EUROPEAN COMMISSION

SECRETARIAT-GENERAL

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Strasbourg, 6 February 2018

TEXTE EN

MINUTES

of the 2235th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 6 December 2017

(morning)

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Single sitting: Wednesday 6 December 2017 (morning)

The sitting opened at 9.45 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	
Ms MOGHERINI	High Representative / Vice-President	
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	
Mr DOMBROVSKIS	Vice-President	
Mr OETTINGER	Member	
Mr HAHN	Member	
Ms MALMSTRÖM	Member	
Mr MIMICA	Member	
Mr ARIAS CAÑETE	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	
Ms THYSSEN	Member	
Mr MOSCOVICI	Member	
Mr STYLIANIDES	Member	
Mr HOGAN	Member	
Ms BULC	Member	Items 1 to 8/14 (in part)
Ms BIEŃKOWSKA	Member	
Ms JOUROVÁ	Member	
Mr NAVRACSICS	Member	
Ms CREȚU	Member	
Ms VESTAGER	Member	
Mr MOEDAS	Member	
Sir Julian KING	Member	
Ms GABRIEL	Member	

Absent:

Mr KATAINEN	Vice-President
Mr VELLA	Member

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

Mr ROMAKKANIEMI	Chef de cabinet to Mr KATAINEN	Items 1 to 6, and 8 to 14
Ms GHIO	Deputy Chef de cabinet to Mr VELLA	Items 1 to 6, and 8 to 14

The following also sat in:

Mr SELMAYR	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Ms AHRENKILDE HANSEN	DG Communication	Items 1 to 6, and 8 to 14
Mr SCHINAS	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	
Ms METTLER	Head of the European Political Strategy Centre	Items 8 to 14
Mr SWIEBODA	European Political Strategy Centre	Items 1 to 6
Mr PAQUET	Deputy Secretary-General	Items 8 to 14
Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	Items 1 to 6, and 8 to 14
Ms DEJMEK-HACK	Adviser in the PRESIDENT's Office	Items 8 to 14
Mr THOLONIAT	Adviser in the PRESIDENT's Office	Items 8 to 14
Mr GRASSI	Adviser in the PRESIDENT's Office	Items 8/14 (in part)
Ms SILLAVEE	PRESIDENT's Office	Items 1 to 6, and 8 to 14
Mr WYNANDS	Chef de cabinet to Mr DOMBROVSKIS	Items 8 to 14
Mr HAGER	Chef de cabinet to Mr OETTINGER	Items 8 to 14
Ms ÅSENIUS	Chef de cabinet to Ms MALMSTRÖM	Items 8/14 (in part)
Mr BAILLY	Chef de cabinet to Mr MOSCOVICI	Items 8 to 14
Mr BARNIER	Chief negotiator and Head of the Article 50 Task Force	Items 1 to 7
Ms ANDREEVA	Commission Spokesperson's Service	Items 1 to 6, and 8 to 14

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

The PRESIDENT opened the Commission meeting by paying tribute to Manuel MARÍN, Vice-President of the European Commission from 1986 to 1999, who had died on 4 December in Madrid at the age of 68.

The PRESIDENT expressed his deep personal sadness at the news of the passing, far too early, of a dear friend whom he had known as a young Secretary of State for the Spanish Government's relations with the European Communities from 1982 to 1985, heading the team negotiating Spain's accession to the Union, and from January 1986 as Vice-President of the European Commission. He stressed that while they belonged to different political camps and had sometimes been opposed politically, they shared the most important thing: the same faith in Europe.

He spoke of Manuel MARÍN as a great man and a great socialist who had been a constant source of inspiration to him. He had served both his country and Europe, at the time of Spain's accession to the Union in 1986 and as Vice-President of the Commission in charge, firstly, of Social Affairs, Employment, Education and Training, subsequently of Development Cooperation and the Common Fisheries Policy, and, lastly, of relations with Southern Mediterranean countries, the Middle East, Latin America and Asia, until his departure in 1999. He hailed him as the father of the Erasmus Programme, one of the Union's most iconic achievements in the eyes of Europeans, and as a model of Spain's European vocation.

