



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2015) 2126 final

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

Brussels, 27 May 2015

TEXTE EN

MINUTES

of the 2126th meeting of the Commission

held in Brussels

(Berlaymont)

on Wednesday 13 May 2015

(morning)

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Single sitting: Wednesday 13 May 2015 (morning)

The sitting opened at 9.10 with Mr JUNCKER, President, in the chair.

Present:

Mr JUNCKER	President	
Mr TIMMERMANS	First Vice-President	
Ms MOGHERINI	High Representative / Vice-President	
Ms GEORGIEVA	Vice-President	
Mr ANSIP	Vice-President	
Mr ŠEFČOVIČ	Vice-President	Items 7/8 (in part) to 10
Mr DOMBROVSKIS	Vice-President	
Mr KATAINEN	Vice-President	
Mr OETTINGER	Member	
Mr HAHN	Member	
Ms MALMSTRÖM	Member	
Mr MIMICA	Member	
Mr ARIAS CAÑETE	Member	
Mr VELLA	Member	
Mr ANDRIUKAITIS	Member	
Mr AVRAMOPOULOS	Member	Items 1 to 9/10 (in part)
Ms THYSSEN	Member	
Mr MOSCOVICI	Member	
Mr STYLIANIDES	Member	
Mr HOGAN	Member	
Lord HILL	Member	
Ms BIENKOWSKA	Member	
Ms JOUROVÁ	Member	
Mr NAVRACSICS	Member	
Ms CREȚU	Member	

Ms VESTAGER

Member

Mr MOEDAS

Member

Absent:

Ms BULC

Member

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

Ms JAGER	Chef de cabinet to Ms BULC
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The following also sat in:

Mr SELMAYR	Chef de cabinet to the PRESIDENT	
Mr ROMERO REQUENA	Director-General, Legal Service	
Mr PESONEN	Acting Director-General, DG Communication	
Mr SCHINAS	Head of the Spokesperson's Service and Chief Spokesperson of the Commission	
Ms METTLER	Head of the European Political Strategy Centre	
Ms MARTÍNEZ ALBEROLA	Deputy Chef de cabinet to the PRESIDENT	
Mr THOLONIAT	A member of the PRESIDENT's staff	Items 1 to 6, 9 and 10
Mr ZADRA	A member of the PRESIDENT's staff	Items 7 and 8
Mr SMULDERS	Chef de cabinet to Mr TIMMERMANS	Items 1 to 7/8 (in part)
Ms SUTTON	Deputy Chef de cabinet to Mr TIMMERMANS	Items 7/8 (in part)
Mr MANSERVISI	Chef de cabinet to Ms MOGHERINI	Items 1 to 8
Mr NOCIAR	Chef de cabinet to Mr ŠEFČOVIČ	Items 1 to 7/8 (in part)
Mr LAHTI	Chef de cabinet to Mr DOMBROVSKIS	Items 9 and 10
Ms SCHMITT	Chef de cabinet to Mr AVRAMOPOULOS	Items 1 to 8
Mr HERMANS	Chef de cabinet to Ms THYSSEN	Items 9 and 10
Mr FELKE	Deputy Chef de cabinet to Mr MOSCOVICI	Items 9 and 10
Ms WEYAND	Secretariat-General	Items 9 and 10

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Mr MORRISON	Secretariat-General	Items 1 to 8
Mr HAAG	Secretariat-General	Items 9 and 10
Ms ANDREEVA	Commission Spokesperson's Service	
Mr RUETE	Director-General, DG Migration and Home Affairs	Items 1 to 8

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

1. AGENDAS

(OJ(2015) 2126/FINAL; SEC (2015) 207/2)

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(2015) 2126)

The Commission considered the Secretary-General's report on the weekly meeting of Chefs de cabinet held on Monday 11 May.

**3. APPROVAL OF MINUTES AND SPECIAL MINUTES OF 2125TH MEETING
(6 MAY 2015)**

PV(2015) 2125; PV(2015) 2125, PART II)

The Commission approved the minutes of its 2125th meeting.

4. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

4.1. WRITTEN PROCEDURES APPROVED

(SEC(2015) 208 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 4 and 8 May.

4.2. EMPOWERMENT

(SEC(2015) 209 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 4 and 8 May.

4.3. DELEGATION AND SUBDELEGATION OF POWERS

(SEC(2015) 210 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedure between 4 and 8 May, as archived in Decide.

4.4. SENSITIVE WRITTEN PROCEDURES

(SEC(2015) 211 AND /2)

The Commission took note of the sensitive written procedures for which the time limit expired between 11 and 13 May.

5. ADMINISTRATIVE AND BUDGETARY MATTERS

(SEC(2015) 212/2)

ADMINISTRATIVE MATTERS

(PERS(2015) 42/2)

5.1. ACTIVITIES OF A MEMBER OF THE COMMISSION AFTER LEAVING OFFICE

(C(2015) 3254)

The Commission adopted the decision set out in C(2015) 3254, which took note of the intention of former Vice-President of the Commission, Ms Viviane REDING, to sit on the Honorary Council of the European Movement International.

