



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

**PV(2018) 2274 final**

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

Brussels, 19 December 2018

# TEXTE EN

## MINUTES

**of the 2274<sup>th</sup> meeting of the Commission**

**held in Brussels**

**(Berlaymont)**

**on Wednesday 28 November 2018**

**(morning)**

—

**PV(2018) 2274 final**

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

**EN**

## TABLE OF CONTENTS

|                                                                                                                                                                                                                          |            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Attendance list</b>                                                                                                                                                                                                   | <b>5-7</b> |
| 1. AGENDAS (OJ(2018) 2274/FINAL; SEC(2018) 2274).....                                                                                                                                                                    | 8          |
| 2. WEEKLY MEETING OF CHEFS DE CABINET (RCC(2018) 2274) .....                                                                                                                                                             | 8          |
| 3. APPROVAL OF THE MINUTES OF THE 2271 <sup>ST</sup> , 2272 <sup>ND</sup> AND<br>2273 <sup>RD</sup> MEETINGS OF THE COMMISSION (7, 13 AND<br>21 NOVEMBER 2018) (PV(2018) 2271; PV(2018) 2271, 2 <sup>ND</sup> PART)..... | 8          |
| 4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION<br>OF POWERS.....                                                                                                                                                      | 8          |
| 4.1. WRITTEN PROCEDURES APPROVED (SEC(2018) 467 ET SEQ.).....                                                                                                                                                            | 8          |
| 4.2. EMPOWERMENT (SEC(2018) 468 ET SEQ.) .....                                                                                                                                                                           | 9          |
| 4.3. DELEGATION / SUBDELEGATION OF POWERS (SEC(2018) 469 ET SEQ.) .....                                                                                                                                                  | 9          |
| 4.4. SENSITIVE WRITTEN PROCEDURES (SEC(2018) 470) .....                                                                                                                                                                  | 9          |
| 5. PROPOSAL FOR A COUNCIL DECISION DETERMINING THE<br>COMPOSITION OF THE EUROPEAN ECONOMIC AND SOCIAL<br>COMMITTEE (COM(2018) 783).....                                                                                  | 9          |
| 6. PROPOSAL FOR A COUNCIL DECISION DETERMINING THE<br>COMPOSITION OF THE COMMITTEE OF THE REGIONS<br>(COM(2018) 782) .....                                                                                               | 9          |
| 7. OTHER BUSINESS.....                                                                                                                                                                                                   | 10         |
| COMMISSION DECISION ON THE PROPOSED CITIZENS' INITIATIVE ENTITLED<br>'EU WIDE REFERENDUM WHETHER THE EUROPEAN CITIZENS WANT THE<br>UNITED KINGDOM TO REMAIN OR TO LEAVE!' (C(2018) 8006) .....                           | 10         |

|                                                                                                                                                                                                                                                                                                                                                                                                                  |    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| 8. INTERINSTITUTIONAL RELATIONS (RCC(2018) 156) .....                                                                                                                                                                                                                                                                                                                                                            | 11 |
| 8.1. HORIZONTAL MATTERS .....                                                                                                                                                                                                                                                                                                                                                                                    | 11 |
| 8.2. LEGISLATIVE MATTERS .....                                                                                                                                                                                                                                                                                                                                                                                   | 15 |
| 8.3. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL .....                                                                                                                                                                                                                                                                                                                                                   | 19 |
| 8.4. RELATIONS WITH PARLIAMENT .....                                                                                                                                                                                                                                                                                                                                                                             | 20 |
| 9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN<br>PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE<br>EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE<br>COMMITTEE OF THE REGIONS AND THE EUROPEAN<br>INVESTMENT BANK – A CLEAN PLANET FOR ALL – A<br>EUROPEAN STRATEGIC LONG-TERM VISION FOR A<br>PROSPEROUS, MODERN, COMPETITIVE AND CLIMATE<br>NEUTRAL ECONOMY (COM(2018) 773 TO /3; RCC(2018) 155) ..... | 20 |
| 10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN<br>PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE<br>EUROPEAN CENTRAL BANK, THE EUROPEAN ECONOMIC AND<br>SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS –<br>CAPITAL MARKETS UNION – TIME FOR RENEWED EFFORTS TO<br>DELIVER FOR INVESTMENT, GROWTH AND A STRONGER ROLE<br>OF THE EURO (COM(2018) 767 TO /3; RCC(2018) 157) .....                    | 25 |
| 11. COMMUNICATION FROM THE COMMISSION TO THE<br>EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE<br>COUNCIL AND THE EUROPEAN CENTRAL BANK – THIRD<br>PROGRESS REPORT ON THE REDUCTION OF NON-PERFORMING<br>LOANS AND FURTHER RISK REDUCTION IN THE BANKING<br>UNION (COM(2018) 766 TO /3; SWD(2018) 472 AND /2;<br>RCC(2018) 157) .....                                                                            | 25 |