On his own behalf and on behalf of the Commission, the PRESIDENT offered his sincere condolences to Manuel MARÍN's family and friends.

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1. AGENDAS
(OJ(2017) 2235/FINAL/2; SEC(2017) 508/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) 2235)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Tuesday 5 December.

3. APPROVAL OF THE MINUTES OF THE 2231ST, 2232ND, 2233RD AND 2234TH MEETINGS OF THE COMMISSION (8, 14, 22 AND 29 NOVEMBER) (PV(2017) 2231; PV(2017) 2231, 2ND PART)

The Commission approved the minutes of its 2231st meeting, and decided to hold over approval of the minutes of its 2232nd, 2233rd and 2234th meetings until a later meeting.

4. INTERINSTITUTIONAL RELATIONS (RCC(2017) 148)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 1 December (RCC(2017) 148).

It paid particular attention to the following points.

4.1. LEGISLATIVE MATTERS

i) 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 approved the line set out in SI(2017) 572.

ii) Trilogues

(point 3.1 of the IRG record)

– Use of the Schengen Information System for the return of illegally staying third-country nationals / Establishment, operation and use of the Schengen Information System (SIS) in the field of border checks, amendment of Regulation (EU) 515/2014 and repeal of Regulation (EC) 1987/2006 / Establishment, operation and use of the Schengen Information System (SIS) in the field of police cooperation and judicial cooperation in criminal matters, amendment of Regulation (EU) 515/2014 and repeal of Regulation (EC) 1986/2006, Council Decision 2007/533/JHA and Commission Decision 2010/261/EU (Regulations) – LENAERS and COELHO reports – 2016/0407 (COD) / 2016/0408 (COD) / 2016/0409 (COD)

The Commission approved the line set out in SI(2017) 516/2.

– Establishment of a Union Resettlement Framework and amendment of Regulation (EU) 516/2014 of the European Parliament and the Council (Regulation) – BJÖRK report – 2016/0225 (COD)

The Commission approved the line set out in SI(2017) 586/2.

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

The Commission approved the line set out in SI(2017) 581.

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

The Commission approved the line set out in SI(2017) 583/2.

– Binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 for a resilient Energy Union and to meet commitments under the Paris Agreement, and amendment of Regulation (EU) 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) – GERBRANDY report – 2016/0231 (COD)

The Commission approved the line set out in SI(2017) 577.

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

The Commission approved the line set out in SI(2017) 578/2.

– Approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles (Regulation) – DALTON report – 2016/0014 (COD)

The Commission approved the line set out in SI(2017) 587.

iii) European Parliament dossiers - Results of December part-session
(point 3.2 of the IRG record)

<u>Ordinary legislative procedure – Second reading</u>

– Sustainable management of external fishing fleets, and repeal of Council Regulation (EC) 1006/2008 (Regulation) – ENGSTRÖM report – 2015/0289 (COD)

The Commission took note of the compromise text in SP(2017) 755, further to communication COM(2017) 633, which it had already approved on 25 October.

Ordinary legislative procedure – First reading

– 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 (Regulation) – BULLMANN / FERNANDES report – 2016/0276 (COD)

The Commission approved the line set out in SP(2017) 760 and /2 and took note of the compromise text in the annex to SP(2017) 760.

– 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 took note of the compromise text in SP(2017) 761, further to note SI(2017) 455, which it had already approved on 11 October.

iv) Council dossiers
(point 3.3 of the IRG record)

– Mutual recognition of freezing and confiscation orders (Regulation) – GRIESBECK report – 2016/0412 (COD)

The Commission approved the line set out in SI(2017) 570.

– Amendment of Council Framework Decision 2009/315/JHA, as regards the exchange of information on third country nationals and as regards the European Criminal Records Information System (ECRIS), and replacement of Council Decision 2009/316/JHA (Directive) /

Establishment of a centralised system for the identification of Member States holding conviction information on third country nationals and stateless persons (TCN) to supplement and support the European Criminal Records Information System (ECRIS-TCN system), and amendment of Regulation (EU) 1077/2011 (Regulation) – DALTON reports – 2016/0002 (COD) / 2017/0144 (COD)

The Commission approved the line set out in SI(2017) 573.

