
The Juncker Commission's ten priorities

State of play in early 2018



IN-DEPTH ANALYSIS

This publication provides an up-to-date overview and analysis of the state of play in the delivery by the European Commission of the various legislative and other political initiatives flowing from the ten priorities asserted by its President, Jean-Claude Juncker, at the time of his election by the European Parliament in July 2014.

This in-depth analysis draws on a wide range of EPRS publications, and it updates a previous edition, [The Europe Commission at mid-term – State of play of President Juncker's ten priorities](#), published in July 2017. It has been compiled and edited by Isabelle Gaudeul-Ehrhart, with contributions and support from across the Members' Research Service and the Directorate for Impact Assessment and European Added Value of EPRS, in particular from the following policy analysts: Piotr Bakowski, Angelos Delivorias, Gregor Erbach, Roderick Harte, Elena Lazarou, Tambiama Madiaga, Nora Milotay, Shara Monteleone, Anita Orav, Christian Scheinert, Andrej Stuchlik, Marcin Szczepanski, Laura Tilindyte and Sofija Voronova. The graphics have been prepared by Giulio Sabbati, and are derived from the on-line '[Legislative Train Schedule](#)' application, launched by Parliament to track progress on the Commission's legislative proposals.

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EXECUTIVE SUMMARY

The Juncker Commission has now been in office for more than three years. With only one full calendar year to go until the end of its mandate, many consider that 2018 will be judged as 'the year of delivery'.

What is the state of play of the various legislative and other initiatives that the European Commission has announced on, and since, taking office in 2014? How many of the commitments made have led to formal proposals so far? And how many of those proposals – whether in the form of legislation, other major political initiative, or international agreement – have been brought to fruition, so demonstrating that the EU institutions have collectively 'delivered'?

The analysis in this paper tracks all these developments, with both a statistical breakdown and a qualitative evaluation, using a cut-off date of December 2017. It also takes stock of what the Commission has done – or not done – in response to explicit requests for action from the European Parliament.

Our analysis suggests that overall, three years after taking office, the college of Commissioners has now submitted eight in ten of the initiatives it has announced – 368 out of 460 – and that 171 of these (or 37 %) have been enacted or otherwise adopted. These global figures of course cover a variety of situations: in some priority areas, such as the digital single market, almost all of the initiatives originally announced have already been presented (94 per cent) and many adopted (41 %), whilst in others, such as energy, progress in adoption at least is somewhat slower (28 % adopted). Overall, however, evidence suggests that, step by step, the European institutions are collectively enacting the 'Juncker plan'. They are also aware that, with little over one year to go until the next European Parliament elections, they need to show that Europe can deliver for its citizens when and where it matters. This is why, in a joint declaration on the EU's legislative priorities signed on 14 December 2017, the three main EU institutions have set out specific initiatives and areas to which they commit to 'give priority treatment in the legislative process ... to ensure substantial progress and, where possible, delivery before the European elections of 2019'.

This study seeks to provide an independent, objective and authoritative tool for Members of the European Parliament and those interested more widely to assess the performance to date of the current Commission. It is both exhaustive – in covering all the ten priority areas the Commission set itself – and selective – as it focuses, for each priority, on the main legislative proposals or initiatives and on the latest developments. It aims to be both quantitative and qualitative: for each of the ten chapters, covering one of the ten priorities, it offers a qualitative overview prepared by the European Parliamentary Research Service's in-house experts, complemented by a quantitative graphic providing a snapshot of the various initiatives at the key stages of their adoption. These snapshots are regularly updated on the '[Legislative Train Schedule](#)' on the European Parliament's website.

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European Parliamentary Research Service (EPRS)
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Terminology used in this analysis

Commission proposals currently foreseen: Legislative proposals, and to a lesser extent initiatives such as communications and action plans, announced by the European Commission in its annual work programmes or State of the Union addresses.

Proposals still to be submitted: Legislative proposals, and to a lesser extent initiatives such as communications and action plans, announced by the European Commission in its annual work programmes or State of the Union addresses but which have not yet been tabled.

Proposals so far submitted: European Commission initiatives that have been tabled and on which the co-legislators - European Parliament and Council - have begun working.

Proposals submitted but not yet adopted: this category includes:

Proposals proceeding normally: Proposals which are under consideration by the European Parliament and Council in the normal course of the legislative procedure.

Proposals close to adoption: Legislative proposals close to finalisation (for example, when agreement is reached at trilogue level).

Proposals proceeding slowly or blocked: Initiatives blocked by an institution or under negotiation for more than two years; or legislative initiatives or legislative proposals announced by the European Commission but with no follow-up for more than nine months.

Proposals so far adopted: Legislative proposals finalised and adopted by the two co-legislators, the European Parliament and the Council.

Legislation withdrawn: Legislative proposals withdrawn by the European Commission.

Proposals requested by the European Parliament but not yet proposed: European Parliament requests for legislative action, notably in the context of legislative initiative reports in the policy fields covered by the Juncker Commission's ten priorities, but not yet followed up by the European Commission.

1. Introduction

More than three years after the Juncker Commission took office and with only one full calendar year to go under its five-year mandate, this In-depth Analysis looks in detail at the state-of-play of the various initiatives announced by the current European Commission. It reviews what the Commission has delivered so far, assessing what has been tabled compared to what has been announced, and examining what the EU institutions have been able – or so far unable – to collectively enact.

Setting ten priorities

Prior to his election as President of the European Commission in July 2014, Jean-Claude Juncker set out the policy priorities which would serve as the political mandate for his five-year term in office. With the stated aim of focusing on the 'big things', he outlined the following ten key areas in which he wanted the EU to make a difference and deliver concrete results for citizens:

1. A new boost for jobs, growth and investment
2. A connected digital single market
3. A resilient energy union with a forward-looking climate change policy
4. A deeper and fairer internal market with a strengthened industrial base
5. A deeper and fairer economic and monetary union (EMU)
6. A reasonable and balanced free trade agreement with the United States
7. An area of justice and fundamental rights based on mutual trust
8. Towards a new policy on migration
9. Europe as a stronger global actor
10. A union of democratic change.

Adapting to an ever-changing environment

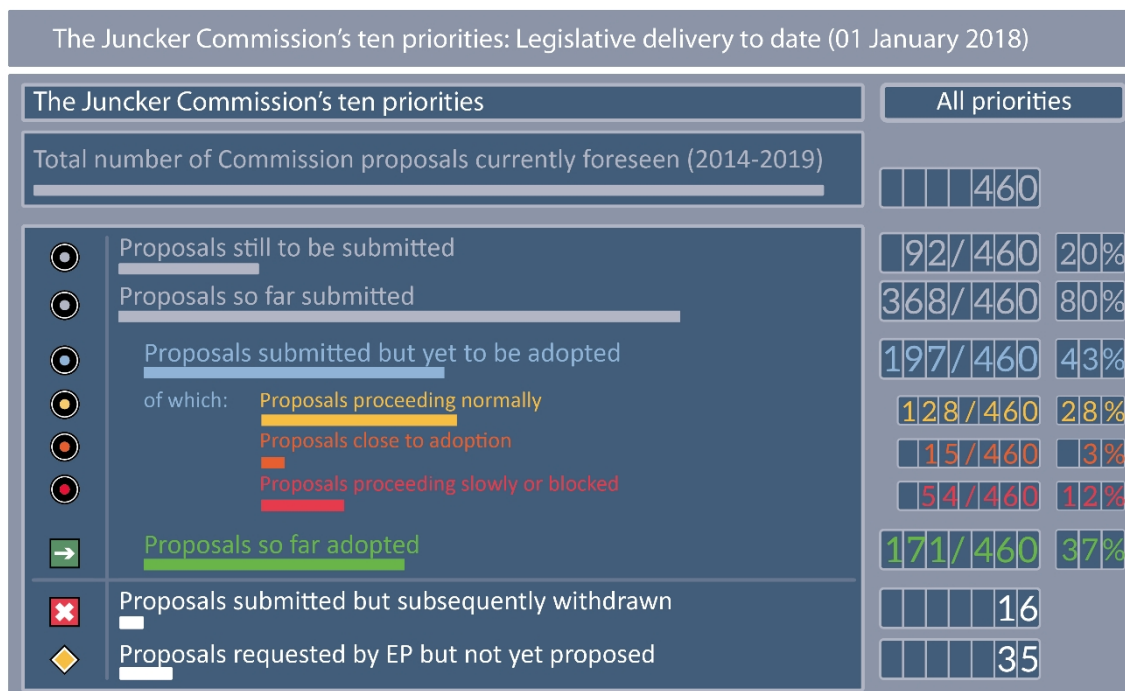
Since it took office, the European Commission has worked and delivered along these guidelines, adopting a detailed work programme every year, announcing additional initiatives on the occasion of the annual State of the Union addresses, and withdrawing certain proposals when it has deemed it appropriate. It follows that the figures presented in the graphs that appear in this regularly updated publication vary from one edition to another. With the average adoption time under the ordinary legislative procedure being some 16 months, it is also inevitable that the rate of proposals adopted by the co-legislators will take time to catch up with the rate of submission of proposals by the Commission. To clarify the picture, the categories used in the analysis have been further refined since the previous edition. The new categories and subcategories are defined above (see page 2).

As with any exercise of this kind, but particularly in the light of this evolving environment, caution should be exercised when seeking to rate progress or make comparisons. Overall, however, this in-depth analysis reveals that the areas where most proposals have been submitted are the digital single market (priority 2), strong global actor (priority 9) and Union of democratic change (priority 10). By contrast, it is in the key areas of jobs, growth and investment (priority 1), economic and monetary union (priority 5), and the area of justice and fundamental rights (priority 7) that the Parliament and Council are still waiting for proposals that the Commission has announced but not yet tabled.

Our overview also shows that there are some areas where the European Parliament has requested specific action but where the European Commission had not followed up by the end of 2017. This is typically the case for the internal market (priority 4) and justice and fundamental rights (priority 7).

Playing by interinstitutional rules and practices

The three institutions involved in the legislative process (the European Parliament, the Council of the European Union and the European Commission) are aware that with only one full calendar year to go until the next European elections – which they consider as 'a central democratic moment for voters to assess the effectiveness of the Union' – delivery is of the essence. As initiated following the 2016 Interinstitutional Agreement on Better Law-Making, the Presidents of the three institutions again signed a joint declaration, in December 2017, on the EU's legislative priorities for the coming year (see below under section 3). In it, they confirmed their commitment 'to deliver a positive agenda for a more inclusive and more united EU' and to 'give priority treatment to ensuring substantial progress and, where possible, delivery before the European elections' of a number of key initiatives.



Our research has been designed for both complete and selective reading: the various chapters can be read separately and in any order. To go deeper, hyperlinks lead to more specific websites and pages. A section on main references gathers useful sources, including the previous editions of this six-monthly publication, which tell the story from 2014 onwards. Important issues which do not necessarily fall under one of the ten priorities – such as Brexit or other [challenges for the European Union for 2018](#) – are extensively covered in other EPRS publications available on the EP Think Tank website.

Detailed EPRS material on specific legislative files referred to below can also be found on the [EP Think Tank](#). In addition, the latest state of play on individual initiatives coming under the ten priorities can be monitored via the regularly updated [Legislative Train Schedule](#) on the Parliament's website.

2. Main developments in the implementation of the ten political guidelines

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

The first priority of the 2014 [political guidelines](#), concerning 'jobs, growth and investment', encompasses three main elements: the [European semester](#), the [investment plan for Europe](#), put forward in November 2014, and the [circular economy package](#), proposed in December 2015 with an update in 2017.

The European Semester

The European Semester is the framework for economic and fiscal policy coordination within the EU. It [starts](#) each November when the Commission sets the priorities for the year to come and ends in October of the following year, when Member States submit their draft budgetary plans. In this context, the European Commission adopted on 22 November 2017 the following documents:

1. the [annual growth survey 2018](#), in which the Commission calls on Member States to increase investment (see below: 'The investment plan') and to undertake further structural reforms;
2. the [alert mechanism report 2018](#), in which the Commission proposes to draft in-depth reviews for 12 countries by February 2018, identifying possible macroeconomic imbalances and assessing their severity;
3. a recommendation for a [Council recommendation](#) on the economic policy of the euro area, urging Member States to aim at a broadly neutral fiscal stance at aggregate level for the euro area, implement labour market reforms, continue the work to complete the Banking Union and make progress in completing the economic and monetary union;
4. a [draft joint employment report](#), which for the first time presents the [social scoreboard](#) for the European pillar of social rights;
5. a proposal for a [Council decision](#) on guidelines for the employment policies of the Member States, in which it presents common priorities and targets for the national employment policies;
6. and lastly, a [communication](#) on the 2018 Draft Budgetary Plans of the euro area.

The investment plan for Europe

The purpose of the European Commission's investment plan is to mobilise and support investment. This is achieved mainly through the European Fund for Strategic Investment (EFSI) proposed in January 2015, but also through initiatives such as the [digital single market](#), the [energy union](#) and the [capital markets union](#) (see priorities 2, 3 and 4).

Originally endowed with €16 billion in guarantees from the European Union (EU) budget and €5 billion from the European Investment Bank (EIB), EFSI aims to [encourage](#) private investors to participate in new investment projects focused on developing infrastructure and innovation – managed by the EIB – and on providing support for small and medium-sized enterprises (SMEs) – managed by the European Investment Fund (EIF). By taking on part of the risk through a first-loss liability, EFSI was meant to allow more than €315 billion of additional investment to be mobilised during a three-year investment period, thereby helping create [2.1 million jobs](#). To that end, the EU budget included €2.7 billion in commitments for EFSI in 2017 and €2.038 billion in 2018.

