, and the Commission was therefore that day recommending immediate measures to prevent any misuse of these substances by terrorists. He added that the Commission also intended to speed up its re-examination of the regulation on explosives precursors by presenting an evaluation, to be followed by an impact assessment in the first half of 2018.

It was also necessary to support law enforcement and judicial authorities when they encountered encryption in criminal investigations, without weakening encryption at a more general level or affecting a large or indiscriminate number of people. To this end, the Commission proposed operational support measures, a new range of techniques and training, and the creation of a network of points of expertise. It was necessary to continue to tackle terrorist financing, and the Commission would examine the barriers to accessing data on financial transactions carried out in other Member States, together with possible measures to resolve such obstacles at Union level.

Finally, Sir Julian KING added that the Commission proposed reinforcing the Union's external action and cooperation with third countries in the field of the fight against terrorism and other serious transnational crime. To this end, the Commission would recommend the Council to authorise the opening of negotiations for the conclusion with Canada of a revised agreement on Passenger Name Record (PNR) data, in accordance with the requirements stipulated by the European Court of Justice in its Opinion of 26 July. The Commission would also present a proposal for a Council Decision on the conclusion, on behalf of the Union, of the Council of

Europe Convention on the Prevention of Terrorism. The Commission intended to enhance Europol's cooperation with third countries by presenting, before the end of the year, recommendations to the Council to authorise the opening of negotiations for agreements between the Union and Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Tunisia and Turkey on the transfer of personal data between Europol and these countries to prevent and combat terrorism and serious crimes.

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

- the need to provide the Member States with operational support and to propose practical measures to increase the security of citizens, particularly in public spaces;
- the need to consider strengthening the external dimension of the fight against terrorism at the meeting of G7 interior ministers to be held in Italy on 19 and 20 October;
- the need to take measures at the international level, particularly within the framework of the G7, in order to restrict the activities of terrorists online;
- the development of anti-terrorist expertise that should result from the exchange of information and good practices within the Union and at the international level;
- in this context, the relevance of the work undertaken by the Commission regarding the establishment of a future European Intelligence Unit, as announced by the PRESIDENT in his State of the Union speech, by 2025;
- immediately after the collapse of IS/Daesh in Syria and Iraq, the importance of keeping a very close watch on the movements of terrorists located there, particularly towards Afghanistan, Libya, the Horn of Africa and the Balkans.

The PRESIDENT concluded the discussion by thanking Sir Julian KING for the

quality of the proposed set of measures, which would help the Member States to deprive terrorists of the means of carrying out their hateful acts and would better protect citizens in public spaces all across the Union.

Following this presentation and the discussion that ensued, the Commission:

- approved the report in COM(2017) 608/2, for transmission to Parliament, the European Council and the Council and, for information, to the national parliaments;
- approved the Communications set out in COM(2017) 612/2 and COM(2017) 610/2, for transmission to Parliament, the Council, the Economic and Social Committee and the Committee of the Regions and, for information, to the national parliaments;
- adopted the recommendation in C(2017) 6950/2 and decided to notify it to the Member States and to publish it, for information, in the *Official Journal of the European Union*;
- adopted the proposals for a Council Decision set out in COM(2017) 606/2 and COM(2017) 607/2, for transmission to Parliament and the Council and, for information, to the national parliaments.
- adopted the recommendation for a Council Decision set out in COM(2017) 605/2, for transmission to Parliament and the Council and, for information, to the national parliaments.

13. INTERINSTITUTIONAL RELATIONS

(RCC(2017) 130)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 13 October (RCC(2017) 130).

It paid particular attention to the following points.

13.1. HORIZONTAL ITEM

- i) Forecast of payment appropriations after 2020 presented in accordance with point 9 of the Interinstitutional Agreement of 2 December 2013 and Medium term payments forecast – Update of the Medium term payments forecast presented in the autumn of 2016 at the occasion of the Mid-term revision of the current Multiannual Financial Framework (MFF)**
(point 1 of the IRG record)

The Commission approved the line set out in SI(2017) 466 and /2.