– Fixing for 2018 of the fishing opportunities for certain fish stocks and groups of fish stocks, applicable in Union waters and, for Union fishing vessels, in certain non-Union waters (Regulation) – 2016/0287 (NLE)

The Commission approved the line set out in SI(2017) 569.

– Common framework for the provision of better services for skills and qualifications (Europass) and repeal of Decision 2241/2004/EC (Decision) – MALINOV / MANN report – 2016/0304 (COD)

The Commission approved the line set out in SI(2017) 585.

– Establishment of the European Defence Industrial Development Programme aiming at supporting the competitiveness and innovative capacity of the EU defence industry (Regulation) – GROSSETÊTE report – 2017/0125 (COD)

The Commission approved the line set out in SI(2017) 593.

4.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

v) Programming of Council business

(SI(2017) 596)

The Commission took note of the information in SI(2017) 596 on the Council meetings between 7 and 20 December.

vi) Non-legislative dossiers
(point 4.1 of the IRG record)

– Position to be adopted, on behalf of the European Union, at the next three meetings of the International Whaling Commission including related inter-sessional meetings and actions (Council decision) – 2017/0215 (NLE)

The Commission approved the line set out in SI(2017) 568.

– European Investment Bank proposal to establish a European Development subsidiary

The Commission approved the line set out in SI(2017) 574 and /2.

– Cooperation between the European Union and the North Atlantic Treaty Organisation – Proposals for new cooperation measures for the implementation of the Warsaw Joint Declaration of July 2016

The Commission approved the line set out in SI(2017) 579 and /2.

– Cooperation between the European Union and the North Atlantic Treaty Organisation – Second interim report on the application of the cooperation measures adopted by the European Union and the North Atlantic Treaty Organisation on 6 December 2016

The Commission approved the line set out in SI(2017) 580.

– ‘EU-China Ocean Partnership’ – Document from the Commission to the Council

The Commission approved the line set out in SI(2017) 588 and /2.

– International Maritime Organisation (IMO) – Commission Staff Working Documents for the Council Shipping Working Party – Joint European

Union submissions – SWD(2017) 415, SWD(2017) 416, SWD(2017) 417, SWD(2017) 418 and SWD(2017) 419

The Commission approved the line set out in SI(2017) 594.

vii) Preparation for Council meeting (Economic and Financial Affairs) (Brussels, 5 December)
(point 4.2.2 of the IRG record)

– United States Tax Reform

The Commission approved the line set out in SI(2017) 592.

viii) Preparation for Council meeting (Justice and Home Affairs) (Brussels, 7 and 8 December)
(point 4.2.4 of the IRG record)

– Council conclusions on stepping up the fight against illegally traded tobacco products in the European Union

The Commission approved the line set out in SI(2017) 589 and /2.

4.3. RELATIONS WITH PARLIAMENT

ix) Action to be taken on Parliament's legislative resolutions and other resolutions of a legal nature
(SP(2017) 767)

The Commission decided to empower the Members of the Commission responsible for the sectors in question, in agreement with the PRESIDENT and Mr TIMMERMANS and, if necessary, with the other Members concerned, to adopt the amended proposals for transmission to Parliament and the Council, as set out in SP(2017) 767, drawn up following the November II part-session of Parliament, the contents of which were noted.

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

The Commission approved, for transmission to Parliament, document SP(2017) 766 on the action taken on the legislative opinions and non-legislative resolutions adopted by Parliament at its October I and II part-sessions.

xi) Results of Parliament's November II part-session
(SP(2017) 762)

The Commission took note of the information on Parliament's part-session held on 29 and 30 November in Brussels, set out in SP(2017) 762.

xii) Participation by Members of Parliament in international conferences
(point 5.7 of the IRG record)

– 24th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP 24) (Katowice, 3 to 14 December 2018)

The Commission agreed to the request to the PRESIDENT from Mr Antonio TAJANI, the President of the European Parliament, concerning the attendance of fifteen Members of the European Parliament at the above-mentioned meeting, from 11 to 15 December 2018, as observers in the EU delegation, with a reminder about the procedure to be followed as set out in SP(2017) 774.