As of December 2017, deals approved under EFSI amounted to €51.1 billion in financing and are expected to trigger [€256.1 billion](#) in investments in 28 Member States, mainly in the areas of SMEs, energy and research, development and innovation. These positive trends in investment, which were already visible in summer 2016 and are [expected to add 0.7 %](#) to the EU GDP by 2020, encouraged the Commission to adopt a [proposal](#), on 14 September 2016, to double the duration of the fund (until 2020) and increase its financial capacity to €500 billion of investments, by increasing the guarantees to €26 billion and the EIB contribution to €7.5 billion. On 12 December 2017, the European Parliament and the Council adopted the amended proposal and the final act was published in the official journal on 27 December 2017.

Another legislative proposal of interest in this context, also adopted by the Commission on 14 September 2016, aims to simplify the financial rules applicable to the general budget of the EU (often referred to as '[Omnibus proposal](#)'). Among other things, the proposal aims to facilitate the combination of European Structural and Investment Funds (ESIF) funding with financial instruments and the European Fund for Strategic Investments (EFSI). In December 2017, it was still under trilogue discussions.

Towards a circular economy

The [package on the circular economy](#) is meant to contribute to enhancing EU industry sustainability and competitiveness, to fostering sustainable economic growth, and to generating new jobs. This would be achieved by preserving resources (and thus saving costs), by helping businesses to make and export clean products and services around the globe, and by creating local low- and high-skilled jobs, as well as opportunities for social integration and cohesion. It is [estimated](#) that the transition would increase GDP by one to seven percentage points by 2030 and also have an overall positive impact on employment, although jobs in specific sectors could be threatened. Over €650 million in funding was planned for the package under Horizon 2020, as well as €5.5 billion under the structural funds. The package was originally composed of proposals for four directives on [waste](#), on [packaging waste](#), on [landfill of waste](#) and on [electrical and electronic waste](#), and for one regulation on [marked fertilising products](#). In December 2017, these four proposals were under trilogue discussions.

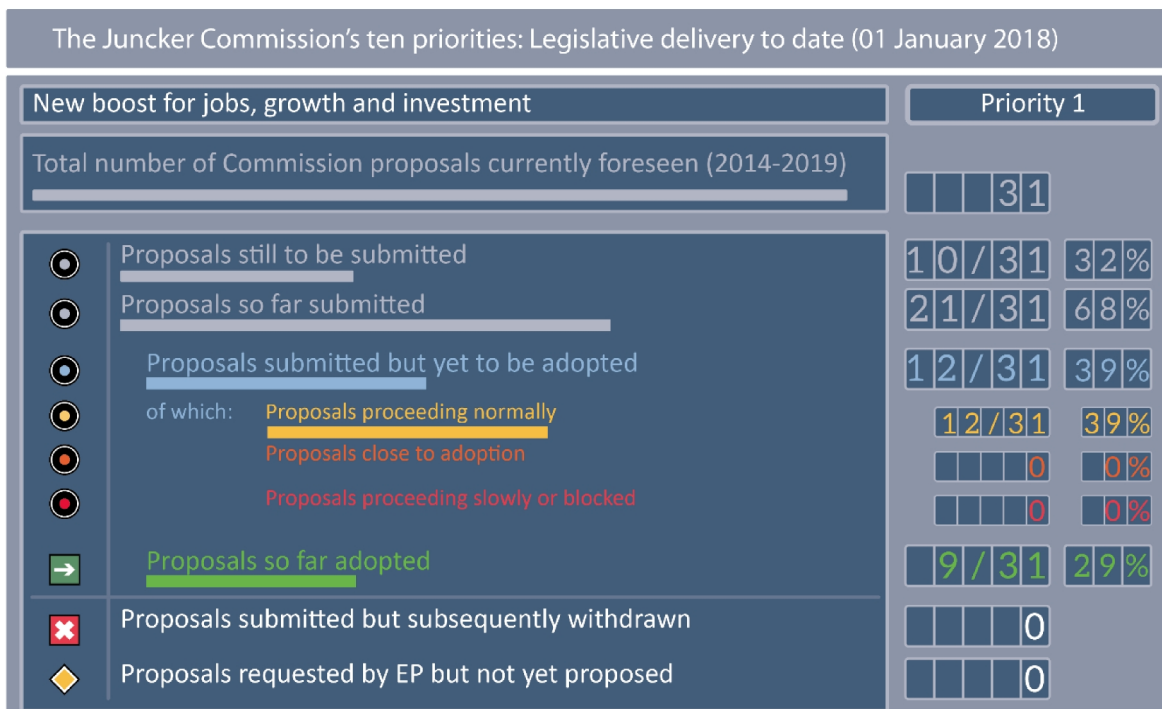
On 26 January 2017, the European Commission added to the package a [proposal](#) to amend Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment. The proposal was approved by the co-legislators in October 2017 and the directive [published](#) in the Official Journal on 21 November 2017.

On 26 January, the Commission also published a [report](#) on the implementation of the circular economy action plan and a [communication](#) on the role of waste-to-energy in the circular economy. The report summarised a number of important initiatives undertaken by the Commission in the context of the circular economy action plan, including the adoption of the [Ecodesign working plan 2016-2019](#) (November 2016). The working plan involves the review of existing measures, the launch of preparatory studies for certain products, and initiatives taken in the context of food waste. In this last area, the Commission adopted on 16 October 2017, [EU guidelines for food donation](#), which aim to ease the compliance of providers and recipients of surplus food with requirements (such as traceability, hygiene, or safety) set in EU law, and to contribute to the common interpretation by Member States' regulatory authorities of the relevant European Union rules applying to the redistribution of surplus food.

The report also announced key initiatives that should be adopted by the Commission in 2017, including a plastics strategy (originally planned for December but postponed to January 2018) 'to improve the economics, quality and uptake of plastic recycling and reuse, to reduce plastic leakage in the environment and to decouple plastics production from fossil fuels', and a legislative proposal on minimum quality requirements to promote the safe reuse of treated waste water 'while ensuring the health and environmental safety of water reuse practices and free trade of food products in the EU'.

Other measures

The European Commission aims to complement its existing initiatives on youth, skills and jobs. This is why, as the legal follow-up of its December 2016 communication 'A [European solidarity corps](#)' – which aims to create opportunities for young people to 'contribute actively to society in a spirit of solidarity, and acquire new skills and experience, including language skills, in the process' – the European Commission adopted a [proposal](#) on 30 May 2017 for a regulation laying down the legal framework of the European solidarity corps. The proposal sets out the objectives, activities and criteria for participation for individuals and organisations; provisions for the monitoring, reporting and evaluation of the performance of the European Solidarity Corps; as well as a management, audit and control system. The Commission defines the budgetary envelope (€341.5 million for the 2018-2020 period), seeking to enable 100 000 young Europeans to take part by the end of 2020. Most of the amount (€294.2 million) concerns redeployed funds from Erasmus+ and other programmes, while the rest is expected to come from contributions from the European Social Fund, the Union civil protection mechanism, the LIFE programme and the European agricultural fund for rural development. In December 2017, the proposal was under discussion in Parliament, with a Committee vote scheduled for the plenary in January 2018.



Priority 2: A connected digital single market

An effective digital economy can provide impetus for European markets and open up prospects for new employment. To succeed in this endeavour, Europe needs to overcome legislative fragmentation, offer EU consumers an improved product by removing online barriers, and help businesses expand their online sales. Success depends on the creation of a fully integrated [digital single market](#) (DSM), on the basis of the national markets of the Member States.

Accordingly, the European Commission adopted the EU [DSM strategy](#) in May 2015. This strategy is based on three pillars – developed below – that involve a number of legislative and non-legislative initiatives. In the [mid-term review](#) of the DSM strategy published in May 2017, the Commission announced that it had put forward 35 legislative proposals and policy initiatives, and that the focus would shift to obtaining the Parliament and Council's political agreement to them. The Commission [intends](#) to propose an initiative on accessibility and re-use of public and publicly funded data in 2018, and would examine possible measures allowing public sector bodies to access and use data of public interest held by private sector entities. Furthermore, in its [work programme for 2018](#), the Commission announced that in early 2018, it would present a legislative proposal on fairness in platform-to-business relations and a non-legislative text addressing online platform challenges, as regards the spreading of fake information, as well as the revision of the guidelines on market analysis and assessment of significant market power.

First pillar: Improving access to digital goods and services for consumers and businesses
Modernisation of the [copyright rules](#) is an important step under the first pillar, as highlighted in the [communication](#) on copyright reform adopted in December 2015.

In June 2017, the co-legislators adopted the Regulation on [cross-border portability](#), which enables consumers to access their online subscriptions for content services when they travel across the EU and are temporarily outside their Member State of residence.

The European Commission adopted a comprehensive [legislative package](#) to further harmonise EU copyright rules and adapt them to the digital environment on 14 September 2016. The European Parliament and the Council adopted a [regulation](#) and a [directive](#) for implementing in the EU the provisions of the [Marrakesh Treaty](#) aiming to facilitate access to published works for people who are blind, visually impaired or print disabled, in July 2017. Furthermore, the Parliament agreed on amending the Commission's [proposal](#) for a new regulation laying down rules for [online transmissions](#) and retransmissions of television and radio programmes and to start the trilogue negotiations in November 2017. The [proposal](#) for a new directive on [copyright in the DSM](#) is, however, still under consideration in the Parliament and Council without noticeable progress yet.

To improve consumer protection when shopping online, and to help EU businesses boost their online sales, the Commission adopted two [proposals](#) in December 2015: a first [proposal](#) on the supply of [digital content](#), and a second [proposal](#) on the [online sale of goods](#). Both texts tackle the fragmentation of the current DSM legal framework. The Parliament [decided](#) to amend the proposal on the supply of digital content and to start negotiations with the Council in November 2017. Following the initial discussions with the Parliament and the Council, the Commission adopted in October 2017 an [amended proposal](#) on the online sale of goods in order to cover also face-to-face sales.

To address [geo-blocking](#), in May 2016, the Commission adopted a [proposal](#) for a new [regulation](#) to prevent traders from discriminating between online customers on the basis

of their nationality, place of residence, or place of establishment within the EU. A [provisional agreement](#) prohibiting unjustified geoblocking was reached in November 2017, opening the door to final adoption by the Council and the Parliament to finalise the legislative process.

The European Commission adopted a [proposal](#) reforming the Consumer Protection Cooperation [Regulation](#), which aims at [increasing the powers](#) of national authorities to better reinforce consumer rights, in May 2016. The Commission also submitted a [proposal](#) for a regulation on cross-border delivery of [parcel services](#), to increase price transparency and improve regulatory oversight in the sector.

In addition, the new simplified [VAT rules](#) to support e-commerce and online businesses was [adopted](#) in December 2017, which will streamline tax procedures for distant sales.

Second pillar: Creating growth-conducive conditions and a level playing field for digital networks and innovative services

Data protection and privacy rights play an important role in the context of the second pillar. The new comprehensive [rules](#) in this area were [adopted](#) in April 2016. To complement these rules, the Commission adopted a [proposal](#) for a regulation aimed at revising and updating the [e-Privacy Directive](#) in January 2017. The objectives of the review include: enhancing security and confidentiality of e-communications also by extending the scope of the legislation to 'over the top' service (e.g. Skype, Facebook, or Whatsapp); clarifying rules on tracking tools such as cookies; and achieving greater harmonisation between Member States. The European Parliament adopted its [position](#) at first reading in October 2017, although by a small majority. The file is far from being concluded as discussions are still ongoing in the Council. Concerns (especially from the industry) relate in particular to the grounds for data processing. The Commission has also announced its guidelines for the implementation of the general data protection rules for early 2018.

In April 2017, the co-legislators adopted a [decision](#) for a long-term strategy for the use of the 694-790 MHz [frequency band](#), reallocating bandwidth to mobile internet services, rather than television broadcasting. Under the agreement, EU countries will reassign this high-quality frequency band to wireless broadband services by 30 June 2020.

To improve connectivity in the EU, the Commission proposed a set of measures under the [gigabit society](#) initiative, in September 2016. They include a [proposal](#) for the [overhaul of telecom rules](#) under the new European electronic communications code; a [proposal](#) for a regulation on the Body of European Regulators of Electronic Communications (BEREC); and a [proposal](#) for a regulation on the promotion of internet connectivity in local communities and public spaces ([WIFI4EU](#)) – which was [adopted](#) in September 2017 – as well as [communication](#) on a [5G action plan](#). On the rules for wholesale roaming markets, the European Parliament approved the [agreement](#) in April 2017 and the [regulation](#) was published on 9 June 2017. As a result, since 15 June 2017, when travelling in the EU, consumers have been able to [roam like at home](#).

Further ongoing developments include a [review](#) of the Audiovisual Media Services Directive aiming to introduce more flexible and future-proof rules, which is at the trilogue negotiations stage.

In September 2017, the Commission adopted a [cybersecurity package](#), which would establish a European cybersecurity research and competence centre to support the development of technology and industrial capabilities in cybersecurity, create an EU cybersecurity agency to help Member States deal with cybersecurity attacks, as well as an EU-wide certification scheme for secure products and services.

Third pillar: Maximising the growth potential of the digital economy

In April 2016, the European Commission [adopted](#) a set of communications on [digitising European industry](#), the [European cloud initiative](#), the e-government [action plan](#) for 2016-2020, and the [priorities of ICT standardisation](#). These strategies intend to support initiatives for a digital transformation of industry and related services; boost investment through strategic partnerships and networks; accelerate the development of common standards in priority areas (such as 5G communication networks); and modernise public services.

The Commission's communications were complemented in 2017 by a new [European interoperability framework](#), which will improve coordination of the digitisation of public administrations in the EU, as well as by the [proposal](#) for a [single digital gateway](#) – an access point for businesses and citizens to information, online administrative procedures and assistance services. In September 2017, the Commission adopted a [proposal](#) for a regulation on the [free flow of non-personal data](#) that will enable data to circulate freely across borders and create a genuine common European data space.