5.2. DG HUMAN RESOURCES AND SECURITY – LAUNCHING OF THE 2014 APPRAISAL AND PROMOTION EXERCISE FOR SENIOR MANAGEMENT STAFF

On a proposal from Ms GEORGIEVA, in agreement with the PRESIDENT, the Commission decided to authorise the launch of the 2014 Appraisal exercise for senior management in line with the rules applied during the previous exercise.

The Commission also took note of the decision of Ms GEORGIEVA, in agreement with the PRESIDENT, fixing the following criteria for the Promotion exercise for senior management: the target promotion rate would be around 15% of eligible officials, and director or equivalent posts (AD14/15) or director-general or equivalent posts (AD15/16) would be concerned. The eligibility conditions would have to be met by

31 December 2014 at the latest and promotions would take effect on 1 January 2015.

6. INTERINSTITUTIONAL RELATIONS

(RCC(2015) 41)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (IRG) held on Friday 8 May (RCC(2015) 41).

It paid particular attention to the following points.

6.1. LEGISLATIVE MATTERS

i) Trilogue

(point 3.1 of the IRG record)

- Amendment of the Protocol on the Statute of the Court of Justice of the European Union with a view to increasing the number of judges at the General Court (Regulation) – MARINHO E PINTO report – 2011/0901B (COD)

The Commission approved the line set out in SI(2015) 133.

ii) European Parliament dossiers – April II part-session

(point 3.2 of the IRG record)

Ordinary legislative procedure – Second reading

- Prevention of the use of the financial system for the purpose of money laundering and terrorist financing (Directive) – SARGENTINI / KARIŇŠ report – 2013/0025 (COD)

The Commission took note of the compromise text in SP(2015) 292, further to communication COM(2015) 188, which it had already approved on 27 April.

Empowerment

Under Article 13 of its Rules of Procedure, the Commission empowered Ms JOUROVÁ, in agreement with the PRESIDENT and Mr TIMMERMANS and any other members associated, to adopt its opinion on the amendments together with any amended proposals, on the basis of the line set out in COM(2015) 188 as approved by the Commission on 27 April, once Parliament had given its opinion, and transmit them to the Council in accordance with Article 294(7)(c) of the Treaty on the Functioning of the European Union.

- Information accompanying transfers of funds (Regulation) – KIRKHOPE & SIMON report – 2013/0024 (COD)

The Commission took note of the compromise text in SP(2015) 293, further to communication COM(2015) 187, which it had already approved on 27 April.

Empowerment

Under Article 13 of its Rules of Procedure, the Commission empowered Ms JOUROVÁ, in agreement with the PRESIDENT and Mr TIMMERMANS and any other members associated, to adopt its opinion on the amendments together with any amended proposals, on the basis of the line set out in COM(2015) 187 as approved by the Commission on 27 April, once Parliament had given its opinion, and transmit them to the Council in accordance with Article 294(7)(c) of the Treaty on the Functioning of the European Union.

- Amendment of Council Regulation (EC) 1346/2000 on insolvency proceedings (Regulation) – ZWIEFKA report – 2012/0360 (COD)

The Commission took note of the compromise text in SP(2015) 294, further to communication COM(2015) 173, which it had already approved on 13 April.

Empowerment

Under Article 13 of its Rules of Procedure, the Commission empowered Ms JOUROVÁ, in agreement with the PRESIDENT and Mr TIMMERMANS and any other members associated, to adopt its opinion on the amendments together with any amended proposals, on the basis of the line set out in COM(2015) 173 as approved by the Commission on 13 April, once Parliament had given its opinion, and transmit them to the Council in accordance with Article 294(7)(c) of the Treaty on the Functioning of the European Union.

Ordinary legislative procedure – First reading

- Indices used as benchmarks in financial instruments and financial contracts (Regulation) – VAN NIEUWENHUYZEN report – 2013/0314 (COD)

The Commission approved the line set out in SP(2015) 295 and /2.

- Union system for supply chain due diligence self-certification of responsible importers of tin, tantalum and tungsten, their ores, and gold originating in conflict-affected and high-risk areas (Regulation) – WINKLER report – 2014/0059 (COD)

The Commission approved the line set out in SP(2015) 296 and /2.

iii) Council dossier

(point 3.3 of the IRG record)

- Fight against fraud to the Union's financial interests by means of criminal law (Directive) – SIPPEL / GRÄSSLE report – 2012/0193 (COD)

The Commission approved the line set out in SI(2015) 168/2.

6.2. RELATIONS WITH THE EUROPEAN COUNCIL AND THE COUNCIL

iv) Programming of Council business

(SI(2015) 175)

The Commission took note of the information in SI(2015) 175 on the Council meetings between 14 and 27 May.

v) Non-legislative dossier

(point 4.1 of the IRG record)

- International Energy Charter

The Commission approved the line set out in SI(2015) 173 and /3.

vi) Results of the Eurogroup meeting and the Economic and Financial Affairs Council (Brussels, 11 and 12 May)

The Commission was informed of the main results of the recent meetings of Economic and Financial Affairs Ministers, particularly as regards the discussions on the economic situation in Greece.