xiii) Preparation of the 34th Joint Parliamentary Assembly of the African, Caribbean and Pacific States and the European Union (ACP-EU) (18 to 20 December 2017, Port-au-Prince) – Replies to Oral

Questions
(point 5.9 of the IRG record)

The Commission approved the replies to the oral questions from the Joint Parliamentary Assembly set out in SP(2017) 756, for transmission to the Assembly.

xiv) Preparation of the 34th Joint Parliamentary Assembly of the African, Caribbean and Pacific States and the European Union (ACP-EU) (18 to 20 December 2017, Port-au-Prince) – Follow-up to the resolutions adopted in St. Julian's on 21 June 2017
(point 5.10 of the IRG record)

The Commission approved the follow-up to the resolutions adopted by the Joint Parliamentary Assembly set out in SP(2017) 765 and /2, for transmission to the Assembly.

5. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

5.1. WRITTEN PROCEDURES APPROVED (SEC(2017) 509 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 27 November and 1 December.

5.2. EMPOWERMENT (SEC(2017) 510 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 27 November and 1 December.

5.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2017) 511 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 27 November and 1 December, as archived in Decide.

5.4. SENSITIVE WRITTEN PROCEDURES (SEC(2017) 512 AND /3)

The Commission took note of the sensitive written procedures for which the time limit expired between 4 and 8 December and of the finalisation written procedures initiated following the weekly meeting of Chefs de cabinet on Tuesday 5 December.

5.5. AD HOC EMPOWERMENT TO ADOPT THE NECESSARY PROTECTIVE MEASURES IN THE EVENT OF THE COUNCIL'S FAILURE TO ACT WHEN FIXING FOR 2018 THE FISHING OPPORTUNITIES FOR CERTAIN FISH STOCKS AND GROUPS OF FISH STOCKS, APPLICABLE IN UNION WATERS AND, FOR UNION VESSELS, IN CERTAIN NON-UNION WATERS (C(2017) 8273 AND /2)

The Commission decided to empower Mr VELLA, the Member of the Commission responsible for Maritime Affairs and Fisheries, in agreement with the PRESIDENT, on behalf of the Commission and under its responsibility, to adopt the necessary protective measures, in the event of the Council’s failure to act when fixing for 2018 the fishing opportunities for certain fish stocks and groups of fish stocks, applicable in Union waters and, for Union vessels, in certain non-Union waters, in accordance with the terms set out in C(2017) 8273/2.

6. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2017) 513)

ADMINISTRATIVE MATTERS (PERS(2017) 121)

6.1. DG BUDGET – ALLOCATION OF HUMAN RESOURCES AND DECENTRALISED ADMINISTRATIVE APPROPRIATIONS FOR 2018 (SEC(2017) 528)

The Commission adopted the communication in SEC(2017) 528.

This decision would take effect immediately.

6.2. DG HUMAN RESOURCES AND SECURITY – LAUNCHING OF 2017 PROMOTION EXERCISE FOR SENIOR MANAGEMENT OFFICIALS

The Commission took note of the decision adopted by Mr OETTINGER, in agreement with the PRESIDENT and in accordance with the provisions of the Commission Decision of 10 May 2007 on the system of promotion of senior management officials (SEC(2017) 605), concerning the 2017 promotion exercise based on the following criteria: the maximum promotion rate would be 15% of eligible senior management officials, the posts concerned would be those of director or equivalent (AD14/15) and director-general or equivalent (AD15/16), the eligibility conditions would have to be met by 31 December 2017 at the latest and promotions would take effect on 1 January 2018.

7. STATE OF PLAY OF THE WITHDRAWAL OF THE UNITED KINGDOM FROM THE EUROPEAN UNION UNDER ARTICLE 50 OF THE TREATY ON EUROPEAN UNION

At the PRESIDENT’s invitation, Mr BARNIER reported on the negotiations on the withdrawal of the United Kingdom from the Union, ahead of the European Council on 14 and 15 December.

8. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL AND THE EUROPEAN CENTRAL BANK – FURTHER STEPS TOWARDS COMPLETING EUROPE'S ECONOMIC AND MONETARY UNION – A ROADMAP
(COM(2017) 821 TO /3)

9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL AND THE EUROPEAN CENTRAL BANK – A EUROPEAN MINISTER OF ECONOMY AND FINANCE
(COM(2017) 823 AND /2)

10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL AND THE EUROPEAN CENTRAL BANK – NEW BUDGETARY INSTRUMENTS FOR A STABLE EURO AREA WITHIN THE UNION FRAMEWORK
(COM(2017) 822 AND /2)

11. PROPOSAL FOR A COUNCIL REGULATION ON THE ESTABLISHMENT OF THE EUROPEAN MONETARY FUND
(COM(2017) 827)

12. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 2017/825 TO INCREASE THE FINANCIAL ENVELOPE OF THE STRUCTURAL REFORM SUPPORT PROGRAMME AND ADAPT ITS GENERAL OBJECTIVE
(COM(2017) 825)

13. PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) 1303/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 17 DECEMBER 2013 LAYING DOWN COMMON PROVISIONS ON THE EUROPEAN REGIONAL DEVELOPMENT FUND, THE EUROPEAN SOCIAL FUND, THE COHESION FUND, THE EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT AND THE EUROPEAN MARITIME AND FISHERIES FUND AND LAYING DOWN GENERAL PROVISIONS ON THE EUROPEAN REGIONAL DEVELOPMENT FUND, THE EUROPEAN SOCIAL FUND, THE COHESION FUND AND THE EUROPEAN MARITIME AND FISHERIES FUND AND REPEALING COUNCIL REGULATION (EC) 1083/2006 AS REGARDS SUPPORT TO STRUCTURAL REFORMS IN MEMBER STATES (COM(2017) 826 AND /2)

14. PROPOSAL FOR A COUNCIL DIRECTIVE LAYING DOWN PROVISIONS FOR STRENGTHENING FISCAL RESPONSIBILITY AND THE MEDIUM-TERM BUDGETARY ORIENTATION IN THE MEMBER STATES
(COM(2017) 824)

Mr DOMBROVSKIS presented the roadmap and the specific measures proposed by the Commission with a view to deepening the Economic and Monetary Union. He explained that the set of proposals was underpinned by the principles of unity, efficiency and democratic accountability, that it took an inclusive approach by addressing all the Member States irrespective of whether or not they had adopted the euro, and that it was based on the Community method. In his view, it was important for the whole of the Union to work together to complete the Economic and Monetary Union, and he felt that the current positive economic climate presented a good opportunity for this to be achieved.

He considered that the Eurogroup talks to prepare the upcoming Euro area summit on 15 December in an EU 27 format had been positive, despite the still considerable differences of opinion on certain matters, such as the stabilisation function. Therefore, there was still much work to be done and a great deal of good will would be needed to allow the EU to take concrete decisions in June 2018.

Generally speaking, the initiatives presented that day were coherent and substantive measures that set out the next steps for deepening the Economic and Monetary Union from an economic, financial, budgetary and democratic perspective, with a clear and precise roadmap of actions to be implemented in the coming 18 months.

He also stressed that this set of proposals complemented the work already carried out with a view to completing the Banking Union and the Capital Markets Union, which were also priorities in terms of ensuring the stability and economic performance of the Economic and Monetary Union.

On the substance of the measures, Mr DOMBROVSKIS noted that the PRESIDENT had announced the key components of this package of proposals in his State of the Union address in September.

He then referred, firstly, to the incorporation of the intergovernmental agreements concluded during the crisis into the Community framework, in order to strengthen the long-term cohesiveness and democratic accountability of the EU's system for coordinating economic policies. He explained that the European Stability Mechanism needed to become a real European Monetary Fund that was able to manage any future crises more effectively and with greater democratic scrutiny. He added that the future European Monetary Fund must also act as a support mechanism for the Banking Union, by acting as a backstop to the Single Resolution Fund.

He also noted that the creation of the European Stability Mechanism had been accompanied by the adoption of the Fiscal Compact. For that reason, the Commission was proposing that day to incorporate the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union into the

Community framework, as had been requested by the European Parliament and as the contracting parties had already made provision for in Article 16 of the Treaty. He confirmed that the Commission's proposal would not affect the rules of the Stability and Growth Pact, but would provide a basis for sound budgetary policy guidelines in the medium term.

