



Council of the
European Union

Brussels, 9 October 2017
(OR. en)

13010/17

INST 368
POLGEN 130
CODEC 1549
PE 75

COVER NOTE

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

As a follow-up to the exchange of views held at the Council on 25 September 2017 on the Commission's "letter of intent" in preparation of the Commission's Work Programme for 2018¹, delegations will find attached a letter from the Presidency to the President and First Vice-President of the Commission.

¹ Document 12103/17



REPUBLIC OF ESTONIA
MINISTRY OF FOREIGN AFFAIRS

Tallinn, 9th October 2017

Dear President,
Dear First Vice-President,

On behalf of the Council, I would like to thank you for the Commission's letter of intent setting out the main priorities envisaged for 2018.

The exchange of views with the Commission on priorities for our common work is a key element of the Inter-Institutional Agreement on Better Law-Making to which the Council attaches great importance. It is also part of the preparations for the negotiations on the Joint Declaration on priorities for 2018.

Our dialogue takes place at an important time for the European Union. The debate at the General Affairs meeting on 25 September confirmed the strong commitment of the Council, as acknowledged in the Bratislava and Rome declarations, to:

- a united and democratic Union based on common values;
- a forward-looking agenda focused on citizens' expectations;
- tackling together our many common challenges and
- delivering tangible results.

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. We will follow the order of the letter, although naturally, some key areas received more attention, notably security and defence, internal market, economic and sustainable development in a globalised and digital world, as well as migration. All of the main topics addressed during the debate are also well reflected in the work programme of the current Trio of Presidencies.

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.



The Commission's letter was received positively and was seen as largely reflecting the orientations and priorities of the Member States. There is a strong consensus that implementation across all policy areas is crucial. In this context, Member States repeated the need to make progress on a number of priority initiatives that have already been tabled by the Commission.

As could be expected, there were some nuances expressed in relation to individual policy areas and initiatives. On many of the dossiers mentioned, work will start or is on-going within the Council and it is natural that Member States have different views at this stage.

Jobs, growth and investment

Member States stressed the importance of the priorities and initiatives that directly support the agenda for jobs, growth and investment.

Several pointed to the future Commission proposal on the next Multiannual Financial Framework beyond 2020, with requests for an adequate budget with the right balance between policies, including cohesion and agriculture.

Digital Single Market

The implementation of the Digital Single Market strategy in all its elements was given significant prominence, with many Ministers calling for more ambition on the matter.

Ministers welcomed the Commission's initiatives on cyber-security and highlighted the need to ensure complementarity and cooperation with NATO in this area.

Ministers were also supportive of the proposal on the free flow of non-personal data. Referring to the initiative on social platforms, some underlined the need to address specific problems and not specific actors.

The taxation of the digital economy was raised as a particularly critical challenge. A range of views were expressed on how best to address this challenge

Energy Union and climate change policy

A circular economy and sustainable development should continue to be priorities for the year ahead. In this context, there were calls for further ambition and work on environmental and energy issues to swiftly and fully implement the Paris Agreement on climate change.

Some delegations highlighted the importance of deepening the Energy Union, notably by achieving a fully-integrated EU energy market, and of ensuring a level playing field vis-à-vis third countries.

Internal Market with a strengthened industrial base

There was an overwhelming support for a renewed EU industrial policy strategy. Some made the link with the 2030 Agenda for Sustainable Development and asked about the objectives, timeframe and financial resources for industry policy.

Further ambition and efforts are needed to complete and implement the different Single Market strategies. Several Member States expressed a wish for greater ambition especially in the area of services.

Ministers supported initiatives aimed at combating tax fraud and tax evasion. There were calls to continue the discussions on the Common Consolidated Corporate Tax Base (CCCTB).

Discussions showed an increased emphasis on the social dimension, with particular mention of the European pillar of social rights and of the forthcoming social summit in Gothenburg on 17 November 2017. Caution was also expressed, notably in regard to the EU's limited competences in this area and Member States' different positions.

Several Ministers highlighted the need to find a satisfactory and balanced agreement on the proposal on the Posting of workers directive ensuring a balance between the protection of workers and the freedom of labour.

Comments also focused on measures specifically directed to ensure fairness and social protection and to fight inequalities, with some calling for swift progress and tangible results in this area.

The completion of the Capital Markets Union was also mentioned as a priority. The objective of the supervision of the capital markets was supported but some concerns were raised whether a centralised supervision was the right solution.

Others found that too little emphasis was given to research and innovation. Some welcomed the proposed action plan on national vaccination policies.



Economic and Monetary Union

Some delegations welcomed the initiatives planned by the Commission on the Economic and Monetary Union. They underlined the need to improve its functioning, to complete and to strengthen it, including governance and investment, with some underlining the need for economic convergence. However, others mentioned that this would require a proper debate and warned against too far-reaching or hasty developments.

Several Member States urged for the completion of the Banking Union as a priority in line with the roadmap agreed at the ECOFIN Council of 17 June 2016.

Some referred positively to the proposal on pre-accession assistance on their way towards the adoption of the euro.

Trade policy

Delegations reaffirmed their strong commitment to an open, free and rules-based trade policy and its key role to create jobs and growth. It was pointed out that a balanced approach was needed to ensure free but also fair and reciprocal trade. Different views were expressed on the recent Commission proposal for a framework for screening of foreign direct investments into the EU.

Justice and Fundamental Rights

There was general agreement on the need to further step up efforts on internal security to support Member States in combating terrorism, notably through increased cooperation and information exchange. Some specific issues were mentioned, in particular data encryption and data retention.

Some Ministers welcomed the Commission plans to prevent and address the dual quality standards for consumer products.

Migration

Tackling the issue of migration remains a top priority. Some recalled the Union's comprehensive approach on migration and the need for progress on its implementation.



Some reiterated the need to agree on the proposals for a common European asylum policy. Many delegations underlined initiatives relating to ensure the full control of our external borders and an effective returns policy as well as the need to cooperate with third countries, particularly with EU neighbours and Africa.

Ministers also raised the need for strengthening the Schengen area, with some recalling their determination for joining it.

The EU as a global actor

A strong emphasis was placed on strengthening EU cooperation on external security and defence and on specific proposals such as the European Defence Industrial Development Programme.

In the area of external policy, there were calls to focus more on the Eastern Partnership, not least with a view to the summit of 24 November 2017, and for more cooperation with the Western Balkans. The importance of the EU-Africa partnership and cooperation was also recalled. Several Member States would like to see the enlargement process mentioned in the Commission Work Programme.

A democratic Union

Some delegations underlined the importance to further consult EU citizens on the EU project, notably through e-consultations.

On the **more long-term institutional initiatives**, some reservations were expressed. Given their broader and complex implications, these ideas would deserve further time for careful and rigorous consideration. In particular, doubts were expressed on the idea to use the "passerelle" clauses provided for in the Treaties to move to qualified majority voting in tax and foreign policy matters.

Some delegations had questions regarding the ambition and the method proposed in the **roadmap for a more united, stronger and more democratic union until 30 March 2019**.



REPUBLIC OF ESTONIA
MINISTRY OF FOREIGN AFFAIRS

Finally, although the purpose of this letter is to capture the broad orientations 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 into account 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,

A handwritten signature in blue ink, appearing to read "M. Maasikas".

Matti Maasikas
Deputy Minister for EU Affairs

H.E. Mr. Jean-Claude Juncker
President of the European Commission

H.E. Mr. Frans Timmermans
First Vice-President of the European Commission