6.3. OTHER BUSINESS

vii) Discussions with the United States Commodity Futures Trading Commission on recognition of European Union and United States central counterparties

(point 7.1 of the IRG record)

The Commission took note of the information in SI(2015) 166/2.

7. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – A EUROPEAN AGENDA ON MIGRATION

(COM(2015) 241 TO /3; RCC(2015) 40)

8. DRAFT AMENDING BUDGET No 5 TO THE GENERAL BUDGET 2015 - RESPONDING TO MIGRATORY PRESSURES

(COM(2015) 241 TO /3)

Mr TIMMERMANS presented the European Agenda on Migration, submitted for the Commission's approval that day. The text had already been agreed during the preparation of the Commission meeting.

He began by stressing that migration was one of the ten political priorities of the current Commission and underlined the comprehensive scope of the proposed strategy. He went on to note the controversial nature of the issue of migration in most Member States and how it had been exploited by extremist parties which made it their main policy platform. He consequently expected the Commission proposal to provoke strong reactions even though it was in response to an express request by the Heads of State or Government at the extraordinary European Council of 23 April.

Mr TIMMERMANS thought it likely that public opinion and the media would focus on the proposed system of quotas under the mechanisms for relocating and resettling migrants, but believed that these represented the best way of putting into practice objectively the principle of solidarity in crisis situations and relieving the migratory pressures faced by the EU Member States that were most directly affected.

He added that Article 78(3) of the Treaty on the Functioning of the European Union specifically provided for the possibility of the Union adopting provisional measures for the benefit of Member States confronted with an emergency situation characterised by a sudden inflow of nationals of third countries. He therefore believed that, if approved by the Council, the proposed quota system could provide the framework for a Union policy on the resettling and relocation of asylum seekers.

Mr TIMMERMANS concluded by underlining the balanced approach proposed by the Commission in its European strategy on migration, pointing out that – in addition to a mechanism of solidarity to support the frontline Member States and a policy in keeping with Union values for the reception of asylum seekers and refugees – it provided for strict enforcement of the rules in force to prevent and penalise irregular immigration, the reinforcement of border controls and measures to tackle networks of people-smugglers and traffickers.

Ms MOGHERINI welcomed the fact that the European Agenda on Migration offered a response to an emergency situation, whose underlying causes were however structural. She noted that the initiative translated into action the principles laid down by the Heads of State or Government for avoiding any recurrence of the recent tragic deaths of migrants at sea in the Mediterranean.

She believed that the ambitious system of quotas proposed by the Commission for the relocation and resettlement of asylum seekers lent the initiative greater credibility and responded to the United Nations' call for the European Union to take responsibility in terms of humanitarian aid and solidarity with the Member States

dealing directly with migratory pressures. She went on to note how the actions of the Union and the United Nations were complementary in providing an effective solution to a phenomenon that called for a whole range of instruments and international partnership.

She also appreciated the fact that the European Agenda on Migration went beyond ad hoc measures for dealing with the immediate migration crisis by proposing action to tackle the root causes and adopting an holistic approach to the issue of migration.

Ms MOGHERINI outlined the elements that she considered essential for implementing the Union strategy on migration, i.e. (i) the importance of close cooperation with migrants' countries of origin and transit, and with regional organisations such as the African Union, with a view to the establishment in due course of a genuine partnership on migration, (ii) the need to implement the operations proposed in the Council under the Common Security and Defence Policy for the dismantling of people-smuggling and trafficking networks, and (iii) the sharing of intelligence and expertise, in particular in the UN framework, and the formation of a partnership between the main international organisations concerned in order to provide a comprehensive response to migratory pressures on a global scale.

Finally, she pointed out that, during the Foreign Affairs Council on 18 May, a joint meeting of the EU foreign and defence ministers would take stock of the measures for dealing with migration-related problems and would discuss what action should be taken to capture and destroy boats before they could be used by smugglers. She added that such operations had to be implemented in accordance with international law and would require the adoption of an ad hoc resolution by the United Nations Security Council.

Mr AVRAMOPOULOS noted that, since the start of the year, 70 000 asylum applications had been submitted in the Union each month and that some 80 000

migrants had landed on its shores. Despite the willingness of Member States, the European Parliament, international organisations, non-governmental organisations and the general public to take action, he considered that there were no simple solutions for bringing to an end rapidly the tragedy of migrants at sea. He nevertheless believed that the political momentum generated by the events of recent months should be exploited in order to deploy the decisive measures needed to prevent them.

He highlighted the balanced nature of the approach proposed by the Commission, which entailed not only measures for responding to the urgent situation faced by frontline Member States, for instance the quota mechanisms for relocating and resettling asylum seekers, but also measures for tackling the causes of migration as far upstream as possible in the countries of origin and transit.

Mr AVRAMOPOULOS explained that the European Agenda on Migration proposed structural measures in four areas, the first of which concerned assistance to persons fleeing war situations and reducing incentives to illegal economic immigration. Both measures required a strong partnership with the countries of origin and transit, and the dismantling of the people-smuggling networks, which would be the subject of an action plan at the end of May. He noted in this connection that cooperation between Member States would be strengthened through the support of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex) in order to step up the rate of return of irregular migrants to their countries of origin.

