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From:	Presidency
To:	Delegations
Subject:	Legislative Programming - Letter of intent – Letter from the Presidency to the Commission

As follow up to the exchange of views held at the Council on 20 September 2016 on the Commission's "letter of intent" in preparation of the Commission's Work Programme for 2017¹, Delegations will find attached a letter from the Presidency to the President and First Vice-President of the Commission.

¹ Document 12097/16.



Bratislava, 4 October 2016

Dear President,
Dear First Vice-President,

On behalf of the Council, I would like to thank you for the letter of intent setting out the main priorities envisaged for 2017.

The exchange of views with the Commission on priorities for our common work is a cornerstone of the Inter-institutional Agreement on Better Law-Making. This year we will for the first time agree on a **Joint Declaration** to be signed by the Presidents of the three institutions on the priorities for the coming year.

Our dialogue takes place at a critical time for the European Union. This was also acknowledged by the **Bratislava summit**, where key policy areas for the months to come were identified. The debate at the GAC on 20 September confirmed the strong commitment of the Council to:

- 1/ a forward-looking agenda focused on citizens' expectations;
- 2/ tackling together our common challenges and
- 3/ delivering tangible results.

We need the EU to serve its citizens who wish to live, study, work, move and prosper freely across our continent and benefit from the rich European cultural heritage.

It is in this spirit that the Council wishes to take forward the dialogue with the European Parliament and the Commission.

The Presidency would like to provide you with the main findings of the discussion within the Council on the Commission's letter of intent.

Overall, there was strong support for a focused and prioritised work programme of the Commission, centred on the "10 priorities" of the Commission that reflect the **Strategic Agenda** adopted by the European Council in 2014. In this letter we will follow the order adopted by the Commission. Quite naturally, though, the events of last year and the present circumstances lead to more emphasis being put on some of the key themes, in particular migration and external borders as well as security, but also economic and social aspects.

The Commission letter was generally received positively and was seen as broadly reflecting the orientations and priorities of the Member States. There is a consensus among Member States that **implementation** across all policy areas is essential. As could be expected, there were some nuances expressed in relation to individual policy areas and initiatives. On many of the dossiers mentioned,



work is on-going within the Council and it is only natural that the various Member States have different and sometimes even diverging views at this stage.

There was consensus that **jobs, growth and competitiveness** must remain at the centre of the EU's efforts. The following priorities that directly support this agenda were highlighted:

- There was very strong support for the initiatives related to completing the Single Market, in all its aspects. Member States urged that greater efforts be made to deliver on the **Digital Single Market**;
- The discussions highlighted aspects such as protecting the four freedoms, removing barriers, the transport sector and SMEs. Some Member States expressed a wish for greater ambition, especially in the area of **services**. The **Capital Markets Union** was also raised as a priority to further strengthen economic growth;
- The plan to extend the **European Fund for Strategic Investments** was broadly welcomed. But it was also underlined during the debate that this will have to be done in the light of a proper evaluation, with a particular focus on **additionality** and the geographical and sectorial distribution of projects;
- Some Member States highlighted the key role of the **European Structural and Investment Funds** in delivering growth and jobs, and achieving the objectives of the Europe 2020 Strategy;
- The Commission's prioritisation of initiatives on **youth** (especially to fight youth unemployment and complementing Member States' efforts) was supported in deliberations in the Council;
- The initiatives on **anti-tax avoidance** as well as those on VAT were widely welcomed, with some concerns expressed, however, as to the content of certain proposals;
- **Trade policy** continues to be highlighted as a priority. In this context, it is recalled that the October European Council will have a comprehensive discussion on global trade issues and will provide guidance for this policy in the future;
- Some Member States called for greater emphasis on **industrial policy**. The EU needs tangible measures to strengthen the competitiveness of our industry in the long term.
- Comments were made on the simplification of the Common **Agricultural Policy** in order to achieve its objectives effectively.

