



European
Commission

STATE OF THE UNION 2017

by Jean-Claude Juncker,
President of the European Commission
13 September 2017



Every year in September, the President of the European Commission delivers his State of the Union Address before the European Parliament, taking stock of achievements of the past year and presenting priorities for the year ahead. The President also sets out how the European Commission will address the most pressing challenges the European Union is facing. The speech is followed by a plenary debate. This kick-starts the dialogue with the European Parliament and the Council to prepare the Commission Work Programme for the following year.

Anchored in the Treaty of Lisbon, the State of the Union Address is stipulated in the 2010 Framework Agreement on relations between the European Parliament and the European Commission, which also requires the President to send a Letter of Intent to the President of the European Parliament and the Presidency of the Council that sets out in detail the actions the European Commission intends to take by means of legislation and other initiatives until the end of the following year.

Jean-Claude Juncker, the President of the European Commission, delivered his third State of the Union Address on 13 September 2017.

All material is available at <http://ec.europa.eu/soteu>.

President Juncker initiated a broad debate on the future of Europe with the European Commission's White Paper of 1 March 2017 and the Reflection Papers on the social dimension of Europe, harnessing globalisation, deepening of Economic and Monetary Union, the future of European defence and the future of EU finances.

The debate took place across Europe. 129 Citizens' Dialogues with President Juncker and the Members of the European Commission took place in 27 Member States, including all capitals.

This year, the State of the Union Address unveils President Juncker's views on the future of Europe.

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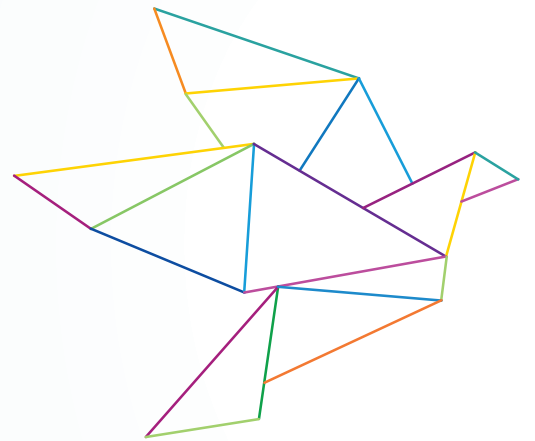
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STATE OF THE UNION 2017

AUTHORISED VERSION OF THE STATE OF
THE UNION ADDRESS 2017

INTRODUCTION – WIND IN OUR SAILS

Mr President, Honourable Members of the European Parliament,

When I stood before you this time last year, I had a somewhat easier speech to give.

It was plain for all to see that our Union was not in a good state.

Europe was battered and bruised by a year that shook our very foundation.

We only had two choices. Either come together around a positive European agenda or each retreat into our own corners.

Faced with this choice, I argued for unity.

I proposed a positive agenda to help create – as I said last year – **a Europe that protects, empowers and defends.**

Over the past twelve months, the European Parliament has helped bring this agenda to life. We continue to make progress with each passing day. Just last night you worked to find agreement on trade defence instruments and on doubling our European investment capacity.

I also want to thank the 27 leaders of our Member States. Days after my speech last year, they welcomed my agenda at their summit in Bratislava. In doing so they chose unity. They chose to rally around our common ground.

Together, we showed that Europe can deliver for its citizens when and where it matters.

Ever since, we have been slowly but surely gathering momentum.

It helped that the economic outlook swung in our favour.

We are now in the fifth year of an economic recovery that finally reaches every single Member State.

Growth in the European Union has outstripped that of the United States over the last two years. It now stands above 2% for the Union as a whole and at 2.2% for the euro area.

Unemployment is at a nine year low. Almost 8 million jobs have been created during this mandate so far. With 235 million people at work, more people are in employment in the EU than ever before.

The European Commission cannot take the credit for this alone. Though I am sure that had 8 million jobs been lost, we would have taken the blame.



But Europe's institutions played their part in helping the wind change.

We can take credit for our European Investment Plan which has triggered €225 billion worth of investment so far. It has granted loans to over 445,000 small firms and more than 270 infrastructure projects.

We can take credit for the fact that, thanks to determined action, European banks once again have the capital firepower to lend to companies so that they can grow and create jobs.

And we can take credit for having brought public deficits down from 6.6% to 1.6%. This is thanks to an intelligent application of the Stability and Growth Pact. We ask for fiscal discipline but are careful not to kill growth. This is in fact working very well across the Union – despite the criticism.

Ten years since crisis struck, **Europe's economy is finally bouncing back.**

And with it, our confidence.

Our EU27 leaders, the Parliament and the Commission are putting the Europe back in our Union. Together we are putting the Union back in our Union.

In the last year, we saw all 27 leaders walk up the Capitoline Hill in Rome, one by one, to renew their vows to each other and to our Union.

All of this leads me to believe: **the wind is back in Europe's sails.**

We now have a window of opportunity but it will not stay open forever.

Let us make the most of the momentum, **catch the wind in our sails.**

For this we must do two things:

First, we should stay the course set out last year. We have still 16 months in which real progress can be made by Parliament, Council and Commission. We must use this time to finish what we started in Bratislava and deliver on our positive agenda.

Secondly, we should chart the direction for the future. As Mark Twain wrote, years from now we will be more disappointed by the things we did not do, than by the ones we did. **Now is the time to build a more united, stronger and more democratic Europe for 2025.**

STAYING COURSE

Mr President, Honourable Members,

As we look to the future, we cannot let ourselves be blown off course.

We set out to complete an Energy Union, a Security Union, a Capital Markets Union, a Banking Union and a Digital Single Market. Together, we have already come a long way.

As the Parliament testified, 80% of the proposals promised at the start of the mandate have already been put forward by the Commission. We must now work together to turn proposals into law, and law into practice.

As ever, there will be a degree of give and take. The Commission's proposals to reform our Common Asylum System and strengthen rules on the Posting of Workers have caused controversy. Achieving a good result will need all sides to move towards each other. I want to say today: as long as the outcome is the right one for our Union and is fair to all Member States, the Commission will be open to compromise

We are now ready to put the remaining 20% of initiatives on the table by May 2018.

This morning, I sent a Letter of Intent to European Parliament President Antonio Tajani and Prime Minister Jüri Ratas outlining the priorities for the year ahead.

I will not list all our proposals here, but let me mention five which are particularly important.

Firstly, I want us to strengthen our European trade agenda.

Yes, Europe is open for business. But there must be reciprocity. We have to get what we give.

Trade is not something abstract. Trade is about jobs, creating new opportunities for Europe's businesses big and small. Every additional €1 billion in exports supports 14,000 extra jobs in Europe.

Trade is about exporting our standards, be they social or environmental standards, data protection or food safety requirements.

Europe has always been an attractive place to do business.

But over the last year, **partners across the globe are lining up at our door to conclude trade agreements with us.**

With the help of the European Parliament, we have just secured a trade agreement with Canada that will provisionally apply as of next week. We have a political agreement with Japan on a new economic



partnership. By the end of the year, we have a good chance of doing the same with Mexico and South American countries.

And today, we are proposing to open trade negotiations with **Australia and New Zealand**.

I want all of these agreements to be finalised by the end of this mandate. And I want them negotiated in the fullest transparency.

Open trade must go hand in hand with open policy making.

The European Parliament will have the final say on all trade agreements. So its Members, like members of national and regional parliaments, must be kept fully informed from day one of the negotiations. The Commission will make sure of this.

From now on, the Commission will publish in full all draft negotiating mandates we propose to the Council.

Citizens have the right to know what the Commission is proposing. Gone are the days of no transparency. Gone are the days of rumours, of incessantly questioning the Commission's motives.

I call on the Council to do the same when it adopts the final negotiating mandates.

Let me say once and for all: **we are not naïve free traders**.

Europe must always defend its strategic interests.

This is why today we are proposing **a new EU framework for investment screening**. If a foreign, state-owned, company wants to purchase a European harbour, part of our energy infrastructure or a defence technology firm, this should only happen in transparency, with scrutiny and debate. It is a political responsibility to know what is going on in our own backyard so that we can protect our collective security if needed.

Secondly, I want to make our industry stronger and more competitive.

This is particularly true for our manufacturing base and the 32 million workers that form its backbone. They make the world-class products that give us our edge, like our cars.

I am proud of our car industry. But I am shocked when consumers are knowingly and deliberately misled. I call on the car industry to come clean and make it right. Instead of looking for loopholes, they should be investing in the clean cars of the future.

The **new Industrial Policy Strategy** we are presenting today will help our industries stay or become the world leader in innovation, digitisation and decarbonisation.

Third: **I want Europe to be the leader when it comes to the fight against climate change.**

Last year, we set the global rules of the game with the Paris Agreement ratified here, in this very House. Set against the collapse of ambition in the United States, Europe will ensure we make our planet great again. It is the shared heritage of all of humanity.

The Commission will shortly present proposals to reduce the carbon emissions of our transport sector.

Fourth priority for the year ahead: we need to better protect Europeans in the digital age.

In the past three years, we have made progress in keeping Europeans safe online. New rules, put forward by the Commission, will protect our intellectual property, our cultural diversity and our personal data. We have stepped up the fight against terrorist propaganda and radicalisation online. But Europe is still not well equipped when it comes to cyber-attacks.

Cyber-attacks can be more dangerous to the stability of democracies and economies than guns and tanks. Last year alone there were more than 4,000 ransomware attacks per day and 80% of European companies experienced at least one cyber-security incident.

Cyber-attacks know no borders and no one is immune. This is why, today, the Commission is proposing new tools, including **a European Cybersecurity Agency**, to help defend us against such attacks.

Fifth: migration will stay on our radar.

In spite of the debate and controversy around this topic, we have managed to make solid progress – though admittedly insufficient in many areas.

We are now protecting Europe's external borders more effectively. Over 1,700 officers from the new European Border and Coast Guard are now helping Member States' 100,000 national border guards patrol in places like Greece, Italy, Bulgaria and Spain. We have common borders but Member States that by geography are the first in line cannot be left alone to protect them. Common borders and common protection must go hand in hand.

We have managed to stem irregular flows of migrants, which were a cause of great anxiety for many. We have reduced irregular arrivals in the Eastern Mediterranean by 97% thanks our agreement with Turkey. And this summer, we managed to get more control over the Central Mediterranean route with arrivals in August down by 81% compared to the same month last year.

In doing so, **we have drastically reduced the loss of life in the Mediterranean.** Tragically, nearly 2,500 died this year. **I will never accept that people are left to die at sea.**

I cannot talk about migration without paying strong tribute to Italy for their tireless and noble work. This summer, the Commission again worked closely together with Prime Minister Paolo Gentiloni and his government to improve the situation, notably by training the Libyan Coast Guard. We will continue to



offer strong operational and financial support to Italy. Because **Italy is saving Europe's honour in the Mediterranean.**

We must also urgently improve migrants' living conditions in Libya. I am appalled by the inhumane conditions in detention or reception centres. Europe has a collective responsibility, and the Commission will work in concert with the United Nations to put an end to this scandalous situation that cannot be made to last.

Even if it saddens me to see that solidarity is not yet equally shared across all our Member States, **Europe as a whole has continued to show solidarity.** Last year alone, our Member States resettled or granted asylum to over 720,000 refugees – three times as much as the United States, Canada and Australia combined. Europe, contrary to what some say, is not a fortress and must never become one. **Europe is and must remain the continent of solidarity where those fleeing persecution can find refuge.**

I am particularly proud of the young Europeans volunteering to give language courses to Syrian refugees or the thousands more young people who are serving in our new European Solidarity Corps. They are **bringing European solidarity to life.**

We now need to redouble our efforts. Before the end of the month, the Commission will present a new set of proposals with an emphasis on returns, solidarity with Africa and opening legal pathways.

When it comes to **returns**: people who have no right to stay in Europe must be returned to their countries of origin. When only 36% of irregular migrants are returned, it is clear we need to significantly step up our work. This is the only way Europe will be able to show solidarity with refugees in real need of protection.

Solidarity cannot be exclusively intra-European. We must also show solidarity with Africa. **Africa is a noble and young continent, the cradle of humanity.** Our €2.7 billion EU-Africa Trust Fund is creating employment opportunities across the continent. The EU budget fronted the bulk of the money, but all our Member States combined have still only contributed €150 million. The Fund is currently reaching its limits. **We know the dangers of a lack of funding** – in 2015 many migrants headed towards Europe when the UN's World Food Programme ran out of funds. I call on all Member States to now match their actions with their words and ensure the Africa Trust Fund does not meet the same fate.

We will also work on opening up **legal pathways. Irregular migration will only stop if there is a real alternative to perilous journeys.** We are close to having resettled 22,000 refugees from Turkey, Jordan and Lebanon and I support UN High Commissioner Grandi's call to resettle a further 40,000 refugees from Libya and the surrounding countries.

At the same time, **legal migration is a necessity** for Europe as an ageing continent. This is why the Commission made proposals to make it easier for skilled migrants to reach Europe with a Blue Card. I would like to thank the Parliament for your support and I call for an ambitious and swift agreement on this important issue.

SETTING SAIL

Mr President,

Ladies and Gentlemen,

Honourable Members,

I have mentioned just a few of the initiatives we should deliver over the next 16 months. But this alone will not be enough to regain the hearts and minds of Europeans.

Now is the time to chart the direction for the future.

In March, the Commission presented our White Paper on the future of Europe, with five scenarios for what Europe could look like by 2025. These scenarios have been discussed, scrutinised and partly ripped apart. That is good – they were conceived for exactly this purpose. I wanted to launch a process in which Europeans determined their own path and their own future.

The future of Europe cannot be decided by decree. It has to be the result of democratic debate and, ultimately, broad consensus. This House contributed actively, through the three ambitious resolutions on Europe's future and your participation in many of the more than 2,000 public events that the Commission organised since March.

Now is the time to draw first conclusions from this debate. Time to move from reflection to action. From debate to decision.

Today I would like to present you my view: **my own 'scenario six', if you will.**

This scenario is rooted in decades of first-hand experience. I have lived and worked for the European project my entire life. I have seen good times and bad.

I have sat on many different sides of the table: as a Minister, as Prime Minister, as President of the Eurogroup, and now as President of the Commission. I was there in Maastricht, Amsterdam, Nice and Lisbon as our Union evolved and enlarged.

I have always fought for Europe. At times I have suffered with and because of Europe and even despaired for it.

Through thick and thin, I have never lost my love of Europe.

But there is rarely love without pain.

Love for Europe because Europe and the European Union have achieved something unique in this fraying world: peace within and outside of Europe. Prosperity for many if not yet for all.

This is something we have to remember during the European Year of Cultural Heritage. 2018 must be a celebration of cultural diversity.

A UNION OF VALUES



Our values are our compass.

For me, Europe is more than just a single market. More than money, more than the euro. It was always about values.

In my scenario six, there are three principles that must always anchor our Union: freedom, equality and the rule of law.

Europe is first of all a Union of freedom. Freedom from the kind of oppression and dictatorship our continent knows all too well – sadly none more than central and Eastern Europe. Freedom to voice your opinion, as a citizen and as a journalist – a freedom we too often take for granted. It was on these freedoms that our Union was built. But freedom does not fall from the sky. It must be fought for. In Europe and throughout world.

Second, Europe must be a Union of equality.

Equality between its Members, big and small, East and West, North and South.

Make no mistake, Europe extends from Vigo to Varna. From Spain to Bulgaria.

East to West: Europe must breathe with both lungs. Otherwise our continent will struggle for air.

In a Union of equals, there can be no second class citizens. It is unacceptable that in 2017 there are still children dying of diseases that should long have been eradicated in Europe. Children in Romania or Italy must have the same access to measles vaccines as other children right across Europe. No ifs, no buts. This is why we are working with all Member States to support national vaccination efforts. Avoidable deaths must not occur in Europe.

In a Union of equals, there can be no second class workers. Workers should earn the same pay for the same work in the same place. This is why the Commission proposed new rules on posting of workers. We should make sure that all EU rules on labour mobility are enforced in a fair, simple and effective way by a new European inspection and enforcement body. It seems absurd to have a Banking Authority to police banking standards, but no **common Labour Authority** for ensuring fairness in our single market. We will create one.

In a Union of equals, there can be no second class consumers. I will not accept that in some parts of Europe, people are sold food of lower quality than in other countries, despite the packaging and branding being identical. Slovaks do not deserve less fish in their fish fingers. Hungarians less meat in their meals. Czechs less cacao in their chocolate. EU law outlaws such practices already. We must now equip national authorities with stronger powers to cut out any illegal practices wherever they exist.

Third, in Europe the strength of the law replaced the law of the strong.

The rule of law means that law and justice are upheld by an independent judiciary.

Accepting and respecting a final judgement is what it means to be part of a Union based on the rule of

law. Member States gave final jurisdiction to the European Court of Justice. The judgements of the Court have to be respected by all. To undermine them, or to undermine the independence of national courts, is to strip citizens of their fundamental rights.

The rule of law is not optional in the European Union. It is a must.

Our Union is not a State but it is a community of law.

A MORE UNITED UNION

Honourable Members,

These three principles must be the foundations on which we build **a more united, stronger and more democratic Union**.

When we talk about our future, experience tells me new Treaties and new institutions are not the answer people are looking for. They are merely a means to an end, nothing more, nothing less. They might mean something to us here in Strasbourg and in Brussels. But they do not mean a lot to anyone else.

I am only interested in institutional reforms if they lead to more efficiency in our Union.

Instead of hiding behind calls for Treaty change – which is in any case inevitable – we must first change **the mind-set that for some to win others must lose**.

Democracy is about compromise. And the right compromise makes winners out of everyone. A more united Union should see compromise, not as something negative, but as the art of bridging differences. Democracy cannot function without compromise. Europe cannot function without compromise. This is what the work between Parliament, Council and Commission should always be about.

A more united Union also needs to become more inclusive.

If we want to strengthen the protection of our external borders, then we need to **open the Schengen area of free movement to Bulgaria and Romania immediately**. We should also allow **Croatia** to become a full Schengen member once it meets all the criteria.

If we want the euro to unite rather than divide our continent, then it should be more than the currency of a select group of countries. **The euro is meant to be the single currency of the European Union as a whole**. All but two of our Member States are required and entitled to join the euro once they fulfil all conditions.



Member States that want to join the euro must be able to do so. This is why I am proposing to create a **Euro-accession Instrument**, offering technical and even financial assistance.

If we want banks to operate under the same rules and under the same supervision across our continent, then we should **encourage all Member States to join the Banking Union**. Completing the Banking Union is a matter of urgency. We need to reduce the remaining risks in the banking systems of some of our Member States. Banking Union can only function if risk-reduction and risk-sharing go hand in hand. As everyone well knows, this can only be achieved if the conditions, as proposed by the Commission in November 2015, are met. To get access to a common deposit insurance scheme you first need to do your homework.

If we want to avoid social fragmentation and social dumping in Europe, then Member States should agree on the European Pillar of Social Rights as soon as possible and at the latest at the Gothenburg summit in November. National social systems will still remain diverse and separate for a long time. But at the very least, we should work for a **European Social Standards Union** in which we have a common understanding of what is socially fair.

Europe cannot work if it shuns workers.

If we want more stability in our neighbourhood, then we must maintain a credible enlargement perspective for the Western Balkans.

It is clear that there will be no further enlargement during the mandate of this Commission and this Parliament. No candidate is ready yet. But thereafter the European Union will be greater than 27 in number. Accession candidates must give the rule of law, justice and fundamental rights utmost priority.

This rules out EU membership for Turkey for the foreseeable future.

Turkey has been taking giant strides away from the European Union for some time.

Journalists belong in newsrooms not in prisons. They belong where freedom of expression reigns.

The call I make to those in power in Turkey is this: **Let our journalists go.** And not just them either. Stop insulting our Member States by comparing their leaders to fascists and Nazis. Europe is a continent of mature democracies. Insults create roadblocks. Sometimes I get the feeling Turkey is intentionally placing these roadblocks so that it can blame Europe for any breakdown in accession talks.

As for us, we will always keep our hands stretched out towards the great Turkish people and those who are ready to work with us on the basis of our values.

A STRONGER UNION

Honourable Members,

Our Union must also grow stronger.

I want a stronger single market.

When it comes to important single market questions, I want decisions in the Council to be taken more often and more easily by qualified majority – with the equal involvement of the European Parliament. We do not need to change the Treaties for this. There are **so-called “passerelle clauses”** in the current Treaties which allow us to move from unanimity to qualified majority voting in certain areas – if all Heads of State or Government agree to do so.

I am also strongly in favour of moving to qualified majority voting for decisions on the common consolidated corporate tax base, on VAT, on fair taxes for the digital industry and on the financial transaction tax. Europe has to be able to act quicker and more decisively.

I want a stronger Economic and Monetary Union.

The euro area is more resilient now than in years past. We now have the European Stabilisation Mechanism (ESM). I believe the ESM should now progressively graduate into a European Monetary Fund and be firmly anchored in our Union. The Commission will make concrete proposals for this in December.

We need a **European Minister of Economy and Finance**: a European Minister that promotes and supports structural reforms in our Member States. He or she can build on the work the Commission has been doing since 2015 with our Structural Reform Support Service. The new Minister should coordinate all EU financial instruments that can be deployed when a Member State is in a recession or hit by a fundamental crisis.

I am not calling for a new position just for the sake of it. I am calling for efficiency. The Commissioner for economic and financial affairs – ideally also a Vice-President – should assume the role of Economy and Finance Minister. He or she should also preside the Eurogroup.

The European Economy and Finance Minister must be accountable to the European Parliament.

We do not need parallel structures. We do not need a budget for the Euro area but a strong Euro area budget line within the EU budget.

I am also not fond of the idea of having a separate euro area parliament.

The Parliament of the euro area is the European Parliament.

The European Union must also be stronger in fighting terrorism. In the past three years, we have made real progress. But we still lack the means to act quickly in case of cross-border terrorist threats.

This is why **I call for a European intelligence unit** that ensures data concerning terrorists and foreign



fighters are automatically shared among intelligence services and with the police.

I also see a strong case for tasking the new European Public Prosecutor with **prosecuting cross-border terrorist crimes**.

I want our Union to become a stronger global actor. In order to have more weight in the world, we must be able to take foreign policy decisions quicker. This is why I want Member States to look at which foreign policy decisions could be moved from unanimity to qualified majority voting. The Treaty already provides for this, if all Member States agree to do it.

And I want us to dedicate further efforts to defence matters. A new European Defence Fund is in the offing. As is a Permanent Structured Cooperation in the area of defence. By 2025 we need a fully-fledged **European Defence Union**. We need it. And NATO wants it.

Last but not least, **I want our Union to have a stronger focus on things that matter**, building on the work this Commission has already undertaken. We should not meddle in the everyday lives of European citizens by regulating every aspect. We should be big on the big things. We should not march in with a stream of new initiatives or seek ever growing competences. We should give back competences to Member States where it makes sense.

This is why this Commission has been **big on big issues and small on the small ones**, putting forward less than 25 new initiatives a year where previous Commissions proposed over 100. We have handed back powers where it makes more sense for national governments to deal with things. Thanks to the good work of Commissioner Vestager, we have delegated 90% of state aid decisions to the regional or local level.

To finish the work we started, **I am setting up a Subsidiarity and Proportionality Task Force as of this month** to take a very critical look at all policy areas to make sure we are only acting where the EU adds value. First Vice-President Frans Timmermans, who has a proven track record on better regulation, will head this Task Force. The Timmermans Task Force, which should include Members of this Parliament as well as Members of national Parliaments, should report back in a years' time.

A MORE DEMOCRATIC UNION

Honourable Members,

Mr President,

Our Union needs to take a democratic leap forward.

I would like to see European political parties start campaigning for the next elections much earlier than in the past. Too often Europe-wide elections have been reduced to nothing more than the sum of national campaigns. **European democracy deserves better.**

Today, the Commission is proposing **new rules on the financing of political parties and foundations**. We should not be filling the coffers of anti-European extremists. We should be giving European parties the means to better organise themselves.

I also have sympathy for the idea of having **transnational lists** – though I am aware this is an idea more than a few of you disagree with. Such lists would help make European Parliament elections more European and more democratic.

I also believe that, over the months to come, we should involve national Parliaments and civil society at national, regional and local level more in the work on the future of Europe. Over the last three years, Members of the Commission have visited national Parliaments more than 650 times. They also debated in more than **300 interactive Citizens' Dialogues in more than 80 cities and towns across 27 Member States**. But we can still do more. This is why I support President Macron's idea of organising **democratic conventions** across Europe in 2018.

As the debate gathers pace, I will personally pay particular attention to Estonia, Latvia, Lithuania and Romania in 2018. This is the year they will celebrate their **100th anniversary**. Those who want to shape the future of our continent should well understand and honour our common history. This includes these four countries – Europe would not be whole without them.

The need to strengthen democracy also has implications for the European Commission. Today, I am sending the European Parliament **a new Code of Conduct for Commissioners**. The new Code first of all makes clear that Commissioners can be candidates in European Parliament elections under the same conditions as everyone else. The new Code will of course strengthen the integrity requirements for Commissioners both during and after their mandate.

If you want to strengthen European democracy, then you cannot reverse the democratic progress seen with the creation of lead candidates – '**Spitzenkandidaten**'.

I am convinced that any future President will benefit greatly from the unique experience of having campaigned in all quarters of our beautiful continent. To understand the challenges of his or her job and the diversity of our Member States, a future President should have met citizens in the townhalls of Helsinki as well as in the squares of Athens. In my personal experience of such a campaign, it makes you more humble, but also strengthens you during your mandate. And you can face the other leaders in the European Council with the confidence that you have been elected, just as they have. This is good for the balance of our Union.