Secondly, Mr DOMBROVSKIS referred to the budgetary instruments that would ensure stability in the euro area within the framework of the EU budget. He stressed that the Economic and Monetary Union needed to better ensure the resilience and convergence of economies, not only those in the euro area, but also those of future members, hence the support for structural reforms; this support would need to be consistent with the European Semester for the coordination of economic and budgetary policies, as this would allow the reforms in question to be implemented effectively.

He explained that the instrument to support structural reforms would, on the one hand, involve the provision of technical support, drawing on the experience gained in relation to reforms, together with the financial support needed to achieve the desired reform objectives, on the other hand. This support would be made available to all the Member States, but would be offered in particular to those with excessive imbalances under the macroeconomic imbalance procedure.

Specifically, the Member States would agree with the Commission on multiannual reform commitments, in line with the priorities identified as part of the European Semester, with deadlines and phases for implementation. Once these targets had been examined and approved, regular monitoring would determine the disbursement of funds, which would help to further increase the effectiveness of the European Semester.

Mr DOMBROVSKIS indicated that the Commission was proposing to already develop these two tools on the basis of the existing financial framework by increasing the financial envelope for the structural reform support programme and amending the Regulation laying down common provisions on the European

Structural and Investment Funds, which would be used to test the new tool to support the implementation of reforms, as a new option for the Member States.

He added that, as part of the package of measures presented that day, a specific instrument was also being proposed to strengthen technical support and adapt it to the needs of Member States wishing to adopt the single currency, and help them to prepare for the change.

Mr DOMBROVSKIS noted that the Commission was also proposing the idea of a fiscal stabilisation function guided by the principles put forward in the Five Presidents' Report of June 2015 entitled 'Completing Europe's Economic and Monetary Union' and in the reflection paper on the same subject published as part of the White Paper on the Future of Europe. The latter document put forward three options and the Commission was proposing to develop the most promising of these – a European Investment Protection Scheme. The stabilisation function would make use of loans and limited grants, for which the amounts and allocation arrangements would be decided when preparing the next multiannual financial framework, depending on the reactions to this initiative.

He also pointed out that varying the levels of co-financing and pre-financing of the Structural and Investment Funds over the course of the cycle could have a stabilising effect; this measure had been used for Greece and had proved successful.

Thirdly, Mr DOMBROVSKIS explained that the proposals presented that day included suggestions regarding the creation of the post of European Minister of Economy and Finance. The post, if created, would entail two roles, as a Commission Vice-President and President of the Eurogroup, and would further bolster the coordination of economic policies and the European Parliament's democratic scrutiny.

He ended his presentation by emphasising that all of these elements were designed to address the need to reform institutional structures, on the one hand, and to more effectively encourage sound budgetary, economic and social policies at national level, on the other hand, both of which were crucial for consolidating the Economic and Monetary Union.

Mr MOSCOVICI agreed with Mr DOMBROVSKIS that the more positive economic situation in the euro area was an opportunity to prepare for the future, since certain vulnerabilities remained, but he warned that the political window of opportunity might be narrower than expected.

He pointed out that the aim of the set of proposals being tabled that day was to make progress by 2020 on two of the priorities set in the roadmap adopted by the Commission in May 2017, namely (i) strengthen economic and monetary governance by institutional initiatives under the Community method and EU law, and (ii) provide fiscal and financial support through technical assistance, accompany structural reforms and propose new tools to better equip the euro area and the Union as a whole, in order to ensure unity in convergence.

With regard to the first part, he began by referring to the draft regulation on the transformation of the European Stability Mechanism into a European Monetary Fund. This involved turning it into a Community body and adding the backstop of the Banking Union. Under a Community allocation, the Fund would retain its current financial and fiscal characteristics, but would be provided with a backstop of €60 billion of its assets. With regard to economic and budgetary surveillance, this Fund would be used when a State was receiving or had received support under an assistance programme.