13.2. LEGISLATIVE MATTERS

- ii) Trilogues**
(point 3.1 of the IRG record)
 - Amendment of Regulation (EU) 230/2014 of the European Parliament and of the Council of 11 March 2014 establishing an instrument contributing to stability and peace (Regulation) – DANJEAN report – 2016/0207 (COD)

The Commission approved the line set out in SI(2017) 449 and /2.

- Financial rules applicable to the general budget of the European Union and amendment of Regulation (EC) 2012/2002, Regulations (EU) 1296/2013, (EU) 1301/2013, (EU) 1303/2013, (EU) 1304/2013, (EU) 1305/2013, (EU) 1306/2013, (EU) 1307/2013, (EU) 1308/2013, (EU) 1309/2013, (EU) 1316/2013, (EU) 223/2014, (EU) 283/2014 and (EU) 652/2014 of the European Parliament and of the Council, and Decision 541/2014/EU of the European Parliament and of the Council (Regulation) – GRÄSSLE / ASHWORTH report – 2016/0282 (COD)

The Commission approved the line set out in SI(2017) 469/2.

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

The Commission approved the line set out in SI(2017) 452/2.

- Common rules in the field of civil aviation and establishment of a European Union Aviation Safety Agency, and repeal of Regulation (EC) 216/2008 (Regulation) – MARINESCU report – 2015/0277 (COD)

The Commission approved the line set out in SI(2017) 468/2.

- 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) 460.

iii) European Parliament dossiers – October II part-session

(point 3.2 of the IRG record)

Ordinary legislative procedure – Second and first readings

- Amendment of Council Framework Decision 2004/757/JHA of 25 October 2004 laying down minimum provisions on the constituent elements of criminal acts and penalties in the field of illicit drug trafficking with regard to the definition of the term ‘drug’ (Directive) – JIMÉNEZ-BECERRIL BARRIO report – 2013/0304 (COD) / Amendment of Regulation (EC) 1920/2006 as regards information exchange, early warning system and risk assessment procedure on new psychoactive substances (Regulation) – BONI report – 2016/0261 (COD)

The Commission took note of SP(2017) 638, further to COM(2017) 560, which it had already approved on 27 September, and notes SI(2017) 394 and /2, which it had already approved on 12 September.

The Commission also took note of SP(2017) 640, further to notes SI(2017) 394 and /2, which it had already approved on 12 September.

Ordinary legislative procedure – First reading

- Establishment of an Entry/Exit System (EES) to register entry and exit data and refusal of entry data of third-country nationals crossing the external borders of the Member States of the European Union, determining the conditions for access to the EES for law-enforcement purposes, and amendment of Regulation (EC) 767/2008 and Regulation (EU) 1077/2011 (Regulation) / Amendment of Regulation (EU) 2016/399 as regards the use of the Entry/Exit System (Regulation) – DÍAZ DE MERA GARCÍA CONSUEGRA reports – 2016/0106 (COD) / 2016/0105 (COD)

The Commission took note of SP(2017) 641 and SP(2017) 642, further to note SI(2017) 355, which it had already approved on 12 July.

- Common rules on securitisation and a European framework for simple, transparent and standardised securitisation and amendment of Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) 1060/2009 and (EU) 648/2012 (Regulation) – TANG report – 2015/0226 (COD) / Amendment of Regulation (EU) 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (Regulation) – KARAS report – 2015/0225 (COD)

The Commission approved the line set out in SP(2017) 639 and took note of the compromise texts annexed thereto.

- Amendment of Directive 2004/37/EC on the protection of workers from the risks related to exposure to carcinogens or mutagens at work (Directive) – ULVSKOG report – 2016/0130 (COD)

The Commission took note of SP(2017) 643, further to note SI(2017) 360, which it had already approved on 12 July.

Non-legislative procedure (NLE)

- Amendment of Council Regulation (EU) 560/2014 of 6 May 2014 establishing the Bio-based Industries Joint Undertaking (Council Directive) – POCHE report – 2017/0024 (NLE)

The Commission approved the line set out in SP(2017) 644.