Priority 3: A resilient energy union with a forward-looking climate change policy

In line with the EU's commitment to provide its citizens and businesses with secure and affordable energy, while also addressing the causes of climate change, the European Commission launched its [European energy union strategy](#) in February 2015, which was endorsed by the European Council in March 2015. The strategy builds on the [2030 policy framework](#) for climate change and energy, which laid down three key targets for the EU by 2030: a minimum 40 % cut in greenhouse gas emissions compared to 1990; at least a 27 % market share for renewable energy; and an improvement in energy efficiency of not less than 27 %. The energy union strategy has five inter-related dimensions covered in the sections below. To address this priority, the European Commission adopted a series of packages:

- a [summer energy package](#) of legislative proposals on energy efficiency labelling and emissions trading, and communications on energy markets and consumers, in 2015;
- a [sustainable energy security package](#), in February 2016;
- a [package](#) focused on addressing climate issues falling outside the emissions trading system (ETS) sector, in July 2016.
- a '[clean energy for all Europeans](#)' package, in November 2016. It includes, amongst others, a [proposal](#) for a regulation on the [governance of the energy union](#) that aims at enhancing the transparency and coordination of energy policies between Member States. This would oblige Member States to prepare national energy and climate plans, as well as long-term low-emission strategies, and to produce regular progress reports.
- On 8 November 2017, the Commission adopted the [clean mobility package](#), which includes proposals to foster low-carbon solutions in the transport sector.

The [third state of the energy union](#) report, published on 24 November 2017, notes that almost all Commission initiatives were delivered, highlights the importance of engagement with Member States and society as a whole and urges Member States to deliver their post-2020 draft integrated national energy and climate plans by early 2018. The Commission's [2018 work programme](#) envisages a communication on the future of EU energy and climate policies, covering also the Euratom treaty, by mid- 2018.

Energy security, solidarity and trust

The [Regulation](#) on [the security of gas supply](#) was adopted in October 2017. To ensure that intergovernmental agreements (IGA) with non-EU countries in the field of energy are compatible with EU law, the [decision](#) on [IGAs](#) requiring Member States to submit draft IGAs for an ex-ante check, came into force in May 2017. In addition, the Commission adopted a legislative [proposal](#) on [risk preparedness](#) in the electricity sector in November 2016. The Commission adopted a [proposal](#) to amend the Gas Directive to extend common EU gas rules to import pipelines.

International climate change agreements

The European Union played a leading role in the negotiations leading to the [Paris Agreement](#), a global climate agreement concluded in December 2015 at the UN Climate Change Conference (COP21). A European Parliament delegation took part in these negotiations. The Paris Agreement entered into force in November 2016.

In 2016, international agreements to reduce greenhouse gas emissions were also concluded in the International Civil Aviation Organization (ICAO) for the aviation sector, and under the [Montreal Protocol](#) for fluorinated greenhouse gases. The EU ratified the [Doha amendment](#) to the Kyoto Protocol in December 2017.

Fully integrated European energy market

In July 2015, the Commission adopted an initial set of proposals to deliver a [new deal for energy consumers](#). The 2016 [Regulation](#) on [energy price statistics](#) aims at improving the collection and comparability of gas and electricity price statistics in Member States.

A European energy market needs physical interconnections to transport gas and electricity between Member States. In February 2015, the Commission issued a [communication](#) on electricity interconnections describing measures needed to reach the target of 10 % electricity interconnection by 2020. The third list of [PCI](#) – key energy infrastructure projects that receive financial support from the Connecting Europe Facility (CEF) and the European Fund for Strategic Investment (EFSI) – was adopted in November 2017. A [communication](#) on strengthening Europe's energy networks calls on all stakeholders to maintain commitment and accelerate the building of key energy networks.

The Commission adopted legislative proposals for a new electricity market design in November 2016, consisting of a [proposal](#) for a [directive](#) and a [proposal](#) for a [regulation](#), as well as a [proposal](#) for a [recast regulation](#) on the role of the European Agency for the Cooperation of Energy Regulators (ACER). This was accompanied by a report on the Commission's sector inquiry on [capacity mechanisms](#).

Energy efficiency contributing to moderation of demand

The European Commission promotes 'energy efficiency first' as a principle, meaning that energy efficiency should be given consideration before taking steps to expand production, import or transport capacity. The [Regulation](#) on [energy efficiency labelling](#), which aims to make energy labels easier for consumers to understand, was adopted in June 2017 and entered into force in August 2017. In December 2017, a trilogue agreement was reached on the November 2016 proposal for a revision of the [Energy Performance of Buildings Directive](#).

The Commission also proposed a revision of the [Energy Efficiency Directive](#) in November 2016. At the same time, it adopted an [ecodesign working plan](#) and implementing legislation on verification procedures, eco-design requirements for air heating and cooling products, and guidelines on industry self-regulation.

Decarbonising the economy

This priority is focused on the transition towards a low-carbon economy to meet the EU's climate targets. The July 2015 [proposal](#) for [reform of the EU ETS](#) in line with the EU's 2030 greenhouse gas reduction target reached a trilogue agreement in November 2017. In December 2017, trilogue agreements were reached on a legislative [proposal](#) concerning [effort sharing](#) for greenhouse gas reduction in the sectors outside the ETS, and on new rules for accounting for and reducing greenhouse gas emissions from [land use and forestry](#). The February 2017 proposal for a [regulation](#) concerning post-2020 emissions trading for the aviation sector, taking account of the development of a global market-based measure in the ICAO, was adopted by Parliament and Council in December 2017.

The Commission's latest [progress report](#) on climate action, entitled 'Two years after Paris', concludes that the EU has succeeded in decoupling its economic growth from its emissions.

To decarbonise the transport sector, the Commission presented a European strategy for [low emission mobility](#) in July 2016 and a European strategy on [cooperative, intelligent transport systems](#) in November 2016. On 31 May 2017, it proposed a [regulation](#) for

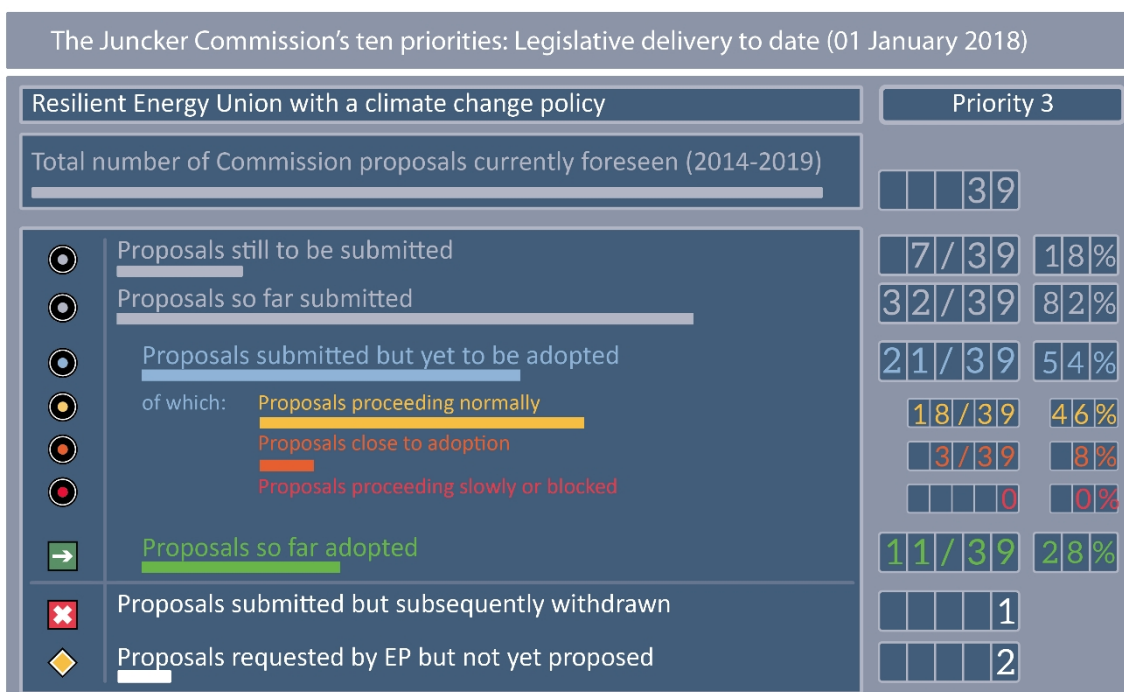
monitoring and reporting CO₂ emissions from heavy-duty vehicles, as part of its '[Europe on the move](#)' package. Legislative proposals for [post-2020 CO₂ targets for cars and vans](#) and for [promoting public procurement of clean vehicles](#) were adopted in November 2017, along with an [action plan](#) for alternative fuels infrastructures. The first-ever [CO₂ targets for heavy-duty vehicles](#) are planned for the second quarter of 2018.

Research, innovation and competitiveness

The Commission revised the [strategic energy technology \(SET\) plan](#) to promote research and innovation in September 2015. In November 2016, it presented a communication on accelerating [clean energy innovation](#). As part of its [renewed EU industrial policy strategy](#), the Commission launched a [battery initiative](#) in October 2017, with the aim of establishing a full value chain of batteries in Europe.

European Parliament position

The Parliament set out its views on the energy union in its [resolution](#) of December 2015, reiterating its calls for more ambitious targets for energy efficiency and renewable energy. It adopted resolutions on delivering a [new deal for energy consumers](#) in May 2016; on the [renewable energy progress report](#) in June 2016; on [EU strategy on heating and cooling](#) in September 2016; and on an [EU strategy for liquefied natural gas and gas storage](#) in October 2016. In addition, the Parliament set out its positions ahead of certain major legislative proposals through own-initiative reports: on [energy efficiency](#), in June 2016; and [energy market design](#), in September 2016. A parliamentary delegation participated in the UN climate negotiations in Lima, Paris, Marrakesh and Bonn. On 4 October 2017, the Parliament adopted a [resolution on COP23](#), emphasising the need for ambitious climate action.



Priority 4: A deeper and fairer internal market with a strengthened industrial base

In his 2014 [political guidelines](#), the President of the European Commission, Jean-Claude Juncker, made the political commitment to unleash the full potential of the single market and make it the platform of a sustainable, competitive European economy on the global stage. The further completion of the EU single market that supports innovation, digitisation and industrial transformation requires a multi-pronged approach.

Capital markets union

Through the establishment of a [capital markets union](#) (CMU) by 2019, the Commission aims to diversify and improve access to funding for enterprises, especially small and medium-sized enterprises (SMEs), and to increase the European economy's shock absorption capacity. European businesses are still heavily dependent on banks for their funding, and much less so on capital markets, and therefore face higher costs.

The co-legislators adopted a series of legislative proposals in 2017. To facilitate SME access to market-based investments and promote long-term projects, they adopted the [Regulation](#) amending legislation on [European venture capital funds](#) (EuVECA) and on [European social entrepreneurship funds](#) (EuSEF), both on 25 October 2017. To improve the lending capacity of banks, they adopted two amending proposals: the [Regulation](#) laying down common rules on securitisation and the [Regulation](#) on prudential requirements for credit institutions and investment firms, both on 12 December 2017. To make it easier for companies to enter and raise capital on public markets, they had adopted the Prospectus [Regulation](#) on 14 June 2017. For preventive restructuring and second chance for entrepreneurs, the Commission adopted in November 2016 a [proposal](#) on business insolvency, which would help reinforcing trust in cross-border investments.

The Commission presented the main achievements in the [mid-term review](#) of the capital markets union action plan, on 8 June 2017. New priorities, partly emerging as a response to issues such as the United Kingdom's withdrawal from the EU (Brexit), aim at strengthening the effectiveness of supervision, enhancing the proportionality of rules to support SMEs' initial access to public markets, adapting the existing prudential and supervisory requirements to investment firms, harnessing the potential of FinTech, fostering sustainable finance, tackling the non-performing loans issue, and facilitating cross-border investment.

As a first follow-up of the review, the Commission adopted a comprehensive package on 20 September 2017. It includes a [communication](#) entitled 'Reinforcing integrated financial supervision', a proposal amending the Regulation establishing the [European Supervisory Authorities](#) (ESAs), a proposal amending the Regulation establishing the [European Systemic Risk Board](#) (ESRB), and amendments to some [supervisory provisions](#) set out in existing and pending regulations.

Tax measures

To ensure a better business environment and sustainable revenues, everybody needs to contribute their fair share. Addressing corporate tax evasion and tax fraud is a necessity. As regards transparency, [four revisions](#) to the Directive on administrative cooperation (DAC) were adopted between 2014 and 2016. The [proposal](#) adopted by the European Commission on 21 June 2017 to impose an obligation on e-tax intermediaries to report on cross-border arrangements is currently being negotiated.

As for the tax base, two proposals on the re-launch of the common consolidated corporate tax base (CCCTB), adopted by the Commission on 25 October 2016, are under discussion ([common corporate tax base](#) (CCTB) and [common consolidated corporate tax base](#) proposals). As regards tax avoidance, the [Directive on rules against tax avoidance practices](#) was adopted by the co-legislators in July 2016 and the Directive on [hybrid mismatches](#) – amending the latter – was adopted on 21 June 2017.

When it comes to the value added tax system, the Commission adopted the [action plan on VAT: towards a single EU VAT area](#) on 7 April 2016. The plan includes setting principles for a future single European VAT system, updating the framework for VAT rates, measures to tackle VAT fraud, updating the framework for VAT rates, and the modernisation of VAT rules for e-commerce. On 4 October 2017, the Commission launched its plans for the biggest [VAT reform](#) that should help to overcome VAT fraud and create a simpler and more robust system for companies to use and at the same time draw all the benefits from the single market in a global context. The reform envisages a future VAT system where VAT would be charged on sales that are made across borders to another country in the EU. To adapt VAT systems to the digital economy, on 5 December 2017, the Commission adopted the [VAT digital single market](#) package to facilitate cross-border trade, combat VAT fraud, ensure fair competition for EU businesses, and to provide equal treatment for online publications.