More democracy means more efficiency. Europe would function better if we were to **merge the Presidents of the European Commission and the European Council**.

This is nothing against my good friend Donald, with whom I have worked seamlessly together for the past three years. This is nothing against Donald or against me.

Europe would be easier to understand if one captain was steering the ship.

Having a single President would better reflect the true nature of our European Union as both a Union of States and a Union of citizens.

OUR ROADMAP

Honourable members,

The vision of a more united, stronger and more democratic Europe I am outlining today combines elements from all of the scenarios I set out in March.

But our future cannot remain a scenario, a sketch, an idea amongst others.

We have to prepare the Union of tomorrow, today.

This morning I sent **a Roadmap** to President Tajani, President Tusk as well as to the holders of the rotating Presidencies of the Council between now and March 2019, outlining where we should go from here.

An important element will be the plans the Commission will present in May 2018 for how the future EU budget can match our ambition and make sure we can deliver on everything we promise.

On 29 March 2019, the United Kingdom will leave the European Union. This will be a very sad and tragic moment. We will always regret it. But we have to respect the will of the British people.

On 30 March 2019, we will be a Union of 27. I suggest that we prepare for this moment well, amongst the 27 and within the EU institutions.

European Parliament elections will take place just a few weeks later, in May 2019. Europeans have a date with democracy. They need to go to the polls with a clear understanding of how the European Union will develop over the years to come.

This is why I call on President Tusk and Romania, the country holding the Presidency in the first half of 2019, to organise **a Special Summit in Romania on 30 March 2019**. My wish is that this summit be held in the beautiful ancient city of Sibiu, or Hermannstadt as I know it. It should be the moment we come together to take the decisions needed for a more united, stronger and democratic Europe.

My hope is that on 30 March 2019, Europeans will wake up to a Union where we all stand by our values. Where all Member States firmly respect the rule of law. Where being a full member of the euro area, the Banking Union and the Schengen area has become the norm for all EU Member States. Where we have shored up the foundations of our Economic and Monetary Union so that we can defend our single

currency in good times and bad, without having to call on external help. Where our single market will be fairer towards workers from the East and from the West. Where we managed to agree on a strong pillar of social standards. Where profits will be taxed where they were made. Where terrorists have no loopholes to exploit. Where we have agreed on a proper European Defence Union. Where a single President leads the work of the Commission and the European Council, having been elected after a democratic Europe-wide election campaign.

If our citizens wake up to this Union on 30 March 2019, then they should be able vote in the European Parliament elections a few weeks later with the firm conviction that our Union is a place that works for them.

CONCLUSION

Honourable Members,

Europe was not made to stand still. It must never do so.

Helmut Kohl and Jacques Delors taught me that Europe only moves forward when it is bold. The single market, Schengen and the single currency were all written off as pipe dreams before they happened. And yet these three ambitious projects are now a reality.

I hear those who say we should not rock the boat now that things have started to get better.

But now is not the time to err on the side of caution.

We started to fix the roof. But we must complete the job now that the sun is shining and whilst it still is.

Because when the next clouds appear on the horizon – and they will – it will be too late.

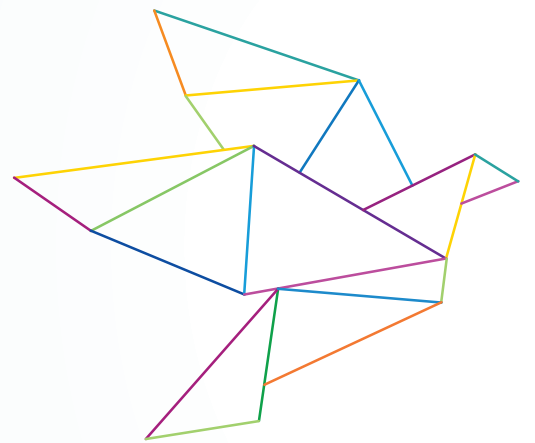
So let's throw off the bowlines.

Sail away from the harbour.

And **catch the trade winds in our sails.**

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a long horizontal line that curves slightly upwards at the end.

Jean-Claude Juncker



STATE OF THE UNION 2017

LETTER OF INTENT TO
PRESIDENT ANTONIO TAJANI AND
TO PRIME MINISTER JÜRI RATAS

Strasbourg, 13 September 2017

Dear President Tajani,

Dear Prime Minister Ratas,

The past twelve months have been challenging for European citizens and for all of us. 2016 was in many ways an 'annus horribilis' for the European project. From the Brexit referendum, to the terrorist attacks, to slow growth and continued high unemployment in several of our Member States, to the ongoing migration crisis, Europe was challenged in many ways. Our European values and democracies were tested by awakening populist forces at home and abroad, in parallel to growing geopolitical uncertainty related to the United States' presidential elections.

Hard work and political leadership were required from the EU Institutions and from our Member States to keep the European project on course in these turbulent times. We want to thank both of you and the Members of your Institutions for having supported, with strong commitment, our positive agenda for a Europe that protects, empowers and defends, set out by the Commission President in the State of the Union Address of 14 September 2016. This agenda found an immediate supportive echo in the plenary of the European Parliament and was welcomed two days later by EU27 leaders at the Bratislava Summit. Together with you, we have delivered on this positive agenda, not least thanks to the Joint Declaration on the EU's legislative priorities for 2017, signed by the Presidents of the European Parliament, the Council and the European Commission on 13 December 2016. Our European Fund for Strategic Investments, backed by our common EU budget and supported by the work of the European Investment Bank, has already triggered more than €225 billion in investments. The European Border and Coast Guard is now in place and fully operational at the EU's external borders, be it in Greece, Bulgaria, Italy or Spain. We mobilised EU funding for training the Libyan Coast Guard and improving the living and working conditions of the more than 3 million Syrian refugees in Turkey. We successfully completed the work on a stronger anti-terrorism Directive and on more efficient rules to control the acquisition and possession of firearms. We sharpened our tools against tax avoidance. We took an unprecedented step towards creating a European Defence Fund and agreed for the first time to work in the format of a permanent structured cooperation in defence matters. Jointly, we brought about the provisional entry into force of a fair and balanced trade agreement with Canada, a like-minded partner when it comes to food and health standards and cultural diversity. And we paved the way for an ambitious, values-based economic partnership with Japan. Together, we brought the EU and Ukraine closer together with an Association Agreement which should, over time, bring stability and prosperity to our Eastern neighbours across the region. Despite significant opposition, we ratified and defended the Paris Agreement as the best instrument to manage climate change. Last but not least, we managed to abolish mobile roaming charges in June and to launch free access to Wi-Fi hotspots in squares, town halls, parks and libraries across Europe as of 2017. Half-way through our mandate, we are delivering faster and more efficiently on all ten priorities set out in our 2014 Political Guidelines, to the benefit of European citizens and businesses¹.

Europe is now visibly regaining its strength. Economic growth is gathering pace, at above 2% this year (2.2% for the euro area), and finally reaching every one of our Member States, while surpassing the growth rates of the United States and Japan over the last two years. Almost 8 million jobs were created during this mandate – not only, but also because of, the actions of the EU Institutions, notably thanks to our European Fund for Strategic Investments, our Youth Guarantee, our European Structural and Investment Funds and the monetary policy of the European Central Bank. Both economically and

¹ 'The European Commission at mid-term: State of play of President Juncker's ten priorities', Report by the European Parliament, 11 July 2017.



politically, Europe now has more wind in its sails. Recent elections in several Member States have created a new momentum for those who stand ready to defend our European values; for those who want to shape and harness globalisation and build a sustainable future; and for those who choose cooperation and integration over withdrawal and isolation.

We should now make use of this new momentum. The window of opportunity may not be open for long, and there is certainly no time for complacency, as Europe's challenges remain significant: from instability in our neighbourhood and terrorist threats to demographic, climate and technological change; from the need for sustainable investment and a more resilient Economic and Monetary Union to the growing call for more social fairness and democratic accountability. We will only be able to tackle these challenges if we are ready to work together to take decisions now that secure Europe's future for the medium and long term.

The Commission's White Paper of 1 March 2017 outlines five scenarios for the future of Europe by 2025 and has been followed up with a series of Reflection Papers on the most relevant issues for our future. This was the start of a welcome debate across Member States. The Commission alone organised 129 Citizens' Dialogues on the future of Europe in more than 80 cities and towns in 27 Member States, including with national Parliaments.

We believe the time has now come to move from reflection and debate to the first concrete proposals on the future of Europe.

*Today, we are sending you our intentions for the Commission Work Programme for the next sixteen months up to the end of 2018. As Europe looks to its future, we are presenting you with a **Roadmap for a More United, Stronger and More Democratic Union** to build on the current momentum. Our Roadmap is constructed in two parts. Firstly, we suggest actions and initiatives to be presented and/or completed over the next sixteen months, in line with scenario 1 of the White Paper and the Bratislava Agenda. Secondly, we suggest actions and initiatives which are more ambitious, more forward-looking and that will shape our Union until 2025; this combines scenarios 3, 4 and/or 5 of the White Paper, making full use of the untapped potential of the Lisbon Treaty.*

Our Roadmap is based on the following important principles: the imperative to respect our common European values, including the rule of law; the continued focus on delivery and enforcement of priority initiatives that have a clear European added value and make Europe a better place for its citizens, in line with our 2014 Political Guidelines and our common belief that our Union should be big on big issues and small on small ones; the need to treat citizens of all EU Member States equally and never to allow, within our Union, the emergence of second-class citizens; and a strong emphasis on efficiency, democracy and transparency in all our common actions.

The Roadmap also anticipates that as of 29 March 2019 the United Kingdom will no longer be a member of our Union, following its notification under Article 50 of the Treaty on European Union. Up until and beyond this moment, we want to preserve the unity of the EU27 that we have built up over the past months.

Roadmap for a More United, Stronger and More Democratic Union (Draft Commission Work Programme up to end 2018)

Priority 1: A new boost for jobs, growth and investment

Initiatives to be launched and/or completed by end 2018

- ***** Swift adoption by the co-legislators of the 'EFSI 2.0' proposal and of the Omnibus proposal, notably the changes in the Common Provisions Regulation that simplify the use of European Structural and Investment Funds and facilitate their combination with the European Fund for Strategic Investments.**
- 2018 European Semester of economic policy coordination: delivering investment, sound public finances and structural reforms, while continuing to make use of the appropriate flexibility built into the Stability and Growth Pact and identified by the Commission since January 2015; integrating the new Social Scoreboard which accompanies the Commission Recommendation on the European Pillar of Social Rights.
- Delivery of all aspects of the European Skills Agenda, notably through the implementation of 'upskilling pathways' at national level, with the support of the European Social Fund, and with a particular attention given to basic skills and the need for digital skills.
- Circular Economy package to boost innovation, jobs and growth, including: a strategy on plastics working towards all plastic packaging on the EU market being recyclable by 2030; a proposal for a Regulation on Waste Water Reuse; a revision of the Drinking Water Directive; and a monitoring framework for the Circular Economy.

Initiatives to be launched with a 2025 perspective

- ***** Comprehensive proposal for the future Multiannual Financial Framework beyond 2020 (planned for May 2018) followed by proposals for the next generation of programmes and new own resources.**
- Reflection Paper 'Towards a Sustainable Europe by 2030' on the follow-up to the UN Sustainable Development Goals, including on the Paris Agreement on Climate Change.

Priority 2: A connected Digital Single Market

Initiatives to be launched and/or completed by end 2018

- ***** Cyber-Security package setting out concrete measures to respond to the changed cyber-threats landscape including: a proposal to strengthen the Agency for Network and Information Security (ENISA); an implementation toolkit for the Network and Information Security Directive; a blueprint for effective response in case of cyber-attacks affecting several Member States; enhancing the Union's strategic autonomy by boosting research capacity and building effective cyber-defence, cyber-hygiene and the right skills both**

inside Europe and with partners worldwide, including NATO (concrete Commission proposals are presented together with the State of the Union Address today).

- ***** Data package unlocking the potential of the data economy by ensuring a free flow of non-personal data within Europe (a concrete Commission proposal is presented together with the State of the Union Address today).**
- ***** Initiative on online platforms to safeguard a fair, predictable, sustainable and trusted business environment in the online economy.**
- ***** Swift adoption by the co-legislators of all 14 legislative proposals aimed at completing the Digital Single Market, including: the telecoms package; the copyright package; geo-blocking; audio-visual and media frameworks; parcel delivery; e-Privacy Regulation; and EU rules on the protection of personal data when processed by EU Institutions and bodies.**
- Commission guidance to prepare citizens, business and public administrations for the direct application of the General Data Protection Regulation as of 25 May 2018, to be prepared in close consultation with the Article 29 Working Party/the new European Data Protection Board.
- Revision of the Commission guidelines on market analysis and the assessment of significant market power in the electronic communications sector.
- Initiative addressing the challenges which online platforms create for our democracies as regards the spreading of fake information.

Priority 3: A resilient Energy Union with a forward-looking climate change policy

Initiatives to be launched and/or completed by end 2018

- ***** Swift adoption by the co-legislators of the Commission proposals to implement the Energy Union and Climate Change policy, including: the Clean Energy for all Europeans package; the Climate package; and the Europe on the Move package.**
- ***** Mobility and Climate Change package, including legislative proposals on: clean vehicles; common rules for combined transport of goods; CO₂ standards for cars and vans; fuel-efficiency and CO₂ standards for lorries, buses and coaches; and an initiative to accelerate the delivery of the alternative fuels infrastructure.**
- Follow-up to the solidarity aspect of the Energy Union, including: a proposal on common rules for gas pipelines entering the European internal gas market; and swift implementation of the Projects of Common Interest necessary for the connection of the European energy markets.
- On the basis of a strong Council mandate (draft recommended by the Commission on 9 June 2017), engaging in negotiations with Russia on key principles for the operation of the Nord Stream 2 gas pipeline project.

Initiatives to be launched with a 2025 perspective

- *Communication on the future of EU energy and climate policy, including on the future of the Euratom Treaty (taking account of Declaration No 54 of five Member States added to the Final Act of the Lisbon Treaty) and on the possible use of Article 192(2), second subparagraph TFEU.*

Priority 4: A deeper and fairer Internal Market with a strengthened industrial base

Initiatives to be launched and/or completed by end 2018

- ***** A renewed EU Industrial Policy Strategy to foster industrial competitiveness, innovation and technological leadership for fair and good-quality jobs in industry and to make use of the potential of digital technologies across all industrial sectors (presented together with the State of the Union Address today).**
- ***** Swift adoption by the co-legislators of the services and the enforcement packages.**
- ***** Swift adoption by the co-legislators of the proposal for reinforced market surveillance for motor vehicles.**
- ***** Swift adoption by the co-legislators of the proposal on business insolvency, restructuring and second chance, to reduce the costs and complexity of business restructuring, to make sure that viable companies will be given a second chance and to increase legal certainty for cross-border investments in the EU.**
- *EU Company Law package making the best of digital solutions and providing efficient rules for cross-border operations whilst respecting national social and labour law prerogatives.*
- ***** Swift adoption by the co-legislators of the proposals re-launching the Common Consolidated Corporate Tax Base (CCCTB).**
- ***** Swift adoption by the co-legislators of the proposal to improve the value added tax (VAT) environment for e-commerce businesses in the EU and the proposal allowing equal rules for taxing e-books, e-newspapers and their printed equivalents.**
- ***** Swift adoption by the co-legislators of the proposals requiring multinational companies to publish key tax information on a country-by-country basis, establishing new transparency rules for tax planning intermediaries and a common EU list of non-cooperative tax jurisdictions on the basis of the scoreboard of indicators proposed by the Commission.**
- ***** Fair Taxation package for the creation of a single EU value added tax area (VAT), including: proposals to modify the VAT Directive regarding the definitive VAT system for cross-border trade within the Single Market; a proposal for a Council Regulation on combating fraud in the field of value added tax within the Single Market; a proposal for a Council Directive on the common system of value added tax as regards small enterprises; and a proposal for a Council Directive on the rules governing the setting of VAT rates.**
- ***** Proposal establishing rules at EU level allowing taxation of profits generated by multinationals through the digital economy.**

- ***** Swift adoption by the co-legislators of the proposals on the reform of the Posting of Workers Directive, establishing the principle of equal pay for equal work at the same place, and on the modernisation of the rules for the coordination of social security systems, ensuring amongst other things that, under the same circumstances, the same benefits are due for the same contributions paid.**
- ***** Proposal to establish a European Labour Authority to strengthen cooperation between labour market authorities at all levels and better manage cross-border situations, as well as further initiatives in support of fair mobility, such as a European Social Security Number.**
- *Proposal for a revision of the Written Statement Directive to improve the transparency and legal predictability of employment contracts and an initiative on access to social protection for atypical self-employed workers.*
- *Swift adoption by the co-legislators of the proposal on work-life balance.*
- ***** Swift adoption by the co-legislators of all Capital Markets Union proposals, including: the Pan-European Pension Product; the amendments to the European Market Infrastructure Regulation; and the recommendation from the European Central Bank to amend Article 22 of the ESCB/ECB Statute.**
- ***** Capital Markets Union package, including: the revision and reinforcement of the tasks, governance and financing of the EU Financial Supervisory Authorities; concrete steps towards a single European Capital Markets Supervisor and adjustments to the European Systemic Risk Board; a revised framework for investment firms; an Action Plan on sustainable finance with regulatory measures; an initiative on Financial Technology (FinTech); a European enabling framework for covered bonds; and amendments to the Alternative Investment Funds Managers Directive and to the Undertakings for Collective Investment in Transferable Securities (UCITS) Directive.**
- *Food package, including a proposal on EU food supply chain as follow-up to the review of the EU Common Agricultural Policy.*
- *Joint Action Plan on national vaccination policies.*

Initiatives to be launched with a 2025 perspective

- *Communication on the possibility of further enhancing the use of qualified majority voting and of the ordinary legislative procedure in internal market matters, on the basis of Article 48(7) TEU.*

Priority 5: A deeper and fairer Economic and Monetary Union

Initiatives to be launched and/or completed by end 2018

- ***** Economic and Monetary Union package, including proposals for: the transformation of the European Stability Mechanism into a European Monetary Fund; the creation of a dedicated euro area budget line within the EU budget providing for (1) structural reform assistance building on the Commission's structural reform support programme, (2) a stabilisation function, (3) a backstop for the Banking Union, and (4) a convergence**

instrument to give pre-accession assistance to Member States with a derogation on their way towards adoption of the single currency; and the integration of the substance of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union into EU law, taking into account the appropriate flexibility built into the Stability and Growth Pact and identified by the Commission since January 2015.

- ***** Specifying, in the next recommendation on the economic policy of the euro area, a broadly neutral fiscal stance for the euro area, in support of the monetary policy of the European Central Bank as well as jobs, growth and investment in the euro area.**
- *Swift adoption by the Council of the Commission proposal for progressively establishing unified representation of the euro area in the International Monetary Fund.*
- ***** Proclamation by the EU Institutions of the European Pillar of Social Rights, as a deliverable of the Gothenburg Social Summit.**
- ***** Swift adoption by the co-legislators of all components of the package on risk reduction in the banking sector and the proposal for a European Deposit Insurance Scheme.**
- ***** Banking Union package, completing all aspects of the Banking Union, including: the finalisation of the backstop to the Single Resolution Fund; further measures to reduce the level of non-performing loans; and an enabling framework for the development of sovereign bond-backed securities to support further portfolio diversification in the banking sector.**

Initiatives to be launched with a 2025 perspective

- *Communication on the possible creation of a permanent European Minister of Economy and Finance (Article 2 of Protocol No 14) and its institutional implications.*
- *Exploratory work for the possible development of a euro area safe asset.*

Priority 6: Trade: A balanced and progressive trade policy to harness globalisation²

Initiatives to be launched and/or completed by end 2018

- ***** Trade package, including: a Communication on an upgraded, values-based, sustainable and transparent trade policy that helps harnessing globalisation and ensures a balanced approach on open and fair trade agreements; draft mandates for launching negotiations with Australia and New Zealand; a draft mandate for a new Multilateral Investment Court System; a European framework for the screening of foreign direct investment in the EU on grounds of public order and security (concrete Commission proposals are presented together with the State of the Union Address today).**
- ***** Swift adoption by the co-legislators of the proposals to modernise the EU trade defence instruments and amend its anti-dumping methodology, and the amended proposal concerning an International Procurement Instrument.**

² The title of Priority 6 has been updated and made geographically neutral in view of the slowing down of trade talks with the United States, the new geopolitical context and the new dynamism in trade talks with other important regions of the world. The Commission has reflected this new reality also by changing the name of its relevant Commissioners' Group into 'Commissioners' Group on Trade and Harnessing Globalisation'.



- Finalising agreements with Japan, Singapore and Vietnam.
- Pursuing negotiations with Mexico and Mercosur.

Priority 7: An area of Justice and Fundamental Rights based on mutual trust

Initiatives to be launched and/or completed by end 2018

- ***** Swift adoption by the co-legislators of proposals on anti-money laundering, the EU Entry/Exit System, the Schengen Information System (SIS II), the European Criminal Records Information System (ECRIS) and the European Travel Information and Authorisation System (ETIAS).**
- ***** Anti-Terrorism package, including: measures on countering radicalisation; measures to ensure the swift and proactive detection and removal of illegal content inciting hatred, violence and terrorism; actions to cut off access to the means used by terrorists to prepare and carry out attacks, such as dangerous substances or terrorist financing; guidance and support to Member States in protecting public areas; and guidance on data retention.**
- ***** Delivering on the European Agenda on Security, including: legislative proposals to allow interoperability between EU information systems for security, border and migration management; and a proposal to improve cross-border access of law enforcement authorities to electronic evidence.**
- Framework for adequacy decisions, notably an adequacy decision on data flows with Japan.
- ***** 'New Deal for Consumers' package, aiming at facilitating coordination and effective action from national consumer authorities at EU level and reinforcing public enforcement action and better protection of consumer rights.**
- Interpretative guidance for the application of the Directive on unfair commercial practices and of the Regulation on the provision of food information to consumers, to prevent and address dual quality standards for consumer products.

Initiatives to be launched with a 2025 perspective

- Communication on a possible extension of the tasks of the new European Public Prosecutor's Office to include the fight against terrorism, on the basis of Article 86(4) TFEU.
- Initiative to strengthen the enforcement of the Rule of Law in the European Union.

Priority 8: Towards a new policy on migration

Initiatives to be launched and/or completed by end 2018

- ***** Swift adoption by the co-legislators of the reformed Common European Asylum System based on both responsibility and solidarity and including proposals on: the reform of the Dublin system; the setting-up of a new Asylum Agency; the reform of Eurodac; the**

review of the reception conditions, the asylum qualifications and the asylum procedure; as well as the EU Resettlement framework.

- ***** Swift adoption by the co-legislators of the proposal on entry and residence of third-country nationals for the purpose of highly skilled employment ('Blue Card proposal').**
- ***** A new Migration Management package, including: the mid-term review of the European Agenda on Migration; targeted measures to promote a more effective approach to returns; the further promotion of legal pathways through the encouragement of new resettlement commitments; a reformed common visa policy; and the sustaining of EU solidarity towards those Member States confronted with exceptional migratory pressure.**
- *A package for strengthening the Schengen free travel area, including a proposal to update the Schengen Borders Code, and ensuring the full integration of Romania and Bulgaria into the Schengen area.*
- *Swift operationalisation of the External Investment Plan and implementation of the Migration Partnership Framework with key third countries of origin and transit.*

Priority 9: A stronger global actor

Initiatives to be launched and/or completed by end 2018

- ***** Swift adoption by the co-legislators of the European Defence Industrial Development Programme.**
- ***** Follow-up of the European Defence Action Plan, in particular with focus on implementation of the European Defence Fund including the financial toolbox.**
- *Draft mandate for the negotiations of a post-Cotonou framework.*

Initiatives to be launched with a 2025 perspective

- *Communication on the possibility of further enhancing the use of qualified majority voting in the Common Foreign Policy, on the basis of Article 31(3) TEU.*
- *Strategy for a successful EU accession of Serbia and Montenegro as frontrunner candidates in the Western Balkans, with a particular emphasis on the rule of law, fundamental rights and the fight against corruption and on the overall stability of the region.*

Priority 10: A Union of democratic change

Initiatives to be launched and/or completed by end 2018

- ***** Democracy package, including: a revision of the European Citizens' Initiative Regulation to make it more accessible, user-friendly and easier for organisers and supporters to use; and a proposal to enhance the European dimension and transparency of European Political Parties and Foundations (concrete Commission proposals are presented together with the State of the Union Address today).**

- Continuing the roll-out of the European Solidarity Corps involving all relevant players and swift agreement by the co-legislators on the legislative proposal by the end of the year.
- ***** Swift agreement by the co-legislators on the proposed amendments to the Comitology Regulation.**
- Continuing the White Paper debate on the future of Europe all the way to the June 2019 elections (debates, Citizens' Dialogues, interaction with national Parliaments, work with regions).

Initiatives to be launched with a 2025 perspective

- Communication on further enhancing subsidiarity, proportionality and better regulation in the daily operation of the European Union.
- Communication on options for enhancing efficiency at the helm of the European Union.

Today's Letter of Intent and our Roadmap for a More United, Stronger and More Democratic Union are the starting point for the interinstitutional dialogue on the preparation of the 2018 Commission Work Programme, under the Framework Agreement on relations between the European Parliament and the Commission and the Interinstitutional Agreement on Better Law-making. We are strongly committed to this important interaction with the European Parliament and the Council, as well as with national Parliaments. We believe that our exchanges will provide a solid basis for a political and focused Commission Work Programme for the decisive sixteen months to come.