The second area, he said, was that of the security of Europe's external borders, which must be guaranteed using the increased resources allotted to Frontex and heightened cooperation between Member States based on common standards.

Thirdly, he mentioned strengthening the common asylum policy, in particular

through the coherent implementation of the Common European Asylum System and by evaluating the Dublin Regulation and potentially reforming it in order to better share responsibility between Member States.

Fourthly and finally, he felt that legal immigration should also respond to the economic needs of a Europe in demographic decline, which was why the Commission had set up a platform to identify the skills needed and the sectors suffering from a shortage of labour within the Union. He added in this context that there were plans to revise the blue card system which allows highly qualified workers from third countries to work and live in the European Union. However, he specified that in terms of economic migration, it was the responsibility of the Member States to define migrant quotas.

To relieve the frontline Member States, Mr AVRAMOPOULOS pointed out that all the resources made available to the Member States and the agencies concerned – the European Asylum Support Office (EASO), Frontex, the European Police Office (Europol) – would be brought together at the Hotspots responsible for managing asylum applications in order to provide the necessary material assistance and return irregular migrants.

He also explained that the principles of solidarity and shared responsibility for the reception of refugees would be implemented using two mechanisms proposed by the Commission, i.e. (i) a temporary mechanism that would enable persons in need of international protection to be relocated to another Member State – internal solidarity – and (ii) a resettlement mechanism for 20 000 refugees from third countries to EU Member States – external solidarity.

He added that these two mechanisms were based on an allocation key defined according to criteria that were objective, quantifiable and verifiable to take account of the absorption and integration capacity of the Member States. He indicated that the first two criteria, each with a weighting of 40%, were population and gross

national product (GNP), given that the most populated states had a larger absorption capacity and the large economies were able to respond to greater migratory pressure.

As for the other two objective criteria, which both had a 10% weighting, the first concerned the number of asylum applications and the number of resettled persons in order to take account of the existing pressure in the Member State, and the other, the unemployment rate, which determined the capacity of a Member State to integrate refugees and might provoke a hostile attitude from the local population.

Mr AVRAMOPOULOS admitted that each Member State could always argue that these criteria did not take its own individual situation into account but he felt that they were at least clear, verifiable and easy to defend, and did not lend themselves to differing interpretations.

With regard to the relocation mechanism, he explained that the allocation key by Member State was expressed as a percentage and not as the total number of people concerned since this number would be defined in a legislative proposal planned for adoption by the Commission by the end of May. He added that this proposal would also define the Member States from which asylum seekers would have to be relocated.

As for the resettlement of persons who, in a third country, were recognised by the United Nations High Commissioner for Refugees (UNHCR) as needing international protection, he stated that the Commission was proposing a common mechanism for the European Union to accommodate 20 000 such persons. Finally, he highlighted that an additional budget of EUR 50 million would be allocated to the resettlement mechanism for 2015 and 2016.

Mr AVRAMOPOULOS concluded his presentation by recommending that the measures proposed by the Commission be considered as a whole and not individually.

In the course of the in-depth discussion that followed, the Commission raised the following main points:

- the ambitious and courageous nature of the European agenda on migration, which fully reflected the values of the Union and embodied the principles of solidarity and shared responsibility for the reception of migrants between Member States;
- the need to anticipate the reactions that the adoption of the agenda would certainly provoke in the media and the political debates in each Member State;
- consequently, the importance of emphasising the balanced nature of the proposed approach, which, whilst making it possible to better organise the reception of asylum seekers and refugees in accordance with the values of the Union, stepped up the fight against irregular immigration and criminal networks;
- the attention that would be focused on the proposed quota system for the relocation and resettlement of asylum seekers or refugees which might be met by mixed feelings among European citizens, who were torn between compassion and reluctance to accept new migrants into their countries;
- the importance in this respect of clarifying the fundamental objectives of the European Union in the field of migration in demographic, economic and humanitarian terms;
- the need to take into account the risk that people who had been relocated or resettled in one Member State might move to another thanks to the freedom of movement guaranteed by the Union, and the constraints that this could lead to, despite the fact that it was one of the basic freedoms; the resulting risks to the credibility of the Schengen area;
- the desirability of simultaneously promoting managed immigration in Europe in

order to address the EU's economic and demographic challenges, thereby overcoming populist fears and forming the base of a calm and healthier discussion;

- with regard to the criteria for evaluating each Member State's capacity for absorbing asylum seekers or refugees, the fact that for certain Member States population density should be an additional criterion to consider, or for others the importance of taking greater account of the unemployment rate in the definition of the allocation keys, or the presence in some Member States of minorities who needed similar assistance to that required by people under protection;
- emphasis of the fact that the figure of 20 000 asylum seekers or refugees to resettle set at EU level could prove to be much lower than the actual number of applications;
- the need, in order to have an impact on the root causes of migratory pressure, to promote a development policy that would encourage the creation in the long term of sustainable jobs in the countries of origin; the importance, moreover, of taking account of the issue of migration when setting out all the Union's development policies and in the context of cooperation with international organisations;
- the fundamental nature of agricultural development in policies relating to aid for developing countries; in this context, the importance of stepping up cooperation in aid to agricultural and food production, and reinforcing standards, production processes and aid programme governance;
- the need to ensure that the Union's actions were not limited to the Mediterranean but also covered other regions of origin and transit of migrants, particularly in the Western Balkans, where almost 70% of migrant transit movements towards the European Union and one-third of applications for asylum were concentrated;

