



European
Commission

STATE ^{OF} THE UNION 2015

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President of the European Commission*

9 September 2015

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

Anchored in the Treaty of Lisbon, the State of the Union address is foreseen in the 2010 Framework Agreement on relations between the European Parliament and the European Commission, which also foresees that the President sends a letter of intent to the President of the European Parliament and the Presidency of the Council that sets out in detail the actions the Commission intends to take by means of legislation and other initiatives until the end of the following year (2016 in this case).

Jean-Claude Juncker, the President of the European Commission, delivered his first State of the Union speech on 9 September 2015.

He also made available an authorised version of his 2015 State of the Union address, and a Report on Progress on the Commission's 10 Priorities.

These documents as well as the transcript of the speech and concluding remarks as delivered are meant to provide a complete picture of the State of the Union 2015, as seen by President Juncker.

All texts are included in the current booklet.

Other language versions are available at www.ec.europa.eu/soteu.

**AUTHORISED STATE OF THE
UNION ADDRESS 2015:
TIME FOR HONESTY,
UNITY AND SOLIDARITY**

Strasbourg, 9 September 2015

STATE OF THE UNION 2015

TIME FOR HONESTY, UNITY AND SOLIDARITY



Mr President,

Honourable Members of the European Parliament,

Today is the first time during my mandate as President of the European Commission that I have the honour to address this House on the State of our European Union.

I would therefore like to recall the political importance of this very special institutional moment.

The State of the Union address is foreseen explicitly by the Framework Agreement that governs the relations between the European Parliament and the European Commission. This Agreement provides that *“[e]ach year in the first part-session of September, a State of the Union debate will be held in which the President of the Commission shall deliver an address, taking stock of the current year and looking ahead to priorities for the following years. To that end, the President of the Commission will in parallel set out in writing to Parliament the main elements guiding the preparation of the Commission Work Programme for the following year.”*

The State of the Union address requires the President of the Commission to take stock of the current situation of our European Union and to set priorities for the work ahead.

And it launches the interinstitutional process leading to a new Work Programme of the European Commission for the year ahead.

Together with Frans Timmermans, my First Vice-President, this morning I sent a letter to the Presidents of both branches of the European legislator: to President Martin Schulz, and to Luxembourg’s Prime Minister Xavier Bettel, who currently holds the rotating Presidency of the Council. This letter sets out in detail the numerous actions the Commission intends to take by means of legislation and other initiatives, from now until the end of 2016. We are proposing an ambitious, focused, and intense legislative agenda that will require Commission, Parliament and Council to work closely and effectively together.

TIME FOR HONESTY, UNITY AND SOLIDARITY

I will not go into the details of our legislative agenda now. We will have a structured dialogue with the Parliament and the Council on this in the weeks to come.

“This is not the time for business as usual.”

But I feel that today is not the moment to speak about all this.

I am the first President of the Commission whose nomination and election is the direct result of the outcome of the European Parliament elections in May 2014.

Having campaigned as a lead candidate, as *Spitzenkandidat*, in the run up to the elections, I had the opportunity to be a more political President.

This political role is foreseen by the Treaties, by means of which the Member States made the Commission the promoter of the general interest of the Union. But the crisis years have diminished this understanding.

This is why I said last September before this House that I wanted to lead a political Commission. A very political Commission.

I said this not because I believe we can and should *politicise* everything.

I said it because I believe the immense challenges Europe is currently facing – both internally and externally – leave us no choice but to address them from a very political perspective, in a very political manner and having the political consequences of our decisions very much in mind.

Recent events have confirmed the urgent need for such a political approach in the European Union.

This is not the time for business as usual.

This is not the time for ticking off lists or checking whether this or that sectorial initiative has found its way into the State of the Union speech.

This is not the time to count how many times the word social, economic or sustainable appears in the State of the Union speech.

Instead, it is time for honesty.

It is time to speak frankly about the big issues facing the European Union.