In the weeks to come we will consult the European Parliament and its relevant committees as well as the Council and the Committee of Permanent Representatives (COREPER I and II). Throughout the next sixteen months, the Commission will continue to make sure that our legislation remains fit for purpose and evidence-based and that unnecessary burdens are removed, including by taking forward the work of the REFIT Platform. We will pay particular attention to the adoption and implementation of pending proposals in the coming year. As the Commission's White Paper underlines, we need to close the gap between promise and delivery if we want to make the European project more credible and attractive. This is why we are looking forward to agreeing with you a new Joint Declaration on the EU's legislative priorities for 2018, building on the positive experience this year.

2017 and 2018 can become years of hope and renewal for Europe if we deliver strongly on our common agenda and show to our citizens that the European Union is there to protect, empower and defend them. The current geopolitical context makes such a Union more necessary than ever before. As EU leaders rightly said when they met in Rome on the occasion of the 60th anniversary of the Rome Treaties: We are 'firm in the belief that Europe's future lies in our own hands and that the European Union is the best instrument to achieve our objectives'. Let us therefore seize the moment and work even harder than before to meet the concerns of our citizens. The time to act is now.

Jean-Claude Juncker

Frans Timmermans

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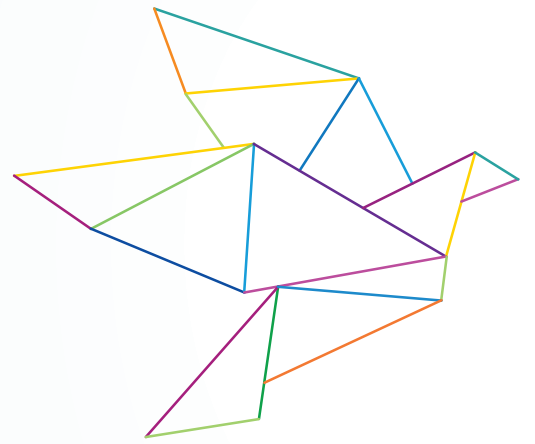
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STATE OF THE UNION 2017

PROGRESS ON THE EUROPEAN COMMISSION'S 10 PRIORITIES



1/ A New Boost for Jobs, Growth and Investment

‘My first priority as Commission President will be to strengthen Europe’s competitiveness and to stimulate investment for the purpose of job creation.’

Jean-Claude Juncker, Political Guidelines, 15 July 2014

Unemployment is at a **nine-year low**

Almost **8 million jobs** were created during the mandate of the Juncker Commission

Investments are gradually picking up from their very low post-crisis levels, with the Juncker Plan playing an important role. At the heart of the Plan is the **European Fund for Strategic Investments (EFSI)**, which has now **triggered €225 billion in investment across all Member States and supports over 300,000 jobs. By 2020 it will have supported 700,000 jobs.** These investments are being seen and felt by Europeans, whether it is support for the clean energy transition, transforming ports and airports, building new physical and digital infrastructure, helping the integration of refugees or focusing on

Europe’s economy continues to gather momentum. Growth, confidence and stability are back. Employment and investment are returning to pre-crisis levels and public deficits are down across the board.

11 million new jobs have been created since the height of the crisis in 2013, almost 8 million of them since the start of the Juncker Commission. Unemployment is at 7.7%, a nine-year low. **More Europeans are employed than ever before, with over 235 million people now having a job.** Even though stark differences remain across countries, there are positive signs everywhere: for instance, Spanish unemployment has fallen to an eight-year low and dropped more than in any other Member State over the past year, and youth unemployment is also falling.

The economic recovery is into its fifth year. This year, the EU economies are expected to grow at above **2%** (2.2% for the euro area). Over the past two years, EU growth has on average outstripped that of the United States and Japan and it is reaching all parts of Europe, with all Member States expected to grow this year and next. In spite of this positive growth momentum, the economic recovery remains incomplete and still dependent on supportive macroeconomic policies.

fairness by supporting our social agenda. For example, the EFSI is supporting the integration of refugees into the Finnish labour market by providing training and job-matching assistance.

And these investments are providing a welcome boost for local economies, with a total of 296 financing agreements with local intermediaries approved so far, giving **445,000 small businesses and start-ups** better access to finance.

Europe needs more private investment in innovation and a stronger pipeline of innovative ideas flowing from our research base. In addition to the Juncker Plan and the work on Capital Markets Union, the Commission has improved synergies between the European Structural and Investment Funds and other EU-led financial instruments and venture capital funds, to assist companies — and therefore the economy — to grow and prosper. These funds target key investment areas to enhance growth. EU venture capital funds are currently half the size (€60 million on average) of the ones operating in the United States which limits their ability to make larger investments, so that they can follow companies, as they scale up. European venture capital funds still face many transnational barriers. For this reason, the Commission, in cooperation with the European Investment Bank, launched on 22 November



2016 a **Pan-European Venture Capital Fund of Funds** in the context of the 'Start-up and Scale-up initiative'. At a time when some of the most innovative European start-ups are still forced to leave Europe due to lack of capital, this support is decisive to keep them in Europe, creating jobs and generating economic growth.

To build on this, we have proposed to extend the EFSI **beyond 2018 and reinforce its financial capacity** to reach at least €500 billion of investments by 2020 (EFSI 2.0). An agreement between the European Parliament and Member States is imminent, and the Fund needs to be extended swiftly to give continuity to investors and project promoters. At the same time, Capital Markets Union leads to **improved access to finance** and more sustainable investments.

The Juncker Plan is a template for investment in other parts of the world. The **European External Investment Plan** has been agreed and is being rolled out to help boost sustainable investment in infrastructure and support small companies in Africa and EU Neighbourhood countries with up to €44 billion of investments. This Plan also tackles some of the root causes of migration.

Confidence in the European economy is returning but there is no room for complacency. We cannot afford to turn a blind eye to the legacies of the crisis or disparities and inequalities across Europe. Instead, we must make the most of the wind in our sails to push forward our growth strategy, together with structural reforms and responsible public finances.

Our work must both **deliver prosperity and reduce social inequalities**.

European employment is key to our future. No talent should go to waste, no resources remain untapped. We must continue to invest in our citizens' skills, training and jobs. Unemployment is down significantly but remains too high in many countries, and among young people.

When taking office, this Commission committed to **accelerate and broaden the Youth Guarantee** scheme, which is a commitment by Member States to offer to all young people under 25 a good quality job, continued

education, an apprenticeship or training within four months of leaving education or becoming unemployed. With the help of the European Parliament and Council, **the Commission frontloaded and increased the financial envelope** of the **Youth Employment Initiative**, the dedicated EU financial support programme, and assisted Member States in mobilising their share of the European Social Fund. Overall, more than 18 million young people have entered Youth Guarantee schemes since January 2014 and **11 million took up an offer of employment, apprenticeship, traineeship or continued education**. More than 350,000 projects co-funded by the Youth Employment Initiative are ongoing. Youth unemployment has decreased significantly and faster than the average: from about 24% mid-2014 to less than 17% today. This corresponds to 2 million fewer young unemployed in the EU compared to July 2014.

To help people get the right skills and help Member States modernise their education and training systems we have

The **Juncker Plan** has triggered **€225 billion** of investment, supporting **300,000 jobs**; by **2020** it will have supported **700,000 jobs**

launched a Skills Agenda for Europe, which includes new **'upskilling pathways'** to help low-skilled adults with basic literacy, numeracy and digital skills. It also includes a Skills Profile Tool for non-EU nationals, helping them to integrate and enrich the European labour market.



2/ A Connected Digital Single Market

‘I believe that we must make much better use of the great opportunities offered by digital technologies, which know no borders.’

Jean-Claude Juncker, Political Guidelines, 15 July 2014

Digital technology makes our lives easier at home, at work, while studying or when we travel. 360 million Europeans use the internet every day, with almost 60% of them getting access through a mobile or smart phone. To make the most of the new opportunities this brings, Europe needs a genuinely connected Digital Single Market, to make the life of its citizens easier, create **€415 billion in new growth** every year and generate hundreds of thousands of new jobs.

Since May 2015 we have put on the table **14 legislative initiatives** to improve and strengthen the Digital Single Market. Now our focus is on making sure the European Parliament and the Council swiftly agree on these proposals so we can put them into action and get our Single Market connected.

This year saw a landmark moment in Europe’s digital story when **roaming charges were fully abolished in June 2017**. This was the culmination of a 10-year journey where the EU drastically reduced charges before phasing them out entirely. The next big milestone in EU action for consumers, hopefully as early as next year, **will be free access to Wi-Fi hotspots** in squares, town halls, parks, libraries and other public spaces. And EU action will soon allow Europeans to enjoy their film, sport, music, video game and e-book subscriptions wherever they travel in the EU.

Internet connections and coverage are improving across Europe — a precondition for digital development and innovation. The agreement on the use of the **700 MHz** band of the radio



There are 14 legislative initiatives on the table which the European Parliament and the Council need to adopt to improve the Digital Single Market

spectrum is a crucial step for enabling this frequency to support 5G, connected cars and other digital services. The updated **EU telecoms rules** proposed by the Commission will boost investment in the high-speed and quality networks our economy and society need, once they are adopted by the European Parliament and the Member States.

Europeans need digital know-how for our changing job market and society, but 37% of the work force still does not have basic digital skills. The **Digital Skills and Jobs Coalition will train 1 million young unemployed people by 2020**, and our e-government action plan will simplify life for citizens and business and enable public authorities to offer new services.



Consumers will soon be able to **shop online across borders more easily** and benefit from **more affordable cross-border parcel delivery**, which is crucial to e-commerce. **Modernised copyright rules** will improve cross-border access to online content while guaranteeing that journalists, publishers and authors are also paid fairly for their work in the digital environment. And we will **better protect children, tackle hate speech online and promote European films on digital platforms** with our proposed update of the European Audiovisual Media Services Directive.

Data is the fuel of our modern economies. The Commission is therefore building a strong **European data economy**, by breaking down barriers to free movement of non-personal data while putting in place clear and fair rules on accessing and transferring data and on data liability. This will help the value of the EU data economy to double between 2015 and 2020, from 1.9% to 4% of GDP. Looking to the future, we are investing to make Europe a **world-class hub in High Performance Computing**, able to analyse a great quantity of data in real time, and preparing the ground to launch **a €1 billion flagship initiative on quantum technologies in 2018**. By 2020 we expect 10.4 million people to be employed in the EU data economy.

The success of the Digital Single Market depends on the confidence of Europeans. In recent months cyber attacks have targeted critical infrastructure across the world, from governments to health services. Last year, there were more than 4,000 ransomware attacks per day in Europe, while four out of every five EU companies experienced at least one cybersecurity incident. We could lose €640 billion in potential economic value if we do not respond to these challenges.

That is why, from May 2018, the EU will have its **first common cybersecurity law in place to keep network and information systems safe**. More action is needed, therefore we have renewed our **EU Cybersecurity Strategy** and the mandate of the EU Agency for Network and Information Security (ENISA) to ensure it matches current threats. We have also proposed additional measures on **cybersecurity standards**, notably certification to make connected objects more secure.



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

‘I want to reform and reorganise Europe’s energy policy into a new European Energy Union. (...) We need to strengthen the share of renewable energies on our continent. This is not only a matter of a responsible climate change policy. It is, at the same time, an industrial policy imperative.’

Jean-Claude Juncker, A New Start for Europe, 22 October 2014

The Energy Union is central to modernising **Europe’s economy**. It will provide a boost to jobs and growth, put research and innovation at the heart of our future, and prepare our industry to support Europe’s climate commitments. Europe will continue to send the message that the world can count on us for climate leadership.

In November 2015 the **EU played a leading role in brokering the historic, ambitious and global Paris Climate Agreement**. 195 countries agreed on a simple goal: to hand over to future generations a healthier and more stable planet and more prosperous, modern and fair societies. **The EU’s ratification of the Agreement in October 2016 triggered its entry into force, less than one year later**. Europe has stepped forward where others have stepped back; this Agreement is irreversible.

In Paris the EU committed to a 40% cut in emissions by 2030. This is an investment in our prosperity and the sustainability of the European economy. These are two sides of the same coin: **from 1990 to 2015 EU emissions declined 22% while GDP grew 50%**.

The adoption by the European Parliament and by the Member States of the Commission’s legislative package on **‘Clean Energy for All Europeans’** will help us reach the next level. It will place energy efficiency first, make Europe a leader on renewable energy, design an electricity market fit for purpose and ensure secure electricity supplies.



We are accelerating clean energy innovation and renovating Europe’s historically inefficient buildings. **Clearer and simpler energy efficiency labelling rules** have been agreed by the European Parliament and by the Member States for home appliances which will help households save almost €500 per year, increase industry revenue by over €55 billion per year and save as much energy by 2020 as Italy consumes every year.

In the last year our work on **energy security** has made sure that no Europeans are left isolated. Newly agreed **legislation on the security of gas supplies** puts solidarity first. Member States have agreed to help their neighbours in the event of a serious energy supply crisis. The new rules ensure regional coordination to better prepare for and manage shortages; no European households will be left in the cold. That is why the Commission continues to support gas infrastructures in the Baltic region such as the Gas Interconnectors between Poland and Lithuania or the Balticconnector between Finland and Estonia. Further, the Commission continued to work on



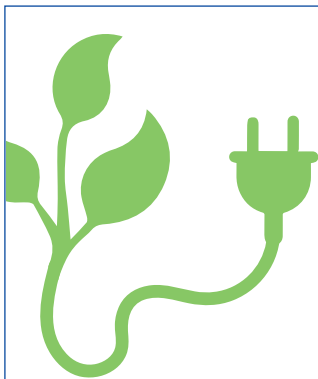
the establishment of a northern gas corridor linking Norway to Poland through Denmark and helping to abolish barriers for the free flow of gas in Central and South East Europe. And to ensure that gas infrastructures, if built, operate in a way that respects the EU energy market rules and key principles of international and EU law, the Commission requested the Council for a mandate to negotiate with Russia on the principles of the operation of the Nord Stream 2 project.

The Commission asked the Member States for a **mandate to negotiate**, on behalf of the EU, on the **principles of operation of the Nord Stream 2 project with Russia**



Our work continues on building a single market in which clean energy can flow freely and securely, for which infrastructure is critical. The EU has **invested €1.7 billion in 96 electricity, smart grid and gas infrastructure projects** under the Connecting Europe Facility. We have also strengthened the **compliance with EU law of intergovernmental agreements in the field of energy**.

Work continues with the European Parliament and Member States on reforming the EU's **Emissions Trading System** and accelerating the transition to low-carbon emissions in **other parts of our economy**. The Commission has proposed a strategy for low-emission mobility, legislation on cutting CO₂ emissions from road transport and a Regulation for monitoring and reporting CO₂ emissions from heavy-duty vehicles. For the coming year we will make proposals on emission standards for cars promoting cleaner mobility.



Clean Energy for all Europeans can create **900,000 new jobs** and unlock **€177 billion of investment** every year from 2021

The financial sector has a vital role to play in reaching the climate change goals of the Paris Agreement and the EU's 2030 Agenda for Sustainable Development. It is vital that more private capital is mobilised towards investments in the low-carbon economy. In December 2016 the Commission established a **High-Level Expert Group on Sustainable Finance** to advise on this transition, and it delivered its first recommendations for action in June 2017.

As part of our work to promote **interconnectivity** between Member States the Commission granted support for the **Celtic Interconnector** in June 2017, creating the first ever link between the French and Irish electricity systems. The Celtic Interconnector can power the equivalent of 450,000 homes and provides a direct fibre optic communications link between the two countries.



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

‘Our internal market is Europe’s best asset in times of increasing globalisation. I therefore want the next Commission to build on the strength of our single market and to fully exploit its potential in all its dimensions.’

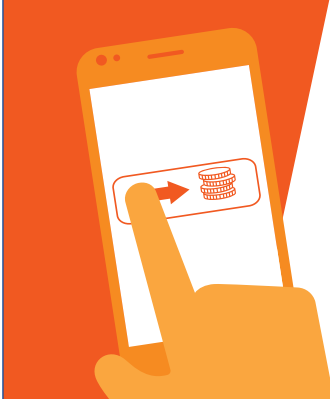
Jean-Claude Juncker, Political Guidelines, 15 July 2014

The Juncker Commission is working across different sectors to tap the full potential of our internal market, the engine of our economy. With 30 million businesses, half a billion people, and goods, services and capital moving seamlessly across 28 Member States we have the potential to grow even further our €14 trillion GDP.

To unlock benefits for EU businesses and households we need stronger capital markets that provide new sources of corporate financing. Investment start-ups, scale-ups and well-established multinationals all need access to a wide range of funding sources to innovate and expand. Households also need opportunities to invest for their future and save for their retirement. With nearly two thirds of the actions already delivered our **Capital Markets Union** is progressing well, and will provide these opportunities as well as channelling private funds towards more sustainable investment.

The **EU venture capital funds reform** was agreed this year. The revamped rules will make it easier for small and growing companies and social enterprises to access the finance they need in their own country or across borders. New rules on **standardised and transparent securitisation markets** have been agreed, with the potential to deliver €150 billion of extra financing for European companies by freeing up capacity on banks’ balance sheets. New **prospectus requirements** will reduce the burden on companies issuing **shares and bonds**, and our recent proposal for a **pan-European personal pension** product will allow citizens to invest across Europe for their retirement. The Commission has also presented an Action Plan on ways to provide European consumers with greater choice and better access to financial services and products across the EU.

Confidence in our single market also depends on creating a level playing field for companies to compete on merit, also when it comes to **taxation**. We have enforced EU State aid rules with major decisions on Fiat in Luxembourg, Starbucks in the Netherlands, a Belgian tax scheme and a decision on Apple in Ireland, which will recover up to €13 billion for the taxpayer. Furthermore, new rules have come into force to tackle **tax avoidance and ensure that taxes are paid where companies make their profits**. Member States are now obliged to automatically exchange information to guard against **offshore tax evasion**. The Commission has also proposed fresh rules to fight money laundering and to shine a light on intermediaries who advise on tax structures that can help their clients avoid tax. These are currently being discussed by the legislator.



Taxpayers will recover up to **€13 billion** thanks to the Commission’s State aid decision on **Apple**

In our effort to maximise the positive contribution of our competition policy to the benefit of citizens, we took an **important antitrust decision concerning Google** for abusing its market dominance online by promoting its own comparison shopping service in its search results and demoting its competitors, to the particular detriment of smaller players. We ordered a stop to this anticompetitive behaviour and fined the company over €2.4 billion. In a



separate decision, we secured binding commitments from Amazon that addressed our concerns relating to a number of anticompetitive clauses in its distribution agreements with e-book publishers in Europe — these commitments will contribute to fair competition in this market and more choice for consumers. Moreover, the Commission makes sure that fair competition is preserved on the EU market within the framework of its merger control powers.

Free movement of workers is a key pillar of our internal market and new rules have been proposed to ensure a fair and effective level playing field, for both the posting of workers and the coordination of social security systems. Essential principles include ensuring that the same work at the same place should be remunerated in the same manner, and that for the same social contributions paid the same benefits should follow. These improved rules are currently being discussed by the legislator. At the same time, practical support is given to Member States to strengthen their cooperation and fight abuse, such as through the Platform tackling undeclared work and the development of the electronic exchange of social security information.

This year we have given targeted support to a number of industry sectors, and we are presenting a holistic industrial policy strategy. Our 2017 **European Industry Day** inspired debate on future innovation and the competitiveness of European industry and on the tools we have mobilised so far — from the Juncker Plan and the Energy Union to research and development, trade policy, the Digital Single Market and the Skills Agenda for Europe. We have provided finance for the Nord Pas-de-Calais region to support its move to a low-carbon economy, helped Polish steel wholesalers to introduce new services and create new jobs and supported the construction of a new bio-product mill in Finland, as well as Europe's first facility for recycling and remelting titanium. Whether it is 3D printing, bio-based plastics for packaging or new systems to cut water use in the chemical industry, the EU will continue to fund and invest in pioneering innovation and European industry.

The new **European Defence Fund** will boost investment, ensure better value for taxpayers and make Europe a safer place, with **€90 million invested in research and €500 million in development until 2020**. The Fund will reduce duplications in spending by providing incentives

to national governments to cooperate on research and development and purchase defence equipment and technology together.

Europe's flagship **space** programmes continue to deliver results, with the latest Copernicus satellite launch improving services for farmers, fishermen and other users of land and sea maps. Europe's Galileo satellite navigation system now offers its services to public authorities, businesses and citizens.



The **European Defence Fund** will invest **€90 million** in research and **€500 million** in development until 2020

The Commission has taken action to address trust in our **car industry** and its future development following emissions scandals. While pushing ahead with a full overhaul of vehicle testing, we have presented initiatives on low emissions mobility, electromobility and automated driving. We have found agreement this year on new rules to improve market surveillance of **medical devices** and strengthen international competitiveness and innovation. To support growth in the **services sector**, the Commission tabled proposals for a Single Digital Gateway, making it easier for people and companies to manage their paperwork online and ensuring that commonly agreed EU rules are respected.

To ensure the overall sustainability of our industrial policy, further progress has been made on the delivery of the **Circular Economy Action Plan**, with guidance adopted on converting waste to energy, a Finance Support Platform set up with the European Investment Bank (EIB) to bring together investors and innovators and the launch of the European Circular Economy Stakeholder Platform. The European Parliament and Member States continue to work towards agreement on the Commission's ambitious legislative proposals on waste management.



5/ A Deeper and Fairer Economic and Monetary Union

‘Over the next five years, I want to continue with the reform of our Economic and Monetary Union to preserve the stability of our single currency and to enhance the convergence of economic, fiscal and labour market policies between the Member States that share the single currency.’

Jean-Claude Juncker, Political Guidelines, 15 July 2014

The euro is more than a currency. Its notes and coins are everyday reminders of the opportunities that the European Union offers. **The euro is the world’s second most used currency**, which also accounts for a quarter of the world’s foreign currency reserves. Day to day, as many as **340 million Europeans in 19 Member States** are using it. The euro has brought our people and economies closer together, making life easier for all those who live, travel and do business in the euro area. But the euro is still a young currency with more potential, so we continue our work to make good on the euro’s promise of prosperity, equality and social fairness.

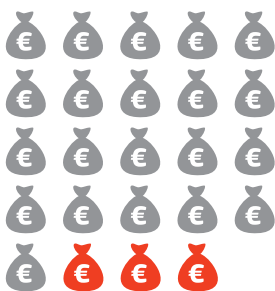
Pillar of Social Rights in April 2017. The Commission is now working towards jointly proclaiming it with the European Parliament and Member States. The Pillar sets out essential principles for well-functioning and fair labour markets and welfare systems — such as on work–life balance, minimum wages and gender equality. It will serve as a compass for convergence towards better working and living conditions. The Commission’s Reflection Paper on the social dimension of Europe presents new ideas on how our economic and social systems can match fast-changing and demanding needs.

These issues will be at the heart of the discussions at the **Social Summit for Fair Jobs and Growth** which the Commission is co-organising with the Swedish government on 17 November 2017 in Gothenburg.

In recent years the Commission has further **strengthened economic governance** and policy coordination through the **European Semester** of economic policy coordination. We now present more timely and targeted analysis to Member States, allowing for a more constructive and meaningful discussion with all actors at national level and for fewer, more focused recommendations to Member States. We

have also enhanced coordination through the Recommendation on the economic policy of the euro area. This included guidance for a **positive fiscal stance** for the euro area as a whole for 2017, calling on those countries with fiscal space to use it, and calling on others to consolidate their public finances in a growth-friendly manner.

To support Member States in the design and implementation of growth-enhancing reforms, the European Commission created the **EU Structural Reform Support Service in 2015**. At the request of a Member State, with no



Only three Member States are still in the Excessive Deficit Procedure, compared to 24 in 2011

This year, we have taken another step on that path by presenting ideas for the future and by using our existing rules and tools to promote stability and growth. The Commission’s Reflection Paper on the deepening of Economic and Monetary Union reiterates the **key steps ahead**: a fully fledged Financial Union with a completed Banking Union, stabilisation and convergence tools and a strengthened Economic and Monetary Union architecture with enhanced democratic accountability.

A strong social dimension is an essential part of Economic and Monetary Union, and the Commission presented the **European**



co-financing required, the Service pools expertise from all over Europe — from the Commission, other Member States, international organisations, public entities and/or the private sector — to provide technical assistance in key reform areas such as modernisation of the public administration, the business environment and the labour market. The Service has also taken up special assignments such as to help coordinate the response to the refugee crisis in Greece and the implementation of the Aid Programme for the Turkish Cypriot community. In May 2017, the EU legislator granted it a dedicated support programme — the EU Structural Reform Support Programme — with a budget of €142.8 million over the years 2017-2020. This programme just entered into force and the Service is already engaged in more than **150 projects in 15 countries**.



