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COVER NOTE

From:	Mr Jean-Claude Juncker, President of the European Commission and Mr Frans Timmermans, First Vice-President of the European Commission
date of receipt:	9 September 2015
To:	Mr Martin Schulz, President of the European Parliament and Mr Xavier Bettel, Prime Minister of Luxembourg
Subject:	Letter of intent with regard to the preparation of the Commission Work Programme 2016

Delegations will find attached a copy of a letter of intent addressed by Jean-Claude Juncker, President of the European Commission and Frans Timmermans, First Vice-President of the European Commission, to Martin Schulz, President of the European Parliament and Xavier Bettel, Prime Minister of Luxembourg, holding the Presidency of the Council of the European Union.



Jean-Claude JUNCKER
President of the European Commission

Frans TIMMERMANS
First Vice-President of the European Commission

Strasbourg, 9 September 2015

Dear President Schulz, *Dear Merkel* -
Dear Prime Minister Bettel, *Dear Van der Vliet*

The European Union is at a defining moment. We are facing several unprecedented challenges: the refugee crisis as a consequence of war, terror and instability in our neighbourhood; the need to continue to work with determination to create jobs and foster growth and stability in the European Union, and notably in Greece; the need to address the continued high level of unemployment, and in particular youth unemployment in many Member States; the need to preserve the stability and integrity of Ukraine and to support it in rebuilding its economy, upholding the rule of law and furthering a pluralistic democratic society; the obligation to achieve a strong result at the United Nations Climate Change Conference in Paris; and the challenge of working on a fair deal for the United Kingdom within a European Union committed to the four freedoms of the single market and the values which all 28 Member States share.

As the State of the Union speech outlines, this is therefore not the time for business as usual, but for bold, pragmatic action that will allow us to successfully overcome these pressing challenges and emerge stronger in a spirit of European solidarity and responsibility.

The current challenges confirm that EU action needs to be anchored in the ten priorities, outlined in the European Commission's Political Guidelines, "A New Start for Europe: My Agenda for Jobs, Growth, Fairness and Democratic Change", set out on 15 July 2014. These Political Guidelines, which followed intense discussions with political groups in the European Parliament and were inspired by the "Strategic Agenda for the Union in Times of Change" of the European Council, form a kind of contract between

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Mr Martin Schulz
President of the European Parliament

Mr Xavier Bettel
Prime Minister of Luxembourg

By email

the Commission and the European Parliament. They marked the beginning of the mandate of the Commission and serve to prioritise our joint work.

Work on all of these priorities has been progressing well, thanks to strong interinstitutional cooperation, notably on the European Fund for Strategic Investments, which was agreed by the European Parliament, the Council and the Commission in a record time of six months. The renewed focus is allowing us to respond swiftly, flexibly and effectively to the crises and emergency situations we are facing. We are determined to continue as we have started and to cooperate ever more closely with the European Parliament and the Council to deliver the results that Europeans expect.

The Commission Work Programme for 2015 set out the vision and strategic framework in the priority areas of the Political Guidelines. Our progress in these areas is explained further in our document "The State of the Union 2015: Progress on the European Commission's Ten Priorities", which shows that we have delivered on our promise to be bigger and more ambitious on big things, and smaller and more modest on small things, taking action in those areas where Europe can make a difference for each and every citizen, while withdrawing proposals for legislation which are outdated or have been debated for too long without result. Several other important initiatives will be presented by the Commission by the end of this year.

It is now time to move to delivery and implementation at all levels. In 2016, we will focus our efforts on the concrete follow-up to our new strategies. Efforts will centre on determined action on the refugee crisis and migration, on supporting jobs and growth, in particular through investment and the deepening of our single market, on strengthening the Economic and Monetary Union and its social dimension, and on working for a fairer tax regime. Following the Five Presidents' Report on "Completing Europe's Economic and Monetary Union", we will come forward rapidly with measures to deepen our Economic and Monetary Union. The Multi-Annual Financial Framework will be reviewed to see if EU programmes are fit to meet today's many challenges in the simplest and most effective manner.

As a complement to the State of the Union speech, we outline below the main initiatives that we will take until the end of 2016, including those you can expect in the remaining months of 2015. We also mention the most important areas where action by the European Parliament and the Council is needed in order to complete the legislative process. This indicative list is the starting point for our interinstitutional dialogue to prepare the 2016 Commission Work Programme. Our reflections have benefited and will continue to benefit from our interaction with the European Parliament and the Council, the fruitful exchanges in Plenary and the Conference of Committee Chairs as well as between individual Commissioners and parliamentary Committees (in accordance with the Framework Agreement between the Parliament and the Commission), exchanges with the Committee of Permanent Representatives and the General Affairs Council as well as resolutions and opinions received from the two consultative committees and national Parliaments.