- the role of the social partners in identifying the Union's needs in terms of expertise and skills, and in integrating migrants in the economies of the Members States;
- the case for using the Structural Funds to further social integration and employment of migrants in the Union;
- the support to be given to frontline Member States to help them to provide health care to migrants by deploying the Civil Protection Mechanism and mobilising the European Centre for Disease Prevention and Control;
- the significant budgetary constraints affecting the instruments that could be mobilised to help asylum seekers and refugees; the Council could not continue to reduce these instruments without jeopardising the viability of the ambitious approach proposed by the Commission.

Replying to these comments, Mr TIMMERMANS, too, emphasised the comprehensive nature of the Commission's proposed approach. While he recognised the weaknesses of the Union's migration policy to date, he stressed that these weaknesses could not be used as a pretext for not taking action at European level. On the contrary, he considered that they indicated the need for a strategy that was both better adapted to the current circumstances and characterised by greater solidarity between EU Member States.

He also pointed out that it was precisely because, in practice, the Member States had departed from the principles laid down in the Dublin Regulation that the Commission was today proposing a set of measures to improve the implementation of those principles, including sharing mechanisms. He reasserted that the aim of the Commission's proposed strategy was to restore a balance between the Member States by giving more support to Member States under particular migratory pressure, but also to ensure full implementation of the control mechanisms provided for in the legislation in force and more efficient implementation of return decisions.

Returning to the other points raised, Mr TIMMERMANS said he was in favour of the idea of putting an end to certain abuses associated with applications for asylum, for example when the applicants lived in EU candidate countries or potential candidate countries; these abuses risked damaging the credibility of the migration policy as a whole. While the human and humanitarian dimension must remain at the heart of the Union's concerns, in accordance with its fundamental values, it was nevertheless necessary to be realistic.

In conclusion, he said that by taking an ambitious and courageous initiative today, the Commission was playing fully its role. He called on all the Commission Members to recall the comprehensive nature of the political response envisaged for the Union and to draw out the different aspects of the approach proposed. Lastly, he reminded the meeting that the Spokesperson's Service had placed a number of documents at their disposal to support communication on this highly political subject.

Ms MOGHERINI said that one section of public opinion wanted the Union to act above all to prevent deaths of migrants at sea, while another saw returning irregular migrants to their countries of origin as the main priority. She stressed that the European Agenda on Migration was a full, sustainable and balanced response to migratory pressure, which set out the Union's short, medium and long-term action.

She concluded by citing the example of Jordan which alone had received over 1.5 million refugees, a figure it was useful to bear in mind in debates, as it indicated the disproportionate burden of migratory pressure on certain non-EU countries in comparison with the total number of refugees that the Union proposed to take each year.

Mr AVRAMOPOULOS thanked the Members of the Commission for their unanimous support for the European Agenda on Migration, which marked a new departure and made it possible to address migration flows thanks to new instruments

founded on EU values. He considered that the ambitious approach proposed allowed the EU to send a clear signal regarding its commitment to controlling migratory pressure and putting into practice the principle of solidarity between Member States.

He referred briefly to the next interinstitutional steps that would follow the proposed European Agenda on Migration, with the Foreign Affairs and Defence Council of 18 May, which would report on the measures to address problems relating to migration; the Foreign Affairs Council of 19 May; Parliament's part-session of 20 May, when a first debate would be held on the European Agenda on Migration; and the Justice and Home Affairs Council on 15-16 June, which would address the internal aspects of implementation of migration policy. He also mentioned that the European Agenda on Migration was on the agenda of the European Council to be attended by the Heads of State or Government on 25-26 June.

Following this discussion, the Commission approved the communication in COM(2015) 240/3, together with the annex on European schemes for relocation and resettlement distributed at the meeting, for transmission to Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and, for information, to the national parliaments

The Commission also adopted the draft amending budget No 5 to the 2015 General Budget set out in COM(2015) 241/3 for transmission to Parliament and the Council, and, for information, to the national parliaments.

**9. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN CENTRAL BANK, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT BANK - 2015 EUROPEAN SEMESTER - COUNTRY-SPECIFIC RECOMMENDATIONS - MOVING EUROPE BEYOND THE CRISIS
(COM(2015) 250 AND /2; RCC(2015) 39)**