The **EU Structural Reform Support Programme** is up and running, with a budget of **€142.8 million** until 2020

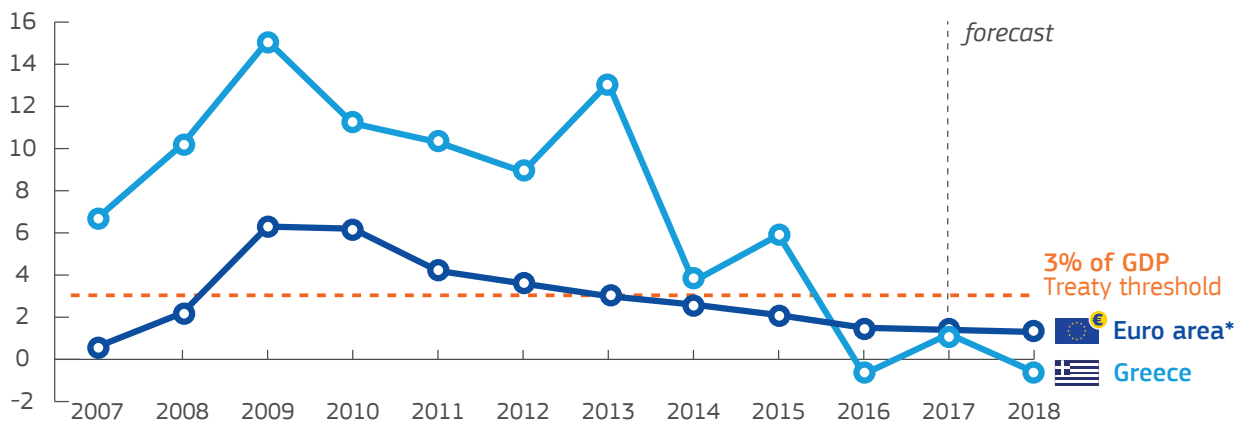
The newly created **European Fiscal Board** is up and running, to assist the Commission with the implementation of EU fiscal rules and with the identification of the desired fiscal stance for the euro area. Last year the Commission presented a package of risk-reduction measures to strengthen the banking sector. The **Banking Union** rules for banks in difficulties were applied several times this year. Concrete action was taken to deal with the high level of non-performing loans which still weigh on banks in some Member States and which limit their capacity to finance the real economy.

Greece is the latest country that is set to exit the Excessive Deficit Procedure following a recommendation from the Commission. The second review of the Stability Support Programme for Greece has successfully concluded, with the country gradually returning to growth and to the international financial markets. Greece is outperforming its fiscal targets and is on track to meet — and hopefully outperform — its primary surplus targets. In addition, around €11 billion of EU funds have been mobilised in support of investment in Greece over the last two years, with new projects also being funded under the Juncker Plan.

Our overall reform efforts continue to show results across Europe with sustained job creation and decreasing public deficits. If the Council follows our recommendation for Greece to exit the Excessive Deficit Procedure, **only France, Spain and the United Kingdom will still be subject to the corrective arm of the Stability and Growth Pact, compared to 24 Member States in 2011.**

Public Deficit

In % of gross domestic product (GDP)



Source: Eurostat

* 19 Member States



6/ A Balanced and Progressive Trade Policy to Harness Globalisation¹

'I will not sacrifice Europe's safety, health, social and data protection standards or our cultural diversity on the altar of free trade. Notably, the safety of the food we eat and the protection of Europeans' personal data will be non-negotiable for me as Commission President. Nor will I accept that the jurisdiction of courts in the EU Member States is limited by special regimes for investor disputes. The rule of law and the principle of equality before the law must also apply in this context.'

Jean-Claude Juncker, Political Guidelines, 15 July 2014

Europe is the largest trading power and one of the most open economies in the world. With 90% of future global growth coming outside Europe's borders and a third of our national income already dependent on trade we will continue to fight for open markets, a level-playing field and the highest international standards. Our economy depends on it: every €1 billion in exports supports 14,000 extra jobs in Europe.

Loud voices around the world have been calling for less trade and more protectionism in the past year. But Europe has spoken up to defend open and fair trade. As others choose to pull up the drawbridge and the spectre of protectionism returns we will defend the global rules-based system which drives our economies. Trade deals are not an end in themselves; they also project European values and principles around the world which is why all the new trade agreements negotiated by the EU include provisions on sustainable development, notably environmental protection and labour conditions. The agreement with Japan is the **first ever trade agreement to include a commitment to the Paris Climate Agreement**.



In May the Commission issued a Reflection Paper on harnessing globalisation, with ideas to allay the fears that some have about trade and to make sure that Europe's work force and companies are prepared to lead the way in setting global standards while maintaining our competitiveness. There is no protection in protectionism. But we must continue to defend Europe's companies and citizens against unfair competition and unfair trade practices.

¹ The title of Priority 6 has been updated and made geographically neutral in view of the slowing down of trade talks with the United States, the new geopolitical context, and the new dynamism in trade talks with other important regions of the world. The Commission has reflected this reality by changing the name of its relevant Commissioners' Group into the Commissioners' Group on 'Trade and Harnessing Globalisation'.



Europe stands for open and fair trade but we are not naïve free traders; we fight as hard against protectionism as we do against unfair trade practices and market distortions. In the last year we **have taken measures to fight overcapacity in the steel sector** and we **react decisively when trade partners take protectionist measures** that threaten to undermine the multilateral system. The EU needs to continue updating its tools to defend our industry and protect jobs against unfair competition.

It is time for the European Parliament and Member States to agree on the Commission's proposals to modernise the EU's trade defence instruments and to adopt a new anti-dumping methodology. The Commission is also presenting a **new proposal to screen foreign direct investments** which raise concerns on grounds of security or public order.

The Juncker Commission handles trade negotiations with transparency. The transparency initiative launched in the beginning of 2015 led to the systematic publication of negotiating texts, reports after negotiating rounds as well as explanatory documents. This transparent approach has been since **enlarged to all trade negotiations in which the EU is involved** and has been complemented all along the way with an array of political and technical level meetings to inform and involve citizens, stakeholders, national and regional Parliaments. The Commission is now taking this further by publishing the draft mandates for trade negotiations with Australia and New Zealand and for the establishment of a Multilateral Investment Court.



550,000 people employed by Japanese companies in the EU



600,000 jobs in the EU linked to exports to Japan

The predicted increase of EU exports to Japan is between **16% and 24%**



The predicted increase of EU exports of processed food products to Japan is **between 170% and 180%** or **up to an additional €10 billion**

The Commission's track record on negotiating beneficial trade agreements in a **transparent and inclusive way** speaks for itself, with regular publication of negotiating positions, civil society meetings on each negotiating round and regular reporting to the European Parliament and Member States. We have reached a political agreement with Japan for an Economic Partnership Agreement and will conclude the negotiations this year, which could increase our overall exports to Japan by more than a third and save €1 billion in customs duties for EU companies; our Agreement with Canada will be provisionally applied as of 21 September so that our companies and citizens can start reaping its benefits; negotiations with Mexico and with the Mercosur countries of South America are advancing at an encouraging

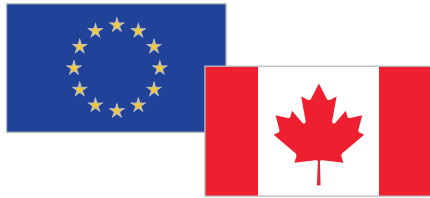
pace; and we are in ongoing negotiations or about to start new negotiating processes with partners from all over the world, notably in Asia.

The United States is currently the EU's biggest export market and a key ally, and we will continue to work together for a positive, ambitious and mutually beneficial transatlantic trade agenda. The launch of a Joint Action Plan on trade with the United States was agreed in May by President Juncker and President Trump. Talks on the Transatlantic Trade and Investment Partnership (TTIP) have now effectively stopped. The EU needs to clarify if there is a sufficient level of shared ambition and common ground before deciding whether and how to proceed with new negotiations.



221,000

Number of people employed by Canadian companies in the EU



865,000

Number of EU jobs tied to EU exports to Canada

EU-Canada trade agreement will abolish 98% of Canadian customs duties, saving EU businesses €590 million annually

We must ensure too that our own institutional set-up is fit for purpose so that we can ratify and implement agreements in an effective manner and preserve our reputation as a **credible negotiating partner**. In its Opinion on the EU-Singapore Trade Agreement, the Court of Justice of the European Union provided welcomed clarity this year on the competences in trade and investment agreements of the EU and its Member

States. In light of this Opinion and discussions with the European Parliament and Member States the Commission will present proposals for the signature and ratification of the agreements with Singapore and Vietnam, in addition to the proposals presented in the President's State of the Union Address for mandates to negotiate with Australia and New Zealand.



Promoting and protecting Europe's flagship agri-food products in other countries is a top priority of any trade deal the EU negotiates. More than **200 European products that enjoy the status of Geographical Indications will be allowed to be sold in Japan** under the protected name (products like Tiroler Speck, Jambon d'Ardenne or Münchener beer) and over **140 in Canada** (ranging from Roquefort cheese, to balsamic vinegar from Modena and Dutch Gouda cheese), protecting them from imitations at a level comparable to EU law.




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

'I intend to make use of the prerogatives of the Commission to uphold, within our field of competence, our shared values, the rule of law and fundamental rights, while taking due account of the diversity of constitutional and cultural traditions of the 28 Member States.'

Jean-Claude Juncker, Political Guidelines, 15 July 2014

The need to fight extremism, radicalisation and hatred has become even more acute over the last year, as Europe once again fell victim to heinous acts of terrorism. Our focus has been on implementing the **European Agenda on Security** and tackling the many and varied threats that face us. President Juncker has **appointed a Commissioner for the Security Union** who works closely with Member States and EU agencies to coordinate our work in this field and reports regularly to the College of Commissioners. This is a new way of working and an important way to ensure the security of our citizens.

Over the last year we have also stepped up our efforts to counter **terrorist propaganda** and **radicalisation online**. Through the EU Internet Forum we work with **major internet firms** to ensure that illegal content is taken down as quickly as possible. Europol's **EU Internet Referral Unit** has referred tens of thousands of posts to internet companies. On average, 90% of these posts are then removed. The Commission monitors closely how **social media companies implement** the code of conduct to combat illegal hate speech online. The **Radicalisation Awareness Network** and **Civil Society Empowerment Programme** support those in the front line of preventing poisonous ideologies taking hold.



The **Schengen Information System** now contains **70 million alerts** and was **consulted 4 billion times** in 2016

The work to make Europe a safer place starts at our borders. Since 7 April all travellers crossing the EU's external borders have been **systematically checked** against relevant databases. The Entry/Exit System proposed by the Commission will help modernise external border management and record the name, type of travel document and biometrics of every non-EU citizen who crosses our borders, along with the place at which they cross. Agreement must also now be reached on the Commission's proposal on a

A new law on **combating terrorism** agreed this year criminalises and sanctions terrorist-related offences, giving more power to prosecute those who support terrorist activity and to deal with the phenomenon of returning foreign fighters. We are also closing down the space terrorists operate in by cutting off their access to **financing, firearms, fraudulent documents and explosive substances**. This is a global threat which requires a global response, and we are working with our partners across the world to tackle **international terrorism**. At the G20 Summit in Hamburg President Juncker was among the leaders who protected and agreed on an action plan to counter terrorism.

European Travel Information and Authorisation System (ETIAS) to allow for better checks ahead of travel to the EU.

New rules agreed on **Passenger Name Record** data will help to identify high-risk travellers, and EU databases, such as **the Schengen Information System, are increasingly being used** to get a clearer picture of targeted persons or objects. The system now contains 70 million alerts and was consulted 4 billion times in 2016.



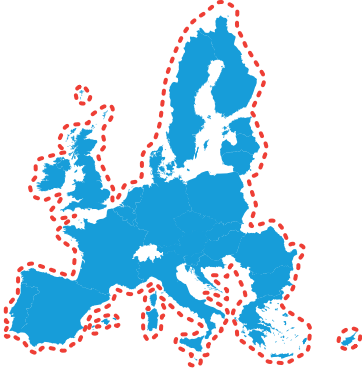
We are also working hard to ensure that EU (information) databases in different countries can work with each other. This is crucial to ensuring that no critical information slips through the net. In May we published a new approach on **interoperability** of information systems and proposals to strengthen the EU Agency managing the key systems.

Protecting our citizens extends far beyond security issues. An important part of our personal security is making sure that the increasing amount of personal data that we share every day is handled safely and confidentially. The **comprehensive reform of EU data protection rules** will apply from 25 May 2018 and will help citizens take back control of their own data. In the same vein, the new **EU-US Privacy Shield** protects the fundamental rights of EU citizens whose personal data is transferred to the United States and gives companies legal clarity about their obligations.

We have made significant breakthroughs in the fight against fraud. This year 20 Member States have agreed to move ahead with the Commission's proposal to set up a **European Public Prosecutor's Office**. The prosecutor will be a strong, independent body specialising in fighting financial crime across the EU. It will be equipped with the power to investigate and prosecute corruption or fraud against the EU budget, along with cross-border VAT fraud. Every year at least €50 billion of potential VAT revenue is lost from national budgets due to cross-border fraud. Financial crime will

also be tackled through proposals to reinforce the legal tools combating money-laundering. We propose to strengthen safeguards on financial flows from high-risk non-EU countries, enhance EU financial intelligence units' powers, address centralised national bank and payment account registers and tackle the risks linked to virtual currencies and anonymous pre-paid cards.

Europeans now have **better access to justice** thanks to legislation on the presumption of innocence, on legal aid and on safeguards for children in criminal proceedings. Negotiations continue on new proposals to improve the **protection of children in cross-border family disputes**. The EU signed the Council of Europe's Istanbul Convention to fight violence against women and domestic violence earlier this year. The **rule of law** is one of the EU's fundamental values, enshrined in the Treaty, and the Commission has taken action to defend it against systemic threats. We are in a rule of law dialogue with Poland to defend the independence of the country's courts and address a number of concerns about reforms of the judiciary.



Since **7 April**, all **travellers** crossing the EU's external borders have been **systematically checked**



8/ Towards a New Policy on Migration

‘The recent terrible events in the Mediterranean have shown us that Europe needs to manage migration better, in all aspects. This is first of all a humanitarian imperative. I am convinced that we must work closely together in a spirit of solidarity.’

Jean-Claude Juncker, Political Guidelines, 15 July 2014

Solidarity and responsibility are at the heart of EU migration policy. Over the past two and a half years we have advanced together on the delivery of the European Agenda on Migration proposed in May 2015. A common approach to dealing with migration is gradually emerging. Significant steps have been taken to tackle the immediate challenges of the 2015 refugee crisis and to address weak points in our legal framework. There is still more work to do on all fronts to build an efficient, stable and fairer system which is sustainable in the long term.

We save lives and fight human trafficking. 620,000 lives have been saved in the Aegean and the Mediterranean since 2015 thanks to the Italian and Greek rescue operations as well as the European Border and Coast Guard’s Triton and Poseidon operations and Operation Sophia. We are disrupting criminal smuggling networks in the Central Mediterranean and in the Aegean, working with the Turkish authorities and NATO. Since 2015 almost 2,500 suspected smugglers and traffickers have been caught and over 470 boats seized.

We offer asylum to those fleeing from war and, persecution. Europe has consistently shown generosity and true solidarity towards those in need of protection during the migration crisis. In 2016 alone, the EU Member States granted asylum to **710,395 refugees** and offered legal and safe pathways **through the EU resettlement framework** to 14,205 people in need of international protection.

We are protecting children in migration. One in four people currently seeking asylum in the EU are children. In 2016, 96,000 of them arrived unaccompanied, without parents or carers, facing a strong risk of becoming victims of violence or abuse. Whilst EU legislation already contains strong safeguards for children, the Commission has proposed to reinforce their protection in the reform of the Common European Asylum System, including improving guardianship systems and stronger protection during asylum procedures. **In April, the Commission set out actions to ensure that migrant children are swiftly identified when they arrive in the EU and that they are provided with sustainable perspectives through better access to education and health care.**

We protect our borders. In October 2016 the **European Border and Coast Guard Agency was established**, following a proposal from the Commission, to ensure that Europe can protect its common external borders and is better equipped to face new migration and security challenges. Over 1,700 EU officers are deployed in Greece, Italy, Bulgaria and Spain to support national border guards. An additional pool of 1,500 border guards is ready to intervene without delay whenever support is requested by a Member State for its external border. This complements the Member States’ capacity of over 100,000 national border guards.





We have stemmed irregular flows from Turkey. Since the EU-Turkey Statement was agreed in March 2016 the number of people crossing from Turkey to Greece has gone down from 10,000 in a single day in October 2015 to an average of around 76 a day. Overall, arrivals to the Greek islands from Turkey have dropped by 97%. We are also helping Syrian refugees in Turkey to live in dignity and build a new life through our **Facility for Refugees in Turkey** which has mobilised €3 billion for 2016-2017. This money is being used, for example, to provide social assistance to 1.3 million refugees and access to education for 230,000 refugee students in Turkey by the end of 2017.

We are now working on stemming the flow across the Central Mediterranean.

Our primary focus is on Libya, where we work closely with the Libyan authorities, the International Organisation for Migration (IOM) and the United Nations High Commissioner for Refugees (UNHCR) to improve the situation of migrants on the ground, in particular in detention centres where the situation is untenable. A €90 million programme was adopted in April 2017 to improve the protection of migrants and refugees as well as to improve living conditions and create job opportunities in the host communities.

The EU is **training and equipping the Libyan coast guard** to help them fight traffickers and smugglers and make Libyan territorial waters more secure, saving lives and reducing flows to Italy in the process. A €46.3 million project co-funded by the EU and Italy to reinforce border management capacities in Libya was approved in July 2017. Joint efforts with IOM have increased assisted voluntary returns of migrants from Libya to their countries of origin; in 2017 alone, around 7,000 people have been returned from Libya, along with 4,000 from Niger, to their home countries.

There are clear signs that the actions taken along the Central Mediterranean route are beginning to have an effect: in July 2017, the irregular arrivals showed a decrease of 51% compared with the figure for July 2016, and in August 2017 a corresponding decrease of 81% compared with August 2016.

We support the most affected Member States. Since the beginning of 2015 **Greece** has been granted over €353 million in emergency assistance. Italy has received €149.5 million since 2014. **Bulgaria's** €167 million in emergency assistance helps to provide accommodation, food and medical supplies to migrants and equip the national border guards. Through the **new Emergency Support Instrument** we have already provided €401 million in humanitarian aid to improve the living conditions of refugees in Greece.

The EU is opening up **safe and legal pathways** to Europe through resettlement. The EU's 2 year plan to resettle 22,000 refugees is already 77% complete

We are also working on **new ways to support Italy** both financially and by enhancing regional cooperation — a commitment echoed by European leaders at the June 2017 European Council and at the July meeting of Home Affairs Ministers. Our European Border and Coast Guard is present in Italy, providing aircraft, helicopters, and vessels along with over 400 officers under Joint Operation Triton. The European Border and Coast Guard also helps to organise the return of migrants to their countries of origin. A total of 70 experts from the European Asylum Support Office and 18 officers from Europol support the relocation process and the implementation of security checks in Italy.

We are opening up **safe and legal pathways to Europe** through resettlement. The EU resettlement scheme adopted in July 2015 is due to be successfully completed, with Member States and Schengen Associated States having already resettled 17,305 of the 22,504 agreed people. Under the EU-Turkey Statement, a total of 8,834 Syrians have been resettled from Turkey to the EU so far. On 4 July 2017, the Commission launched a new resettlement pledging exercise for 2018 to ensure the continuation of the EU's collective resettlement efforts.

The EU is working with countries of origin and transit to **tackle the root causes of migration** and help people to build a better future for themselves at home. Through a **€2.7 billion Trust Fund for Africa**, the EU is promoting economic and employment opportunities, security and development. A total of 169 contracts have been signed so far with a focus on economic development, job creation, governance, food security and healthcare, and migration management. President Juncker has called on Member States to match the €2.7 billion

Arrivals in the Eastern Mediterranean have been **reduced by 97%** consistently for over a year; arrivals in the Central Mediterranean are starting to decrease, with numbers in August 2017 **down by 81%** compared to the same month last year

contribution from the EU budget; but so far they have only pledged €227.7 million and contributed €152.5 million.

The External Investment Plan is improving investment in Africa.

With an input of €4.1 billion from the EU budget and the European Development Fund, the Investment Plan will support innovative guarantees to boost private investment, and help trigger up to €44 billion of investments. **The EU is also**

the world's biggest development and humanitarian aid donor. The EU's aid is not about charity but a concrete investment in people. The European Commission alone will provide €31 billion in Official Development Assistance to Africa between 2014-2020

Member States also decided to help Greece and Italy in September 2015 through an **Emergency Relocation System**. Asylum seekers with a high chance of having their applications successfully processed are relocated from these two countries, where they have arrived, to other Member States where they will have their asylum applications processed.

The pace of relocation has significantly increased in 2017, with Member States having relocated three and a half times more than the same period in 2016. In summer 2017 the total number of relocations reached 27,700. Almost all Member States are now carrying out relocations, with Malta and Latvia having relocated their full commitment from Greece. By the end of September, Finland (90%), Lithuania and Luxembourg (both 85%) will have relocated the majority of their allocations from Greece, while Sweden, which only started relocating in June, will have met almost 70% of its commitment. Additionally, Malta and Finland are close to relocating their entire allocations for Italy. The Commission has however had to resort to **infringement procedures against Czech Republic, Hungary and Poland**, which have not met their legal obligations.

Successful and fast relocation and resettlement require the carrying out of thorough security checks. We ensure that all persons arriving in the hotspots in Italy and Greece go through **comprehensive security checks**, with the

Almost all EU Member States are now carrying out relocations within the EU to alleviate the pressure on Italy and Greece



assistance of the European Border and Coast Guard and Europol, including a full identification and registration process including fingerprinting as well as checks against all relevant international, EU and national databases. Candidates for relocation undergo additional screening by the services of the receiving Member State.

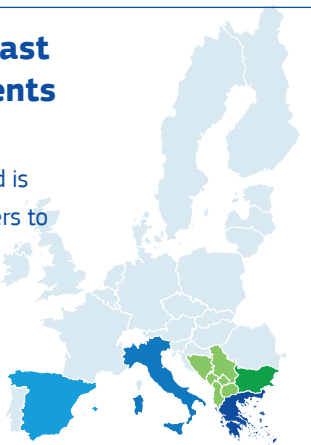
We are addressing the root causes of irregular migration by working through the partnership framework. We want to address the underlying reasons compelling people to move, and give them a chance to build their lives closer to home instead of embarking on often deadly journeys to Europe. We are implementing **new migration partnerships** with key countries of origin and transit, starting with Mali, Niger, Nigeria, Senegal and Ethiopia.

We have set up an **Emergency Trust Fund for Africa** of €2.7 billion to fund migration-related projects. President Juncker has called on Member States to support these efforts but so far they have only contributed €152,5 million of the initial €1.8 billion contribution from the EU budget that they had been invited to match. A total of **169 contracts** have so far been signed with a focus on economic development, governance, food security, healthcare, and migration. The **External Investment Plan** replicates the successful model of the Juncker Plan to leverage the private sector investments needed for sustainable development and job creation. With an input of €4.1 billion from the EU budget, the EU will mobilise total investments of up to €44 billion, which could reach €88 billion if Member States contribute too.

European Border and Coast Guard: current deployments

The European Border and Coast Guard is currently deploying about 1,700 officers to protect EU borders. These officers are in addition to the 100,000 border guards deployed by the Member States.

September 2017



888 officers in Greece



407 officers in Italy



197 officers in Spain



126 officers in Bulgaria



55 officers in the Western Balkans

	RELOCATION					RESETTLEMENT			EXPERTS FOR EUROPEAN BORDER AND COAST GUARD ¹	FINANCIAL CONTRIBUTION FOR TRUST FUND FOR AFRICA, MILLION € (PLEGGED / RECEIVED)
	Relocated from Italy	Relocated from Greece	Total	Legal commitment	% complete	Resettled	Pledged	% complete		
Austria	15	0	15	1,953	1%	1,830	1,900	96%	48	6.0 / 3.0
Belgium	259	677	936	3,812	25%	905	1,100	82%	4	10.0 / 6.0
Bulgaria	0	50	50	1,302	4%	0	50	0%	98	0.05 / 0.05
Croatia	18	60	78	968	8%	0	150	0%	13	
Cyprus	34	96	130	320	41%	0	69	0%	2	
Czech Republic	0	12	12	2,691	0.4%	52	400	13%	30	0.74 / 0.74
Denmark						481	1,000	48%	16	6.0 / 6.0
Estonia	0	141	141	329	43%	20	20	100%	16	1.45 / 1.45
Finland	755	1,196	1,951	2,078	94%	293	293	100%	21	5.0 / 5.0
France	330	3,948	4,278	19,714	22%	1,965	2,375	83%	98	3.0 / 3.0
Germany	3,405	4,447	7,852	27,536	29%	1,600	1,600	100%	163	51.0 / 13.0
Greece						0	354	0%	631	
Hungary	0	0	0	1,294	0%				7	0.7 / 0.7
Iceland						50	50	100%	5	
Ireland	0	487	487	600	81%	520	520	100%		3.0 / 1.2
Italy						1,152	1,989	58%	192	102.0 / 82.0
Latvia	27	294	321	481	67%	25	50	50%	34	0.05 / 0.05
Liechtenstein	0	10	10			20	20	100%		
Lithuania	27	355	382	671	57%	28	70	40%	24	0.05 / 0.05
Luxembourg	111	271	382	557	69%	26	30	87%	7	3.1 / 3.1
Malta	47	101	148	131	113%	0	14	0%	53	0.25 / 0.1
Netherlands	792	1,595	2,357	5,947	40%	1,000	1,000	100%	114	16.4 / 13.4
Norway	815	693	1,508			3,421	3,500	98%	70	3.6 / 3.6
Poland	0	0	0	6,182	0%	0	900	0%	62	1.1 / 1.1
Portugal	299	1,116	1,415	2,951	48%	76	191	40%	152	0.45 / 0.45
Romania	45	682	727	4,180	17%	0	80	0%	125	0.1 / 0.1
Slovakia	0	16	16	902	2%	0	100	0%	11	0.6 / 0.6
Slovenia	45	172	217	567	38%	0	20	0%	8	0.05 / 0.05
Spain	168	1,089	1,257	9,323	13%	631	1,449	44%	117	3.0 / 3.0
Sweden	511	1,392	1,903	3,766	51%	491	491	100%	28	3.0 / 3.0
Switzerland	778	344	1,122			519	519	100%	4	4.1 / 3.6
United Kingdom						2,200	2,200	100%	58	3.0 / 1.2
TOTAL	8,451	19,244	27,695	98,255	28%	17,305	22,504	77%	1669	227.7 / 155.5

¹ The figures in this column represent how many persons from each Member State were deployed for European Border and Coast Guard operations (in Greece, Italy, Bulgaria, the Western Balkans and Spain) on average each day in January-August 2017.