Upgrading the single market

A number of obstacles continue to hamper the single market, including with regard to enabling citizens to live and work wherever they like across the EU. On 10 January 2017, the Commission made three legislative proposals and published a communication. The proposal for a new [European services e-card](#) provides a simplified electronic procedure for completing administrative formalities when intending to provide services abroad. The one on [proportionality assessment of national rules](#) on professional services aims to ensure that Member States undertake a comprehensive and transparent proportionality test prior to setting national rules on professional services. Finally, the proposal on improved notification of draft national laws on [services](#) intends to allow both European authorities and Member States to raise potential concerns about legal incompatibilities between EU and national law at an early stage of national law making. A [communication](#) provides guidance for national reforms in regulation of professions, with the aim of opening up the services markets. On 2 May 2017, the Commission presented its [compliance package](#), with proposals for a [single digital gateway](#), a [single market information tool](#) (SMIT), and an [action plan on the reinforcement of Solvit](#). While SMIT will allow the Commission to access, in targeted cases, some available data from companies, Solvit aims to provide people and companies with access to high quality information, online administrative procedures, and assistance services, through a single digital entry point.

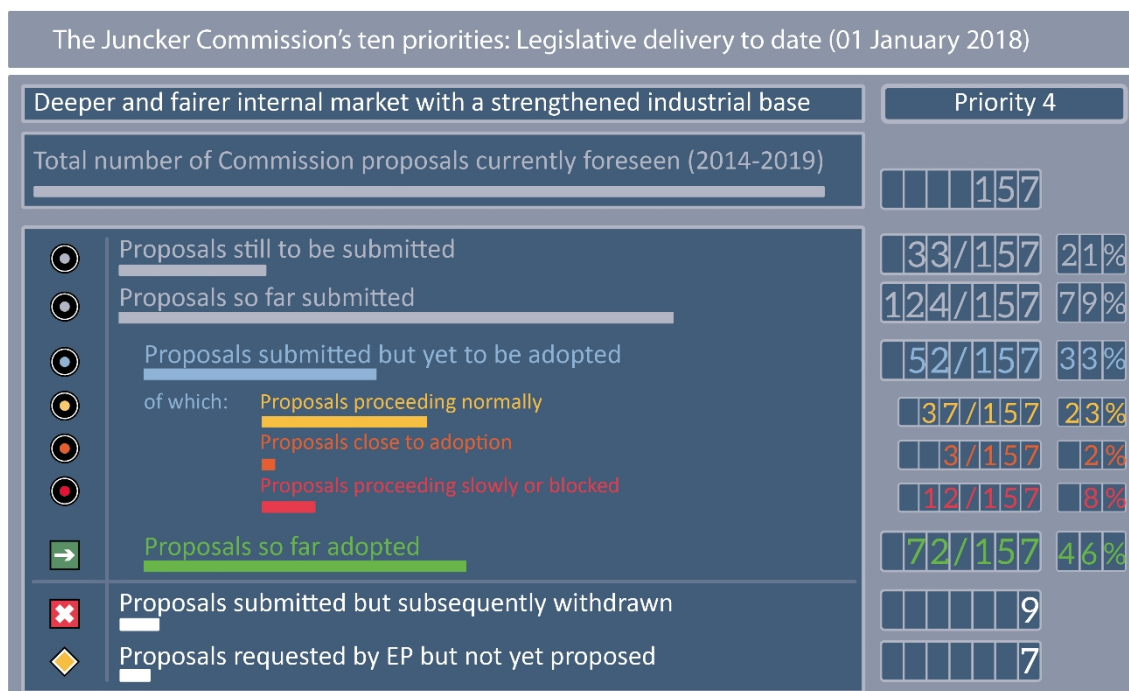
Finally, the [renewed EU industrial policy strategy](#) from September 2017, touching upon cybersecurity, free flow of non-personal data, trade and foreign investment, raw materials and public procurement, offers a holistic approach to industry, combining both existing and new horizontal and sector-specific initiatives.

Labour mobility package

Enabling labour mobility to counterbalance skills mismatches is imperative to reach the full potential of the single market. Labour mobility needs to go hand in hand with fair labour markets and equal social rights for all workers. These, in turn, should contribute to more growth, jobs and upward social convergence. The labour mobility package comprises: (i) supporting labour mobility and tackling abuse by means of better social

security system coordination, for which the Commission made a [proposal](#) on 13 December 2016; (ii) the targeted review of the Posting of Workers Directive, for which a Commission [proposal](#) was put forward on 8 March 2016; and (iii) enhanced European employment services ([EURES](#)) thanks to a [regulation](#) adopted in April 2016, which is intended to facilitate the freedom of movement of workers within the EU. The aim of the first legislative proposal is to ensure that the rules coordinating social security schemes respond to recent social, economic and political developments in the EU. The proposal focuses in particular on areas that have not been satisfactorily covered to date and where improvements are required: economically inactive citizens' access to social benefits, long-term care benefits, unemployment benefits and family. In this process, the French Senate submitted a reasoned opinion on 20 March 2017 for non-compliance with the principle of subsidiarity. In the case of the second legislative proposal, the revision of the Posting of Workers Directive, 11 Member States' parliaments declared themselves against the Commission proposal, triggering the 'yellow card' procedure. In June 2016, after careful consideration of the Member States' views, the European Commission concluded that the proposal does not constitute a breach of the subsidiarity principle and decided to maintain it, opening the way to the trilogue negotiations.

In addition, the [joint proclamation](#) on the European Pillar of Social Rights – with 20 principles and rights in relation to equal opportunities and access to the labour market, fair working conditions and social protection and inclusion – was signed by the Commission, Council and Parliament at the [Gothenburg Social Summit](#) on 17 November 2017. The main challenge remains bringing this reference framework to all citizens across the EU. Due to limited EU competence in the social field, [implementation](#) of the social pillar is for the Member States, in cooperation with social partners, while the European Commission will monitor the process via the European Semester. How to make the EU's role as effective as possible in the implementation process is currently under further discussion among the three institutions and the stakeholders.



Priority 5: A deeper and fairer economic and monetary union

This fifth priority reflects the understanding that, through the completion of EU economic and monetary union (EMU), Europe can build a stronger and more efficient European economy, prepare for the global challenges that lie ahead, and provide conditions for Member States to prosper.

Completion of economic and monetary union

In line with the 2014 [political guidelines](#), European Commission President Jean-Claude Juncker, in close cooperation with the then presidents of, respectively, the European Council, Donald Tusk; the Eurogroup, Jeroen Dijsselbloem; the European Central Bank, Mario Draghi; and the European Parliament, Martin Schulz; prepared a [report](#) on completing Europe's economic and monetary union (the 'Five Presidents' Report'). Presented on 22 June 2015, it reflects the personal deliberations and discussions of the five presidents, provides ideas on how to deepen EMU, and advises on possible stages for implementation, beginning from July 2015. Stage 1, entitled 'deepening by doing' (1 July 2015-30 June 2017), prescribes building on existing instruments and treaties to boost competitiveness and structural convergence, complete the financial union, achieve responsible fiscal policies at national and euro area level, and enhance democratic accountability. Stage 2, 'completing EMU', proposes far-reaching measures to make the convergence process more binding, in particular through a set of commonly agreed benchmarks that could be given a legal nature, with the final stage with a fully-fledged EMU to be reached at the latest by 2025.

The European Parliament's contributions were based on its past and current positions, in particular those set out in its [resolution](#) of 24 June 2015 on 'review of the economic governance framework: stocktaking and challenges'. In this resolution, Parliament placed particular emphasis on the democratic legitimacy and accountability of the European semester, and the proposal for a fiscal capacity within the euro area. The Parliament furthermore demanded that the [European stability mechanism](#) (ESM) and the fiscal compact (the fiscal part of the Treaty on Stability, Coordination and Governance, [TSCG](#)), 'be fully integrated into the Community framework', making it formally accountable to Parliament. The European Parliament monitors the process closely and, in February 2017, adopted resolutions [first](#) on a budgetary capacity for the euro area, [second](#) on improving the functioning of the European Union: building on the potential of the Lisbon Treaty, and [third](#) on possible evolutions of and adjustments to the current institutional set-up of the European Union.

On 21 October 2015, in line with the 'five Presidents' report' (Stage 1), the Commission presented specific [steps to complete EMU](#). The texts contain a recommendation for a Council recommendation on a euro area [system of national competitiveness authorities](#) and a European Commission decision establishing an independent advisory [European fiscal board](#). This board is intended to focus on 'the horizontal consistency of the decisions and implementation of budgetary surveillance', and advise on the 'appropriate fiscal stance for the euro area'. Moreover, the Commission set out a [roadmap](#) towards a more efficient external representation of the EMU in relation to multilateral financial institutions such as the International Monetary Fund (IMF), while also reinforcing democratic accountability and legitimacy before the European Parliament. As to economic governance, the Commission 'revamped' the European semester process as of 2016-2017, by strengthening democratic accountability and by addressing EMU issues prior to country-specific recommendations.

On 24 November 2015, the European Commission [proposed](#) a regulation for a European deposit insurance scheme ([EDIS](#)), to create the 'third pillar' of [banking union](#). The proposal aims at reducing the potential spill-over risk from local bank failures on financial stability in the economic and monetary union as a whole. In view of the rather slow advancement of the dossier, the Commission advocated in a [communication](#) published on 11 October 2017, to introduce EDIS in two phases, linking the final introduction of EDIS to further risk reduction in the banking sector, including an asset quality review as a condition to access to loss coverage by EDIS. The Commission already addressed some of these risks in its [banking reform package](#), adopted on 23 November 2016.

The first and second pillar of banking union, banking [supervision](#) and [resolution](#), were put to a first test in early June 2017. On 7 June 2017, reacting to an [ECB statement](#), the Single Resolution Board adopted a [resolution decision](#) for the first time, transferring the Spanish bank Banco Popular to Banco Santander, and putting the EU's new bank resolution framework into practice.

European pillar of social rights

On 8 March 2016, the Commission launched a debate on a [European pillar of social rights](#) for the euro area. This initiative set out to identify common principles and benchmarks with a view to achieving greater convergence in employment and social performance over time. The [proclamation](#) of the European Pillar of Social Rights was signed during the Gothenburg Social Summit of 17 November 2017. The pillar is a collection of 20 non-binding principles and rights supporting the renewal of current labour markets and welfare systems.

Next steps

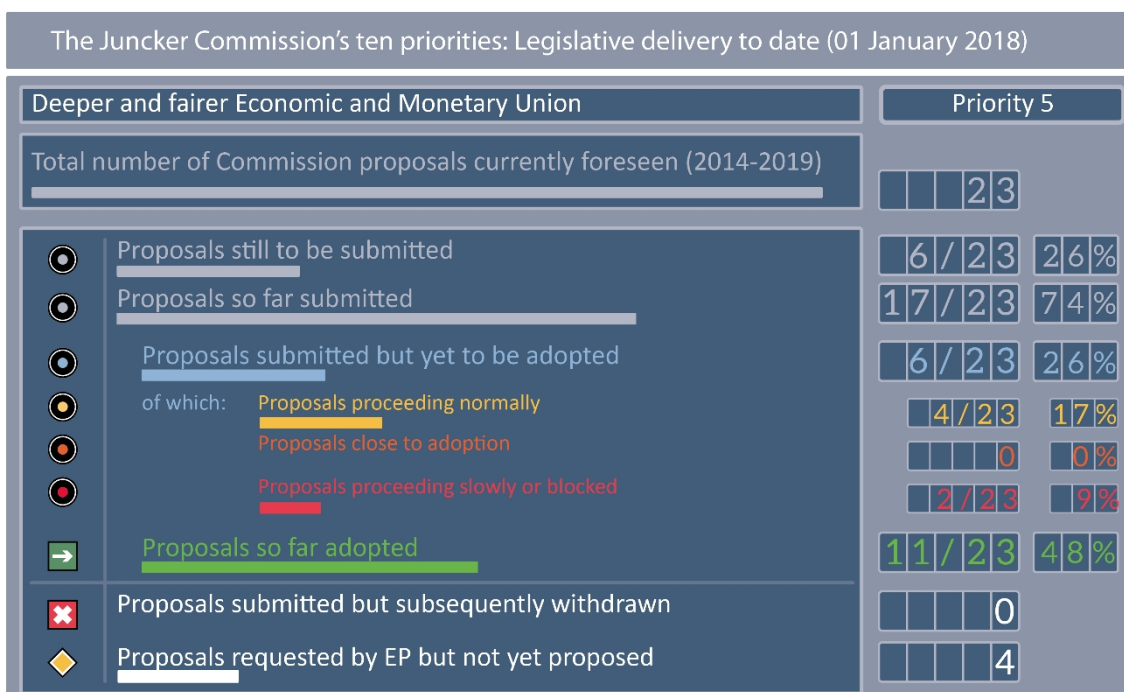
On 1 March 2017, the Commission published a [white paper](#) proposing five options for the future of Europe and launched a 'reflection paper' process. The [reflection paper](#) on deepening of economic and monetary union of 31 May 2017 assesses progress made so far and outlines next steps in two phases: 2017 to 2019, and 2020 to 2025. It describes possible action to be taken by the next elections in 2019 (mainly completing banking union and capital markets union), and delivers a 'series of options' for the following years. After 2020, the Commission envisages euro area options for a common issuance of debt ('European safe asset') as well as a macroeconomic stabilisation function, such as a 'European investment protection scheme'. However, and contrary to what was initially expected, the document did not include specific legal measures to complete the EMU.

The Commission became more specific with President Juncker's [State of the Union speech](#) and the accompanying [letter of intent](#) of 13 September 2017, followed by the [Commission work programme](#) 2018, which was published on 24 October 2017. The intergovernmental [Treaty on Stability, Governance and Growth](#) (TSCG) is to be integrated into Community law, and similarly the intergovernmental [European Stability Mechanism](#) (ESM) is to be transformed into a European Monetary Fund (EMF), also under Community law. The EU budget would be given a strong EMU dimension, with dedicated euro area budget lines that would offer (i) structural reforms assistance, (ii) a stabilisation function, (iii) a backstop for the Banking Union's single resolution mechanism, and (iv) EMU pre-accession assistance. With a 2025 perspective, euro area safe assets may be developed, and a European finance and economy minister, possibly in the form of a Commission Vice-President, who could also chair the Eurogroup, may be created. Further steps to strengthen the banking union were also announced. The Commission is considering use of the Treaty's '[passerelle clause](#)' to move from unanimity to majority voting in fields such as taxation.