|                                                            |    |
|------------------------------------------------------------|----|
| 12. OTHER BUSINESS (CONTINUED).....                        | 27 |
| <i>STATE OF RELATIONS BETWEEN UKRAINE AND RUSSIA</i> ..... | 27 |

**Single sitting: Wednesday 28 November 2018 (morning)**

The sitting opened at 10.12 with Mr JUNCKER, President, in the chair.

Present:

|                 |                      |                         |
|-----------------|----------------------|-------------------------|
| Mr JUNCKER      | President            |                         |
| Mr TIMMERMANS   | First Vice-President |                         |
| Mr ANSIP        | Vice-President       |                         |
| Mr ŠEFČOVIČ     | Vice-President       |                         |
| Mr DOMBROVSKIS  | Vice-President       |                         |
| Mr KATAINEN     | Vice-President       |                         |
| Mr OETTINGER    | Member               |                         |
| Mr HAHN         | Member               |                         |
| Ms MALMSTRÖM    | Member               |                         |
| Mr ARIAS CAÑETE | Member               |                         |
| Mr VELLA        | Member               |                         |
| Mr ANDRIUKAITIS | Member               |                         |
| Mr AVRAMOPOULOS | Member               |                         |
| Ms THYSEN       | Member               |                         |
| Mr MOSCOVICI    | Member               |                         |
| Mr STYLIANIDES  | Member               |                         |
| Mr HOGAN        | Member               |                         |
| Ms BULC         | Member               |                         |
| Ms BIENKOWSKA   | Member               |                         |
| Ms JOUROVÁ      | Member               |                         |
| Mr NAVRACSICS   | Member               | Items 9 (in part) to 12 |
| Ms CREȚU        | Member               |                         |
| Ms VESTAGER     | Member               | Items 8 (in part) to 12 |
| Mr MOEDAS       | Member               |                         |
| Sir Julian KING | Member               |                         |
| Ms GABRIEL      | Member               |                         |

Absent:

Ms MOGHERINI

High Representative /  
Vice-President

Mr MIMICA

Member

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

Mr GRASSI                                      Chef de cabinet to Ms MOGHERINI

Mr BEHRNDT                                  Chef de cabinet to Mr MIMICA

The following also sat in:

|                      |                                                                                |                         |
|----------------------|--------------------------------------------------------------------------------|-------------------------|
| Ms MARTÍNEZ ALBEROLA | 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<br>Chief Spokesperson of the Commission |                         |
| Mr SWIEBODA          | European Political Strategy Centre                                             |                         |
| Ms GAUER             | Deputy Secretary-General                                                       | Items 8 (in part) to 12 |
| Mr SZOSTAK           | Deputy Chef de cabinet to<br>the PRESIDENT                                     |                         |
| Mr BALTAZAR          | Senior adviser in the PRESIDENT's Office                                       | Item 9                  |
| Ms DEJMEK HACK       | Adviser in the PRESIDENT's Office                                              | Items 9 (in part) to 11 |
| Ms SILLAVEE          | PRESIDENT's Office                                                             |                         |
| Mr WYNANDS           | Chef de cabinet to Mr DOMBROVSKIS                                              | Items 10 and 11         |
| Mr KLEINER           | Deputy Chef de cabinet to<br>Mr OETTINGER                                      | Items 1 to 8            |
| Ms LOBILLO BORRERO   | Chef de cabinet to Mr ARIAS CAÑETE                                             | Item 9                  |
| Ms REILLY            | Deputy Chef de cabinet to<br>Mr NAVRACSICS                                     | Items 1 to 9 (in part)  |
| Mr GEORGE            | Ms VESTAGER's Office                                                           | Items 1 to 8 (in part)  |
| Ms VILA NUÑEZ        | Secretariat-General                                                            |                         |
| Ms ANDREEVA          | Commission Spokesperson's Service                                              |                         |
| Mr KOOPMAN           | Director-General, DG Budget                                                    | Item 8                  |

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

**1. AGENDAS**

**(OJ(2018) 2274/FINAL; SEC(2018) 2274)**

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(2018) 2274)**

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 26 November 2018.