9/ A Stronger Global Actor

‘We need a stronger Europe when it comes to foreign policy. The Ukraine crisis and the worrying situation in the Middle East show how important it is that Europe is united externally.’

Jean-Claude Juncker, Political Guidelines, 15 July 2014

The European Union continues to promote a rules-based global order and to provide **security and stability in our region and beyond**. We defend human rights, democracy and the rule of law across the world. And we work closely and constructively with our international partners to make the world safer and more stable.

More than ever, Europeans need to take greater responsibility for their own security. In November the Commission presented a **European Defence Action Plan**, which outlined how a European Defence Fund and other actions can support Member States’ more efficient spending on joint defence capabilities and strengthen European citizens’ security. The lack of cooperation between Member States in the field of defence and security is estimated to cost between €25 billion and €100 billion annually. 80% of procurement and more than 90% of research and technology are run on a national basis. Up to 30% of annual defence expenditures could be saved through pooling of procurement.

As regards the Common Security and Defence Policy, more has been achieved in the last year than in the previous 10. We have broken new ground. The new command centre for EU military training and advisory missions is now a reality. A coordinated annual review of national defence budgets is taking shape. Leaders have backed the ambitious **European Defence Action Plan**, a new **European Defence Fund** and a **strengthened partnership with NATO**, and have called for inclusive and ambitious **permanent structured cooperation** to strengthen Europe’s security and defence.

Following the **Joint Declaration** by President Juncker, President Tusk and Secretary-General Stoltenberg **on EU-NATO relations** we agreed on 42 concrete proposals for joint action.

Together we will deepen efforts to counter hybrid threats and cyberattacks and help our partners to prevent and respond to crises.

The EU has focused this year on implementing our **Global Strategy**, to help us and our partner countries to face up to our common challenges, from development cooperation and tackling climate change to security, defence and peacekeeping.

To bring security to our wider neighbourhood, we continue to support UN-led efforts to restore peace in **Syria**, bring about a political solution in **Yemen** and stabilise **Libya**. We have encouraged political reform and national reconciliation in Iraq, while providing crucial humanitarian and development support where needed.

Closer to home we have stepped up our cooperation with the **Western Balkans** and reaffirmed our commitment to the **European Union perspective for the whole region**. We continue to support reform efforts in **Albania** and the **former Yugoslav Republic of Macedonia** and to facilitate the dialogue between **Serbia** and **Kosovo**. **Montenegro** and Serbia have opened new chapters in their accession negotiations, while **Bosnia and Herzegovina** has submitted its accession application.



The EU **lifted visa requirements** for Ukrainians and Georgians against the backdrop of significant reforms notably on the fight against corruption



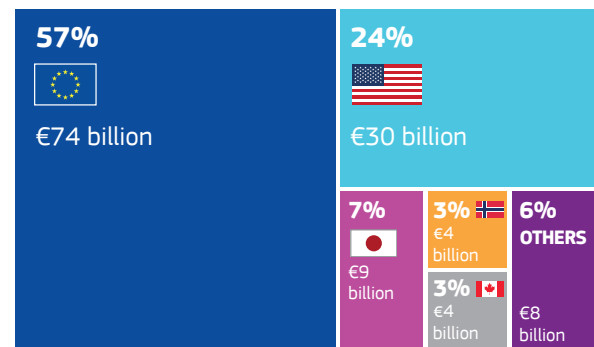
We have also strengthened partnerships with other countries on our eastern borders. The **Association Agreement with Ukraine** came into force after the Commission helped Member States overcome the final hurdles to ratification. We continue to **support Ukraine's territorial integrity**, sovereignty and independence, along with the full implementation of the Minsk agreements. The EU has also redoubled its efforts to help the fight against corruption in Ukraine; the key to transformation of the country. We also made good on our commitment to **lift visa requirements for citizens from Georgia and Ukraine**, after these countries implemented a series of far-reaching reforms.

The EU is continuing its work with **Turkey**. We condemned the attempted coup of July 2016 and expressed our support for the democratically elected institutions of the country. We will continue to stress the need for respect for human rights, fundamental freedoms and the rule of law, in respect of which Turkey has taken serious backward steps over the past year.

From **Afghanistan to Myanmar/Burma** the EU is supporting democratic transition, peace and stability across Asia, condemning human rights abuses where necessary. We have enhanced our relations and cooperation with **China, India, Iran and South Korea**, working closely together on global security, climate action and development cooperation. The EU has provided strong support to its Allies in respect of the North Korea nuclear weapons programme.

Elsewhere, we marked a new phase in our bilateral relations with **Cuba**, paving the way for more EU investment and trade by strengthening political dialogue and cooperation. We have supported **Colombia** politically on its path towards peace and provided an unprecedented support package of almost €600 million. The fate of democracy in **Venezuela** is a concern for all its partners, and the EU continues to promote a political solution to the current crisis but stands ready to take restrictive measures.

The EU is the biggest donor of development and humanitarian aid



Source: OECD, 2017, EU = EU and its Member States

The EU is playing a leading role in implementing the United Nations **2030 Agenda for Sustainable Development**, and in 2016 we were once again the world's largest provider of Official Development Assistance, reaching €75.5 billion. The new **European Consensus on Development** helps to align our work in this field with the 2030 Agenda.

The EU is the biggest world development and humanitarian aid donor. EU's aid is not about charity but a concrete investment in people and in mutual interest. The European Commission alone will provide €31 billion in Official Development Assistance to Africa between 2014-2020. This funding is helping to boost Africa's economy to give youth a chance to build a future, to ensure food security and access to energy, and to anchor good governance and respect of human rights. For example through EU development support, over 18 million people have been given access to energy in Africa.

The EU remains a key player at the G7 and G20. Over the past year, the EU has set the agenda on free but fair trade, argued in favour of the fight against climate change, protected the rules that have been developed since the financial crisis to ensure international financial stability and led the fight against international tax avoidance.



10/ A Union of Democratic Change

‘A European Commission under my leadership will be committed to fulfilling the special partnership with the European Parliament. [...] I am also committed to enhanced transparency when it comes to contact with stakeholders and lobbyists.’

Jean-Claude Juncker, Political Guidelines, 15 July 2014

When this Commission took office, we decided to go about our work differently, to address long-held scepticism among European citizens about the way the EU functions and to regain trust in our Institution and the EU. **We decided to focus on issues where a European solution is the best option** and national or local solutions are not effective. This has meant cutting new legislation from 130 major initiatives per year under previous Commissions to 23 initiatives per year in 2015 and 2016, and 21 in 2017 — a reduction of more than 80%. **We want to bridge the gap between what the EU delivers and what our citizens expect.**

Where in the past the EU has been associated with ‘excessive bureaucracy’, we have shown **political leadership** and taken responsibility for how the Commission implements sensitive decisions in the fields of consumer protection, health and environmental policy. We have acknowledged that previously the process was too technocratic and taken steps to reform it. Sensitive decisions on **glyphosate** and **endocrine disruptors** have been discussed at political rather than technical level since we took office, due to the high level of interest in these important public health questions. And the Commission has proposed to **reform the comitology system** to oblige Member States to take responsibility and adopt a political position on difficult and sensitive cases, whereas the current set-up allows them to abstain and shift responsibility away from national authorities to the Commission.

First Vice-President Timmermans led the implementation of a **new Interinstitutional Agreement on Better Law-making** with the European Parliament and the Member States. For

the first time, in 2016, the Commission’s Work Programme was enriched by consultations with Members of the European Parliament and Member States; a first Joint Declaration was then signed by the three Institutions to ensure laws are adopted more quickly and efficiently, and respond to the concerns and expectations of citizens.

To improve transparency we have tabled proposals to widen the scope of our **Joint Transparency Register** to cover the European Parliament and the Council, in the same way as the Commission. While we wait for progress from the other Institutions, the Commission continues to take the lead. **11,318 organisations and individuals** now appear in the Joint Transparency Register; and almost 5,000 of these have joined since the Commission changed the rules in November 2014, making registration mandatory to get a meeting with the Commission’s highest decision-makers.

We have continued our commitment to **Citizens’ Dialogues**, holding **around 312 town-hall events in the Member States** at which citizens debated with Commissioners, European Parliamentarians and national and local leaders.



The Juncker Commission is committed to maximising the opportunity for participation in European Citizens' Initiatives. Commissioners now discuss every proposal for registration of a European Citizens' Initiative to make sure we do not trip over legal hurdles and frustrate citizens' wishes to get involved in the EU political process. We have proposed partial registrations of several initiatives that did not fall entirely within the scope of the Regulation, and have given effect to two judgments of the Court of Justice of the European Union to overturn rejections of registrations of European Citizens' Initiatives by the previous Commission.

Members of the Commission have taken part in **1,274 debates** in the European Parliament

Members of the Commission have had over **650 meetings with national Parliaments**

The Juncker Commission sees its **special partnership with the European Parliament and the citizens it represents** as a priority. Since the Juncker Commission took office, Members of the College have taken part in **1,274 debates** with the European Parliament, out of which the President himself and his First Vice-President participated in **98** debates.

National Parliaments have also demonstrated their wish to play a constructive role in shaping the future of the Union and the Commission remains committed to deepening its relations with them. Members of the Commission have had over **650 meetings with national Parliaments**, bringing Europe closer to citizens' national representatives.

Better Regulation means better laws, enforced better. The Juncker Commission is living up to this commitment and has stepped up its enforcement work to make sure all Member States are applying EU law correctly. There were 1,659 open infringement cases against all 28 Member States at the end of 2016, compared to just 1,300 at the end of 2013 – an increase of 20%.

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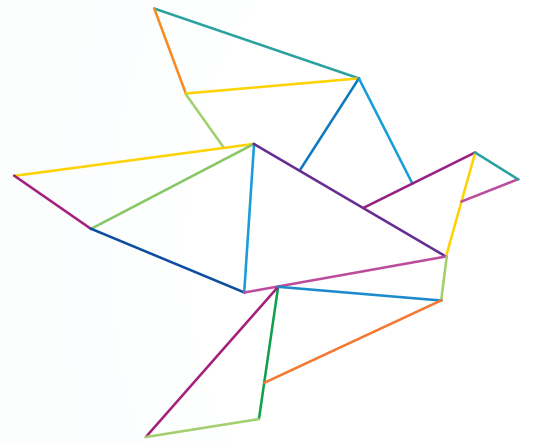
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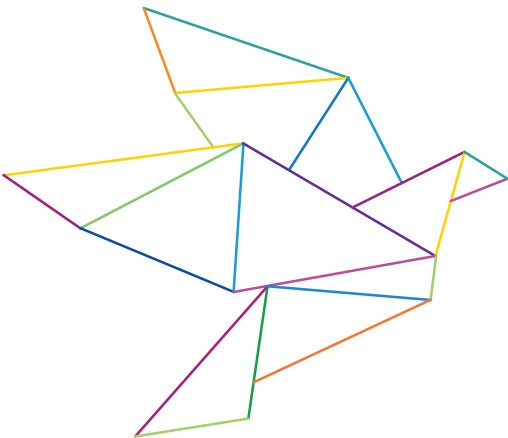
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STATE OF THE UNION 2017









BETTER REGULATION



Better Regulation

President Juncker campaigned in 2014 for the European Commission to be 'big on big things', and smaller on things where EU action does not add value. Since day one, the Juncker Commission has delivered on this, putting in place a broad Better Regulation Agenda to change the way the Commission works. This starts with focusing on a core set of ten political priorities, which are put into practice each year with our targeted Commission Work Programmes featuring a limited number of priority initiatives. Better Regulation is also about paying constant attention to the current body of EU law, ensuring it is fit for purpose through fitness checks, listening actively to the input of those most affected by EU laws on a daily basis, and carrying out revisions, repeals and simplifications of the current legislative acquis where needed. Finally, the Better Regulation Agenda is about developing policy in an open way. The Commission's Impact Assessments receive independent scrutiny and we now consult at every stage of the policy-making process, starting before a pen is even lifted, and ending after the Commission has laid down its pen and sent proposals to the European Parliament and Council for them to debate and adopt.

Better regulation in numbers, 2015-2017

PRIORITY INITIATIVES	PROPOSALS FOR WITHDRAWAL	REPEALED LAWS	INITIATIVES FOR REGULATORY SIMPLIFICATION
			
 <p>We are listening to citizens and stakeholders throughout the policy cycle – through public consultations, the REFIT (Regulatory Fitness) Platform, the 'Lighten the load' web portal, and 312 Citizens' Dialogues</p>	 <p>Impact Assessments can now take place not just at the beginning of the policy-making process by the Commission but also by the Parliament and Council when the Commission's proposal is amended</p>	 <p>An independent Regulatory Scrutiny Board ensures the quality of Impact Assessment work and evaluates the quality of legislation</p>	 <p>The subsidiarity principle is strengthened by listening more to national Parliaments. Over 650 visits and meetings of Members of the Commission with national Parliaments have taken place</p>

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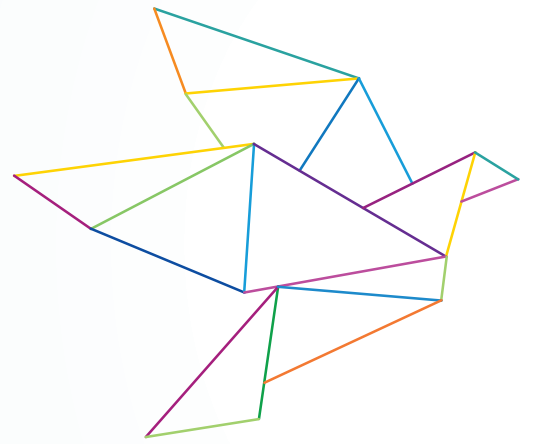
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STATE OF THE UNION 2017

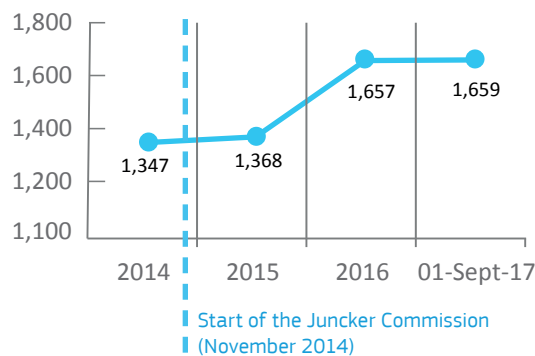
DELIVERING ON WHAT THE EU PROMISED:
ENFORCING MORE EFFECTIVELY OUR JOINT DECISIONS

Delivering on What the EU Promised: Enforcing More Effectively our Joint Decisions

The EU Member States are responsible for transposing Directives into their national law on time and accurately, as well as for correctly applying and implementing the entire body of EU legislation. As guardian of the Treaties, the Commission is responsible for ensuring that EU law is correctly applied in all Member States. If an EU country fails to apply EU law effectively, the Commission may launch a formal infringement procedure and, if necessary, bring the case before the Court of Justice of the European Union.

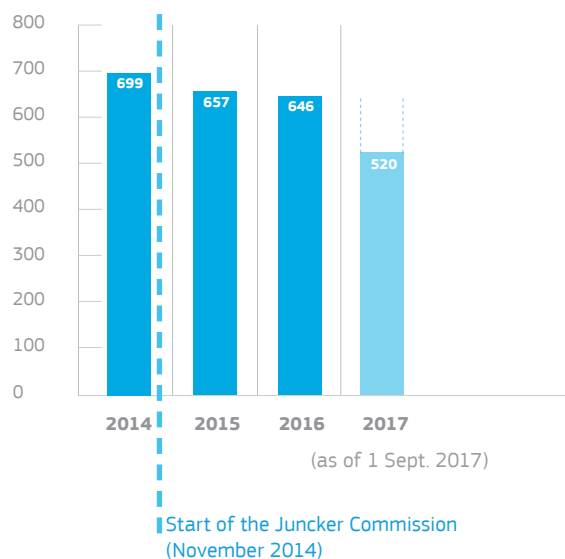
Better application of EU law is a priority of the Juncker Commission and a key part of the Better Regulation Agenda. The Commission restated its commitment to improving the application of EU law in a Communication of December 2016 which sets out a more strategic approach to its infringement policy. It announced that it would give priority to pursuing the most serious breaches of EU law affecting the interests of citizens and businesses. As of September 2017, **1,659 infringement cases have been opened by the Commission**. This is a considerable increase from the previous years.

Infringement cases open from year-end 2014 to 1 September 2017



Infringement cases closed before going to the Court of Justice

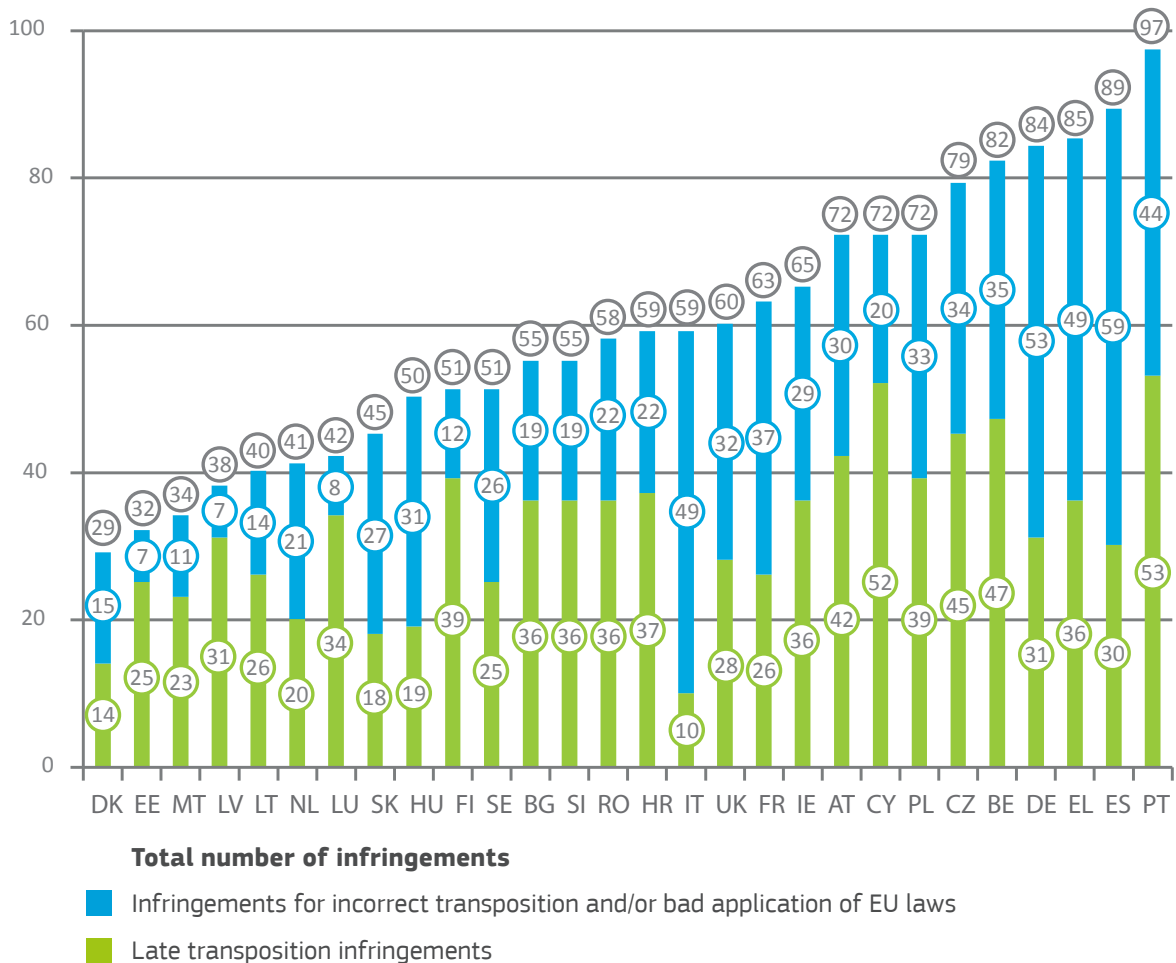
Thanks to fruitful dialogues with Member States, a significant amount of infringement procedures are resolved before the Commission goes to Court.



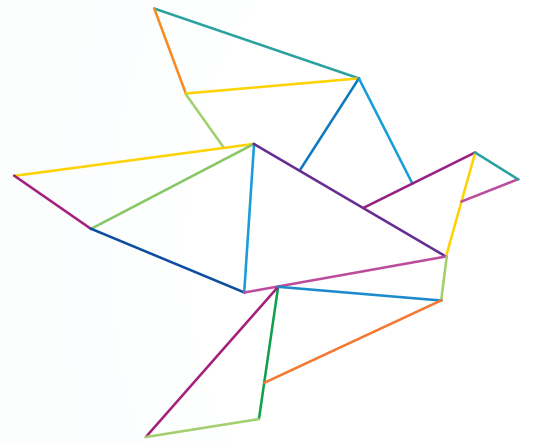
The Commission always offers assistance and mediates between Member States on matters related to the implementation of EU law. This was the case earlier in the year for the dispute between Spain and Portugal over the development of a temporary spent nuclear fuel storage facility in **Almaraz**. By building bridges between sometimes remote positions, the Commission encourages discussions until they bear fruit and pragmatic solutions are found. The ability to find compromises is part of the European spirit. It is essential for the smooth functioning of our Union and for the respect of our common law.

The effective application of the EU law is essential in order to guarantee citizens and businesses the enjoyment of the benefits granted by the EU. Often, when issues come to the fore — be it car emissions testing, illegal landfills or transport safety and security — the reason is not a lack of EU legislation but rather the fact that Member States do not apply and/or implement EU law correctly and effectively. Likewise, the EU Single Market remains Europe’s most precious asset for the millions of citizens and businesses, and the Commission is committed to ensuring, by checking on the implementation of EU rules, that Europeans benefit each day from the freedom to live, work, shop and trade across the European Union.

Infringement cases open on 1 September 2017



To facilitate timely transposition, the Commission assists Member States by preparing implementation plans, dedicated websites and guidance documents, and by exchanging best practice in expert group meetings.



STATE OF THE UNION 2017

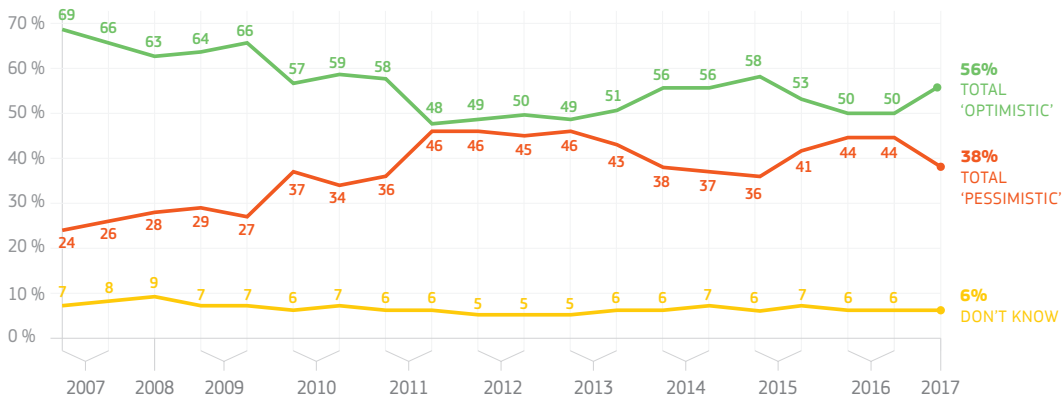
THE STATE OF PUBLIC OPINION IN THE EU

The State of Public Opinion in the EU

Compared to a year ago, an increasing majority of people in the EU are optimistic about the future of the European Union (56%) and positive about the state of their national economy (46%). Trust in the European Union is also growing and is at its highest level since 2010, and support for our single currency, the euro, is close to three-quarters in the euro area, which is the highest score reached since autumn 2004. Finally, 68% of Europeans feel they are citizens of the EU, which is the highest level ever shown by this indicator.

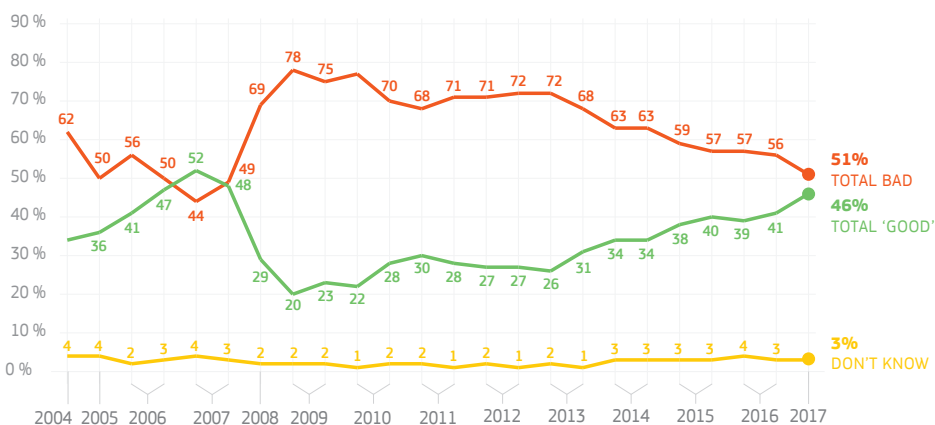
1. Optimism for the future of the EU

Would you say that you are very optimistic, fairly optimistic, fairly pessimistic or very pessimistic about the future of the EU?