“There is not enough Europe in this Union. And there is not enough Union in this Union.”

Because our European Union is not in a good state.

There is not enough Europe in this Union.

And there is not enough Union in this Union.

We have to change this. And we have to change this now.

THE REFUGEE CRISIS: THE IMPERATIVE TO ACT AS A UNION

Whatever work programmes or legislative agendas say: The first priority today is and must be addressing the refugee crisis.

Since the beginning of the year, nearly 500,000 people have made their way to Europe. The vast majority of them are fleeing from war in Syria, the terror of the Islamic State in Libya or dictatorship in Eritrea. The most affected Member States are Greece, with over 213,000 refugees, Hungary, with over 145,000, and Italy, with over 115,000.

The numbers are impressive. For some they are frightening.

But now is not the time to take fright. It is time for bold, determined and concerted action by the European Union, by its institutions and by all its Member States.

This is first of all a matter of humanity and of human dignity. And for Europe it is also a matter of historical fairness.

We Europeans should remember well that Europe is a continent where nearly everyone has at one time been a refugee. Our common history is marked by millions of Europeans fleeing from religious or political persecution, from war, dictatorship, or oppression.

Huguenots fleeing from France in the 17th century.

Jews, Sinti, Roma and many others fleeing from Germany during the Nazi horror of the 1930s and 1940s.

Spanish republicans fleeing to refugee camps in southern France at the end of the 1930s after their defeat in the Civil War.

Hungarian revolutionaries fleeing to Austria after their uprising against communist rule was oppressed by Soviet tanks in 1956.

Czech and Slovak citizens seeking exile in other European countries after the oppression of the Prague Spring in 1968.

Hundreds and thousands were forced to flee from their homes after the Yugoslav wars.

Have we forgotten that there is a reason there are more McDonalds living in the U.S. than there are in Scotland? That there is a reason the number of O'Neills and Murphys in the U.S. exceeds by far those living in Ireland?

Have we forgotten that 20 million people of Polish ancestry live outside Poland, as a result of political and economic emigration after the many border shifts, forced expulsions and resettlements during Poland's often painful history?

“We Europeans should remember well that Europe is a continent where nearly everyone has at one time been a refugee. Our common history is marked by millions of Europeans fleeing from religious or political persecution, from war, dictatorship, or oppression.”

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Have we really forgotten that after the devastation of the Second World War, 60 million people were refugees in Europe? That as a result of this terrible European experience, a global protection regime – the 1951 Geneva Convention on the status of refugees – was established to grant refuge to those who jumped the walls in Europe to escape from war and totalitarian oppression?

We Europeans should know and should never forget why giving refuge and complying with the fundamental right to asylum is so important.

I have said in the past that we are too seldom proud of our European heritage and our European project.

Yet, in spite of our fragility, our self-perceived weaknesses, today it is Europe that is sought as a place of refuge and exile.

It is Europe today that represents a beacon of hope, a haven of stability in the eyes of women and men in the Middle East and in Africa.

That is something to be proud of and not something to fear.

“We Europeans should know and should never forget why giving refuge and complying with the fundamental right to asylum is so important.”

There is certainly an important and unprecedented number of refugees coming to Europe at the moment. However, they still represent just 0.11% of the total EU population. In Lebanon, refugees represent 25% of the population. And this in a country where people have only one fifth of the wealth we enjoy in the European Union.

Let us also be clear and honest with our often worried citizens: as long as there is war in Syria and terror in Libya, the refugee crisis will not simply go away.

We can build walls, we can build fences. But imagine for a second it were you, your child in your arms, the world you knew torn apart around you. There is no price you would not pay, there is no wall you would not climb, no sea you would not sail, no border you would not cross if it is war or the barbarism of the so-called Islamic State that you are fleeing.



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Europe today, in spite of many differences amongst its Member States, is by far the wealthiest and most stable continent in the world.

We have the means to help those fleeing from war, terror and oppression.