**3. APPROVAL OF THE MINUTES OF THE 2271<sup>ST</sup>, 2272<sup>ND</sup> AND 2273<sup>RD</sup> MEETINGS OF THE COMMISSION (7, 13 AND 21 NOVEMBER 2018)**

**(PV(2018) 2271; PV(2018) 2271, 2<sup>ND</sup> PART)**

The Commission approved the minutes of its 2271<sup>st</sup> meeting, and decided to hold over approval of the minutes of its 2272<sup>nd</sup> and 2273<sup>rd</sup> meetings until a later meeting.

**4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS**

**4.1. WRITTEN PROCEDURES APPROVED**

**(SEC(2018) 467 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 19 and 23 November 2018.

**4.2. EMPOWERMENT**  
**(SEC(2018) 468 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 19 and 23 November 2018.

**4.3. DELEGATION / SUBDELEGATION OF POWERS**  
**(SEC(2018) 469 ET SEQ.)**

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 19 and 23 November 2018 archived in Decide.

**4.4. SENSITIVE WRITTEN PROCEDURES**  
**(SEC(2018) 470)**

The Commission took note of the sensitive written procedures for which the time limit expired between 26 and 30 November 2018.

**5. PROPOSAL FOR A COUNCIL DECISION DETERMINING THE  
COMPOSITION OF THE EUROPEAN ECONOMIC AND SOCIAL  
COMMITTEE**  
**(COM(2018) 783)**

The Commission adopted the Proposal for a Council Decision set out in COM(2018) 783, for transmission to the Council, and, for information, to the European Parliament, the European Economic and Social Committee and the national parliaments.

**6. PROPOSAL FOR A COUNCIL DECISION DETERMINING THE  
COMPOSITION OF THE COMMITTEE OF THE REGIONS**  
**(COM(2018) 782)**

PV(2018) 2274 final

The Commission adopted the Proposal for a Council Decision set out in COM(2018) 782, for transmission to the Council, and, for information, to the European Parliament, the Committee of the Regions and the national parliaments.

## 7. OTHER BUSINESS

***COMMISSION DECISION ON THE PROPOSED CITIZENS' INITIATIVE ENTITLED 'EU WIDE REFERENDUM WHETHER THE EUROPEAN CITIZENS WANT THE UNITED KINGDOM TO REMAIN OR TO LEAVE!' (C(2018) 8006)***

Mr TIMMERMANS presented the draft decision being tabled that day on the registration of the European citizens' initiative entitled, in English, 'EU wide referendum whether the European Citizens want the United Kingdom to remain or to leave!', the objective of which was to ask the Commission to give the citizens of the 28 Member States the possibility of expressing their opinion by referendum on the withdrawal of the United Kingdom from the European Union.

In accordance with the conditions for admissibility provided for in Regulation (EU) 211/2011 on the citizens' initiative, the proposed action must, in order to be registered, manifestly fall within the Commission's powers to submit a proposal for a legal act for the purpose of implementing the Treaties.

Mr TIMMERMANS noted that under Article 50(1) of the Treaty on European Union, any Member State could decide to withdraw from the Union in accordance with its own constitutional requirements. While regretting the United Kingdom's decision, he said that there was no legal basis in the Treaties allowing the Commission to propose a legislative act on the internal decision-making process of a Member State in relation to a notification of withdrawal from the Union based on the above-mentioned Article 50.

He therefore proposed that the request for registration of this citizens' initiative be rejected on the grounds that it did not fall within the powers entrusted to the

Commission by the Treaties, and he reminded the College that the Commission had already refused to register two other similar initiatives entitled ‘Stop Brexit’ in March 2017 and ‘British Friends, stay with us in the EU’ in March 2018.

The PRESIDENT noted the College’s agreement on the validity of the refusal to register this citizens’ initiative.

The Commission therefore agreed that the proposal for a citizens’ initiative entitled ‘EU wide referendum whether the European Citizens want the United Kingdom to remain or to leave!’ did not meet the conditions for admissibility under Article 4(2) of Regulation (EU) 211/2011, read in conjunction with Article 2(1) thereof. The Commission therefore decided to refuse registration of the initiative, in accordance with document C(2018) 8006, and authorised Mr TIMMERMANS to sign the decision on its behalf, to notify the organisers of the initiative thereof in the authentic language (English), and to publish it, for information, in the Official Journal of the European Union.