2. Perception of the current economic situation – trend

How would you judge the current situation of your country's economy?

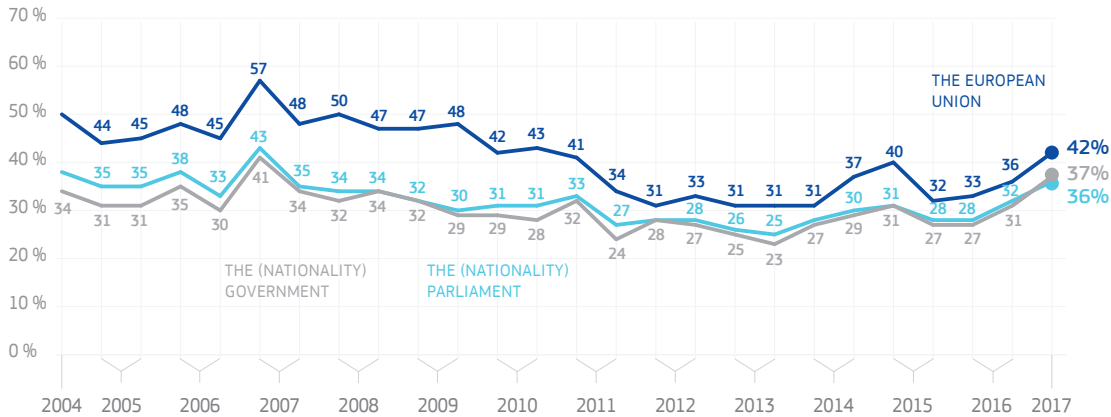




3. Trust in the EU / in national Parliaments / in national governments

I would like to ask you a question about how much trust you have in certain institutions.
For each of the following institutions, please tell me if you tend to trust it or tend not to trust it.

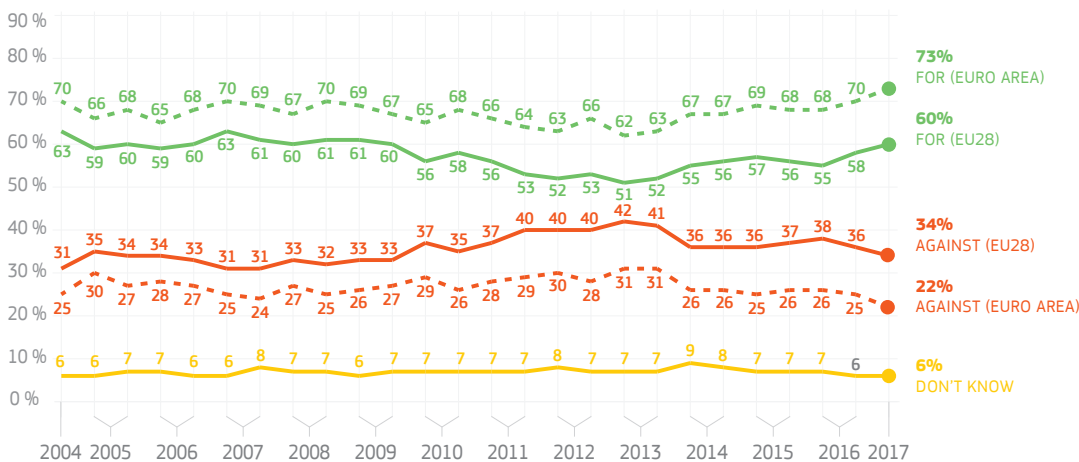
Answer: Tend to trust



4. Support for the euro

What is your opinion on each of the following statements?
Please tell me for each statement, whether you are for it or against it.

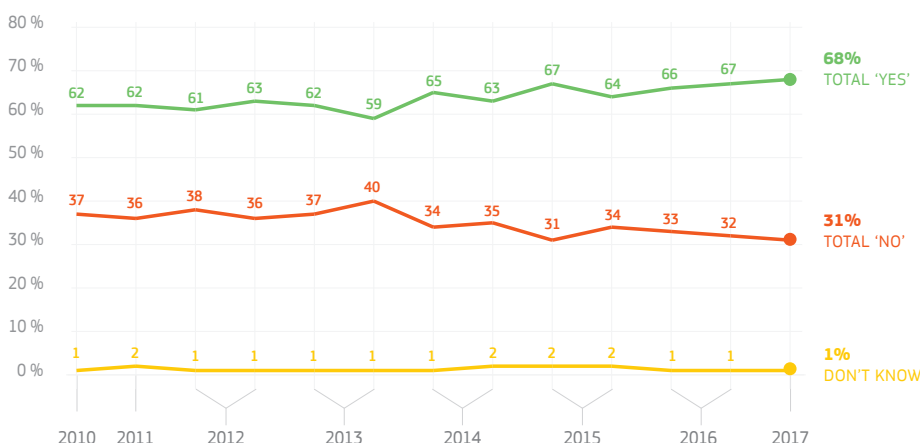
A European Economic and Monetary Union with one single currency, the euro



5. Feeling as a citizen of the EU

For each of the following statements, please tell me to what extent it corresponds or not to your own opinion

You feel you are a citizen of the EU



Yellow horizontal line

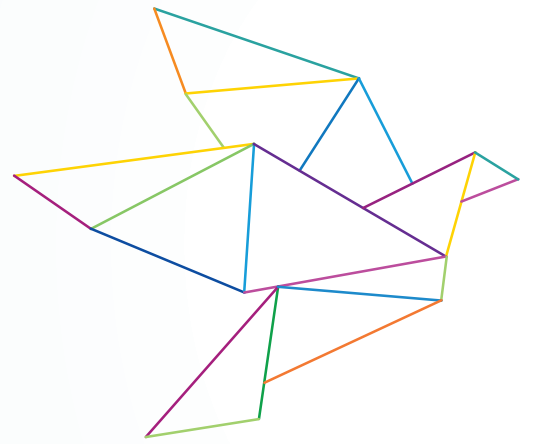
Blue horizontal line

Orange horizontal line

Blue horizontal line

Green horizontal line

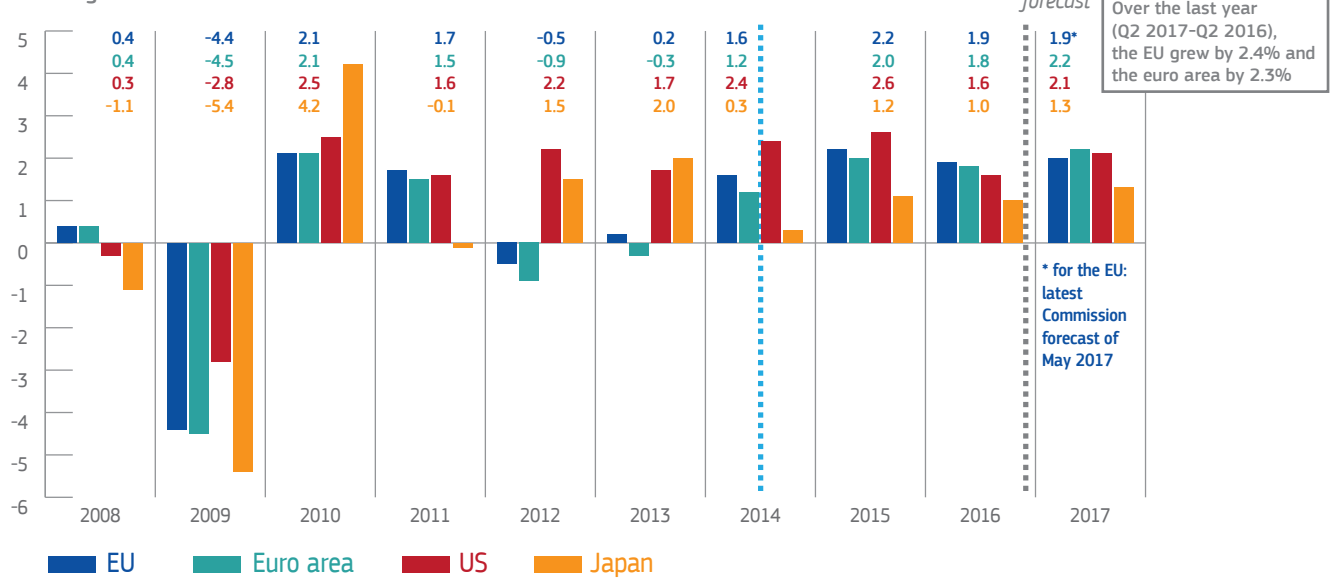
Purple horizontal line



STATE OF THE UNION 2017
PROGRESS IN THE ECONOMIC SITUATION

GDP: recovering steadily and growing at above 2%, faster than the United States and Japan

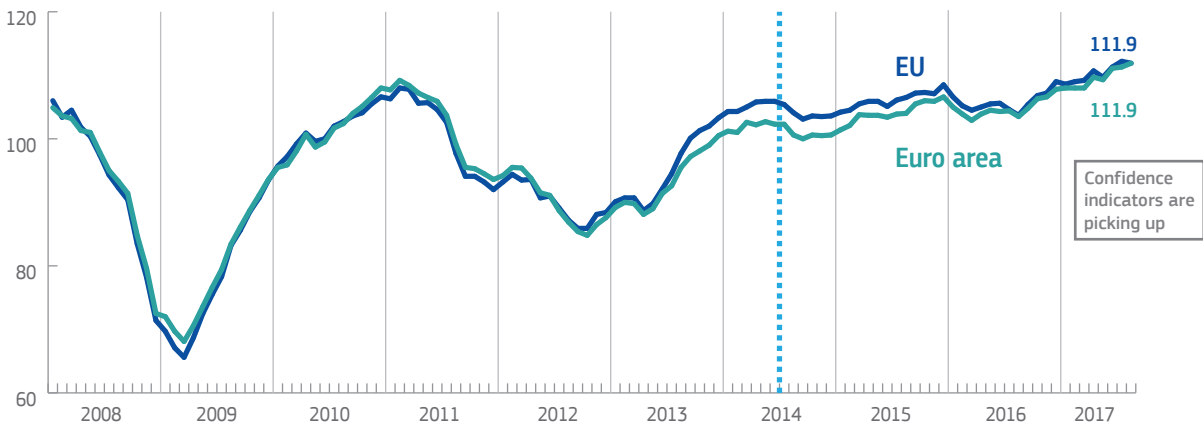
% change in real GDP



..... election of President Juncker by the European Parliament on the proposal of the European Council

Source: European Commission, except 2017: latest IMF for US and Japan, latest ECB for the euro area.

Economic sentiment: reaching a ten-year high in the EU and euro area

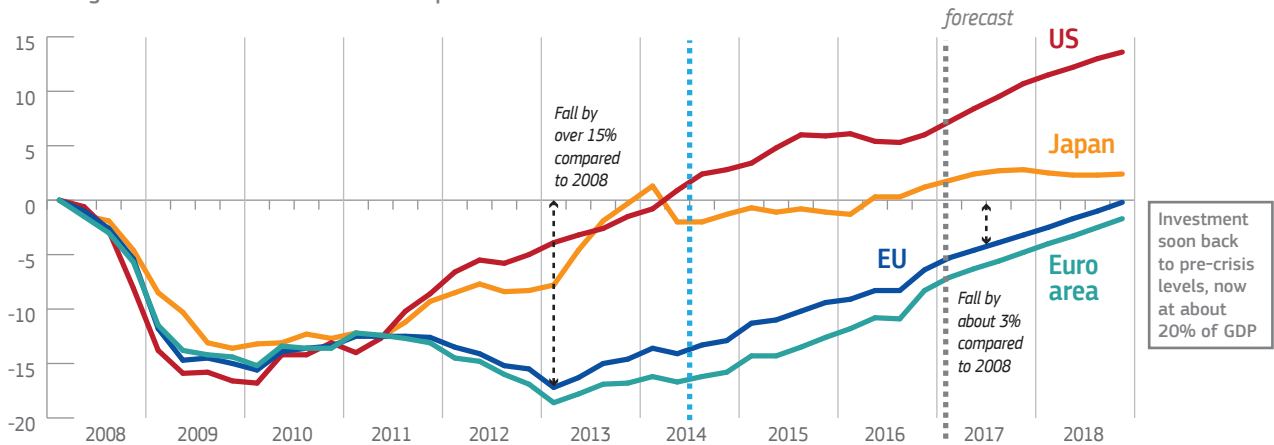


..... election of President Juncker by the European Parliament on the proposal of the European Council

Source: European Commission. The Economic Sentiment Indicator is a composite of several sectoral confidence indicators.

Investment: now picking up after a major collapse

% change in the level of investment compared to 2008

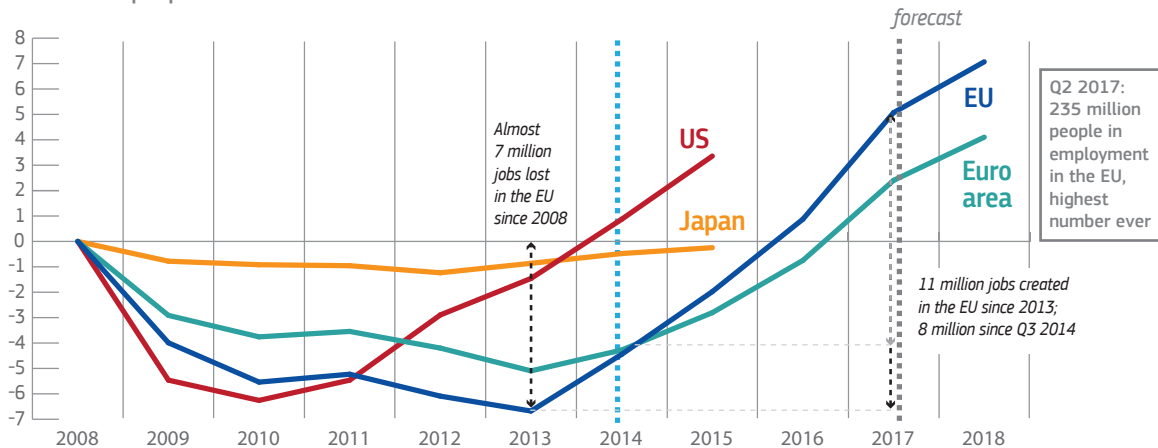


..... election of President Juncker by the European Parliament on the proposal of the European Council

Source: European Commission

Job creation: almost 8 million jobs created since the start of this Commission

in millions of people

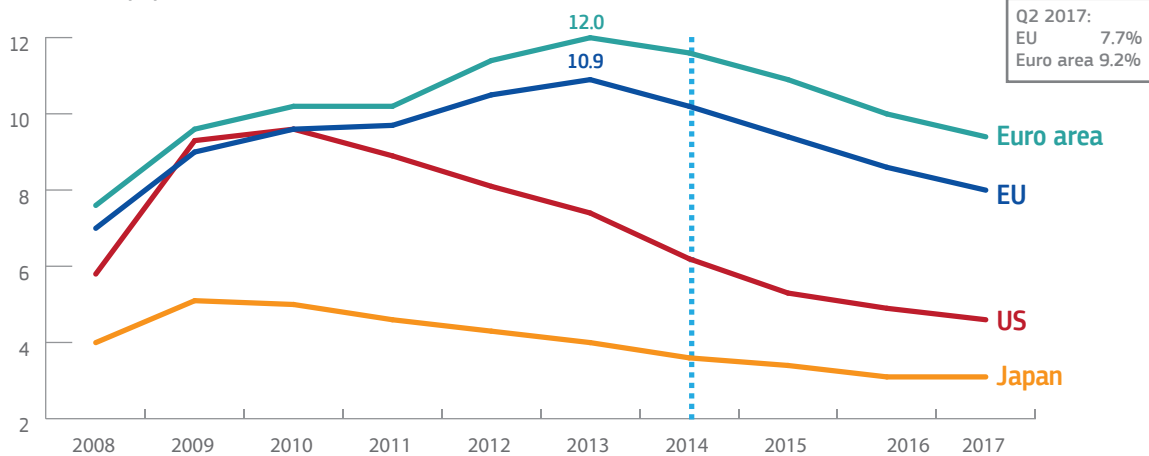


..... election of President Juncker by the European Parliament on the proposal of the European Council

Source: European Commission

Unemployment: now reaching a nine-year low but still too high

% of active population

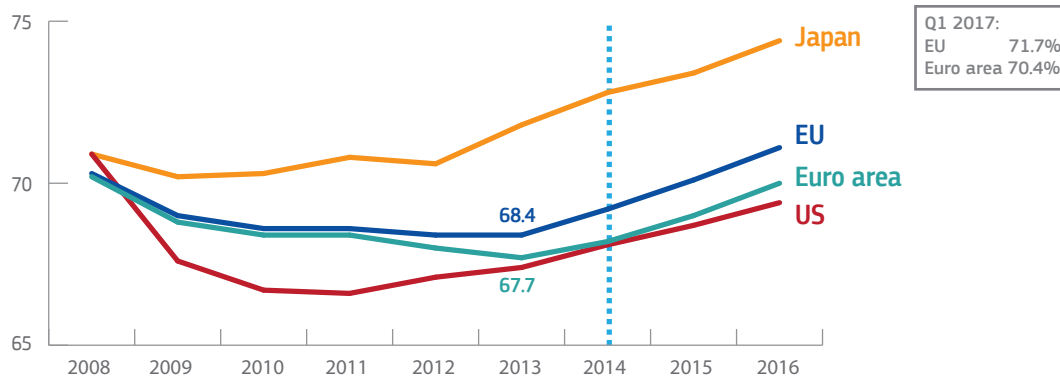


..... election of President Juncker by the European Parliament on the proposal of the European Council

Source: European Commission

Employment rate: rising steadily after the crisis years

% of working age population

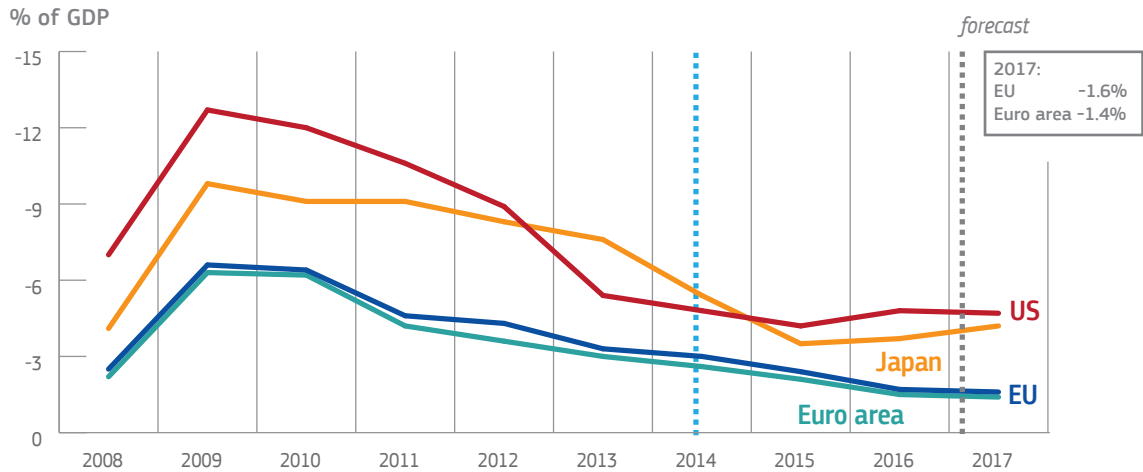


..... election of President Juncker by the European Parliament on the proposal of the European Council

Source: European Commission and OECD

Data for the United States and Japan is for ages 15-64, unlike in the EU, where the data is for ages 20-64.

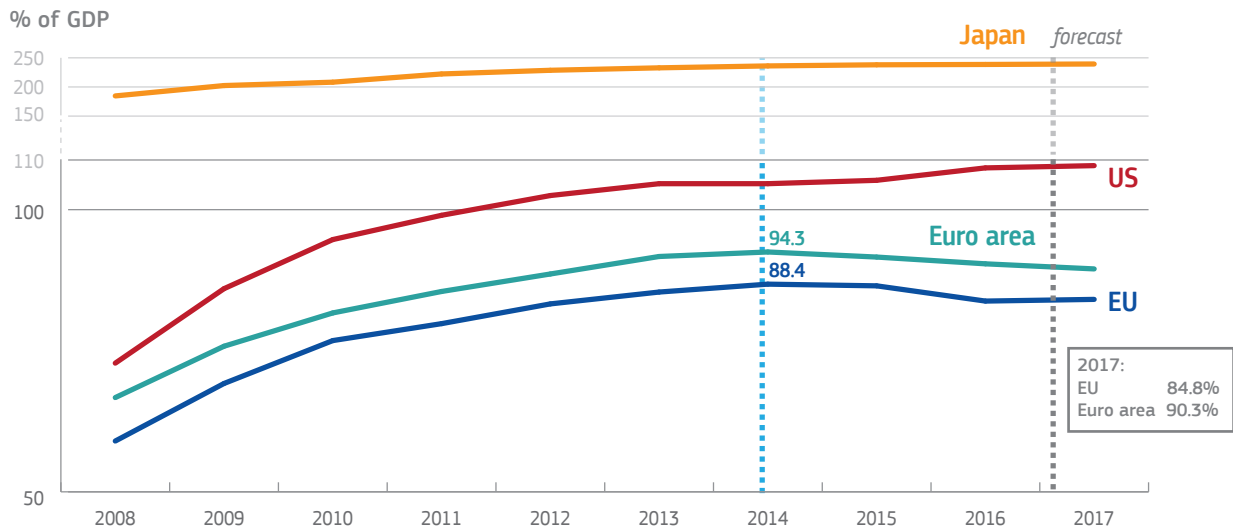
Public deficit: decreasing from over 6% to 1.4% in just a few years in the euro area



..... election of President Juncker by the European Parliament on the proposal of the European Council

Source: European Commission

Government debt: starting to decrease slowly from a high peak

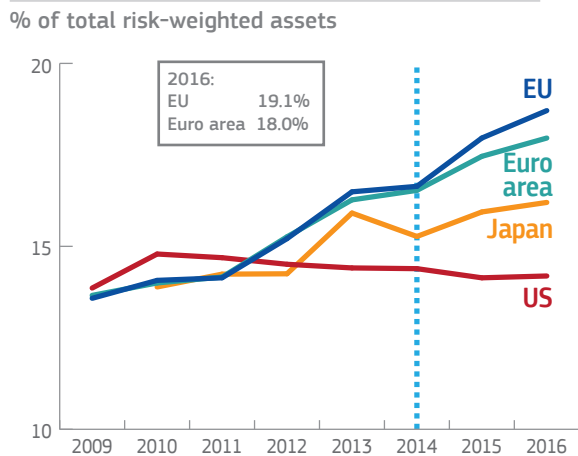


..... election of President Juncker by the European Parliament on the proposal of the European Council

Source: European Commission

Bank situation: improving but still facing legacies from the crisis

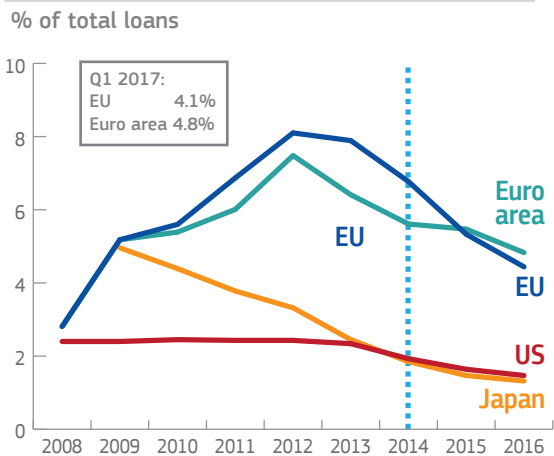
Banks' capital ratios



..... election of President Juncker by the European Parliament on the proposal of the European Council