Discussions showed an increased emphasis on the **social dimension**, with particular mention of the planned initiative on the European pillar of social rights. But caution was also expressed, notably in regard to the EU's limited competences in this area, the distinction between Eurozone members and non-Euro countries, and Member States' different starting positions. Views were divided on the proposal on the Posting of workers directive.

On **EMU**, there was a push on the part of several Member States urging the completion of the Banking Union. The Commission's call for a **swift** agreement on the European Deposit Insurance Scheme was echoed as well, while others felt that advancing this file was not warranted at this stage.



Energy Union and climate change remain an important priority area. Moving forward on the Energy Union was also seen as having considerable growth potential. Particular emphasis was put on energy efficiency and on completing the internal market in energy. Ratification of the **Paris agreement** was seen as a priority by all those who intervened on the subject.

Member States also stressed that an ambitious implementation of the **UN 2030 Agenda for Sustainable Development** across EU policies should be an overarching priority.

Tackling the issues of **migration and external borders** remains a top priority for all Member States:

- Many delegations underlined initiatives relating to external borders as the overriding priority in this area, referring in particular to the operationalisation of the **European Border and Coast Guard** and "getting back to Schengen". Some delegations also insisted on the need to agree as a matter of the utmost priority on the proposals for a common **European asylum policy**, including Dublin reform, some considering this to go hand in hand with "getting back to Schengen". The issue of relocation and resettlement was also raised;
- There was continued strong emphasis on the implementation of the **EU-Turkey statement** (the need to focus more on returns and readmission). Member States called for a stronger focus on cooperation with the countries of the **Western Balkans**. We need to strengthen cooperation with other third countries, notably in **Africa**, to tackle the root causes of migration. Cooperation on readmission and return will be a key test of the partnership between the EU and these partners;
- The new initiative on the **External Investment Plan** was also broadly welcomed by Member States as a means to mobilise investment, create growth and jobs, and address the root causes of migration.

Likewise, all delegations laid increased emphasis on **internal and external security**:

- There was general agreement on the need to step up efforts on internal security to support Member States in combating **terrorism**, notably through increased cooperation and information exchange. The Council will take this up in November and discussions will continue at the December European Council;
- Member States stressed the need to make progress on the **Smart Borders** package which aims to enhance mobility and security at the same time. Effective measures will be crucial in strengthening governance in this area;
- On external security and defence, there was general support for continuing discussions on the implementation of the **EU Global Strategy**. In particular, there was a widely supported push for moving forward in the security and defence area and putting this high on the agenda. The implementation of the **EU-NATO Joint Declaration** of July 2016 was seen as a matter of priority. The need to ensure complementarity with NATO and to avoid duplication of NATO structures, while respecting sovereignty and ensuring inclusiveness, was mentioned as well.



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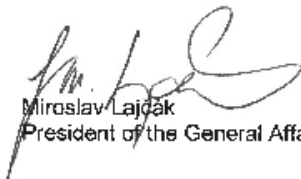
In the area of external policy, there were calls to focus more on the **Eastern Partnership**, not least with a view to the 2017 summit. Some Member States would like to see a greater effort devoted to EU **enlargement**, as this policy drives transformation and modernisation in the countries concerned.

The Commission's efforts on smart regulation and **REFIT** continue to enjoy broad support.

Finally, although the purpose of this letter is to capture the broad orientation of the discussion, I trust that the Commission has taken good note of the detailed comments made by individual Member States.

The Presidency kindly invites the Commission to take account in its Work Programme for 2017 of the views expressed within the Council and looks forward to continuing the dialogue on priorities, following the adoption of the Work Programme. In this regard the Council stands ready to start deliberations on the Joint Declaration to be signed by the end of this year.

Yours sincerely,



Miroslav Lajčák
President of the General Affairs Council

Jean-Claude Juncker
President
European Commission

Frans Timmermans
First Vice-President
European Commission