**10. COMMISSION RECOMMENDATIONS FOR COUNCIL RECOMMENDATIONS ON THE MEMBER STATES' 2015 NATIONAL REFORM PROGRAMMES AND DELIVERING A COUNCIL OPINION ON THE MEMBER STATES' 2015 STABILITY AND CONVERGENCE PROGRAMMES, AND ON THE IMPLEMENTATION OF THE BROAD GUIDELINES FOR THE ECONOMIC POLICIES OF THE MEMBER STATES WHOSE CURRENCY IS THE EURO
(COM(2015) 251 AND /2; COM(2015) 252 AND /2; COM(2015) 253 AND /2; COM(2015) 254 AND /2; COM(2015) 255 AND /2; COM(2015) 256 AND /2; COM(2015) 257 AND /2; COM(2015) 258 AND /2; COM(2015) 259 AND /2; COM(2015) 260 AND /2; COM(2015) 261 AND /2; COM(2015) 262 AND /2; COM(2015) 263 AND /2; COM(2015) 264 AND /2; COM(2015) 265 AND /2; COM(2015) 266 AND /2; COM(2015) 267 AND /2; COM(2015) 268 AND /2; COM(2015) 269 AND /2; COM(2015) 270 AND /2; COM(2015) 271 AND /2; COM(2015) 272 AND /2; COM(2015) 273 AND /2; COM(2015) 274 AND /2; COM(2015) 275 AND /2; COM(2015) 276 AND /2; COM(2015) 277 AND /2; RCC(2015) 39)**

Mr DOMBROVSKIS presented the set of recommendations addressed to the euro-area Member States as part of the European Semester, the EU economic governance

exercise which had been given renewed impetus this year.

The European Semester was the main tool available to the EU for establishing effective economic policy coordination between the Member States and within the euro area. It was essential both for growth and job creation and for the stability of public finances and financial systems. The tool had also served to support the Member States when they had to undertake urgent and vital structural reforms. Nevertheless, after five years of operation the European Semester needed to be rationalised.

Mr DOMBROVSKIS ran briefly through the new structure, the main purpose of which was to strengthen political ownership of the European and national decision-making process. Among the changes that had been made this year he mentioned (i) the focus on the priorities set out in the Annual Growth Survey (AGS), (ii) the earlier publication of the country-specific and euro-area analyses to allow in-depth discussions on the key issues with the Member States and the social partners, (iii) more intensive outreach at political and technical levels to discuss past and future recommendations, and (iv) a timetable that had been adjusted to give all players more time to engage in dialogue.

It was in this new context that the Commission was presenting its country-specific recommendations, which now focused on a small number of areas that were of key importance for job creation and growth. He explained the criteria used to select these areas: the measures recommended were confined strictly to the macroeconomic challenges facing each Member State; their implementation must be feasible within 12 to 18 months; and they must not duplicate measures being taken in other contexts or through other policy instruments.

Mr DOMBROVSKIS then described the general economic backdrop to the country-specific recommendations being presented that day. A modest recovery was under way, driven by low oil prices, stronger global growth, the depreciation of the euro

and supportive economic policies, but it was being held back by the lingering effects of the financial crisis and long-standing structural weaknesses which had to be addressed – high unemployment and social hardship, high levels of public and private debt, a lack of competitiveness and financial stability, an inadequate supply of credit and little potential for growth.

To keep this nascent recovery on track, the country-specific recommendations took the three pillars of the Commission's economic strategy, namely speeding up structural reforms, pursuing a responsible and growth-friendly fiscal policy and stimulating investment, and translated them into practical action.

He gave examples of measures recommended in this context to improve the operation of labour markets and social security systems, for example by reducing the tax burden on labour, to put Member States' public finances on a sounder footing, in some cases by making their pension schemes more viable, and to remove obstacles to investment, in particular through increased competition in service and network industries.

Mr DOMBROVSKIS then spoke about the decisions being adopted that day by written procedure on the public finances of the Member States under the Stability and Growth Pact.

The Commission was recommending that the EU Council of Ministers end the excessive deficit procedures against Malta and Poland. Malta's government deficit had been reduced to 2.1% of GDP in 2014 and should remain at 3% in 2015-2016. The country had also complied with the rules on debt in 2014. He noted that, in the Commission's view, Poland was meeting the deficit criterion set out in the Stability and Growth Pact given that the net cost of the pension reform undertaken in 1999 was still being felt even after its abolition in December 2013.

As regards the United Kingdom, the Commission was recommending that the Council take a decision stating that the UK had not taken effective action in

response to the Council recommendation of December 2009 to correct its excessive deficit by 2014-2015, but allowing it two more years, i.e. until 2016-2017, to bring the deficit below the reference value of 3% of GDP.

Lastly, the Commission had prepared a report on Finland, in which it concluded that Finland had failed to meet the debt and deficit criteria of the Stability and Growth Pact, which might lead to a decision to open the excessive deficit procedure.

Mr DOMBROVSKIS ended his presentation by outlining the next stages in the process. The country-specific recommendations would be examined by the relevant EU ministers in June before being ratified by the Heads of State or Government at the European Council meeting on 25 and 26 June and being formally adopted by the Council of Finance Ministers in July. He then gave the floor to Ms THYSSEN and Mr MOSCOVICI to provide some additional information.

Ms THYSSEN began by observing that, through the European Semester exercise, the Commission was trying to achieve economic governance with a social dimension in order to contribute to productive and competitive economies, strengthen the European social model and enable everyone to benefit from growth. Although progress had been made, for example in March the EU's unemployment rate had fallen to 9.8%, its lowest rate since 2011, she nevertheless stressed the importance of embarking resolutely on structural reforms in order to help the plight of the 23 million Europeans – including 4.8 million young people – who were without a job, and to tackle the persistent problem of long-term unemployment.