On 6 December 2017, the Commission set out a [roadmap](#) for deepening Europe's economic and monetary union, and adopted proposals on the [integration of the TSCG](#) into Community law, as well as the [transformation of the ESM into an EMF](#) anchored in the Union legal framework. A proposal was made to start a pilot phase using the performance reserve, in the current European Structural and Investment Funds (ESIF), to [support reforms](#) instead of specific projects, in order to mobilise funds in support of national reforms. Another proposal seeks to [increase the financial envelope](#) of the structural reforms support programme. The European Commission also adopted a communication on the possible creation of a [European Minister of Economy and Finance](#), and another on [new budgetary instruments](#) for a stable Euro area.

Others have started adding their voices to the discussion, most notably French President Macron, mainly with his Sorbonne [speech](#) of 26 September 2017. He advocates an approach that also comprises strong intergovernmental elements, such as a separate parliament for the euro, as well as a dedicated budget for the euro area, to be created outside the existing EU budget.

A number of European Council meetings have been planned, starting with a first discussion on 14-15 December 2017, and a possible culmination at the meeting of Leaders in Sibiu on 9 May 2019, where important decisions on the future of Europe may be taken. However, at the time of writing, no government had been formed in Germany, something which seriously disrupted the choreography. At the European Council meeting of 14-15 December 2017, it was [decided](#) to continue discussing the euro area reform, especially concentrating on the completion of the banking union and the transformation of the ESM, and to convene the next Euro summit for March 2018.



Priority 6: A balanced and progressive trade policy to harness globalisation

A new narrative

President Juncker's sixth priority originally focused on the Transatlantic Trade and Investment Partnership (TTIP) with the United States. However, in the second half of 2017, the Commission decided to update this priority and make it geographically neutral to reflect political changes and shifting concerns on both sides of the Atlantic. The updated priority now encompasses the EU's entire trade policy and links it to the broader issue of globalisation.

Several documents reflect the Commission's rationale behind and move towards updating this priority. The first is the Commission's [communication 'Trade for all – Towards a more responsible trade and investment policy'](#), adopted in October 2015. This new trade strategy emphasises the importance of an effective and transparent trade policy that is based on values and helps shape globalisation. A second important document is the Commission's ['reflection paper on harnessing globalisation'](#) of May 2017 in which the Commission discusses ways to respond to the opportunities and challenges of globalisation. This reflection paper was followed by a [Commission communication](#) in September 2017 that outlines a number of new initiatives in EU trade policy ('the [September 2017 trade package](#)').

The Commission's main work on trade negotiations, legislative files and implementation of its 'trade for all' strategy is set out below.

The state of play of trade negotiations

One of the Juncker Commission's biggest achievements so far has been the [provisional entry into force](#) of the EU-Canada Comprehensive Economic and Trade Agreement (CETA) in September 2017. The Commission is also working on finalising free trade agreements (FTAs) with [Singapore](#) and [Vietnam](#). In May 2017, the EU-Singapore FTA was the subject of an [opinion](#) of the Court of Justice of the EU (CJEU). As a result, both parties are now determining how to proceed with the signing and ratification process. The EU-Vietnam FTA is undergoing legal review and will likely also be impacted by the CJEU opinion.

As regards ongoing FTA negotiations, the Commission reached a [final agreement](#) with Japan on an Economic Partnership Agreement (EPA) in early December 2017 that built on their earlier [political agreement in principle](#) of July 2017. Negotiations with Japan on investment protection are still ongoing. The Commission's trade negotiations with [Mexico](#) (as part of the modernisation of the 2000 Global Agreement) and with [Mercosur](#) are both at a very advanced stage and could be finalised early 2018. Various other FTA-negotiations have also taken place, including with [Indonesia](#) and [the Philippines](#).

The Commission has simultaneously been working on several new initiatives. In November 2017, for example, it launched negotiations with [Chile](#) to modernise the 2003 Association Agreement. Just before that, in September 2017, the Commission also proposed starting FTA negotiations with [Australia](#) and [New Zealand](#). It is currently waiting for the approval by Council of the proposed negotiating mandates before it can formally launch these negotiations.

The Juncker Commission is also actively pursuing a reform of international investment protection. In response to opposition to Investor-State Dispute Settlement (ISDS) mechanisms in existing and planned FTAs (including from the [Parliament](#)), the Commission has been laying the groundwork for an alternative approach by proposing

the creation of a [new investment court system](#) (ICS). The envisioned [Multilateral Investment Court](#) (MIC) builds on innovations [in CETA](#) and the [EU-Vietnam FTA](#), which already include the ICS. As part of its September 2017 trade package, the Commission adopted a [recommendation](#) for a Council decision authorising the opening of these negotiations. Separately, the Commission has also held bilateral investment negotiations with [China](#) and is [preparing](#) to launch similar talks with Taiwan and Hong Kong.

There has been less success in other areas. The [TTIP-negotiations](#) with the US came to a halt with the election of US President Donald Trump in November 2016 (although an [EU-US agreement on mutual recognition](#) of inspections of medicine manufacturers was concluded in March 2017 and another [agreement on insurance and reinsurance](#) is expected to be approved [early 2018](#)). Plurilateral negotiations on a [Trade in Services Agreement](#) (TISA) were put on hold for similar reasons and talks on an [Environmental Goods Agreement](#) (EGA) have so far not been successful either. Furthermore, the two planned Economic Partnership Agreements (EPAs) with [Western African countries](#) and the [East African Community](#) have not been signed by some African countries that have taken part in the negotiations despite the fact that both negotiations were finalised back in 2014. Lastly, while the 10th World Trade Organization (WTO) Ministerial Conference (MC) in 2015 resulted in the adoption of the [Nairobi Package](#), the 11th MC in December 2017 in Buenos Aires did not produce [any significant results](#) for multilateral trade relations.

The state of play of legislative files

The co-legislators adopted an [amending regulation](#) to a 2005 [regulation](#) on export of goods that could be used for [capital punishment and torture](#) (Anti-torture Regulation) in November 2016 and a new [regulation](#) on [trade in conflict minerals](#) was adopted in May 2017.

The Commission also adopted a [proposal on a new anti-dumping calculation methodology](#) in November 2016, which was approved by the [co-legislators](#) in late 2017 and entered into force on [20 December 2017](#). This proposal is complementary to a 2013 Commission [proposal](#) on a complete [modernisation](#) of EU trade defence instruments (TDI). An interinstitutional [political agreement](#) on this TDI reform was reached in December 2017 and is expected to be formally approved by the Parliament and the Council in 2018.

Other legislative proposals of the Juncker Commission currently awaiting approval include: the 2016 [amended proposal](#) for a regulation on [International Procurement Instrument](#) (based on a proposal from 2012); a [proposal](#) on a [European framework to screen foreign direct investment](#) (submitted as part of the Commission's September 2017 trade package); and a [proposal](#) on the [import of cultural goods](#) (adopted in July 2017).

Implementation of the 'Trade for all' strategy

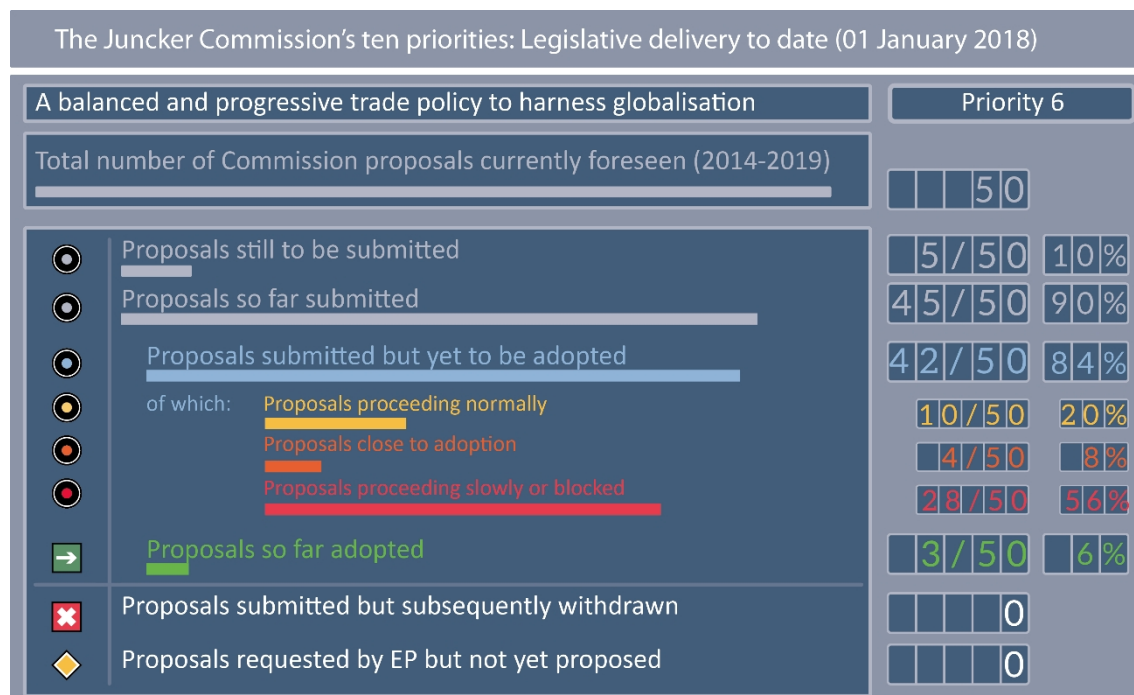
In September 2017, the Juncker Commission presented a [report](#) on the implementation of its 'Trade for all' strategy.

As regards a progressive EU trade policy, the Commission managed to introduce several [new issues](#) in some of the EU's FTAs. These include energy and raw materials in its Vietnam and Ukraine agreements, the creation of a new investment court system (ICS) in CETA and the EU-Vietnam FTA, and mobility of professionals in CETA and the EU-Japan FTA. In November 2017, the Commission also released its annual [report on the implementation of FTAs](#), which comes on top of existing implementation reports on specific FTAs (such as [EU-South Korea](#)).

In relation to the effectiveness of EU trade policy, the [Commission](#) tackled a number of trade barriers via the [Market Access Partnership](#) through which it coordinates its activities with Member States and businesses. In 2016, for example, the Commission resolved 20 cases affecting €4.2 billion worth of EU exports. In the WTO, the Commission is currently pursuing 21 complaints against 10 different trading partners on behalf of the EU. It considers that WTO rulings have secured fair trading conditions in a number of cases, including on refrigerator exports to Russia and raw material imports from China.

As regards the transparency of EU trade policy, the Commission has instituted a [transparency in action website](#) containing all published documents on the various negotiations (although market access offers will remain confidential). As part of its September 2017 trade package, the Commission also announced the [creation](#) of an [advisory group](#) on EU trade agreements in order to foster an inclusive trade policy, and decided to henceforth publish its recommendations for Council negotiating directives. This is in line with repeated calls from the [Parliament](#) to increase transparency at all stages of trade negotiations.

Regarding values in EU trade policy, the Commission initiated a debate in July 2017 on [sustainable development chapters](#) in its FTAs and what could be done to improve them. Moreover, the Commission is planning to launch a [review](#) of sustainable development provisions in CETA. It has also tabled proposals on [anti-corruption provisions](#) in its negotiations with Mexico and plans to do the same in its negotiations with Chile. Moreover, the Commission has suspended negotiations with Thailand because of concerns over fundamental rights. The EU has also adopted the aforementioned amended Anti-torture Regulation and new Conflict Minerals Regulation under the Juncker Commission.



Priority 7: An area of justice and fundamental rights based on mutual trust

Continuing the focus on security

President Juncker's 2014 [political guidelines](#) were ambitious in relation to strengthening justice and fundamental rights across the EU. However, over the last three years, the EU has been increasingly confronted with major security challenges, necessitating a shift in the focus of EU measures within the area of freedom, security and justice, with security issues increasingly dominant. In particular, a series of recent terrorist attacks have resulted in issues such as radicalisation, terrorism financing and information sharing figuring higher than ever on both national and [EU agendas](#).

Combating terrorism

Two important counter-terrorism instruments, adopted in 2017, will have to be transposed by Member States in 2018: a [revised Firearms Directive](#), as part of a package of measures aiming at stronger firearms control, and a [Directive on combating terrorism](#), aimed at implementing new international standards as regards the criminalisation of a wide range of terrorist activities, including travelling for terrorist purposes and receiving terrorist training.

The [implementation](#) of the [action plan](#) to fight terrorist financing is ongoing and several legislative proposals are close to adoption. While a [political agreement](#) was reached on 20 December 2017 on targeted amendments to the 2015 [Fourth Anti-Money-Laundering Directive](#), work is also progressing on proposals regarding the harmonisation of [criminal sanctions for money laundering](#), [controls on cash entering or leaving the Union](#), and the [mutual recognition](#) of criminal asset freezing and confiscation orders, adopted by the Commission in December 2016.

With a view to better information sharing, significant attention has been devoted to improving the existing [EU information systems](#), and developing new complementary tools. Two recent Commission proposals on information systems focusing on the security dimension of border management are close to agreement by the Parliament and the Council: the [proposal](#) for a European travel information and authorisation system ([ETIAS](#)) and the [package of proposals](#) for regulations on the Schengen information system, including [one](#) on its establishment, operation and use in the field of police cooperation and judicial cooperation in criminal matters. Moreover, trilogue negotiations are close to starting on the Commission [proposal](#) to upgrade the European criminal records information system (ECRIS), complemented in June 2017 by a [supplementary proposal](#) aimed at establishing a centralised system for the identification of convicted third-country nationals (ECRIS-TCN).