Source: IMF and European Commission calculations

Non-performing loans



Source: World Bank

KEY ECONOMIC DATA FOR EU MEMBER STATES

	GDP growth (%)		Economic sentiment (index)		Investment (% of GDP)		Number of people employed (in millions)		Unemployment rate (%)		Employment rate (%)		Public deficit (% of GDP)		Government debt (% of GDP)		Banks' total capital ratios		Non-performing loans	
	Over the last year (Q2 2017 - Q2 2016)	Over the last three years (Q2 2017 - Q2 2014, annual average)	August 2017	Change since June 2014	2016	Change since 2014	Q2 2017	Change since Q3 2014	Q2 2017	Change since Q3 2014	Q1 2017	Change since Q3 2014	2017	Change since 2014 ²	2017	Change since 2014	2016	Change since 2014	Q1 2017	Change since Q2 2014
EU28	2.4	2.0	111.9	9.6	19.8	0.4	235.4	8.0	7.7	71.7	2.3	-1.6	1.4	84.8	-3.6	19.1	2.1	4.1	-0.7	
EA19*	2.3	1.8	111.9	6.0	20.2	0.6	155.6	5.6	9.2	70.4	2.1	-1.4	1.2	90.3	-4.0	18.0	1.4	4.8	-1	
BE	1.5	1.4	1038	0.2	23.0	0.1	4.7	0.1	7.6*	67.8	0.7	-1.9	1.2	105.6	-1.1	18.5	0.9	2.8	-2.7	
BG	3.6	3.1	1090	7.0	19.1	-2.0	3.5	0.0	6.0	69.2	3.8	-0.4	5.1	26.8	-0.2	22.2	0.2	14.3	1.3	
CZ	4.7	3.7	1079	6.1	25.0	-0.1	5.3	0.2	3.0	77.9	4.2	0.3	2.2	36.2	-6.0	16.7	-0.3	8.6	***	
DK	2.7	1.8	1043	1.2	20.1	0.9	2.9	0.1	5.7	76.3	0.0	-1.3	-2.7	36.7	-7.3	20.7	2.5	3.3	-0.3	
DE	2.1	1.7	111.9	6.1	20.0	0.0	44.2	1.5	3.8	78.7	0.9	0.5	0.2	65.8	-9.1	18.8	0.8	1.7	-0.2	
EE	5.2	2.6	1067	8.1	22.3	-2.1	0.6	0.0	6.5	78.7	4.8	-0.3	-1.0	9.5	-1.2	31.8	-3.8	6.2	-7.3	
IE	6.6 ⁻¹	12.9 ¹	**	**	31.8	11.0	2.1*	0.1	6.4	71.6	4.3	-0.5	3.2	73.5	-31.8	23.7	1.0	11.8	-10.1	
EL	0.8	0.1	990	-6.2	11.4	-0.2	4.1	0.1	21.5	57.0	3.6	-1.2	2.5	178.8	-0.9	16.9	2.9	39.8	1.3	
ES	3.1	2.8	1093	5.9	19.9	0.8	19.4	1.4	17.3	64.8	4.7	-3.2	2.8	99.2	-1.2	14.8	1.1	4.7	-2.7	
FR	1.7	1.1	1106	15.6	22.0	0.2	27.9	0.5	9.6	70.5	0.8	-3.0	0.9	96.4	1.5	17.6	1.2	3.2	-1.3	
HR	3.4	1.9	1184	16.9	20.1	0.7	1.6*	0.0	10.9	61.9	1.8	-1.1	4.3	81.9	-4.7	22.5	0.7	15.9	-2.9	
IT	1.5	0.8	1091	7.2	17.0	0.3	25.1	0.7	11.6*	62.1	2.1	-2.2	0.8	133.1	1.3	13.8	-0.6	14.6	0.8	
CY	3.5	1.7	1107	12.3	17.2	5.5	0.4	0.0	11.0	69.7	1.9	0.2	9.0	103.4	-3.7	16.3	0.9	34.4	-18.3	
LV	4.8	2.4	1073	3.7	18.3	-4.3	0.9	0.0	8.8	73.8	3.6	-0.8	0.8	38.5	-2.4	20.1	0.4	5.5	2.4	
LT	4.0	2.6	1099	8.5	18.6	0.1	1.4	0.0	7.1	75.5	3.0	-0.4	0.3	42.4	1.9	19.4	-1.9	5.3	-5.8	
LU	3.3*	4.5	114.7	20.6	17.8	-1.1	0.4*	0.0	5.9	70.2	-2.1	0.2	-1.2	22.0	-0.4	24.6	4.4	1.8	***	
HU	3.5	3.0	1195	5.2	17.8	-4.0	4.5	0.3	4.3	72.8	5.8	-2.3	-0.2	72.6	-3.1	16.4	-0.6	10.4	-4.7	
MT	6.2	6.7	1187	13.8	23.5	6.3	0.2	0.0	4.1	69.9	2.6	0.5	2.5	55.8	-8.5	16.0	1.3	3.1	-2.3	
NL	3.8	2.2	1090	8.0	19.9	1.9	9.1	0.3	5.0	77.8	2.3	0.5	2.8	59.8	-8.1	22.4	4.4	2.1	-0.5	
AT	2.9	1.3	1101	10.6	23.0	0.3	4.4	0.1	5.7*	75.1	0.9	-1.3	1.4	82.8	-1.6	18.0	1.7	3.8	-1.5	
PL	4.4	3.4	1033	5.1	18.1	-1.6	16.4	0.5	5.1	70.9	4.1	-2.9	0.6	54.6	4.4	17.2	2.5	6	0.2	
PT	2.9	1.6	1120	7.5	14.9	-0.1	4.8	0.2	9.2	72.2	4.2	-1.8	5.4	128.5	-2.1	13.5	1.1	16.1	6.8	
RO	5.7	4.3	1049	7.8	22.7	-1.6	8.5	-0.1	5.0	67.7	1.8	-3.5	-2.1	39.3	-0.1	19.7	2.1	7.3	-6	
SI	5.2	3.1	1120	9.0	17.6	-1.8	1.0	0.1	7.1	72.4	4.6	-1.4	4.0	77.8	-3.1	19.2	1.1	8.9	-11.7	
SK	3.1	3.3	1040	3.3	20.2	-0.2	2.4	0.1	7.9	71.0	5.0	-1.3	1.4	51.5	-2.1	18.0	0.6	6.2	0.4	
FI	3.0	0.9	1100	5.6	21.5	0.9	2.5	0.0	8.8	73.6	0.7	-2.2	1.0	65.5	5.3	26.8	4.3	1.1	0	
SE	3.9	3.3	1106	15.6	24.1	1.0	5.0	0.2	6.7	81.8	1.6	0.4	1.9	39.1	-6.1	23.1	5.7	1	0.5	
UK	1.7	2.3	1096	-9.5	16.7	0.1	32.1	1.2	4.5*	77.8	1.5	-3.0	2.7	88.6	0.5	20.8	3.5	1.6	-0.1	

All changes are expressed in percentage points

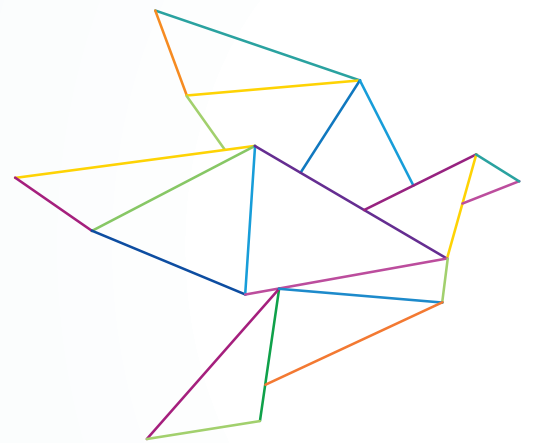
* data from Q1 2017

** no data available for Ireland as historical data set insufficient

*** no Q2 2014 data available

¹ includes significant statistical revision ² positive sign means an improvement (reduction in deficit)

■ Euro area



STATE OF THE UNION 2017
POLICY IMPLEMENTATION REPORT

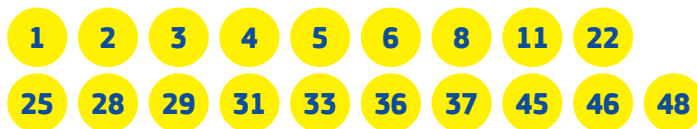
Legislative Priorities: State of Play

On 13 December 2016, the European Parliament, the Council and the European Commission agreed on a **Joint Declaration on the EU's legislative priorities for 2017**. They highlighted 58 initiatives for which a priority treatment in the legislative process was needed to help address the biggest of the European Union's economic, environmental and societal challenges. The three institutions committed to ensure substantial progress and, where possible, delivery before the end of 2017. Of these 58 Commission proposals, 11 have already been agreed by the European Parliament and the Council and have therefore been delivered. If there is political will from the co-legislators, 19 initiatives are likely to be agreed by the end of 2017. For the remaining 28 proposals, agreement or substantial progress is unlikely to occur in 2017. For these outstanding proposals, the European Parliament and Council do not always move at the same pace, with one or the other accelerating or slowing progress. Strong political commitment from all EU Institutions will be required to complete these proposals in 2018.

Presented and agreed






Agreement possible in 2017



Agreement possible in 2018 if strong political commitment from all EU institutions



	POLICY	DESCRIPTION	 European Commission	 European Parliament	 Council of the European Union
1	European Fund for Strategic Investments 2.0	The Commission made this proposal in September 2016. The Council adopted its negotiating mandate in December 2016 and the Parliament in May 2017. A number of trilogues have taken place and if the political will is there, it should be possible to reach an agreement to enact the legislation in the autumn.	●	●	●
2	Trade Defence Modernisation	This proposal has been on the table for more than 4 years. The Parliament adopted its negotiating mandate in April 2014 and the Council more than 2 years later, in December 2016. A number of trilogues have taken place, and there are reasonable prospects of reaching an agreement in the second half of the year.	●	●	●
3	Circular economy: Waste batteries and accumulators	For this set of proposals, presented in 2015, the Council was ready to negotiate in May 2017 and the Parliament in March 2017. Trilogues will continue in the autumn, with a reasonable prospect of reaching an agreement by the end of the year.	●	●	●
4	Circular economy: Waste		●	●	●
5	Circular economy: Landfill of waste		●	●	●
6	Circular economy: Packaging and packaging waste		●	●	●
7	European Deposit Insurance Scheme	A key part of completing the European Banking Union, this proposal was tabled by the Commission in November 2015. Although technical work has advanced, it has so far proved difficult for either co-legislator to reach an internal consensus on the main political provisions. The Parliament aims to be ready with a negotiating mandate in the autumn, while the timing of an equivalent step on the Council side remains difficult to predict.	●	●	●
8	Capital requirements Regulation reform	This proposal from November 2016 has now been split, to allow for more rapid consideration of key elements — the adaptation of EU accounting rules to International Financial Reporting Standard 9 and to deal with large financial exposures. The Council is now ready to begin negotiations on this issue and the Parliament should be ready in September. There should be a reasonable prospect of reaching agreement this year.	●	●	●
9	Loss-absorbing and recapitalisation capacity — Regulation	The current state of play in the consideration by the co-legislators of these linked proposals from November 2016 makes it unlikely that agreement will be possible in 2017. The Parliament has scheduled to agree a negotiating mandate by December and the Council has not yet fixed a target date.	●	●	●
10	Loss-absorbing and recapitalisation capacity — Directive		●	●	●




PRESENTED AND AGREED ●
AGREEMENT POSSIBLE IN 2017 ●
AGREEMENT POSSIBLE IN 2018 IF STRONG POLITICAL COMMITMENT FROM ALL EU INSTITUTIONS ●

	POLICY	DESCRIPTION	 European Commission	 European Parliament	 Council of the European Union
11	Ranking of unsecured debt instruments in insolvency hierarchy	This proposal, from November 2016, has seen the Council agree a negotiating mandate in June 2017 and the Parliament accelerate its considerations with a view to reaching a mandate in September. There should be a reasonable prospect of reaching agreement this year.	●	●	●
12	Supervision of credit institutions and investment firms: Exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures	The current state of play makes it highly unlikely that agreement on this proposal from November 2016 will be possible in 2017. The Parliament has scheduled to agree a negotiating mandate by December while the Council has not yet fixed a target date.	●	●	●
13	Recovery and resolution of central counterparties	The current state of play makes an agreement on this proposal from November 2016 difficult in 2017. The Council aims to agree a negotiating mandate for trilogues by the end of the year, while the Parliament aims to do the same only in January 2018.	●	●	●
14	Capital Markets Union — Securitisation	Political agreement has been reached on this proposal and it will be formally adopted in the autumn.	●	●	●
15	Capital Markets Union — Prospectus	This proposal has been adopted by the co-legislators. Political agreement was reached about a year after the proposal was made by the Commission in November 2015.	●	●	●
16	Multiannual Financial Framework review, incl. funds for Youth Employment Initiative	The revision of the EU's budgetary framework, following the Commission's proposal in September 2016, was agreed in the first part of the 2017 and formally adopted in June.	●	●	●
17	Coordination of social security systems	The co-legislators are continuing their work on this proposal, presented by the Commission in 2016. Progress has so far been relatively slow and it is not expected that the legislation will be adopted this year. On current timetables, trilogues might begin in the second quarter of 2018.	●	●	●
18	Accessibility requirements for products and services	This proposal, put forward by the Commission in 2015, has progressed very slowly and will not be adopted this year. On current schedules, the Parliament will be ready for trilogues in September, but the Council's mandate for the negotiations is likely to be ready, at the earliest, at the end of the year.	●	●	●


PRESENTED AND AGREED ●
AGREEMENT POSSIBLE IN 2017 ●
AGREEMENT POSSIBLE IN 2018 IF STRONG POLITICAL COMMITMENT FROM ALL EU INSTITUTIONS ●

	POLICY	DESCRIPTION	 European Commission	 European Parliament	 Council of the European Union
19	European Solidarity Corps	This was the last of the legislative proposals in the joint declaration to be formally presented by the Commission, in May 2017. The current timetables of the Parliament and the Council suggest it might be possible to hold trilogues only in December.	●	●	●
20	Entry/exit system (smart borders)	These linked proposals — to speed-up, facilitate and reinforce border check procedures for non-EU nationals travelling to the EU — were agreed between the co-legislators in June and will be formally enacted in the autumn. The Parliament and the Council were ready for trilogues just under a year after the Commission presented its proposal and reached agreement within 3 months.	●	●	●
21	Entry/exit system (smart borders — Schengen Borders Code)		●	●	●
22	European Travel Information and Authorisation System	This proposal — which will ensure Member States have better information about non-EU nationals coming to Europe — was presented by the Commission in November 2016. The Council agreed a general approach (i.e. its mandate for the trilogue negotiations) in June, while the Parliament is expected to do so in October. There is therefore a prospect of agreeing the legislation this year.	●	●	●
23	Control of the acquisition and possession of weapons	Proposed in late 2015, this important measure for the safety and security of European citizens was agreed by the co-legislators about a year later and was formally adopted in May 2017.	●	●	●
24	Terrorism Directive	Another important security measure, ensuring that certain terrorist acts are criminalised in every Member State, was proposed by the Commission in December 2015 and agreed by the co-legislators in less than a year. It was formally adopted in March 2017.	●	●	●
25	Money laundering and terrorist financing	Adopted by the Commission in 2016, this proposal saw the co-legislators ready for trilogues by March 2017. Discussions will continue in the autumn, and there is a reasonable prospect of reaching agreement by the end of the year.	●	●	●
26	European Criminal Records Information System	The Commission's proposal, from January 2016, aims to facilitate more effective exchange of information regarding non-EU nationals. In June 2017, the Commission proposed a supplementary Regulation for such exchanges. This will be the basis for Parliament and Council to move forward towards a negotiating mandate in the coming months.	●	●	●



PRESENTED AND AGREED ●
AGREEMENT POSSIBLE IN 2017 ●
AGREEMENT POSSIBLE IN 2018 IF STRONG POLITICAL COMMITMENT FROM ALL EU INSTITUTIONS ●

	POLICY	DESCRIPTION	 European Commission	 European Parliament	 Council of the European Union
27	Asylum: Dublin System	This set of reforms to the Common European Asylum presented by the Commission in mid-2016 is interconnected in many ways. Substantial progress has been made on several of the individual files (the Agency has been partly agreed between the co-legislators while the fingerprint database Eurodac and the Qualifications Directive are at the stage of trilogues). However, political agreement on the 'Dublin' system, which identifies which Member State should deal with individual asylum applications, will be needed to ensure the whole set of legislation is adopted. On that file, the Parliament is expected to be ready for trilogues in the autumn, while the Council is currently working towards a negotiating mandate for the end of this year or the beginning of next year. This means the whole package will at the earliest be adopted in the first half of 2018.	●	●	●
28	Asylum Agency		●	●	●
29	Asylum: Eurodac		●	●	●
30	Reception Conditions		●	●	●
31	Asylum Qualification		●	●	●
32	Asylum procedure		●	●	●
33	Entry and residence of third-country nationals for the purposes of highly skilled employment	This proposal on legal migration, also known as the 'Blue Card' scheme, was put forward by the Commission in mid 2016. Parliament and Council approved their negotiating mandate for trilogues a year later. There is still time for trilogues to begin in the autumn.	●	●	●
34	New resettlement framework	This proposal — about how the EU resettles recognised refugees from outside its territory, such as those in refugee camps — was put forward by the Commission in July last year. The Parliament and the Council are still working towards their negotiating mandates. They are expected to be ready for trilogues in the autumn, which makes an agreement difficult before the end of the year.	●	●	●
35	External investment plan/ European Fund for Sustainable Development	The co-legislators were able to come to a swift political agreement in June for this proposal, less than a year after the Commission presented it in September 2016. Its aim is to use EU funds to leverage private investment into the realm of development in Africa and other parts of the EU's neighbourhood. Formal adoption of the legislation is scheduled for the autumn.	●	●	●
36	European Investment Bank external lending mandate	These two linked files are part of the same effort to increase investment in Africa and other key regions. The Council was ready with its mandate very quickly after the Commission made the proposal last September, while the Parliament adopted its stance in April. Trilogue negotiations will resume in September, so an agreement is possible this year.	●	●	●
37	European Investment Bank: Guarantee fund for external actions		●	●	●
38	Telecoms reform: Electronic Communications Code (+WiFi4EU)	This proposal tabled in September 2016, is unlikely to be adopted this year, since Parliament and Council have yet to adopt their negotiating positions. Alongside this proposal, the Commission has also been tracking the progress of the WiFi4EU proposal, which, while not among the Joint Declaration priorities, is related. This was agreed between the co-legislators in May 2017 and should be adopted formally in the autumn.	●	●	●



PRESENTED AND AGREED ●
AGREEMENT POSSIBLE IN 2017 ●
AGREEMENT POSSIBLE IN 2018 IF STRONG POLITICAL COMMITMENT FROM ALL EU INSTITUTIONS ●

	POLICY	DESCRIPTION	 European Commission	 European Parliament	 Council of the European Union
39	Telecoms Reform: Body of European Regulators of Electronic Communications	This proposed reform to the body which brings together European telecommunications regulators is progressing on the same timetable as the electronic communications code (No 38 above), so political agreement seems unlikely before 2018.	●	●	●
40	Directive on copyright in the Digital Single Market	On this proposal from September 2016, the Parliament and the Council should be ready to start trilogue negotiations by the start of December, if the current schedules hold. This means it is unlikely the legislation will be agreed this year, but there would be a reasonable prospect of agreement in the first half of 2018.	●	●	●
41	Online transmissions of broadcasting organisations	This proposal, from September 2016, is likely to see trilogues beginning at best at the end of 2017: the Parliament should adopt its initial position in October, while the Council is aiming for the end of November. There could therefore be a prospect of agreement in the first half of 2018.	●	●	●
42	Marrakesh treaty: copyright reform to benefit blind and visually impaired people	These related proposals incorporate into EU law the provisions of the Marrakesh Treaty, which aims to make copyrighted written works more easily available to blind people and those who have other types of text disability. It was proposed by the Commission in September 2016, the Parliament and the Council were ready to start negotiations in April 2017 and agreement was found quickly. The legislation will be signed in September.	●	●	●
43	Marrakesh treaty: Accessible format copies		●	●	●
44	Use of the 470-790 MHz frequency band in the Union	This proposal, aiming at a more effective use of certain radio frequencies to allow for better development of mobile services, was presented in February 2016 by the Commission and was agreed by the co-legislators in December 2016. The formal adoption of the legislation followed in May 2017.	●	●	●
45	Preventing unjustified geoblocking	Adopted by the Commission in May 2016, this proposal is currently under discussion in trilogues with the co-legislators which began in May 2017, so there is a realistic prospect of reaching agreement before the end of the year.	●	●	●
46	Audiovisual media services	For this proposal, also from May 2016, the co-legislators both reached their initial positions in May 2017 and trilogues are under way. There is therefore prospect of reaching agreement by the end of the year.	●	●	●

PRESENTED AND AGREED ●
AGREEMENT POSSIBLE IN 2017 ●
AGREEMENT POSSIBLE IN 2018 IF STRONG POLITICAL COMMITMENT FROM ALL EU INSTITUTIONS ●

	POLICY	DESCRIPTION	 European Commission	 European Parliament	 Council of the European Union
47	e-Privacy Directive EU institutions and bodies data protection rules	These two proposals adopted by the Commission in January 2017 were linked in the Joint Declaration, as they both relate to alignment to the General Data Protection Regulation, but are progressing at slightly different speeds. For the e-Privacy directive, there is little prospect of trilogues beginning in 2017 since the Council is only aiming to reach a negotiating mandate next year. The Parliament is moving faster and intends to reach its starting point for trilogues in October. For the EU institutions and bodies data protection rules, the Council has already agreed its mandate, so trilogues can begin once the Parliament is ready, which is scheduled for October. It should therefore be possible to reach agreement either at the end of 2017 or in the first part of 2018 if positions can be reconciled.	●	●	●
48	Emissions Trading System Directive	The Commission proposed reforms to the emissions trading system in July 2015, but this has not proved an easy file on which to reach agreement: the Parliament and the Council were able to adopt their negotiating positions in February 2017 and trilogues have been ongoing since then. An agreement this year remains possible.	●	●	●
49	Effort-sharing Regulation	This Regulation, also related to climate change, was proposed by the Commission in July 2016. The Parliament adopted its starting point for trilogues in June 2017 and the Council is expected to follow suit in October. Trilogues could then begin, with some prospect of agreement in 2017 or early 2018.	●	●	●
50	Greenhouse gas emissions and removals from land use, land use change and forestry	This proposal was presented by the Commission in July 2016 and is on a similar schedule to the effort-sharing Regulation (No 49). The Parliament is expected to confirm its negotiating mandate in September and the Council in October.	●	●	●
51	Energy Efficiency	These two measures on energy efficiency were proposed by the Commission in November 2016. In both cases the Council was ready with its starting point for trilogues in June 2017 but the Parliament is likely to adopt its positions only by November. This will not leave much time for trilogues, but a start could be made, perhaps opening the way for an agreement in the first part of 2018.	●	●	●
52	Energy Performance of buildings		●	●	●

PRESENTED AND AGREED ●
 AGREEMENT POSSIBLE IN 2017 ●
 AGREEMENT POSSIBLE IN 2018 IF STRONG POLITICAL COMMITMENT FROM ALL EU INSTITUTIONS ●

	POLICY	DESCRIPTION	 European Commission	 European Parliament	 Council of the European Union
53	Common rules for the internal market in electricity (Directive)	For the whole package of proposals relating to the Energy Union, all presented by the Commission in November 2016, there is no prospect of agreement this year since the co-legislators are expected to adopt their respective mandates for trilogues only in the final weeks of 2017.	●	●	●
54	Internal market for electricity (Regulation)		●	●	●
55	European Agency for Cooperation of Energy Regulators		●	●	●
56	Risk-preparedness in the electricity sector		●	●	●
57	Energy from renewable sources		●	●	●
58	Governance of the Energy Union		●	●	●

PRESENTED AND AGREED ●
 AGREEMENT POSSIBLE IN 2017 ●
 AGREEMENT POSSIBLE IN 2018 IF STRONG POLITICAL COMMITMENT FROM ALL EU INSTITUTIONS ●

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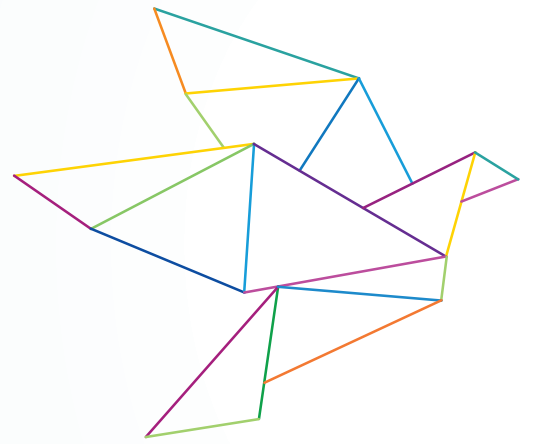
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STATE OF THE UNION 2017

THE EUROPEAN SOLIDARITY CORPS: ONE YEAR ON

The European Solidarity Corps: One Year on

The European Solidarity Corps was announced by President Juncker in his 2016 State of the Union Address before the European Parliament.

Since the launch of the European Solidarity Corps on 7 December 2016:

- **36,294** young people **have registered** from all Member States
- **1,500** young people **have obtained a placement** with around 950 organisations

By the end of 2017, one year since the opening of the online registration tool, 3,600 placements are expected.

European Solidarity Corps in action: help where it is most needed

In August 2017, 16 European Solidarity Corps volunteers arrived in Norcia, Italy, one of the towns that were hit hard by several severe earthquakes between August 2016 and January 2017. They help with the ongoing efforts to repair damage and rebuild social services for the local community. In total, by 2020, **230 volunteers** will have been deployed in the Italian earthquake regions.

The European Solidarity Corps is about showing solidarity to the people who need it most after dramatic events such as natural disasters, but also to help the most vulnerable in our societies.



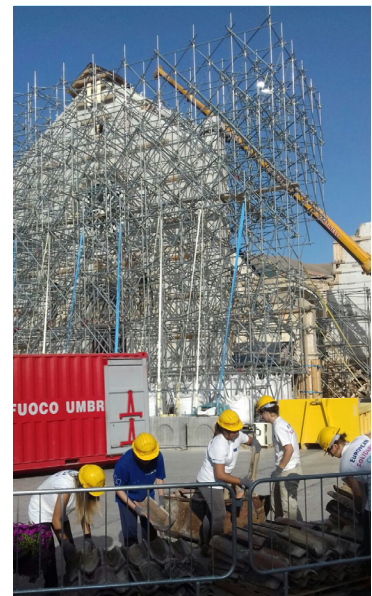
Aaron, from the Netherlands, is deployed in Berlin, where he volunteers at a school and day-care centre to **teach Syrian refugees** and create theatre projects with them, in order to help them with their integration in society.



Denisa from Romania and Andrew from Ireland are deployed in Rotterdam where they **animate activities for young people from disadvantaged backgrounds**, including cultural activities, games and sports for children with special needs.



And Theodoros from Greece is volunteering in Stuttgart where he helps **improving the chances of young people** in the Danube region to find a job that matches well their skills and educational background.