For that reason this year's country-specific recommendations focused primarily on targeted reforms to help the victims of the crisis – especially young people and the long-term unemployed – back into jobs, as well as on active labour market policies and cooperation between effective employment services and social assistance services. She also noted that the Commission was continuing to make the case for apprenticeships, on-the-job training and lifelong training as key measures to develop

skills. Among the measures recommended to certain Member States, she cited targeted measures to boost employment among vulnerable groups such as women, older workers and migrants.

She also highlighted the recommendations addressed in particular to the Member States in the euro area that had been especially affected by the crisis to reduce poverty and social exclusion by plugging the gaps in their social safety nets and by taking activation measures. She then referred to the measures recommended in the field of health care or in favour of children, in terms of early schooling and assistance, in order to stop poverty and social exclusion being passed on from generation to generation, as was the case, for example, in the Member States with a large Roma population.

Ms THYSSEN concluded by stressing that some of the recommendations made by the Commission were indirectly addressed to the social partners, whose support was needed for successful implementation.

Mr MOSCOVICI then took the floor to give an overview of the recommendations addressed to the Member States in the other key policy areas – budgetary, tax, financial and economic policy in general – before moving on to the decisions taken that day and other questions regarding application of the Stability and Growth Pact.

He noted first that the Commission was not addressing specific recommendations to Greece or to Cyprus, which were excluded from the exercise because they were still covered by European assistance programmes.

The budgetary recommendations sought to improve, for certain Member States, the relations between the different tiers of government in budget terms and, for others, the cost-effectiveness of public services, in particular in the health system.

Half of the Member States were called on to carry out further reforms of their pension systems in order to ensure their long-term financial viability, with nuances

to take into account the specific features of each system.

In the field of taxation, 17 Member States had received recommendations calling on them to take measures to reduce the tax burden on labour, broaden their tax base or combat tax evasion and avoidance.

A number of recommendations sought to correct problems in the financial sector, either to improve the supply of credit or, in certain cases, to enhance financial stability. Other recommendations were explicitly intended to improve the business and investment environment, as was the case for Germany, which, given its budgetary margin and investment needs, was being called on to increase public investment in infrastructure, education and research.

Lastly, he referred to another set of recommendations concerning product and services markets and the reform of public administration. He singled out the specific recommendations in these fields addressed to the Member States with excessive imbalances, in particular Croatia, Italy, Portugal, France and Spain.

Mr MOSCOVICI then turned to the decisions relating to the application of the Stability and Growth Pact adopted that morning by written procedure, and set out a number of other considerations in that field.

Overall, the fiscal outlook was improving in Europe; most of the Member States had reduced their deficits since 2014, a trend which would continue this year and in 2016. In addition, the public debt ratio should begin to fall this year, which would give the Member States concerned some breathing space and enable them to accelerate their structural reforms.

However, a number of Member States were recording high debt and deficit levels; 11 had been placed under the corrective arm of the Stability and Growth Pact and 17 others under the preventive arm. He did not elaborate on the decisions taken that morning concerning Finland, Malta, Poland and the United Kingdom, which

Mr DOMBROVSKIS had already commented on.

Mr MOSCOVICI explained that the Commission had also concluded in the case of the other Member States that no procedural step was necessary at this stage under the excessive deficit procedure. France had until 10 June to report on the measures taken to comply with the Council recommendation, on the basis of which the Commission would issue its opinion. He also noted that Croatia, Spain and Portugal were still at risk of not correcting their excessive deficit in time or sustainably, hence the more specific budgetary policy recommendations relating to them. With regard to Belgium and Italy, which had exceeded the debt threshold set by the Pact, he noted the conclusion of the country reports published by the Commission last February, and its confirmation in the spring economic forecasts, that specific factors justified the threshold being exceeded, and in the case of Belgium the deficit threshold being exceeded too. As a result it was not certain that an excessive deficit procedure would be opened. In the light of a very recent judgment by the Italian Constitutional Court, which had held that the temporary non-indexation of the highest pensions in 2012 and 2013 was unconstitutional, he explained that the Commission had none the less to wait for the response of the Italian Government before concluding whether a new report would have to be prepared later under Article 126(3) of the Treaty on the Functioning of the European Union (TFEU).

Lastly, with regard to the macroeconomic imbalances procedure, Mr MOSCOVICI noted that the Commission considered the national reform plans presented by the Member States ambitious and detailed enough so as not to propose taking the procedure to the next level, although this did not exempt the Member States from redoubling their efforts to overcome their imbalances, as the Commission's detailed recommendations called on them to do.

He ended by stating his view that all the recommendations presented to the College that day confirmed the Commission's economic strategy that, when the recovery was gaining ground, Europe had to step up its structural reforms, its efforts to

achieve fiscal responsibility and its investment policy, with the specific objective of creating jobs and achieving more sustainable growth.