To enhance operation of the existing and new systems, the Commission has developed a new approach to their management, based on the recommendations formulated in the [final report](#) of the high-level expert group on information systems and interoperability ([HLEG](#)) in May 2017, and in line with the Council [conclusions](#) of June 2017. The new approach integrates [interoperability solutions](#), such as a European search portal, shared biometric matching service and a common identity repository. On 12 December 2017, the Commission [adopted](#) two legislative proposals in this regard: one for [police and judicial cooperation, asylum and migration](#), and another one for [borders and visa](#).

From the technical point of view, the development of interoperability solutions as well as centralised management of existing and new EU information systems will be the task of the EU agency for the operational management of large scale IT systems (eu-LISA): the [extension of its mandate](#) is on the agenda of the trilogue negotiations expected to start soon.

With regard to information and intelligence-sharing in counter-terrorism, Europol is playing a [central role](#), namely with the creation, within its structure, of the European Counter-Terrorist Centre ([ECTC](#)) in January 2016 and the entry into force of the new [Europol Regulation](#) in May 2017. The ECTC pools and streamlines Europol's resources and expertise in terrorism travel and financing, illegal arms trafficking and countering online terrorist propaganda. As for the latter, the creation of the [EU Internet Referral Unit](#) (EU IRU), which is part of the ECTC, and of the [EU internet forum](#), bringing together Europol, national governments, and technology companies to counter terrorist content and hate speech online, are among the most important developments.

In September 2017, the Commission published a [communication](#) on tackling illegal content online, calling on the online platforms to act more proactively to remove such content and prevent its re-appearance. In its broader efforts to tackle radicalisation, the Commission set up a dedicated high-level expert group ([HLCEG](#)), which published its first [interim report](#) in December 2017. This and further steps to counter radicalisation were announced as part of a [package](#) of anti-terrorism measures, adopted in October 2017 and including action plans on the [protection of public spaces](#) and on chemical, biological, radiological and nuclear ([CBRN](#)) risks, a recommendation on [explosive precursors](#), as well as proposals on strengthening the external dimension of EU action. The latter include accessing, on behalf of the EU, the Council of Europe [Convention](#) on the Prevention of Terrorism and its [Additional Protocol](#), as well as opening the negotiations for a revised passenger name record (PNR) [agreement](#) with Canada.

Progress in the area of justice and fundamental rights

Although the progress in the area of justice proved to be rather slow, some key instruments were (or came close to being) adopted in 2017, while preparatory work is ongoing in new areas, such as criminal justice in cyberspace.

– Legislative developments in criminal justice

Even though no agreement could be reached in the Council on the proposal concerning the European Public Prosecutor's Office (EPPO), in October 2017, 20 Member States adopted the [regulation](#) under enhanced cooperation, having received the Parliament's consent. The EPPO will investigate, prosecute and bring to judgment by national courts the perpetrators of offences defined by the [Directive](#) on the fight against fraud to the Union's financial interests by means of criminal law ('PIF Directive'), adopted in July 2017. In October 2017, the Civil Liberties, Justice and Home Affairs (LIBE) Committee adopted a [report](#) on the [proposal](#) on Eurojust, until then blocked in the Parliament due to the lack of progress on the related EPPO file. This proposal includes provisions on the relationship between these two EU bodies.

The Commission made significant progress in its work on a common [EU approach](#) to enforcement of jurisdiction in cyberspace. Building on the conclusions of the expert process launched in 2016, the Commission has carried out [preparatory work](#) on a legislative proposal on cross-border access to electronic evidence to be presented in early 2018 and proposed a set of technical measures to support authorities facing the use of encryption by criminals.

– Harmonising data protection

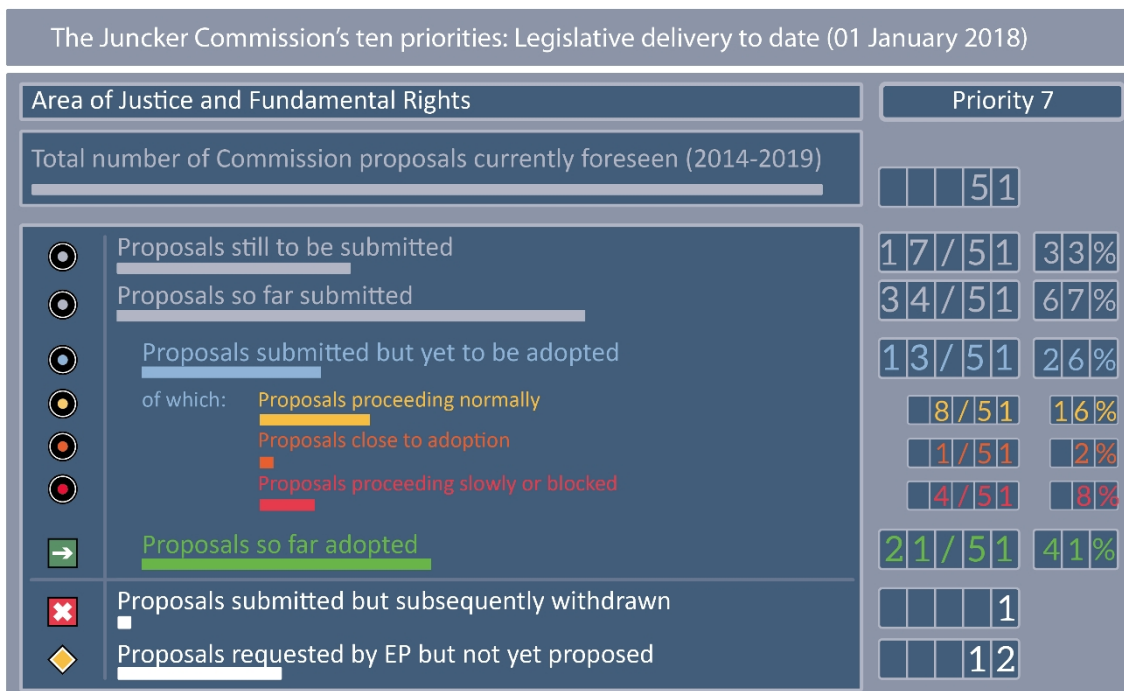
As a follow-up to the reform [package on EU data protection](#) adopted in April 2016, and in parallel to the [proposal](#) for a regulation repealing the e-Privacy Directive (see Priority 2), in January 2017 the Commission adopted a [proposal](#) on the processing of personal data by EU institutions. Its aim is to align the existing rules ([Regulation \(EC\) No 45/2001](#)), with the more stringent ones set out in the General Data Protection

Regulation so as to ensure that personal data processed by EU institutions or agencies benefits from higher standards of protection, while reducing administrative burden. After the Council adopted a [general approach](#) in June 2017 under the Maltese Presidency, trilogue negotiations have been advancing, although divergences exist: while the Parliament, which adopted its [position](#) in October 2017, insists on including data processing by agencies such as Europol and Eurojust in the scope of the regulation, the Council wants to exclude them.

Regarding transatlantic [data transfer for commercial purposes](#), following the [Schrems case](#) and the adoption by the Commission of its [adequacy decision](#) on the EU-US 'Privacy Shield', a [joint EU-US review](#) of this new framework took place in September 2017. Although improvements were recognised, [unresolved issues](#) have to be addressed in 2018 to avoid another court case. The Parliament has expressed its concerns on several occasions, for instance in its [resolution](#) of April 2017. The Commission also [intends](#) to adopt new adequacy decisions concerning Japan and Korea.

– Addressing violence against women

The EU accession to the Council of Europe Convention to fight violence against women and domestic violence (the [Istanbul Convention](#) signed by all 28 EU Member States and ratified by 17) has reached its final stage, with the [adoption](#) by the Council, in May 2017, of two decisions on the signing of the Istanbul Convention and with its [signature](#) by Commissioner Věra Jourová on behalf of the EU, on 13 June 2017. The last step to be made is the adoption of the Council decision on its [conclusion](#), to which the Parliament gave its [consent](#) in September 2017. It had previously called for EU accession to this convention, and for its ratification by Member States, for example in its resolutions from [2014](#), [2015](#), [2016](#) and [2017](#).



Priority 8: Towards a new policy on migration

The migratory flows to the European Union that [peaked](#) in 2015 had started to [subside](#) by the end of 2017, but while the pressure on Greek islands via Turkey has reduced, the number of [sea arrivals](#) to Italy and Spain have increased. Considering the global context, migratory pressure is not [expected](#) to decrease in the coming years. This is due to ongoing international and internal conflicts, climate change and other global factors that continue to push people on the move and to seek protection in Europe. The number of new [asylum applications](#) in the EU in 2017 – 407 000 – is still substantial.

The Commission set out both short- and long-term measures for EU action in the [European Agenda on Migration](#) presented in May 2015.

Relocation and resettlement

Despite the two Council decisions adopted to allow Greece and Italy to benefit from temporary relocation of a total of 160 000 asylum-seekers to other Member States, the targets of relocation were not met by the end of the schemes in September 2017, despite repeated calls from the [Commission](#) and the [European Parliament](#). On 15 November 2017, the Commission asserted in its [progress report](#) on the European agenda on migration that Member States' legal obligations will continue for a reasonable time and urged them to keep relocating. According to the [latest data available](#), 31 503 asylum-seekers were relocated by 9 November 2017. On 7 December 2017, the Commission [referred](#) the Czech Republic, Hungary and Poland to the Court of Justice of the EU (CJEU) for failing to contribute to relocation in breach of their legal obligations, the validity of the relocation scheme having been confirmed by the [CJEU](#) in September 2017.

The Commission has also given a new impetus to the EU resettlement policy. As of 10 November 2017, EU Member States had [resettled](#) 25 739 refugees directly from third countries under the EU [urgency resettlement scheme](#) of July 2015 as well as the [EU-Turkey statement](#). However, this number remains modest when the [projected global resettlement](#) needs reach 1.2 million. The Commission has therefore [recommended](#) that Member States resettle additionally at least 50 000 vulnerable persons by October 2019. In its [progress report](#), the Commission announced that following the recommendation, 16 Member States have pledged for a total of more than 34 400 resettlement places. The Commission has set aside €500 million for this initiative that is intended to cover the period until the proposed permanent [Union Resettlement Framework](#) is adopted.

Border management

The [European Council](#) of 15 October 2015 focused on securing the European Union's external borders, in particular through developing a [European border and coast guard system](#). With the adoption of the [regulation](#) on 14 September 2016, the new system was due to become fully operational in 2017. The Commission [reported](#) in November 2017 that the European border and coast guard team has deployed around 1 500 extra officers, and formed a mandatory rapid reaction pool of 1 110 border guards, representing 74 % of the pool. However, significant gaps remain for most technical equipment, with only 14 Member States continuing to contribute.

Following the identification of serious deficiencies in external border management in Greece in 2015, and in response to the temporary [reintroduction](#) of internal border controls by several Member States, the Commission adopted the [communication](#) 'Back to Schengen – a roadmap' on 4 March 2016, setting out ways to re-establish proper [Schengen area](#) function. Based on three consecutive Council implementing decisions, Austria, Denmark, Germany, Norway and Sweden were allowed to maintain temporary internal border controls until 11 November 2017. Considering that prolongation was no

longer possible under current EU rules, and in line with the roadmap, the Commission [proposed](#) on 27 September 2017 an update to the Schengen Borders Code, which would prolong the maximum time limit in case of foreseeable events and identified threats from six months to one year. The proposal is now [before the co-legislators](#).

The Commission also aimed to strengthen the external border management through its revised proposal for a regulation establishing an [entry-exit system](#). The so-called 'smart borders' would modernise the current system of manual stamping of passports by more automated controls, improve border security and improve the interoperability of [EU information systems](#). The [regulation](#) was adopted by the co-legislators on 30 November 2017, and the system is due to become fully functional by 2020.

Reform of the common European asylum system

In April 2016, the European Parliament [advocated](#) substantial reform of the Dublin Regulation and a centralised EU asylum system. The Commission presented proposals to [reform](#) the Common European Asylum System (CEAS) in spring-summer 2016, suggesting to amend the [Dublin Regulation](#), create a [European Union Agency for Asylum](#), reinforce the [Eurodac](#) system for fingerprinting migrants, replace the [Asylum Procedures Directive](#) and the [Qualification Directive](#) with directly applicable regulations; and to reform the [Reception Conditions Directive](#). The proposals, which do not entail a complete overhaul of the system, but rather address the lack of harmonisation and implementation, are currently being negotiated by the European Parliament and the Council. The Commission has included them among its [priority pending proposals](#) in the 2018 work programme.

Legal migration

In June 2016, the Commission presented a [communication](#) on the action plan on the integration of third-country nationals, and a proposal for a revised [EU Blue Card Directive](#). The proposal for a [revised](#) directive, aimed at attracting and retaining highly skilled workers, is expected to be adopted in 2018.

Cooperation framework with third countries

Since 2015, the EU has increasingly sought ways to increase cooperation with third countries on migration. Dialogue frameworks among European and African governments have been in place for more than 10 years at both continental and regional levels. These include the [Africa-EU migration and mobility dialogue](#) as well as the [Khartoum](#) and [Rabat](#) processes with key countries. The new [partnership framework](#) with third countries proposed by the Commission in June 2016 is intended to address the root causes of irregular migration, combat human smuggling, and motivate third countries to cooperate more on return and readmission. A series of compacts have been concluded with namely Jordan and Lebanon, and five priority African states: Ethiopia, Mali, Niger, Nigeria and Senegal. The new partnerships are linked to incentives, ranging from positive ones such as visa facilitation, to negative ones, such as conditionality on development cooperation.