He then presented the proposal on the integration of the Fiscal Compact in EU law, in line with the undertaking made by the signatories in 2012 to incorporate the substance of the Treaty into EU law. Thus, in future the Member States, under EU law, would be obliged to incorporate the Fiscal Pact rules in their national law and budgets.

Lastly, he set out the key points of the proposal to create a post of European Minister of Economy and Finance, emphasising the complementarity of the roles of the President of the Eurogroup and the Commission Vice-President responsible for economic affairs and the euro. Creating such a function would reinforce the Commission's role, as well as the transparency and democratic accountability of decisions taken by the Eurogroup.

Mr MOSCOVICI then presented the four fiscal measures that would support the Economic and Monetary Union as a whole. These were: (i) a proposal to double the financial envelope for technical assistance, increasing it to a total of €300 million for the period 2018-2020 to support the structural reforms in the Member States, particularly those preparing to join the euro, (ii) a legislative proposal to encourage structural reforms through use of the performance reserve of 6% of the Structural and Investment Funds, (iii) the fiscal backstop of the Banking Union, and (iv) the stabilisation function that would make it possible to cushion large asymmetric shocks to which neither national monetary policy nor national fiscal policy would be able to respond effectively.

In conclusion, he stressed that these concrete proposals would constitute the Commission's programme for driving forward the Economic and Monetary Union in the next two years, and that they did not require any change to be made to the treaties in force. The Commission should monitor these measures closely and communicate effectively to explain each proposal. Lastly, the debate between the proponents of risk reduction and those who advocated risk-sharing would doubtless continue, but by adopting this raft of measures the Commission was providing sufficient elements to start persuading the Member States to continue moving in the right direction from the first months of 2018.

Taking the floor, Mr OETTINGER said that the proposals tabled that day would make it possible not just to reduce the volatility of the financial markets and guarantee the stability of the Member States' economies in the event of a large asymmetric shock, but also to support the countries that wished to become members of the euro area and provide them with effective incentives to stabilise their economies and implement structural reforms. He praised the balanced nature of this set of measures and the realism demonstrated by the Commission, while pointing out that complex work remained to be done in order to implement these proposals. He referred to the forthcoming negotiations on the next multiannual financial framework, which should enable the Commission's political priorities to be funded and clearly define the EU budget's contribution to the stabilisation function. Lastly, he stressed the need for the Members of the Commission to launch a communication drive aimed at the stakeholders, in particular the national governments, to convince them of the effectiveness of the Community method.

In the course of the ensuing debate, the Commission discussed the following main points:

– a shared conviction that the Economic and Monetary Union had to be deepened in order to enable the Union and the Member States to equip themselves with the means of achieving their political and economic goals;

– the long-term impact this reform of the Economic and Monetary Union would have on the Member States' economic and fiscal policy-making, and the benefits for Europeans in terms of stability, growth and protection against possible future crises;

– the importance of envisaging the completion of Economic and Monetary Union within the Community framework and the EU budget rather than within an intergovernmental framework with a separate budget for the euro area;

– in this context, the need to explain the multiple priorities pursued by the EU budget beyond financial stabilisation and crisis management and prevention;

– the relevance of the inclusive approach adopted in the proposed measures, which aimed both to enlarge the euro area and make the EU's institutional architecture more coherent in terms of coordination of economic policies;

– the welcome inclusion of the objectives and principles of the European Pillar of Social Rights in the reform of the Economic and Monetary Union, and the fact that investment in human capital was taken into account among the measures to support growth;

- the usefulness of the creation of a post of European Minister of Economy and Finance in strengthening the Union's political accountability in the field of economic governance and promotion of the common interest, but the need also to avoid too great a concentration of powers;

- the use of the Structural and Cohesion Funds, and in particular of the performance reserve under the Structural Funds, in the context of economic governance should not be regarded as calling into question the objectives and priorities of the Union's regional policy;

- the need to focus communication activities aimed at the public and media on the objectives of deepening the Economic and Monetary Union, in order to demonstrate its relevance and usefulness for citizens through practical achievements and by taking full account of their needs and aspirations;

- hence the usefulness of tailoring communication to each national audience and to the various economic and social players in order to win the support of citizens for the project of completing the Economic and Monetary Union;