During a discussion, the Commission mentioned the following matters:

- strong support for the rationalisation of the European Semester exercise, the advantages of which were brought to the fore, not only for better political ownership of the process in the Member States and for deepening the dialogue between them and the Commission, but also for the credibility of the institution; in addition, emphasis on the streamlining of the recommendations, which were fewer in number and more focused on priorities;
- in this regard, the suggestion to remind the Member States that the recommendations issued in previous years but not repeated in the 2015 recommendations remained applicable; the wish to highlight the 'implementation' part of the recommendations and their follow-up; the benefit of measurable targets in this context; a general question on the assessment of the results achieved as a result of the country-specific recommendations;
- alongside the recommendations, the importance of reiterating the need for further efforts under the sectoral policies for the benefit of European competitiveness, for example with regard to research, innovation and industrial development; in terms of energy policy in particular, a reminder of the work ongoing at the Commission within the Energy Union framework for future national energy plans;
- the benefit of reflecting as of now on ways of redirecting the focus in future years to microeconomic analysis;
- the general call for a more ambitious growth target (2 or 3%) for the EU as a whole in order to capitalise on external factors currently favouring economic recovery, such as falling oil prices;

- a comment that certain economically favourable measures could be less favourable politically, for example falling oil prices versus climate policy, ahead of the UN climate change conference taking place in Paris in late 2015;
- the importance ascribed in certain recommendations to health policy in the context of this exercise, particularly in order to urge that public spending in the sector be maintained, given Europe's ageing population and the fact that people were retiring later.

In reply to some of these points, Mr DOMBROVSKIS thanked all the Members for broadly backing the new approach to handling the European Semester exercise. He announced that the Spokesperson's Service had produced a set of documents, including factsheets, that provided an overview of the exercise, and he gave each Member a copy.

In response to comments relating to the sectoral policies, he pointed out that the idea behind the new, simplified and refocused exercise was precisely not to cover all areas, but to concentrate on the Member States' main macroeconomic, budgetary and social priorities. On the issue of implementation, he pointed out that 55% of the recommendations adopted in 2014 had resulted in progress. He stressed that appropriation of the recommendations by the Member States and the social partners was now regarded as the best way to improve their implementation, given that the recommendations, as their name suggested, were not legally binding.

Ms THYSSEN added that, in order to reinforce the practical implementation of the recommendations, a key feature of the 2015 exercise was the specific criterion that it must be possible for the chosen measures to be implemented within a 12 to 18 month period.

Mr MOSCOVICI reiterated that everything had been done to ensure that this exercise reflected the new Commission's approach of accompanying the recovery without deviating from the three-pronged strategy of structural reform, fiscal

responsibility and investment defined in its political guidelines, and felt that a fair balance had been struck between pressure and incentive. Nevertheless, he called on the Commission and its departments to start thinking in earnest about a new generation of policies (e.g. microeconomic or social) in response to the new issues that would have to be addressed once the recovery was secured, such as widening inequality.

The PRESIDENT ended the discussion by urging the Members of the Commission responsible to re-explain clearly the European Semester and the reasons for its existence in their public communication, which in his opinion should be highly educational. He then welcomed the fact that the Social Affairs Commissioner – Ms THYSSEN in this instance – was closely associated with the exercise as a whole.

He thanked the Members of the Commission who had made the politically important effort to visit the Member States to explain the European Semester and hold talks with stakeholders, in particular the national parliaments. He also warmly thanked all the parties – Members of the Commission and departments, in particular the Directorates-General for Economic and Financial Affairs, Employment, Social Affairs and Inclusion, and Translation, along with the Legal Service and the Secretariat General – who had contributed to the very important work presented today, which would need to be adapted year on year in order to make allowance for new realities.

Following this discussion, and subject to a final linguistic revision of all the documents listed below, the Commission:

- approved the general communication in COM(2015) 250/2 for transmission to Parliament, the Council, the European Central Bank, the Economic and Social Committee, the Committee of the Regions and the European Investment Bank, and, for information, to the national parliaments.

- adopted its recommendations for Council recommendations in COM(2015) 251/2, COM(2015) 252/2, COM(2015) 253/2, COM(2015) 254/2, COM(2015) 255/2, COM(2015) 256/2, COM(2015) 257/2, COM(2015) 258/2, COM(2015) 259/2, COM(2015) 260/2, COM(2015) 261/2, COM(2015) 262/2, COM(2015) 263/2, COM(2015) 264/2, COM(2015) 265/2, COM(2015) 266/2, COM(2015) 267/2, COM(2015) 268/2, COM(2015) 269/2, COM(2015) 270/2, COM(2015) 271/2, COM(2015) 272/2, COM(2015) 273/2, COM(2015) 274/2, COM(2015) 275/2, COM(2015) 276/2 and COM(2015) 277/2 for transmission to the Council and, for information, to Parliament, the European Central Bank, the Economic and Social Committee, the Committee of the Regions, the European Investment Bank and the national parliaments.

The Commission also noted that a number of written procedures would expire that day: these concerned the excessive deficit procedures relating to Finland (PE/2015/3342), the United Kingdom (PE/2015/3343 and PE/2015/3344), Poland (PE/2015/3345) and Malta (PE/2015/3346).

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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 12.05.