13.3. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iv) Programming of Council business

(SI(2017) 470)

The Commission took note of the information in SI(2017) 470 on the Council meetings between 19 October and 1 November.

v) Preparations for the European Council meeting (Brussels, 19 and 20 October)

Looking ahead to the European Council meeting on 19 and 20 October, the PRESIDENT asked Mr TIMMERMANS to review the state of the main issues on the agenda following the discussion in the General Affairs Council, Ms MALMSTRÖM, Mr HOGAN and Mr KATAINEN to provide further information about the Union's trade policy, and Ms MOGHERINI to outline the foreign policy questions.

Mr TIMMERMANS began by presenting the results of the General Affairs Council of 17 October and the meeting of the same Council in its 'Article 50'

configuration of 27 Member States. He noted a broad consensus on the digital innovation programmes in the wake of the Tallinn summit, but regretted the recurrent difficulty in translating words of unity into practical action, particularly in the case of migration policy. The 27 Member States had confirmed that some progress had been made in the negotiations on the UK's withdrawal from the European Union, stressing, however, that this was not sufficient to move on to the second phase of the negotiations, with the result that the evaluation had been deferred until December.

He then mentioned the letter of invitation which the President of the European Council, Donald Tusk, had sent to the Heads of State or Government of the Union, the work programme and the report on implementation of the Bratislava Roadmap, while also stressing the innovations that should make the General Affairs Council more political in order to speed up the decision-making process.

The PRESIDENT thanked Mr TIMMERMANS for his presentation and emphasised the efforts by Donald Tusk and himself to make the work of the European Council and the Council of the European Union more efficient. The Commission had contributed to these efforts in the shape of the ideas and proposals set out in the State of the Union speech and in the Roadmap for a More United, Stronger and More Democratic Union which the PRESIDENT had proposed to Mr Tusk and the rotating Council Presidencies.

Turning to the European Union's trade policy, Ms MALMSTRÖM referred first to the recent discussions in the Foreign Affairs Council, in Coreper and with national parliaments, all of which revealed broad support for the policy proposed by the Commission. However, the trade agreements were not regarded as equally urgent by all of the Member States and some of them were worried about publishing the negotiating mandates. Questions might also be raised about the transfers of data under such agreements.

In the specific context of the negotiation of an association agreement with the

Mercosur countries, she insisted that no Member State had wanted to delay the ongoing discussions, and that significant progress had been made on the reference criteria and controls in the area of food safety, matters on which several Member States had been sceptical.

Mr HOGAN mentioned the concerns of several Member States about the treatment of certain agricultural products, notably beef and ethanol, in the trade negotiations with Mercosur. However, he emphasised the results of the analysis of the cumulative impact of trade agreements on the EU's agricultural sector.

On the sensitive matter of beef and veal he noted that the concerns voiced by some Member States had been exacerbated by the downward trend in consumption and the uncertainty related to the UK's withdrawal from the Union. He highlighted the three main aspects for the beef sector: (i) the question of sanitary and phytosanitary standards, (ii) the major problem of identifying the cuts covered by the agreement, and (iii) concerns about the cumulative effects of the agreements.

Mr KATAINEN stressed the importance of the association agreement with the Mercosur countries for European businesses and citizens. By way of illustration, he pointed out that, in financial terms, this agreement represented a volume four times that of the Union's free trade agreement with Japan and eight times that of the Comprehensive Economic and Trade Agreement with Canada. He fully recognised the sensitivity of the questions raised in some segments of the market and the need to support the Member States most affected. He proposed stepping up the dialogue with their Heads of State or Government to present the considerable economic benefits and fairer trade relations that would result, on the one hand, and to determine what kind of help the Commission could offer to ensure that these benefits were properly communicated to the stakeholders and public opinion, on the other.

The PRESIDENT drew attention to the electoral timetable in some of the

Mercosur countries, which was why it would be good to reach a decision on concluding an association agreement with these countries before the end of 2017. He thanked Ms MALMSTRÖM, Mr HOGAN and Mr KATAINEN and asked them to provide information setting out in clear and simple terms the Commission's negotiating position on beef and veal.