## **8. INTERINSTITUTIONAL RELATIONS (RCC(2018) 156)**

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 23 November 2018 (RCC(2018) 156).

It paid particular attention to the following points.

### **8.1. HORIZONTAL MATTERS**

#### **i) Draft general budget of the European Union for 2019 – All sections – RÜBIG, VIOTTI & CHRISTOFOROU reports**

The PRESIDENT invited Mr OETTINGER to inform the College of the latest developments regarding the interinstitutional negotiations on the draft general budget of the Union for 2019.

Mr OETTINGER reminded the meeting that, following the examination of the draft general budget of the Union for 2019 at the end of October, the conciliation committee had met three times, on 7, 16 and 19 November 2018, without reaching an agreement within the deadline set by the Treaty on the Functioning of the European Union. As a result, in accordance with Article 314(8) TFEU, the Commission was required to adopt and present a new draft general budget. He intended to do so on behalf of the Commission on Friday 30 November so as not to jeopardise the budget's final adoption by the two arms of the budgetary authority before the end of the year and thus avoid triggering the system of provisional twelfths as of January 2019, in accordance with Article 315 of the Treaty on the Functioning of the European Union.

He then explained why conciliation had not been successful and gave an overview of the amendments that were likely to be proposed in the new draft general budget that he would submit to the budgetary authority at the end of the week.

Firstly, he noted that Parliament and the Council did not share the same position on the financing of the Facility for Refugees in Turkey or on heading **1a** of the 2014-2020 Multiannual Financial Framework 'Competitiveness for growth and jobs'; Parliament wanted significantly higher allocations for certain programmes it felt were priorities, including Erasmus+, the Youth Employment Initiative, Horizon 2020 and Copernicus, while the Council wanted to significantly reduce the global envelope of the Commission's initial proposal.

In an attempt to settle this disagreement, the Commission had proposed to apply, with immediate effect, Article 15(3) of the new Financial Regulation, which allowed for unused credit appropriations for research programmes to be transferred from one financial year to another; these appropriations stood at EUR 400 million for the 2017 budget. However, the Commission's proposal

had not been approved, and another compromise proposal put forward by the Austrian Council presidency was also unsuccessful.

Mr OETTINGER therefore gave an overview of the new draft general budget for 2019 that he was preparing to submit to the budgetary authority in two days' time. He noted that this draft would stay close to the Commission's initial proposal, but that it would reflect the points on which agreement had been reached during the conciliation process. For example, it would therefore be possible to propose increases in credit appropriations under headings **1a** 'Competitiveness for growth and jobs' and **1b** 'Economic, social and territorial cohesion' to take account of Parliament's priorities, in particular with regard to Erasmus+ and the Youth Employment Initiative. Furthermore, a number of reductions envisaged under heading **4** 'Global Europe', including for the Instrument for Pre-accession Assistance for Turkey, would be used to increase credit appropriations for the Neighbourhood Instrument and for development cooperation.

Lastly, he referred to two sensitive matters that ought to be borne in mind. The first related to the financing of the second tranche of the Facility for Refugees in Turkey. On that point, he explained that the Commission intended to maintain its proposal – namely to take EUR 2 billion from the Union budget, with EUR 1 billion financed by the Member States – even though Parliament was not pleased at not having been involved in the decision, while the Council wanted to keep the terms of this compromise given the difficulties it had overcome to secure an agreement on the share of financing provided by the Member States.

The second sensitive issue related to the possibility of transferring unused credit appropriations for research programmes by applying Article 15(3) of the Financial Regulation. He presented a compromise solution whereby, under heading **1b**, the amount allocated to operational technical assistance granted through the European Social Fund would be slightly reduced and the amount earmarked for the Youth Employment Initiative would increase by around

EUR 116 million. To that end, a declaration would be proposed in order to ensure that the additional funds for the Youth Employment Initiative could be used to provide the required ESF matching and that the co-legislators could adopt as soon as possible the amendments to the legislation on common provisions.

He had confidence in the willingness of the two arms of the budgetary authority to reach an agreement during the next trilogue, which would take place between 30 November and 11 December during the plenary session of Parliament in Strasbourg.

If an agreement could not be reached, he referred to the numerous specific problems that would be caused by the failure to adopt the draft general budget for 2019; these included the resources expected by 400 000 students at the beginning of the year under the Erasmus programme, as well as the funding the Union's farmers were due to receive through the Common Agricultural Policy.