I know that many now will want to say that this is all very well, but Europe cannot take everybody.

It is true that Europe cannot house all the misery of the world. But let us be honest and put things into perspective.

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So it is high time to act to *manage* the refugee crisis. There is no alternative to this.

There has been a lot of finger pointing in the past weeks. Member States have accused each other of not doing enough or of doing the wrong thing. And more often than not fingers have been pointed from national capitals towards Brussels.

We could all be angry about this blame-game. But I wonder who that would serve. Being angry does not help anyone. And the attempt of blaming others is often just a sign that politicians are overwhelmed by unexpected events.

Instead, we should rather recall what has been agreed that can help in the current situation. It is time to look at what is on the table and move swiftly forwards.

We are not starting anew. Since the early 2000s, the Commission has persistently tabled legislation after legislation, to build a Common European Asylum System. And the Parliament and the Council have enacted this legislation, piece by piece. The last piece of legislation entered into force just in July 2015.

Across Europe we now have common standards for the way we receive asylum seekers, in respect of their dignity, for the way we process their asylum applications, and we have common criteria which our independent justice systems use to determine whether someone is entitled to international protection.

But these standards need to be implemented and respected in practice. And this is clearly not yet the case, we can see this every day on television. Before the summer, the Commission had to start a first series of 32 infringement proceedings to remind Member States of what they had previously agreed to do. And a second series will follow in the days to come. European laws must be applied by all Member States – this must be self-evident in a Union based on the rule of law.

Common asylum standards are important, but not enough to cope with the current refugee crisis. The Commission, the Parliament and the Council said this in spring. The Commission tabled a comprehensive European Agenda on Migration in May. And it would be dishonest to say that nothing has happened since then.

We tripled our presence at sea. Over 122,000 lives have been saved since then. Every life lost is one too many, but many more have been rescued that would have been lost otherwise – an increase of 250%. 29 Member States and Schengen Associated countries are participating in the joint operations coordinated by Frontex in Italy, Greece and Hungary. 102 guest officers from 20 countries; 31 ships; 3 helicopters; 4 fixed wing aircrafts; 8 patrol cars, 6 thermo-vision vehicles and 4 transport vehicles – that is a first measure of European solidarity in action, even though more will have to be done.

We have redoubled our efforts to tackle smugglers and dismantle human trafficker groups. Cheap ships are now harder to come by, leading to less people putting their lives in peril in rickety, unseaworthy boats. As a result, the Central Mediterranean route has stabilised at around 115,000 arriving during the month of August, the same as last year. We now need to achieve a similar stabilisation of the Balkans route, which has clearly been neglected by all policy-makers.

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The European Union is also the number one donor in the global efforts to alleviate the Syrian refugee crisis. Around €4 billion have been mobilised by the European Commission and Member States in humanitarian, development, economic and stabilisation assistance to Syrians in their country and to refugees and their host communities in neighbouring Lebanon, Jordan, Iraq, Turkey and Egypt. Indeed just today we launched two new projects to provide schooling and food security to 240,000 Syrian refugees in Turkey.

We have collectively committed to resettling over 22,000 people from outside of Europe over the next year, showing solidarity with our neighbours. Of course, this remains very modest in comparison to the Herculean efforts undertaken by Turkey, Jordan and Lebanon, who are hosting over 4 million Syrian refugees. I am encouraged that some Member States are showing their willingness to significantly step up our European resettlement efforts. This will allow us very soon to come forward with a structured system to pool European resettlement efforts more systematically.



© Frontex
Search and Rescue Joint Operation Triton 2015, coordinated by Frontex

Where Europe has clearly under-delivered, is on common solidarity with regard to the refugees who have arrived on our territory.

To me, it is clear that the Member States where most refugees first arrive – at the moment, these are Italy, Greece and Hungary – cannot be left alone to cope with this challenge.

This is why the Commission already proposed an emergency mechanism in May, to relocate initially **40,000 people** seeking international protection from Italy and Greece.