Ms MOGHERINI then presented the foreign policy issues which might be discussed at the European Council at the end of the week. She mentioned relations with Turkey and the possible repercussions of the threat by the United States to withdraw from the 2015 Vienna deal on Iran's nuclear programme. On the latter point she stressed the need to defend the EU's interests, pointing to the situation of the many European companies that had already benefited from the lifting of sanctions. She wanted to see a greater communication effort to explain the advantages of access to this important market and urged the Members of the Commission to visit Iran to assert the EU's presence there. Other subjects that might be discussed included the threat to international peace and stability posed by North Korea. She reminded the meeting that the Foreign Affairs Council had adopted new sanctions against North Korea on 16 October.

Ms MOGHERINI concluded by welcoming the positive results achieved in the external dimension of EU policy on migration. However, she emphasised that Member States had to be reminded of the need for them to contribute to resettlement policy and to the EU Emergency Trust Fund for Africa in order to ensure the sustainability of these results.

Mr ŠEFČOVIČ mentioned a further point which could be raised at the meeting of the European Council, namely the question of the specific support wanted by the energy-transition regions. In this regard he mentioned the political initiative launched by the Commission in order to assist regions heavily dependent on coal to decarbonise their economies in the medium term within the framework of projects funded using Structural Funds. This

initiative involved, above all, regions in the Visegrád group countries, namely Hungary, Poland, the Czech Republic and Slovakia.

Returning to the negotiation of trade agreements, Mr ŠEFČOVIČ stressed the need to focus on reciprocity. He referred in this context to the measures recently put forward by the Commission to create a review mechanism for foreign direct investment in EU essential infrastructure, particularly in the digital sector.

During a brief exchange of views, the Commission raised the following main points:

- the desire of various Member States to increase reciprocity in trade agreements, particularly in certain sensitive sectors;
- the guarantee of high EU standards in sanitary and phytosanitary matters, on which no concessions were possible; similarly, the Commission's efforts to step up the monitoring of compliance with those standards in the negotiation of trade agreements and the progress reported on this point in relation to the Mercosur countries;
- the geostrategic dimension and the economic challenges of an Association Agreement between the EU and Mercosur;
- the case to make regarding the need to have an overview of the benefits for each Member State from the trade agreements concluded by the EU with third countries by considering their cumulative benefits;
- the fact that any trade agreement had to be ratified by the Member States, and therefore the need to effectively promote the economic benefits of these agreements at national level.

The PRESIDENT ended the discussion by thanking the Members of the Commission for their contributions to the preparation of the European

Council meeting on 19 and 20 October.

The Commission took note of this information.

vi) Non-legislative dossiers

(point 4.1 of the IRG record)

- Proposal for new cooperation actions between the European Union and the North Atlantic Treaty Organisation for the implementation of the EU-NATO Joint Declaration signed in Warsaw on 8 July 2016

The Commission approved the line set out in SI(2017) 461.

- 3rd session of the United Nations Environment Assembly (UNEA3) (Kenya, 4 to 6 December 2017) – Provisional list of voluntary commitments to be presented on behalf of the European Union

The Commission approved the line set out in SI(2017) 462.

- 51st high-level meeting of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD) (Paris, 30 and 31 October 2017)

The Commission took note of the information in SI(2017) 463.

**14. REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT
AND THE COUNCIL ON THE FIRST ANNUAL REVIEW OF THE
FUNCTIONING OF THE EU-US PRIVACY SHIELD
(COM(2017) 611 TO /3; SWD(2017) 344 AND /2; RCC(2017) 132)**

Ms JOUROVÁ briefly presented to the Commission the first annual report on the functioning of the EU-US Privacy Shield.

In terms of substance, she reported that the EU-US Privacy Shield continued to

work well, as had been confirmed by her meetings with the relevant US authorities last September. She also emphasised the success of this instrument, particularly for European consumers and businesses taking advantage of safe and secure international data transfers. Finally, she highlighted the recommendations proposed in the report on further improving the functioning of the Privacy Shield.

Mr TIMMERMANS thanked Ms JOUROVÁ for the robust and factual analysis provided in this important report on an issue that remained sensitive. He noted the agreement of the Members of the Commission.

Following this presentation, the Commission approved the report in document COM(2017) 611/3 for transmission to Parliament and the Council and, for information, to the national parliaments, together with the staff working document distributed as SWD(2017) 344/2, the contents of which were noted.

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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.