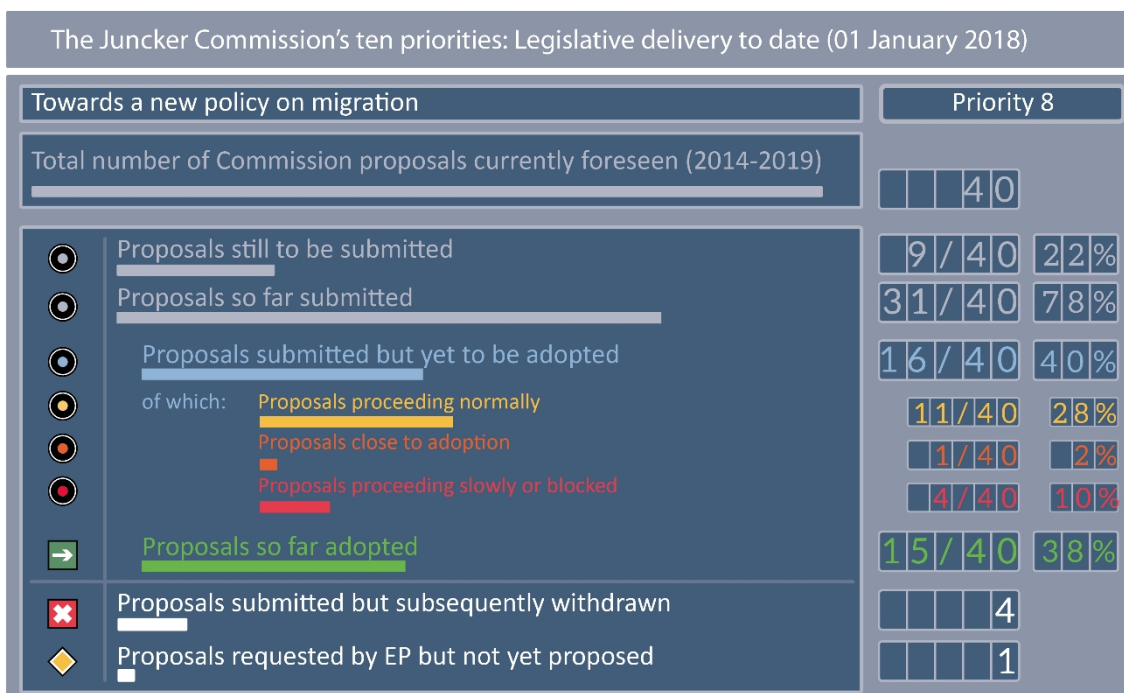
The 28 EU Heads of State or Government, noting that irregular arrivals via the Central Mediterranean route remained high, agreed in the [Malta Declaration](#) on measures to stem the flow of irregular migrants from Libya to Italy. The same aim was pursued by the [memorandum of understanding](#) signed between Italy and Libya a day earlier, and the EU [action plan](#) of July 2017 to support Italy and assist the Libyan coast guard in intercepting and returning migrants in the Mediterranean. This course of action has recently been [criticised](#) by the United Nations High Commissioner for Human Rights.

Noting that return rates of irregular migrants remain low, the Commission adopted a renewed [EU action plan on return](#), accompanied by a [recommendation](#) to Member States on making returns more effective. On 9 June 2017, the Justice and Home Affairs Council adopted [conclusions](#) on enhancing return and readmission of irregular migrants, emphasising the need to link these negotiations to the visa policy. The Commission [intends](#) to review the common visa code as well as the visa information system in 2018. At the same time, the EU must ensure compliance with human rights and respect for the principle of *non-refoulement* when working in or with third countries, as also set out in the [guidance](#) by the European Fundamental Rights Agency.

In its [mid-term review](#), as well as in the [progress report](#) on the European Agenda on Migration, the Commission acknowledged the need for improving the situation of refugees and migrants in third countries. To this end, the EU could make more use of its liaison officers, and increase its human rights monitoring in third countries.

EU-Turkey statement

In March 2016, the EU and Turkey issued a [statement](#) on their plans to increase cooperation to stem irregular migration from Turkey to the EU. The Commission has published regular progress reports on its implementation as well as a [joint action plan](#) in November 2017, stating that more efforts are needed, both in terms of reception conditions and return rates. At the same time, human rights organisations remain critical of the arrangement, [calling](#) for protection gaps to be addressed and for the provision of significant funding to help Turkey meet the most basic needs of asylum-seekers.



Priority 9: A stronger global actor

In his 2014 political [guidelines](#), Commission President Juncker observed: 'We need a stronger Europe when it comes to foreign policy'. This priority covers all aspects of external engagement.

Neighbourhood policy

Following a [joint consultation](#) on the future of the [European neighbourhood policy](#) (ENP) in March 2015 and the European Parliament's subsequent [resolution](#) in July 2015, the European Commission adopted a [communication](#) on review of the ENP. The Council adopted [conclusions](#) on this review in December 2015. Parliament and Council adopted a [decision](#) on EU participation in a partnership for research and innovation in the Mediterranean area ([PRIMA](#)) on 4 July 2017.

Development

In February 2015, the European Commission issued a [communication](#) on a global partnership for poverty eradication and sustainable development after 2015. The European Parliament welcomed the communication in a [resolution](#) of May 2015, but regretted a certain lack of commitment concerning the timeline for future financial targets. One week later, the Council adopted its [conclusions](#) on this issue. An agreement was reached at the UN Conference in [Addis Ababa](#) in July 2015, providing a basis for implementing the global sustainable [development agenda](#), which world leaders adopted in September 2015.

In its [resolution](#) on the Commission work programme (CWP) 2016, Parliament called on the Commission to deliver a follow-up action plan to the [European consensus on humanitarian aid](#), and to focus on fragile states, peace-building and state-building. On 12 December 2017, the European Parliament and the Council adopted a [regulation](#) to facilitate EU budgetary support for capacity-building programmes in third countries.

The CWP 2016 also envisaged a recommendation to open negotiations in anticipation of the expiration of the [Cotonou Partnership Agreement](#) in 2020. The European Commission adopted a [joint communication](#) on renewed partnership with the African, Caribbean and Pacific Group of States (ACP) countries in November 2016. In December 2016, the Plenary ACP-EU Joint Parliamentary Assembly issued a [declaration](#) on the parliamentary dimension of ACP-EU relations in the post-Cotonou framework.

In November 2016, the European Commission adopted the communication '[proposal for a new European consensus on development – Our world, our dignity, our future](#)' aiming at integrating the Agenda 2030 sustainable development goals ([SDGs](#)) into the EU development framework. Based on its [resolution of 14 February 2017](#), the European Parliament has actively participated in interinstitutional negotiations that led to the signature of the new consensus on development on 7 June 2017. As requested by the Parliament, poverty eradication remains the main objective of EU development policy, which should contribute to the overall objectives of EU external action, including building resilience and addressing the root causes of migration.

Boosting investment in developing countries, with the help of the new European external investment plan, will be one of the ways to tackle those issues. On 26 September 2017, the European Parliament and the Council adopted a [regulation](#) establishing the European Fund for Sustainable Development (EFSD) which will scale up resources in order to address the root causes of migration and to contribute to the achievement of the SDGs based on existing facilities.

Security and defence

The European Council of 28 June 2016 [welcomed](#) the High Representative for Foreign Affairs and Security Policy/Vice-President (HR/VP) of the European Commission, Federica Mogherini's Global Strategy: [shared vision, common action: a stronger Europe](#). On 14 November 2016, the HR/VP [presented](#) an implementation plan on security and defence aspects of the Global Strategy to the Council, which [encouraged](#) the Commission to support Member States in implementing defence capability priorities. Alongside the European defence action plan and the EU-NATO joint declaration, the plan constitutes one of three parts of the HR/VP's 'defence package'.

The CWP 2016 included several additional initiatives in the area of security, such as an [EU-wide strategic framework for supporting security sector reform](#) (SSR) and a [European defence action plan](#). In July 2016, the European Commission and the HR/VP presented a joint communication entitled '[elements for an EU-wide strategic framework to support security sector reform](#)'. The same month, the Commission presented a [proposal](#) amending the regulation of March 2014 establishing an instrument contributing to stability and peace (IcSP). It aimed to adapt the existing regulation to revised reporting directives on official development assistance (ODA) on peace and security and strengthen the EU's role as a security provider by providing new funding opportunities for military capacity building in third countries. The [European Parliament](#) adopted this proposal on 30 November 2017 and the [Council](#) on 7 December 2017. The [revised instrument](#) introduces the possibility for the EU to finance measures in support of capacity building for security and development (CBSD) of military actors in partner countries, with the objective of contributing to sustainable development and in particular the achievement of peaceful and inclusive societies.

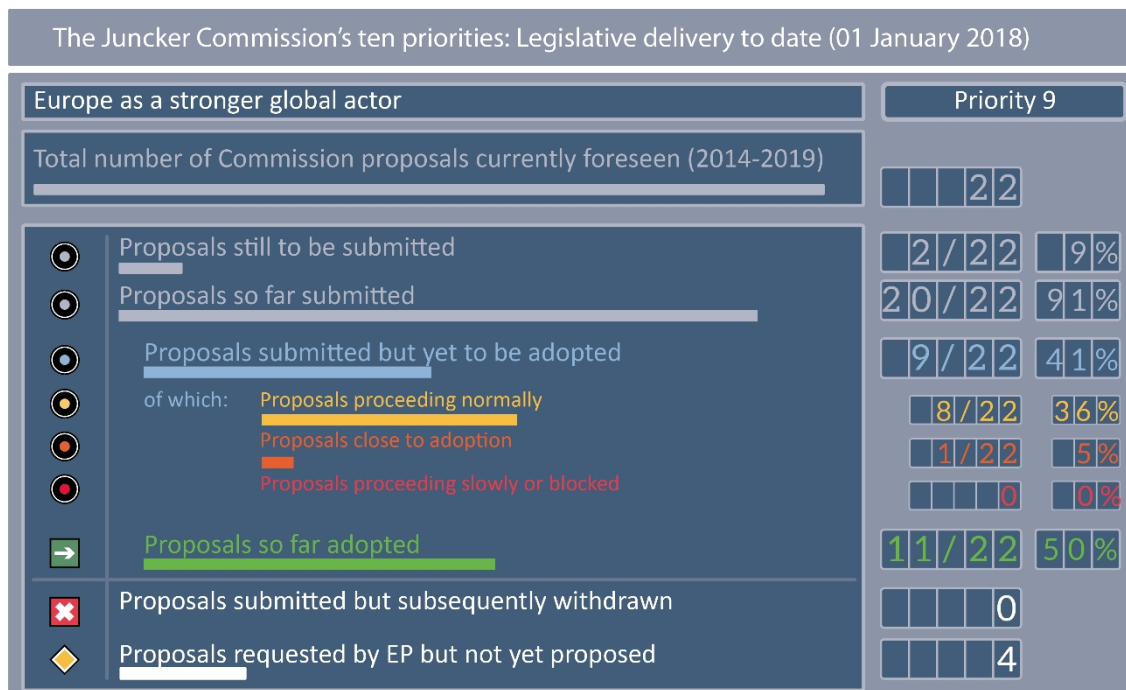
The European Commission presented the [European defence action plan](#) (EDAP) in November 2016, proposing a European Defence Fund (EDF) to support collaborative research projects and joint development of defence capabilities, support small- and medium-sized enterprises (SMEs) through fostering investments and providing more cross-border opportunities in defence supply chains, and ensure Europe has an open and competitive single market for defence. The implementation of the EDAP was included in the CWP 2017. In its March 2017 [resolution](#), the European Parliament welcomed the EDAP and called on the Commission and the Member States to clarify thoroughly the governance, financing and objectives of the possible EDF, notably the capability and research 'windows'.

The [EDF](#) was launched on 7 June 2017 with two strands: on the one hand research, on the other development and acquisition. Research would be funded directly by the EU, with €500 million each year starting in 2020, and €25 million already for 2017 and €90 million until the end of 2019. The Commission also adopted a [proposal](#) for a regulation establishing a European Defence Industrial Development Programme through which the EU will offer co-financing from the EU budget. The Commission [asked](#) the co-legislators to give the proposal a priority treatment with a view to reaching the agreement in early 2018, so that first projects could be financed in 2019.

The CWP 2017 included the implementation of the Global Strategy, several aspects of which advanced considerably in 2017. On 8 June 2017, the Council established the military planning and conduct capability ([MPCC](#)) within the EU military staff (EUMS). The MPCC will assume command of EU non-executive military missions. Moreover, on 13 November 2017, the Council [welcomed](#) the common notification by 23 Member States of their intention to participate in the Permanent Structured Cooperation (PESCO), in the field of defence. PESCO is a permanent framework for defence cooperation, which

will allow participating Member States to jointly develop defence capabilities, invest in shared projects, or enhance the operational readiness of their armed forces. On the same day, the Council also welcomed the launch of the trial run of the Coordinated Annual Review on Defence (CARD) and the presentation of the [joint communication on military mobility](#) from the HR/VP and the Commission. In addition, on 5 December 2017, the Council [welcomed](#) further progress made in EU-NATO cooperation.

The European Parliament supports the development of a strong Common Security and Defence Policy (CSDP) and defence cooperation, but with reservations expressed in [three resolutions](#) adopted in May 2015. Parliament adopted an important resolution on a [European defence union](#) in November 2016. On 16 March 2017, it [urged](#) the Council to take concrete steps towards the harmonisation and standardisation of the European armed forces and called on the Council and the HR/VP to elaborate an EU White Book on security and defence.



Priority 10: A union of democratic change

Commission President Juncker's 2014 [political guidelines](#) expressed an intention to make the EU more democratic, open and accountable. This was to be achieved by, inter alia, revitalising the '[special partnership](#)' with the European Parliament, enhancing transparency, strengthening political dialogue with EU legislators, and improving cooperation with national parliaments. Since this Commission took office, transparency and better law-making, including an interinstitutional agreement (IIA) to that end, have been at the core of initiatives falling under this priority. In September 2017, the Commission presented two proposals relating to the democratic functioning of the EU: revision of the Regulation on funding of European political parties and foundations and of the European Citizens' Initiative Regulation respectively.