Mr OETTINGER therefore called on the College to give him its support so that a positive outcome could be achieved following the negotiations on this new draft general budget for 2019 based on the guidelines he had just presented, to empower him to adopt the second draft budget and to authorise him to take all the initiatives necessary to reconcile the positions of Parliament and of the Council with a view to ensuring that the 2019 general budget was adopted before the end of the current year, thereby avoiding the system of provisional twelfths.

At the end of this presentation, the Commission:

- approved the guidelines for the establishment of the second draft general budget of the European Union for 2019, as set out in SP(2018) 765/2;

- empowered the Member of the Commission responsible for Budget and Human Resources to finalise on that basis and adopt, in agreement with the PRESIDENT, the second draft budget for 2019;
  - authorised the Member of the Commission responsible for Budget and Human Resources to take all necessary measures with a view to reconciling the positions of Parliament and the Council in order to secure a timely adoption of the 2019 general budget;
  - instructed the departments of the Directorate-General for Budget, under the authority of the Member of the Commission responsible for Budget and Human Resources, to coordinate the preparatory work for the possible implementation of provisional twelfths.
- ii) Paragraph 28 of the Interinstitutional Agreement on Better Law-Making – Criteria for the delineation between delegated and implementing acts**

The Commission approved the line set out in SPI(2018) 50.

## **8.2. LEGISLATIVE MATTERS**

### **iii) Trilogues**

(point 3.1 of the IRG record)

- Implementation of the safeguard clauses and other mechanisms allowing for the temporary withdrawal of preferences in certain agreements concluded between the European Union and certain third countries (Regulation) – FJELLNER report – 2018/0101 (COD)

The Commission approved the line set out in SI(2018) 628.

- Complementing EU type-approval legislation with regard to the withdrawal of the United Kingdom from the Union (Regulation) – MIZZI report – 2018/0220 (COD)

The Commission approved the line set out in SI(2018) 644/2.

- ENISA, the EU Cybersecurity Agency, repeal of Regulation (EU) 526/2013, and Information and Communication Technology cybersecurity certification (Regulation) – NIEBLER report – 2017/0225 (COD)

The Commission approved the line set out in SI(2018) 652.

- Amendment of Regulation (EU) 516/2014 of the European Parliament and the Council, as regards the re-commitment of the remaining amounts committed to support the implementation of the Council Decisions (EU) 2015/1523 and (EU) 2015/1601 or the allocation thereof to other actions under the national programmes (Regulation) – DALLI report – 2018/0371 (COD)

The Commission approved the line set out in SI(2018) 646.

- Amendment of Regulation (EC) 862/2007 of the European Parliament and of the Council on Community statistics on migration and international protection (Regulation) – WIKSTRÖM report – 2018/0154 (COD)

The Commission approved the line set out in SI(2018) 647.

- European citizens' initiative (Regulation) – SCHÖPFLIN report – 2017/0220 (COD)

The Commission approved the line set out in SI(2018) 659.

- Banking Package – Amendment of Regulation (EU) 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements and amendment of

Regulation (EU) 648/2012 (Regulation) – SIMON report – 2016/0360 (COD) / Amendment of Regulation (EU) No 806/2014 as regards loss-absorbing and Recapitalisation Capacity for credit institutions and investment firms (Regulation) – HÖKMARK report – 2016/0361 (COD) / Amendment of Directive 2014/59/EU on loss-absorbing and recapitalisation capacity of credit institutions and investment firms and amending Directive 98/26/EC, Directive 2002/47/EC, Directive 2012/30/EU, Directive 2011/35/EU, Directive 2005/56/EC, Directive 2004/25/EC and Directive 2007/36/EC (Directive) – HÖKMARK report – 2016/0362 (COD) / Amendment of Directive 2013/36/EU as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (Directive) – SIMON report – 2016/0364 (COD)

The Commission approved the line set out in SI(2018) 667.

**iv) European Parliament dossiers – November II 2018 part-session**

(point 3.2 of the IRG record)

Ordinary legislative procedure – First reading

- Amendment of Regulation (EU) 168/2013 as regards the application of the Euro 5 step to the type-approval of two- or three- wheel vehicles and quadricycles (Regulation) – DALTON report – 2018/0065 (COD)

The Commission approved the line set out in SP(2018) 761.

- Amendment of Regulation (EC) 1008/2008 on common rules for the operation of air services in the Community (Regulation) – TARPARDDEL report – 2016/0411 (COD)

The Commission took note of SP(2018) 763, further to note SI(2018) 459, which it had already approved on 19 September 2018.