Priority 1: A New Boost for Jobs, Growth and Investment

- *Launch of the 2016 European Semester of economic policy coordination.*
- *Swift implementation of the Investment Plan for Europe, through the deployment of the European Fund for Strategic Investments and the financing of projects, the launch of the Investment Advisory Hub to support project promoters and the Investment Project Portal to facilitate project identification for investors. The identification of key obstacles to investment at national level will be a priority of the 2016 European Semester.*
- *Accelerated delivery of the €35 billion package for jobs and growth in Greece, through technical assistance and better absorption of EU funds, including with adjusted pre-financing and co-financing conditions, as already proposed.*
- *Strengthening the inclusiveness of the labour market and social investment. Action will include support for the reintegration of the long-term unemployed into the labour market, measures for working parents and the development of a new skills agenda for Europe.*
- *A Circular Economy package to maximise efficiency in the use of resources.*
- *Reflection on the future of the Europe 2020 strategy for growth as the medium-term European strategy for smart, sustainable and inclusive growth.*
- *Mid-term review of the Multiannual Financial Framework 2014-2020, including simplification of funding programmes, notably for the Common Agricultural Policy.*

Priority 2: A Connected Digital Single Market

- *Working with the co-legislator on the swift adoption of the Data Protection Reform and the Network and Information Security proposals.*
- *Follow-up to the Digital Single Market Package, including a further Europeanisation of copyright rules, together with legislative proposals to tackle unjustified geo-blocking, to modernise the Value-Added Tax (VAT) rules for electronic commerce, the Audiovisual Media Services Directive and the Cable and Satellite Directive.*
- *Proposals to further reform the regulatory framework for electronic communications, with a view to consolidating the single market in telecommunications supported by infrastructure investments.*
- *Stimulating the growth of the digital economy by initiatives on a European Cloud, data ownership and free flow of data.*

Priority 3: A Resilient Energy Union with a Forward-Looking Climate Change Policy

- *Follow-up to the Strategic Framework for the Energy Union, with legislative proposals on the design of the electricity and gas markets, including interconnections, renewables and energy efficiency.*
- *Continued efforts at the international level to prepare and follow up on the United Nations Framework Convention on Climate Change Conference in Paris.*
- *Further steps to implement the 2030 energy and climate package, including on the European Emissions Trading Scheme and a burden-sharing proposal for sectors outside the Emissions Trading Scheme such as transport, agriculture, buildings and waste.*

Priority 4: A Deeper and Fairer Internal Market with a Strengthened Industrial Base

- *Launch and follow-up to the new Internal Market Strategy for goods and services, including actions to facilitate cross-border activities and strengthen integration in European and global value chains, enhancement of mutual recognition, harmonisation and standardisation measures, an initiative on business insolvency law and improved enforcement to simplify the life of consumers, businesses, entrepreneurs and public authorities.*
- *Launch and follow-up to the Labour Mobility Package, supporting labour mobility, strengthening the European job mobility portal (EURES) and the cooperation between employment services, tackling abuse by means of better coordination of social security systems, and a targeted review of the Posting of Workers Directive to ensure that social dumping has no place in the European Union.*
- *An Action Plan for a Capital Markets Union, in order to create liquid and deep capital markets, enhance financial stability and diversify sources of financing for the economy across Europe. Measures include a legislative proposal for simple, transparent and standardised securitisation, a reduction of capital charges for infrastructure investments and a review of the Prospectus legislation.*
- *The pursuit of a new approach on a Common Consolidated Corporate Tax Base (CCCTB) to relaunch negotiations in the Council, with a legislative proposal on a mandatory common tax base as the first step and consolidation as the final step, in order to improve the business environment for cross-border companies and ensuring fair and efficient taxation.*
- *An Action Plan presenting the main principles and features for an efficient and fraud-proof definitive regime of Value-Added Tax (VAT), including a proposal on VAT rates and withdrawal of the VAT return proposal.*
- *An Action Plan on the European defence industry covering aspects related to the EU's technological independence and competitiveness of the sector as well as the development of joint capacities, industries and technologies.*

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- *An Aviation Strategy to harness the growth potential of the different areas of this industry including the strengthening of the European Aviation Safety Agency.*
- *Adoption by the co-legislator of the Fourth Railway Package.*
- *Adoption by the co-legislator of the proposals on EU Passenger Name Record.*

Priority 5: A Deeper and Fairer Economic and Monetary Union

- *Follow-up to the Five Presidents' Report, including a proposal for steps towards a European Deposit Insurance/Reinsurance Scheme, a renewed approach to the European Semester, a proposal on a more unified representation of the euro area within international financial institutions (such as the International Monetary Fund) and conferences, a targeted stability-oriented revision of the 6-pack and 2-pack legislation to strengthen and simplify economic governance and to enhance the democratic dialogue between the Commission and the European Parliament with regard to the Annual Growth Survey and the implementation of Stability Support Programmes.*
- *Setting out a pillar of social rights, building on the EU acquis, in order to identify common principles and reference benchmarks, which can create a greater convergence of employment and social performance over time.*

Priority 6: A Reasonable and Balanced Free Trade Agreement with the U.S.