Interinstitutional Agreement on Better Law-Making

In May 2015, the Commission presented a comprehensive better regulation package which, inter alia, created a more independent Regulatory Scrutiny Board (RSB), expanded stakeholder involvement and strengthened the commitment to review and evaluate Union legislation. It also proposed an [interinstitutional agreement](#) (IIA), which entered into force on 13 April 2016.

The IIA's provisions cover different aspects of the policy cycle including programming, better law-making tools (impact assessment, stakeholder consultation and ex-post evaluation), delegated and implementing acts, transparency and implementation. Just over one and a half years since the agreement's entry into force, it is too early to comment in great detail on the implementation and broader implications of the IIA. Nevertheless, experience suggests that the degree of such implementation varies depending on the area concerned. There have been significant developments with regard, for example, to annual programming (with the '[joint declarations](#)' on the EU's legislative priorities), [joint register of delegated acts](#), launched on 12 December 2017, or alignment of 'regulatory procedure with scrutiny' (RPS) measures that have not yet been aligned to the post-Lisbon system of delegated and implementing acts, under Articles 290 and 291 of the Treaty on the Functioning of the European Union (TFEU)). In other cases, progress has been slow (e.g. improved practical arrangements regarding the conclusion of international agreements or delineation criteria for delegated and implementing acts). With regard to legal acts providing for the use of the regulatory procedure with scrutiny, the Commission – as envisaged in the IIA and demanded by Parliament – presented a [proposal](#) for alignment of pre-Lisbon legislation with the system of delegated and implementing acts. Work on the proposal is ongoing before the Parliament's Legal Affairs Committee, with rapporteur József Szájer (EPP, Hungary). The [kick-off meeting](#) to start interinstitutional negotiations with a view to establishing non-binding delineation criteria for delegated and implementing acts took place on 12 September 2017. The European Parliament had proposed a number of criteria in its own-initiative [resolution](#) of 25 February 2014, which remains Parliament's position on this question. The institutions have taken steps to adapt their internal procedures to the provisions of the new IIA, and the Parliament's general overhaul of its rules of procedure incorporated the changes needed to fulfil this aim. Further political guidance regarding the implementation and application of the IIA is expected in an own-initiative [report](#) by the Parliament's committees on Constitutional Affairs (AFCO) and Legal Affairs (JURI) with rapporteurs Pavel Svoboda (EPP, Czech Republic) and Richard Corbett (S&D, United Kingdom).

Regarding the adoption of implementing acts, the Commission proposed [changes](#) to Regulation (EU) 182/2011 ('Comitology Regulation'), aiming to increase transparency and accountability of the decision-making process and reducing the risk of so-called 'no-opinion' scenarios in 'comitology committees'.

Transposition, application, and enforcement of EU legislation in Member States

The IIA, and the better regulation package in general, placed a new emphasis on the question of how EU law is being transposed, applied, and enforced 'on the ground' by Member States. Regarding transposition, the Commission repeatedly urged Member States to avoid going beyond strictly required measures, risking unnecessary costs mistakenly associated with EU legislation ('[gold-plating](#)' of EU rules). The IIA calls upon the Member States to 'communicate clearly' to their public when transposing Union legislation. Regarding the issue of 'gold-plating', the European Parliament emphasised, in its [resolution](#) of 12 April 2016 on the regulatory fitness and performance programme (REFIT), that the adoption of higher standards of social, environmental or consumer protection in cases of 'minimum-harmonisation directives' should not be regarded as 'gold-plating'. Parliament called upon national authorities to be aware of the potential consequences of 'gold-plating', which may lead to unnecessary burdens and misconceptions regarding EU legislative activity. However, both defining the concept of gold-plating and acquiring data regarding the actual extent of the practice at national level remain a challenge.

Transparency and interest representation

Increased transparency is among the main prerequisites for making the Union more accountable and democratic, as envisaged in the 2014 political guidelines. Among several initiatives taken with this aim (including Commission decisions requiring Commissioners, their cabinets and Directors-General to make public all information concerning their meetings with lobbyists, and updated rules on expert groups), the Commission submitted a [proposal](#) for an interinstitutional agreement on a mandatory transparency register on 28 September 2016. The register, when adopted, would include the Council, in addition to the Commission and the Parliament, and, on a voluntary basis, other EU bodies and agencies. The proposal would make certain types of interactions between EU institutions and interest representatives conditional upon prior registration, including, on the Parliament's side, meetings with Members of the European Parliament, the Secretary-General, directors-general and secretaries-general of political groups. Negotiations on the register are ongoing.

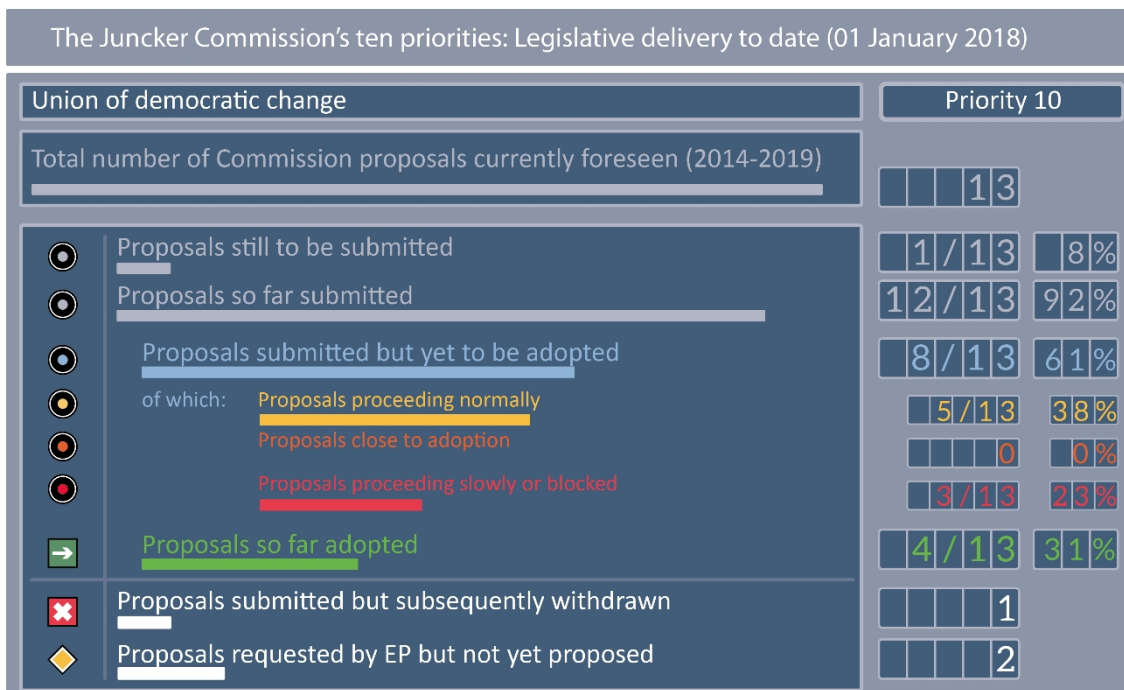
Democratic functioning of the EU: representation and participation

Albeit not foreseen in its work programme, on 13 September 2017, the Commission presented two proposals to revise (i) the [Regulation on Funding European Political Parties and Foundations](#) and (ii) the [European Citizens' Initiative Regulation](#). Given the central role of (European) political parties as the link between citizens and the political system, the stated aims of the first proposal are fostering transparency for citizens regarding the link between European and national parties, enhancing legitimacy, and addressing certain 'loopholes' that make the current rules 'prone to abuse'. Accordingly, the proposal would require national parties to publish the programmes and logos of the European political parties to which they are affiliated. It would strengthen the link between funding and representation by allocating 95 % of EU funding (instead of the current 85 %) to European political parties according to their actual share of elected members of the European Parliament.

The proposal to reform the European Citizens' Initiative Regulation responds to the numerous calls by various actors (including the Parliament, European Ombudsman, the

EU advisory committees and many others) to improve the functioning of the ECI. With the aim of making it a more user-friendly and effective tool for citizen participation, the proposal introduces several changes, among which limiting personal liability of ECI organisers, partial registration of initiatives by the Commission, lowering the minimum age to support an initiative to 16, and simplifying data requirements for signatories.

Both initiatives respond to Parliament's demands – in its resolutions of [15 June 2017](#) on the funding of political parties and political foundations at European level and of [28 October 2015](#) on the European Citizens' Initiative – to submit appropriate reform proposals, and are listed in the Commission work programme 2018 among the priority pending proposals to be finalised by the end of the year.



3. Joint declaration on the EU's legislative priorities for 2018-19

The European Parliament, the Council of the European Union and the European Commission signed the [Interinstitutional Agreement on Better Law-making](#) on 13 April 2016. They agreed to reinforce the Union's annual and multiannual programming, and the Commission committed to engaging in a dialogue with the co-legislators, both before and after the adoption of its annual work programme. The [European Commission's 2018 work programme](#) was the second to be adopted under these new rules. On 14 December 2017, the Presidents of the three institutions signed a joint declaration on the EU's legislative priorities for 2018-19, reproduced below. The institutions recognised the value of this tool for maintaining political attention on the key proposals where results are most needed and renewed it for the period running until the European elections.

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(Information)

JOINT DECLARATIONS

Joint Declaration on the EU's legislative priorities for 2018-2019

(2017/C 446/01)

Europe's future lies in our own hands. Convinced that the European Union is the best instrument to achieve our objectives, we will continue to work together to make our Union stronger, more united and more democratic in the years ahead.

Europe is regaining its strength and we must take advantage of this renewed momentum. With around 18 months until the next European elections, a central democratic moment for voters to assess the effectiveness of the Union, now is the time to show that Europe can deliver for its citizens when and where it matters.

The Joint Declaration on the EU's legislative priorities for 2017, the first since this instrument was created by the Interinstitutional Agreement on Better Law-making of 13 April 2016, has shown its value as a tool for maintaining political attention on the key proposals where results are most needed, and should be renewed for the period running until the European elections.

The three Institutions agree to deliver a positive agenda for a more inclusive and more united EU and a forward looking new financial framework for the years after 2020, supporting the objectives of the Union and ensuring the right balance between EU policies in the interest of citizens. In line with this strong sense of delivery, we will give priority treatment in the legislative process to the following initiatives to ensure substantial progress and, where possible, delivery before the European elections of 2019:

1. Better protecting the security of our citizens, by ensuring Member States' authorities know who is crossing our common external borders, interoperable EU information systems for security, criminal records, border and migration management, by strengthening our instruments on the fight against terrorism and against money laundering, and by enhancing the competitiveness and innovation of the Union defence industry via a European Defence Fund;
2. Reforming and developing our migration policy in a spirit of responsibility and solidarity, including the reform of the Common European Asylum System, including the Dublin mechanism, and the legal migration package;
3. Giving a new boost to jobs, growth and investment, by modernising the EU trade defence instruments and making progress on screening foreign direct investment in the EU, by improving the waste management in a circular economy, by pursuing efforts to deepen our Economic and Monetary Union, and by completing our Banking Union in a way that balances risk sharing and risk reduction;
4. Addressing the social dimension of the European Union, by working on improving the coordination of social security systems, by protecting workers from health risks in the workplace, by ensuring fair treatment for all in our labour markets through modernised rules on posting of workers, and by improving cross-border enforcement;
5. Delivering on our commitment to implement a connected Digital Single Market, by completing the modernisation of rules for the electronic communications sector, by setting higher standards of consumer protection for online and distance sales of both digital and physical goods, and by strengthening cybersecurity;
6. Delivering on our objective of an ambitious Energy Union and a forward looking climate change policy, notably by implementing the 2030 climate and energy framework, by continuing to follow up the Paris Agreement, including through legislation on clean energy for all Europeans and on clean mobility;
7. Further developing the democratic legitimacy at EU level, by improving the functioning of the European Citizens' Initiative and by increasing transparency in the financing of political parties.

In addition, we agree that progress is also needed on the following important issues:

- Pursuing our commitment to common European values, democracy, the rule of law and fundamental rights, reinforcing the democratic legitimacy of the EU and including our joint engagement to stand up against discrimination and xenophobia;
- Pursuing a robust, open and rules-based trade policy, firm in the belief that trade contributes to creating wealth and jobs;
- Tackling tax fraud, tax evasion and tax avoidance, as well as ensuring a sound and fair tax system;
- Ensuring fairness and adequate level of social protection and social rights, as set out in the 20 key principles of the Pillar of Social Rights;
- Reinforcing EU's role in protecting and defending our interests beyond its border and in contributing to stability, security and peace;
- Ensuring a high level of data protection, digital rights and ethical standards while capturing the benefits and avoiding the risks of developments in artificial intelligence and robotics.

The three Institutions also agree to continue to work on all pending proposals.

While substantial progress has been achieved in delivering the priority proposals identified in the 2017 Joint Declaration, we are determined to complete the job we have committed ourselves to. We will continue working on the proposals submitted since December 2016. We will also deal with the legislative proposals set out in the Commission's 2018 work programme.

We remain committed to promoting the proper implementation and enforcement of existing legislation.

We, as Presidents of the European Parliament, the Council and the European Commission, will regularly monitor the timely and efficient implementation of this Joint Declaration.

Antonio TAJANI
President of the European Parliament

Jūri RATAS
President of the Council

Jean-Claude JUNCKER
President of the European Commission

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As the European Commission, under its President, Jean-Claude Juncker, starts the last full calendar year of its five-year mandate, this publication seeks to provide an up-to-date overview of the state of play of delivery by the Commission on each of the ten priorities he asserted on taking office in 2014. The analysis is intended to respond to the growing interest in assessing progress towards the targets that the Commission has set itself, and to identify areas in which difficulties have been, or are being, encountered, as the EU institutions prepare for the 2019 European elections.

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