Implementing acts and measures

- Authorisation for certain uses of sodium dichromate pursuant to Regulation (EC) 1907/2006 of the European Parliament and of the Council (*Ilario Ormezzano Sai S.R.L.*) (Commission Implementing Decision) – 2018/2929 (RSP) – Objections pursuant to Article 106 of the Rules of Procedure of the European Parliament

The Commission took note of SP(2018) 768.

**v) Council dossiers**

(point 3.3 of the IRG record)

- Jurisdiction, recognition and enforcement of judgments in matrimonial matters and matters of parental responsibility, and international child abduction (Council Regulation recast) – ZWIEFKA report – 2016/0190 (CNS)

The Commission approved the line set out in SI(2018) 648/2.

- Certain aspects concerning contracts for the online and other distance sales of goods, amendment of Regulation (EC) 2006/2004 of the European Parliament and of the Council, and of Directive 2009/22/EC of the European Parliament and of the Council, and repeal of Directive 1999/44/EC of the European Parliament and of the Council (Directive) – ARIMONT report – 2015/0288 (COD)

The Commission approved the line set out in SI(2018) 649.

- European Production and Preservation Orders for electronic evidence in criminal matters (Regulation) – SIPPEL report – 2018/0108 (COD)

The Commission approved the line set out in SI(2018) 650.

- Prevention of the dissemination of terrorist content online (Regulation) – STEVENS report – 2018/0331 (COD)

The Commission approved the line set out in SI(2018) 651.

### **8.3. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL**

#### **vi) Programming of Council business**

(SI(2018) 669)

The Commission took note of the information in SI(2018) 669 on the Council meetings between 29 November and 12 December 2018.

#### **vii) Non-legislative dossiers**

(points 4.1 and 7.4 of the IRG record)

- Preparation of the 3<sup>rd</sup> Meeting of Signatories to the Memorandum of Understanding on the Conservation of Migratory Sharks (Monaco, 10 to 14 December 2018)

The Commission approved the line set out in SI(2018) 663.

- Signing, on behalf of the Union, of the Sustainable Fisheries Partnership Agreement between the European Union and the Kingdom of Morocco, the Implementation Protocol thereto and an exchange of letters accompanying the said Agreement (Council Decision) – 2018/0348 (NLE)
- Conclusion of the Sustainable Fisheries Partnership Agreement between the European Union and the Kingdom of Morocco, the Implementation Protocol thereto and an exchange of letters accompanying the said Agreement (Council Decision) – 2018/0349 (NLE)

The Commission approved the line set out in SI(2018) 664.

- Questionnaire on setting up a high level group of wise persons on the European financial architecture for development

The Commission approved the line set out in SI(2018) 661.

- Reduction of the impact of certain plastic products on the environment (Directive) – RIES report – 2018/0172 (COD)

The Commission approved the line set out in SI(2018) 668.

#### **8.4. RELATIONS WITH PARLIAMENT**

##### **viii) Participation by Members of Parliament in international conferences**

(point 5.7 of the IRG record)

- Intergovernmental Conference on the Global Compact for Safe, Orderly and Regular Migration (Marrakech, 10 and 11 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 ten Members of the European Parliament at the above-mentioned meeting as observers in the EU delegation, with a reminder about the procedure to be followed, in accordance with SP(2018) 719.

#### **9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK – A CLEAN PLANET FOR ALL – A EUROPEAN STRATEGIC LONG-TERM VISION FOR A PROSPEROUS, MODERN, COMPETITIVE AND CLIMATE NEUTRAL ECONOMY (COM(2018) 773 TO /3; RCC(2018) 155)**

Mr ŠEFČOVIČ presented to the College for approval the Communication entitled ‘A Clean Planet for all’, which set out a strategic long-term vision to make the European economy more prosperous, modern, competitive and climate neutral. He reminded the meeting that under the Paris Climate Agreement concluded in 2015

under the auspices of the United Nations, the signatories undertook to submit by 2020 their long-term strategies to ensure that economic development was accompanied by a reduction in greenhouse gas emissions. The aim was to ensure the transition towards an overall balance between anthropogenic greenhouse gas emissions and their absorption, in other words ‘climate neutrality’.

He explained that this transition could not be delayed, since an uncontrolled rise in temperatures of 2 degrees Celsius or more would bear a very significant cost, as demonstrated by the latest report of the Intergovernmental Panel on Climate Change (IPCC). The world economy therefore had to change, which was why the strategy proposed by the Commission would set out to shape this essential transition rather than address it by making emergency adjustments.