- the desirability of continuing to reflect on the role of the stabilisation function, which might not be able to support several Member States hit simultaneously by large asymmetric shocks;

- moreover, the difficulty of getting Member States to agree to genuine risk-sharing if the structural reforms deemed necessary were not introduced; consequently, the importance of the Commission continuing to play its role in monitoring and following up on the implementation of those reforms;

- the need for the future European Monetary Fund to have sufficient resources to fully play its role, which was different from that of the International Monetary Fund and its operating methods;

– in general, the importance of explaining to the public that the main objective of completing the Economic and Monetary Union is to strengthen democratic scrutiny of economic and fiscal policy-making, which could not be left solely to experts but had to be based on public debate and seek a balance between solidarity and responsibility.

Mr DOMBROVSKIS explained that the proposed measures provided an option for the Member States to be able to use resources from the performance reserve under the European Structural and Investment Funds to support structural reforms. Moreover, he added that the arrangements relating to the backstop to the Single Resolution Fund were needed immediately, preferably within the Community framework, or in another form that Member States could choose.

He concluded more generally by stressing that the measures proposed by the Commission to deepen the Economic and Monetary Union were an ambitious and balanced package, which would form the basis for the work to be carried out before the European Council meeting on 28 and 29 June 2018.

Mr MOSCOVICI also welcomed the overall balance of the package, which had been painstakingly achieved and needed to be conveyed to the Member States by explaining the rationale for and purpose of the proposals and by focusing, in particular, on crisis prevention and resolution. He stressed the need to defend the principle of unity in completing the Economic and Monetary Union and the principle of the convergence of Member States' economic and fiscal policies. On that last point, he recalled the words of Jacques DELORS, former President of the Commission, who said that the euro protected, but did not stimulate and, therefore, was not a sufficient condition for growth.

Lastly, he highlighted the fact that an economic and fiscal policy formulated in a transparent and democratic way represented a shift, and considered that the 'communitisation' of the Union's system of economic governance was an essential prerequisite for the democratisation of the Economic and Monetary Union and for citizens and economic and social players to take ownership of it.

The PRESIDENT concluded that, after years of crisis, it was time for Europe to take its future into its own hands and make the Economic and Monetary Union more unified, effective and democratic for the benefit of all citizens. He considered that the Union's current economic growth should encourage it to forge ahead and that the conditions were right to strengthen its economic governance architecture. He noted the arguments put forward on the creation of a post of European Minister of Economy and Finance and considered that a broad public debate was vital on the issue, as it was on all the measures proposed by the Commission that day. He also stressed that, in their public pronouncements, Commissioners should refer to a European Minister of Economy and Finance, rather than to a Minister of Finance, so as to better reflect the precise remit of such a role.

He thanked Mr DOMBROVSKIS, Mr OETTINGER, Mr MOSCOVICI and the Commission departments involved in drawing up this excellent package of proposals, which fully reflected what he had announced in his last State of the Union address and also demonstrated the consistency of the College's work.

Following this discussion, and subject to a final general clean-up of the texts, the Commission:

– approved the communications in COM(2017) 821/3, COM(2017) 823/2 and COM(2017) 822/2, for transmission to the European Parliament, the European Council, the Council and the European Central Bank and, for information, to the national parliaments;

– adopted the proposal for a Council Regulation set out in COM(2017) 827, for transmission to the European Parliament, the European Council, the Council, the European Central Bank and the national parliaments (in the context of the subsidiarity check laid down in Article 352 of the Treaty on the Functioning of the European Union);

– adopted the proposal for a Regulation in COM(2017) 825, for transmission to the European Parliament, the European Council, the Council, the European

Economic and Social Committee, the Committee of the Regions and the national parliaments, and, for information, to the European Central Bank;

– adopted the proposal for a Regulation in COM(2017) 826/2, for transmission to the European Parliament, the European Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the national parliaments, and, for information, to the European Central Bank and the European Investment Bank;

– adopted the proposal for a Council Directive set out in COM(2017) 824, for transmission to the European Parliament, the European Council, the Council and the European Central Bank and, for information, to the national parliaments.

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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 12.21.