And this is why today we are proposing **a second emergency mechanism to relocate a further 120,000 from Italy, Greece and Hungary.**

This requires a strong effort in European solidarity. Before the summer, we did not receive the backing from Member States I had hoped for. But I see that the mood is turning. And I believe it is high time for this.

I call on Member States to adopt the Commission proposals on the emergency relocation of altogether 160,000 refugees at the Extraordinary Council of Interior Ministers on 14 September. We now need immediate action. We cannot leave Italy, Greece and Hungary to fare alone. Just as we would not leave any other EU Member State alone. For if it is Syria and Libya people are fleeing from today, it could just as easily be Ukraine tomorrow.

Europe has made the mistake in the past of distinguishing between Jews, Christians, Muslims. There is no religion, no belief, no philosophy when it comes to refugees.

Do not underestimate the urgency. Do not underestimate our imperative to act. Winter is approaching – think of the families sleeping in parks and railway stations in Budapest, in tents in Traiskirchen, or on shores in Kos. What we will become of them on cold, winter nights?

Of course, relocation alone will not solve the issue. It is true that we also need to separate better those who are in clear need of international protection and are therefore very likely to apply for asylum successfully; and those who are leaving their country for other reasons which do not fall under the right of asylum. This is why today the Commission is proposing **a common EU list of safe countries of origin.** This list will enable Member States to fast track asylum procedures for nationals of countries that are presumed safe to live in. This presumption of safety must in our view certainly apply to all countries which the European Council unanimously decided meet the basic Copenhagen criteria for EU membership – notably as regards democracy, the rule of law, and fundamental rights. It should also apply to the other potential candidate countries on the Western Balkans, in view of their progress made towards candidate status.

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I am of course aware that the list of safe countries is only a procedural simplification. It cannot take away the fundamental right of asylum for asylum seekers from Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo, Montenegro, Serbia, and Turkey. But it allows national authorities to focus on those refugees which are much more likely to be granted asylum, notably those from Syria. And this focus is very much needed in the current situation.

I also believe that beyond the immediate action needed to address current emergencies, **it is time we prepare a more fundamental change in the way we deal with asylum applications** – and notably the Dublin system that requires that asylum applications be dealt with by the first country of entry.

We need more Europe in our asylum policy. We need more Union in our refugee policy.

A true European refugee and asylum policy requires solidarity to be permanently anchored in our policy approach and our rules. This is why, today, the Commission is also proposing **a permanent relocation mechanism**, which will allow us to deal with crisis situations more swiftly in the future.

A common refugee and asylum policy requires **further approximation of asylum policies after refugee status is granted**. Member States need to take a second look at their support, integration and inclusion policies. The Commission is ready to look into how EU Funds can support these efforts. And **I am strongly in favour of allowing asylum seekers to work and earn their own money whilst their applications are being processed**.

“We need more Europe in our asylum policy. We need more Union in our refugee policy.”

A united refugee and asylum policy also requires **stronger joint efforts to secure our external borders**. Fortunately, we have given up border controls between the Member States of the Schengen area, to guarantee free movement of people, a unique symbol of European integration. But the other side of the coin to free movement is that we must work together more closely to manage our external borders. This is what our citizens expect. The Commission said it back in May, and I said it during my election campaign: **We need to strengthen Frontex significantly and develop it into a fully operational European border and coast guard system**. It is certainly feasible. But it will cost money. The Commission believes this is money well invested. This is why we will propose ambitious steps towards a European Border and Coast Guard before the end of the year.

A truly united, European migration policy also means that we need to look into opening **legal channels for migration**. Let us be clear: this will not help in addressing the current refugee crisis. But if there are more, safe and controlled roads opened to Europe, we can manage migration better and make the illegal work of human traffickers less attractive. Let us not forget, we are an ageing continent in demographic decline. We will be needing talent. Over time, migration must change from a problem to be tackled to a well-managed resource. To this end, **the Commission will come forward with a well-designed legal migration package in early 2016**.