He stressed that the aim of the strategy was not to devise new measures or revise the 2030 targets, but to provide guidelines for the Union’s climate and energy policies on the basis of an extensive economic and political analysis.

He presented the four main elements of the strategy. First, its aim was to enable Europe to achieve climate neutrality by 2050, making the Union the first major economy to make a serious commitment in this regard, in accordance with a timetable that would ensure it continued to be a first mover. Second, the strategy set out the way in which economic sectors and sectoral policies could help to deliver it while integrating research and innovation, finance and trade, in order to achieve an effective global approach to the problems posed by climate change. Third, the strategy was inclusive, since it proposed implementing accompanying measures during the transition to climate neutrality to ensure that no Europeans or regions were left behind. And fourth, the strategy required the active engagement of all citizens in order to be implemented effectively.

Mr ŠEFČOVIČ concluded his presentation by stressing that the proposed strategy for combating climate change was not the end but rather the start of a process that must involve citizens, the Member States and the EU institutions in an extensive debate so that a definitive strategy could be submitted to the UN at the beginning of

2020.

Mr ARIAS CAÑETE confirmed that, according to the latest report of the Intergovernmental Panel on Climate Change, the increase in temperatures must be kept to a maximum of 1.5°C in order to prevent extreme weather events becoming increasingly common. Greenhouse gas emissions must therefore be reduced even more rapidly than projected. Carbon neutrality must be achieved by 2050 and neutrality for all other greenhouse gases by the end of the century. To achieve this, the greenhouse gas emissions produced by certain sectors would have to be absorbed by other sectors, such as agriculture and forestry. However, this urgent situation was an opportunity for the Union to strengthen its efforts in order to fully exploit its first mover advantage.

He explained, therefore, that the proposed strategy set out a long-term vision for the economic and social transformations to which all sectors of the economy and society would have to contribute in order to achieve climate neutrality by 2050, while at the same time ensuring a socially equitable transition, enhancing the competitiveness of the EU economy and industry on world markets, and promoting the creation of high-quality jobs and sustainable growth in Europe.

The strategy consisted of eight scenarios analysing the pathways towards a common baseline translating the recently agreed energy and climate measures and targets for 2030. These scenarios built on the European Union's major policy choices on renewable energies and energy efficiency.

Mr ARIAS CAÑETE concluded by saying that to prepare the European leaders to shape Europe's future at the extraordinary meeting of the 27 in Sibiu on 9 May 2019, the ministers in all of the Council formations concerned should hold in-depth policy debates on the contribution of their field of action to the overall vision. The Commission, for its part, would ensure that the strategy was discussed in all the Member States. In its view, national parliaments, businesses, NGOs, cities, local authorities and citizens, particularly young people, should express their opinion on the EU's contribution to the long-term achievement of the climate targets

set in the Paris Agreement and on the means to be deployed to implement this transformation. The results of these citizens' debates would enable the Union to adopt an ambitious strategy to be presented to the UN at the beginning of 2020, as provided for in the Paris Agreement.

Ms BULC explained that all modes of transport must contribute in order to achieve decarbonisation of the Union's mobility system and meet the goal of net-zero emissions by 2050. In her view, what was necessary in order to meet this goal was the adoption of a systemic approach, based on the production of low and zero emission vehicles; a significant increase in the capacity of the rail network; a much more efficient organisation of the transport system, based on digitalisation; incentives to change behaviour; the provision of alternative fuels and smart infrastructure and, lastly, global commitments.

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

- the importance of the Union's efforts to combat climate change being followed by the rest of the world, since the EU was responsible for only 7 to 8% of the world's greenhouse gas emissions;
- the need to change ways of life that were no longer sustainable for the planet by modifying behaviour, consumption habits and citizens' perception of the dangers of climate change spiralling out of control;
- recognition of the environmental cost of the technologies considered to be the cleanest, such as electro-mobility and the production of batteries;
- the importance of continuing to develop technologies such as carbon capture and storage in order to achieve climate neutrality by 2050;
- the need for the Members of the College to communicate actively on the Union's climate change strategy, particularly as part of Citizens' Dialogues;

- the relevance of the strategy in developing a circular economy capable of boosting growth while eliminating its negative effects on the environment;
- recognition of the significant social dimension of the current transition, which would require accompanying measures, in particular through the European Globalisation Adjustment Fund, allocations from which had been significantly increased in the next Multiannual Financial Framework proposed by the Commission;
- the need to develop strategies specifically adapted to towns and urban lifestyles;
- the need to quantify the costs to EU citizens that would result from failure to take measures to fight climate change, in terms of their health, environment and quality of life;
- the need to find solutions based on nature's fundamental role in regulating the climate and carbon sinks in order to deliver the European vision of a climate neutral economy.