- *Making sustained progress on the Transatlantic Trade and Investment Partnership with the U.S.*
- *Adoption and follow-up to the Trade and Investment Strategy, adapting to new challenges in the global economy and further pursuing bilateral negotiations (for example with Japan).*

Priority 7: An Area of Justice and Fundamental Rights Based on Mutual Trust

- *Follow-up to the European Agenda on Security, including a proposal reviewing the framework decision on terrorism, improved rules on firearms and fraud of non-cash payments, and corresponding operational measures.*
- *Follow-up to the Opinion of the Court of Justice on the EU's accession to the European Convention on Human Rights.*
- *Adoption by the co-legislator of proposals on the European Public Prosecutor's Office and on the reform of Europol.*
- *Conclusion of the EU-U.S. Data Protection Umbrella Agreement (including judicial redress for EU citizens in the U.S.).*

Priority 8: Towards a New Policy on Migration

- *A swift, determined and comprehensive response to the refugee crisis, including adoption by the co-legislator of proposals on an emergency relocation mechanism, on safe third countries of origin and on a permanent relocation scheme.*
- *Renewed efforts towards better management of the external borders: significant stepping up of Frontex, a more effective approach to return, and steps towards the creation of European coastguard and borderguard systems.*
- *Strengthening the implementation of the Common European Asylum System: comprehensive evaluation of the Dublin system and next steps, including strengthening the role of the European Asylum Support Office.*
- *Delivering safe legal avenues for those in need of protection: proposal for a permanent scheme for resettlement together with enhanced protection schemes in the proximity of the EU.*
- *A renewed approach to manage legal migration, including the revision of the Blue Card Directive.*

Priority 9: A Stronger Global Actor

- *Review of the European Security Strategy to establish a broad external strategy for the EU, to give a better sense of direction and a greater ability to set priorities and to make choices.*
- *Further steps towards the Post-Cotonou framework aiming at building on strong existing partnerships while taking into account the specific realities in different countries and regions.*
- *Develop EU's ability to build up the security capacity of partner countries and international organisations, helping them to prevent and manage crises themselves, possibly through a dedicated instrument to this effect.*

Priority 10: A Union of Democratic Change

- *Conclusion of the negotiations for an Interinstitutional Agreement between the European Parliament, the Council and the Commission on Better Regulation by the end of the year.*
- *Reflection on an increased role for national Parliaments in the preparation of EU-decision-making.*

Better Regulation will remain our guiding principle when preparing these new initiatives. We must keep our rules up to date and relevant. The Commission's Regulatory Fitness and Performance Programme (REFIT) will continue to improve our legislation

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so that it delivers the full ambition of our European goals more effectively, in an open and transparent way. In many cases, our proposals will review and improve the existing rules so they really deliver the changes we expect. An important example is the review of EU health and safety legislation, where the current complexity of our rules means that workers are too often left without protection on the ground.

All our efforts under the ten priorities, as well as the work of our new independent Regulatory Scrutiny Board which is in charge of quality control with regard to impact assessments, aim to ensure a sustainable future for Europe's present and future generations. The global Sustainable Development Goals will help shape our reflection on the future of the Europe 2020 strategy.

In light of the magnitude of the challenges ahead, all three institutions need to concentrate their efforts and energy on moving swiftly forward on those key files which have the potential to make a real difference to the daily lives of citizens and businesses. This is why the Commission will make another effort to clean up what is on the table and will signal in its Work Programme its intention to withdraw pending proposals that are unlikely to make any further substantial progress in the near future. In addition, and in a spirit of improved joint programming, the Commission will seek to work with the European Parliament and the Council to identify key pending and forthcoming proposals to be prioritised and accelerated in the legislative process, notably those which are addressing the refugee crisis and the need to enhance jobs and growth. A list with candidates for prioritisation will be annexed to the Commission Work Programme 2016.

Over the next weeks, the Commission will engage actively with the European Parliament and the Council to take forward discussions on these issues. Exchanges with the Conference of Committee Chairs on 6 October 2015, with the Conference of Presidents on 22 October 2015 and with the General Affairs Council on 14 September 2015 will be important milestones. Adoption of the Commission Work Programme 2016 is planned for 27 October 2015.

We count on your partnership to rise to Europe's considerable challenges together and deliver results. Our citizens expect and deserve nothing less.



Jean-Claude JUNCKER



Frans TIMMERMANS