More than volunteering

From the start, the European Solidarity Corps has been about more than only volunteering. Its aim is also to create opportunities for young people to develop their skills and increase their future labour market prospects via a **job or a traineeship**. Until March 2019, up to **6,000 young people** will benefit from a solidarity-related job or traineeship.

100,000 placements by 2020

The aim is to have 100,000 young people taking part in the European Solidarity Corps. To achieve this ambition, the Commission proposed in May 2017 to give the European Solidarity Corps **a budget of more than €340 million** for the next three years, and to extend the types of activities.

Young people who have registered are kept up to date through regular newsletters. Online training modules are also available for young people waiting



for a placement, to increase their chances of finding one or to get prepared.

To register, go to europa.eu/solidarity-corps

SOLIDARITY CORPS TIMELINE

**14 September
2016**

President Juncker announces the creation of a European Solidarity Corps in his State of the Union Address before the European Parliament

**7 December
2016**

The European Solidarity Corps is launched

**8 March
2017**

Matching of young people with organisations begins

**20 March
2017**

The first European Solidarity Corps member starts her placement

**30 May
2017**

The Commission proposes more than €340 million for the European Solidarity Corps

**17 August
2017**

First Solidarity Corps volunteers arrive in Norcia, Italy

End of 2017

Expected adoption of the proposal to strengthen the Solidarity Corps, as stated in the Joint Declaration of 13 December 2016 of the European Parliament, the Council and the Commission

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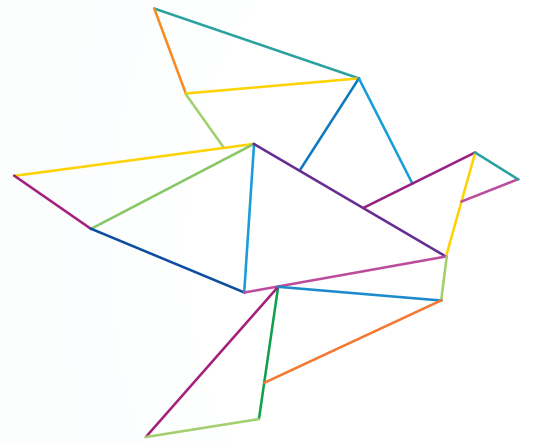
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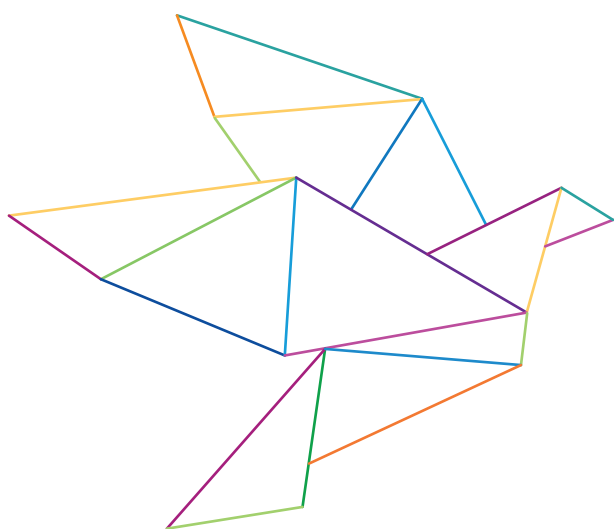
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STATE OF THE UNION 2017
VISITS TO NATIONAL PARLIAMENTS

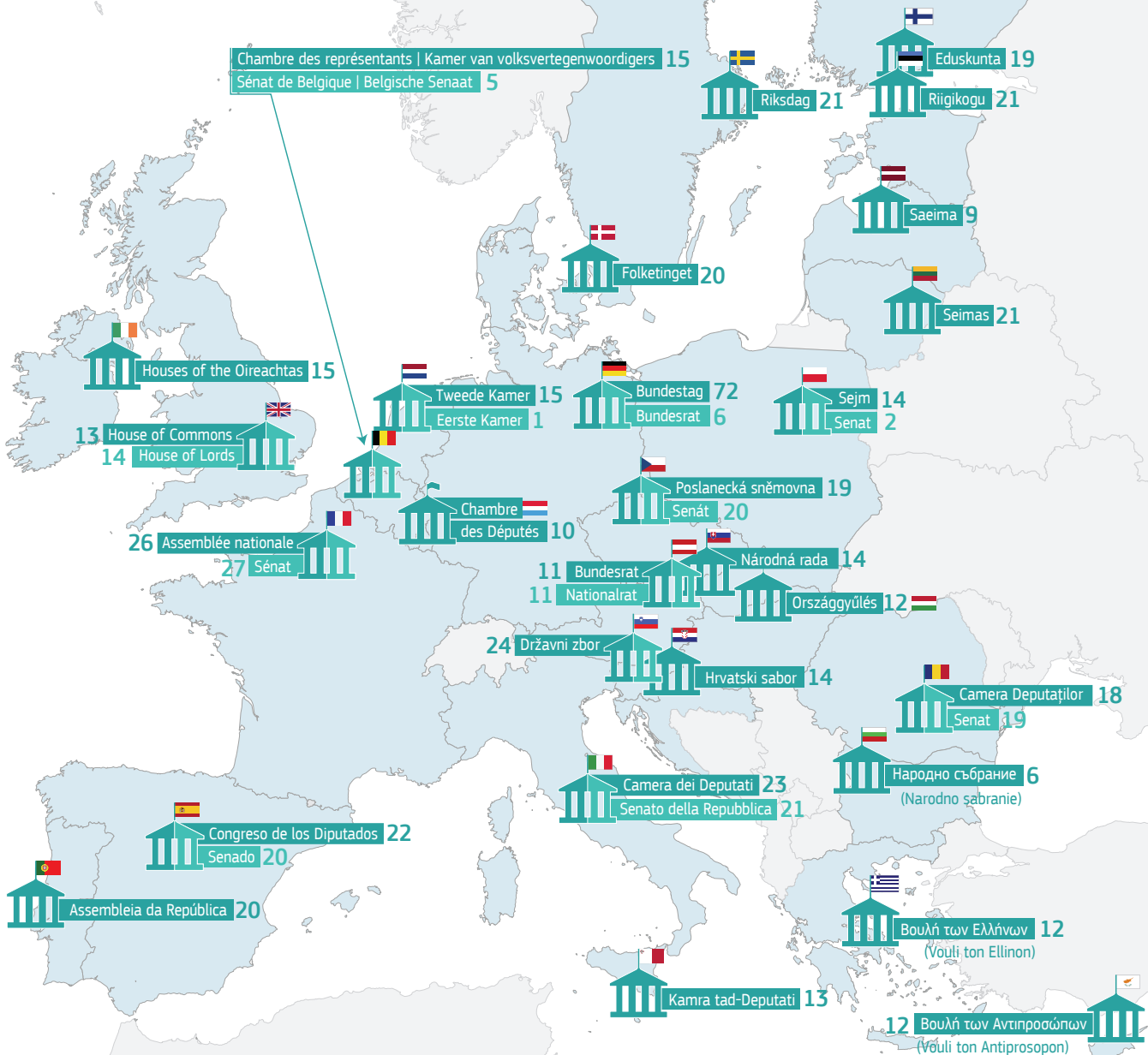
Visits and meetings of Members of the Commission with national Parliaments since the beginning of the mandate

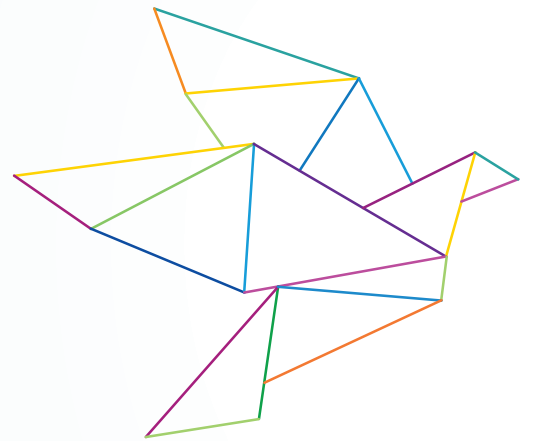
1 November 2014 – 12 September 2017¹



¹ https://ec.europa.eu/info/annual-reports-relations-national-parliaments_en

Total number of visits of Members of the Commission to national Parliaments since the beginning of the mandate **657**



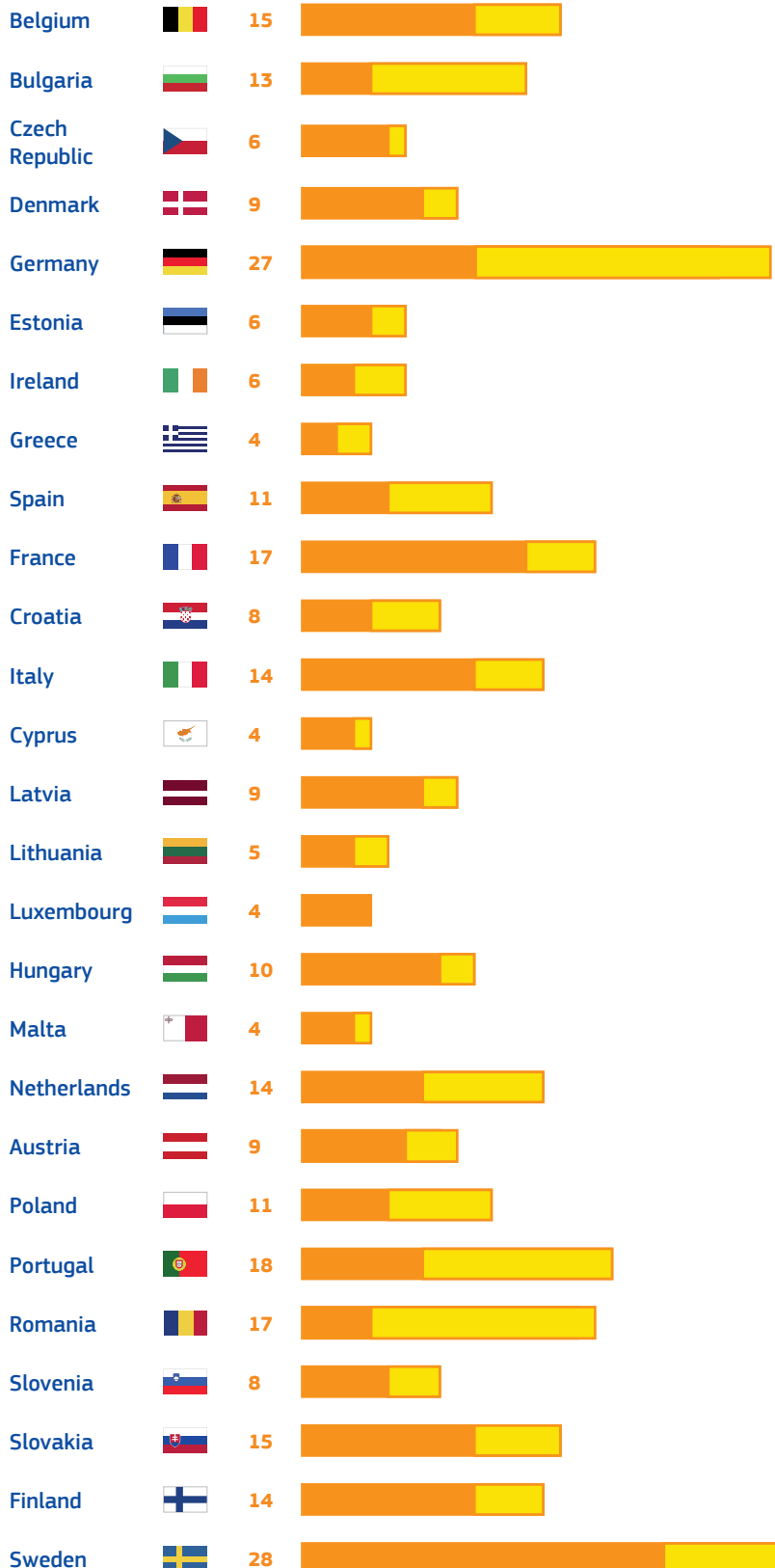


STATE OF THE UNION 2017

CITIZENS' DIALOGUES

Total number of Citizens' Dialogues per Member State since the start of the Juncker Commission

■ Since the start of this mandate
 ■ On the future of Europe since March 2017



Citizens' Dialogues in total

312 Citizens' Dialogues since the start of the Juncker Commission

In **145** towns (in 27 Member States) throughout the EU, from Funchal to Rēzekne and from Rovaniemi to Nicosia

Citizens' Dialogues on the future of Europe (since March 2017)

129 Citizens' Dialogues with President Juncker, the Members of the Commission and senior Commission officials

In more than **80** towns in **27** Member States, including all capitals, but mainly cities in the different regions of Europe

Attended by almost **21,000** people in town halls, squares, museums and theatres — **144,000** people in six Facebook Live Citizens' Dialogues.

The Future of Europe's debates potentially **reached 34 million people** through media and social media coverage



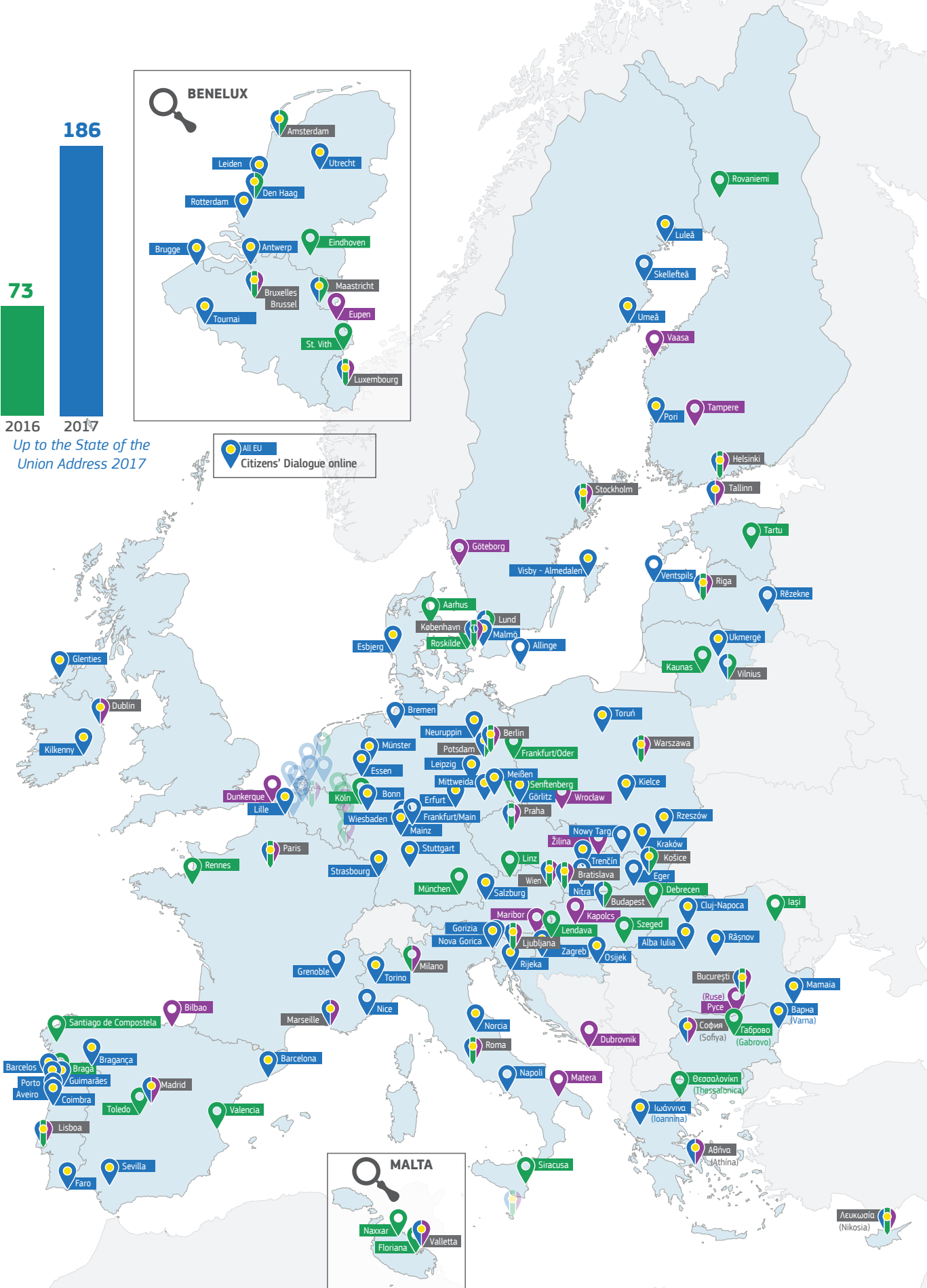
Up to the State of the Union Address 2017



All EU
Citizens' Dialogue online

New York City

Funchal (Madeira)



📍 2015
 📍 2016
 📍 2017
 📍 2015, 2016, 2017
 📍 Since March 2017

The Juncker Commission



Jean-Claude Juncker
President of the
European Commission



Frans Timmermans
First Vice-President
of the European
Commission



Federica Mogherini
High Representative /
Vice-President of the
European Commission



Andrus Ansip
Vice-President of the
European Commission



Maroš Šefčovič
Vice-President of the
European Commission



Valdis Dombrovskis
Vice-President of the
European Commission



Jyrki Katainen
Vice-President of the
European Commission



Günther H. Oettinger
Budget and Human
Resources



Johannes Hahn
European Neighbourhood
Policy and Enlargement
Negotiations



Cecilia Malmström
Trade



Neven Mimica
International
Cooperation and
Development



Miguel Arias Cañete
Climate Action and
Energy



Karmenu Vella
Environment, Maritime
Affairs and Fisheries



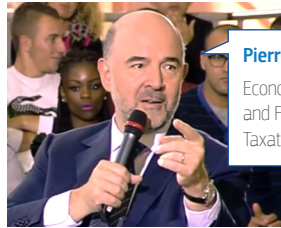
Vytenis Andriukaitis
Health and Food
Safety



**Dimitris
Avramopoulos**
Migration, Home
Affairs and Citizenship



Marianne Thyssen
Employment,
Social Affairs, Skills
and Labour Mobility



Pierre Moscovici
Economic
and Financial Affairs,
Taxation and Customs



Christos Stylianides
Humanitarian Aid and
Crisis Management



Phil Hogan
Agriculture and Rural
Development



Violeta Bulc
Transport



Elżbieta Bieńkowska
Internal Market, Industry,
Entrepreneurship and
SMEs



Věra Jourová
Justice, Consumers
and Gender Equality



Tibor Navracscs
Education, Culture,
Youth and Sport



Corina Crețu
Regional Policy



Margrethe Vestager
Competition



Carlos Moedas
Research, Science
and Innovation



Julian King
Security Union



Mariya Gabriel
Digital Economy and
Society

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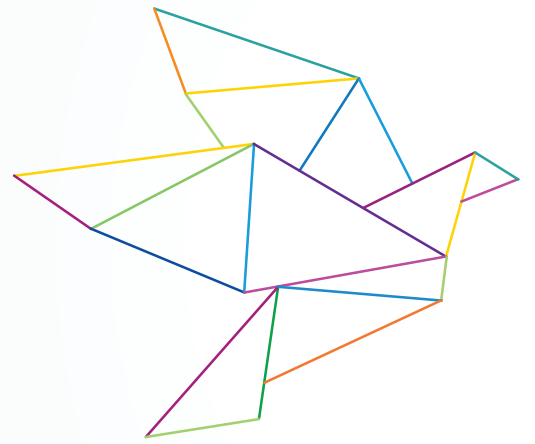
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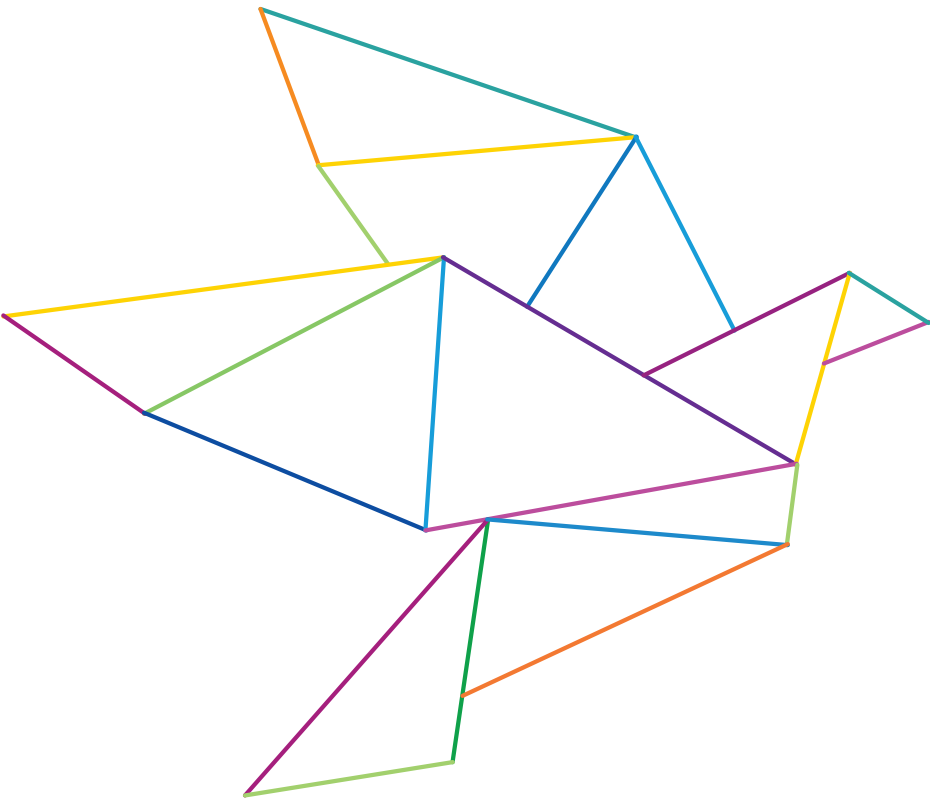
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STATE OF THE UNION 2017

LETTER ON THE ROADMAP FOR
A MORE UNITED, STRONGER AND
MORE DEMOCRATIC UNION



Strasbourg, 13 September 2017

Dear President Tajani,

Dear President Tusk,

Dear Prime Minister Ratas,

Dear Prime Minister Borissov,

Dear Chancellor Kern,

Dear President Iohannis,

Today, I delivered the State of the Union Address 2017 before the European Parliament. In my speech, I set out my intentions for the work programme of the EU institutions for the next months. I also addressed the medium-to- long-term future of our Union.

As you will recall, the Commission presented the White Paper on the Future of Europe in March this year, offering five scenarios for what Europe could look like by 2025. Three weeks later, EU27 leaders came together to celebrate the 60th Anniversary of the Treaties of Rome and renewed their vows to each other and to our Union. You were all there with me, signing the declaration where we agreed to 'make the European Union stronger and more resilient, through even greater unity.'

To sustain that unity and close the gap between what Europeans expect of us and what we are able to deliver, I believe that we need to make use of the current window of opportunity and engage in a broader reform of our Union. To steer this reform and to stimulate discussion, I set out in today's Address a concrete Roadmap for a More United, Stronger and More Democratic Union.

I would like to work together with you to ensure that this Roadmap is discussed, developed and pursued jointly with all EU27 Heads of State or Government, all EU Institutions and the national Parliaments of our Member States. I support the idea of President Macron to organise democratic conventions across Europe in 2018 to accompany this important work on our common future. These democratic conventions could build on the experience of the Commission in organising more than 300 Citizens' Dialogues over the past three years.

I would welcome an initial discussion on the future of Europe and on this concrete Roadmap at our informal dinner in Tallinn on 28 September. Additional EU27 meetings during 2018 and 2019 may also provide appropriate occasions for further deepening our common work.

I look forward to working with you to bring this ambitious Roadmap to life. Europe needs to take its future in its own hands. I believe the time to act is now.

Yours sincerely,



Jean-Claude Juncker

Roadmap for a More United, Stronger and More Democratic Union

The past 12 months have been challenging for European citizens. Hard work and political leadership were required from the EU Institutions and from the Member States.

To keep the European project on course, President Juncker's State of the Union Address of 14 September 2016 presented a positive agenda for a **Europe that Protects, Empowers and Defends**. This message was welcomed by the European Parliament as well as by the EU27 leaders at the Bratislava Summit.

The work on the positive agenda continued with the Commission's **White Paper on the Future of Europe** in March this year, offering five scenarios for what Europe could look like by 2025. Three weeks later, EU27 leaders came together to celebrate the 60th Anniversary of the Treaties of Rome and renewed their vows in the **Rome Declaration**, agreeing to 'make the European Union stronger and more resilient, through even greater unity.'

We now have a window of opportunity to engage on a broader reform of our Union. To steer this reform and to stimulate discussion, President Juncker has proposed in his State of the Union Address of 13 September 2017 a **Roadmap for a More United, Stronger and More Democratic Union**.

Sep 2017



13/09 **State of the Union Address by President Juncker**



28/09 Informal dinner of EU Heads of State or Government on the **Future of Europe** in Tallinn, Estonia

Nov



17/11 **Social Summit** in Gothenburg, Sweden

Dec



6/12 **Economic and Monetary Union package of proposals**

- Transformation of the European Stability Mechanism into a European Monetary Fund
- Creation of a dedicated euro area budget line within the EU budget providing for four functions: (1) structural reform assistance, (2) a stabilisation function, (3) a backstop for the Banking Union, and (4) a convergence instrument to give pre-accession assistance to non-euro area Member States
- Integration of the substance of the Treaty on Stability, Coordination and Governance in the Economic and Monetary Union into EU law
- Creation of a double-hatted European Minister of Economy and Finance



14-15/12 **European Council / Meeting of EU27**

Future of Europe debates in Parliaments, cities and regions