Mr ŠEFČOVIČ stressed the key role played by the Union in encouraging the other regions of the world to contribute to the steps taken to provide a genuinely global solution to global warming. He recommended that all tools, policies and stakeholders be mobilised to achieve the goal of climate neutrality, given that the fight against climate change was one in which we must all engage and that we would all have to change our behaviour to make human activities viable for the planet.

Mr ARIAS CAÑETE felt it was necessary, possible and in the interests of Europe to achieve the target set by the strategy of making the Union the world's first major economy to be climate neutral by 2050. He said that this ambition could become a reality thanks to current technologies and those being developed.

Following this exchange of views, the Commission approved the communication in COM(2018) 773/3 for transmission to the European Parliament, the European

Council, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank, and, for information, to the national parliaments.

**10. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN CENTRAL BANK, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – CAPITAL MARKETS UNION – TIME FOR RENEWED EFFORTS TO DELIVER FOR INVESTMENT, GROWTH AND A STRONGER ROLE OF THE EURO**

**(COM(2018) 767 TO /3; RCC(2018) 157)**

**11. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL AND THE EUROPEAN CENTRAL BANK – THIRD PROGRESS REPORT ON THE REDUCTION OF NON-PERFORMING LOANS AND FURTHER RISK REDUCTION IN THE BANKING UNION**

**(COM(2018) 766 TO /3; SWD(2018) 472 AND /2; RCC(2018) 157)**

At the invitation of the PRESIDENT, Mr DOMBROVSKIS presented two Communications submitted for the Commission's approval that day. They aimed to take stock of progress in establishing the Banking Union and the Capital Markets Union, with a view to the forthcoming meeting of the European Council and the Euro Summit in inclusive format on 14 December, where leaders would discuss ways to deepen the Economic and Monetary Union.

First, he referred to the Third Progress Report on the reduction of non-performing loans and further risk reduction in the Banking Union. Clear progress had been made, despite differences between Member States. The average rate of non-performing loans continued to fall in the European banking system and the

EU average now stood at 3.4%. While welcoming these very encouraging results and the agreement reached on the package of measures proposed in 2016 to reduce banking risks, he stressed the need for rapid progress in the adoption of the legislative proposals the Commission had put forward in March 2018 with a view to further reducing the volumes of non-performing loans and thus addressing legacy issues from the financial crisis still weighing on the sector.

Mr DOMBROVSKIS then presented the Communication on the Capital Markets Union, which was one of the current Commission's priorities made even more pressing by the United Kingdom's forthcoming withdrawal from the Union. The Communication took stock of progress made towards completion of this Union and called on the co-legislators to adopt the initiatives still pending as soon as possible.

He recalled that the Capital Markets Union was designed to strengthen the European economy and stimulate investment by encouraging the market to provide funding. The resulting diversification of sources of funding for the economy would make it more resilient if banks were less willing to lend, especially in the event of a crisis. He added that the Capital Markets Union would benefit consumers by giving them access to more profitable investment products and financial services providers, who would be able to scale up their services in other Member States.

Mr DOMBROVSKIS concluded by emphasising the importance of those aspects not only for the Economic and Monetary Union and the Banking Union, but also for the single market and for strengthening the international role of the euro.

The Commission:

- approved the Communication in COM(2018) 767/3 for transmission to Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of the Regions, and, for information, to the national parliaments;
- approved the Communication in COM(2018) 766/3 for transmission to Parliament, the European Council, the Council and the European Central Bank

and, for information, to the European Economic and Social Committee, the Committee of the Regions and the national parliaments, together with the staff working document distributed as SWD(2018) 472/2, the contents of which were noted.

## **12. OTHER BUSINESS (CONTINUED)**

### ***STATE OF RELATIONS BETWEEN UKRAINE AND RUSSIA***

The PRESIDENT invited Mr HAHN to report on the escalation of tensions between Ukraine and Russia in recent days.

\*

\*       \*

The Commission's other discussions on certain agenda items are recorded in the special minutes.

\*

\*       \*

The meeting closed at 11.27.