A lasting solution will only come if we address the root causes, the reasons why we are currently facing this important refugee crisis. **Our European foreign policy must be more assertive. We can no longer afford to be ignorant or disunited with regard to war or instability right in our neighbourhood**.

In **Libya**, the EU and our Member States need to do more to engage with regional partners to make sure a Government of National Accord is in place soon. We should be prepared to help, with all EU instruments available, such a government to deliver security and services to the population as soon as it is in place. Our EU development and humanitarian support will have to be immediate and comprehensive.

I would also like to point out that we are entering the fifth year of the **Syrian crisis** with no end in sight. So far, the international community has failed the Syrian people. Europe has failed the Syrian people.

Today I call for a European diplomatic offensive to address the crises in Syria and in Libya.

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We need a stronger Europe when it comes to foreign policy. And I am very glad that Federica Mogherini, our determined High Representative, has prepared the ground for such an initiative with her diplomatic success in the Iran nuclear talks. And that she stands ready to work closely together with our Member States towards peace and stability in Syria and Libya.

To facilitate Federica's work, **today the Commission is proposing to establish an emergency Trust Fund, starting with €1.8 billion from our common EU financial means to address the crises in the Sahel and Lake Chad regions, the Horn of Africa, and the North of Africa.** We want to help create lasting stability, for instance by creating employment opportunities in local communities, and thereby address the root causes of destabilisation, forced displacement and illegal migration. I expect all EU Member States to pitch in and match our ambitions.

I do not want to create any illusions that the refugee crisis will be over any time soon. It will not. **But pushing back boats from piers, setting fire to refugee camps, or turning a blind eye to poor and helpless people: that is not Europe.**

Europe is the baker in Kos who gives away his bread to hungry and weary souls. Europe is the students in Munich and in Passau who bring clothes for the new arrivals at the train station. Europe is the policeman in Austria who welcomes exhausted refugees upon crossing the border. This is the Europe I want to live in.

The crisis is stark and the journey is still long. I am counting on you, in this House, and on all Member States to show European courage going forward, in line with our common values and our history.



A NEW START FOR GREECE, FOR THE EURO AREA AND FOR THE EUROPEAN ECONOMY

Mr President, Honourable Members,

I said I want to talk about the big issues today. This is why this State of the Union speech needs to address the situation in Greece, as well as the broader lessons from the fifth year of Greek crisis the impact of which continues to be felt in the Eurozone and in the European economy and society as a whole.

Since the start of the year, the talks on Greece have tested all our patience. A lot of time and a lot of trust was lost. Bridges were burnt. Words were said that cannot easily be taken back.

We saw political posturing, bickering and insults carelessly bandied about.

Too often, we saw people thinking they can impose their views without a wayward thought for another's point of view.

We saw democracies in the Eurozone being played against each other. The recovery and creation of jobs witnessed last year in Greece vanished during these months.

Collectively, we looked into the abyss.

And it was once more only when we were at the brink that we were able to see the bigger picture and to live up to our responsibilities.

In the end, a deal was reached, commitments were adhered to and implemented. Trust has started to be regained, even though it remains very fragile.

I am not proud of every aspect of the results achieved. However, I am proud of the teams in the European Commission who worked day and night until late in August, relentlessly, to bridge the gap between far-flung positions and to bring about solutions in the interest of Europe and of the Greek people.

I know that not everybody was happy with what the Commission did.

Many Greek politicians were not happy that we insisted on reforms in Greece, notably as regards the unsustainable pension system and the unfair tax regime.

Many other European politicians could not understand why the Commission continued to negotiate. Some could not understand why we did not simply leave all the talks to the technicians of the International Monetary Fund. Why we sometimes also spoke about the social side of programme commitments and amended those to take account of the effects on the most vulnerable in society. Or that I personally dared to say again and again that the euro, and membership in the euro, is meant to be irreversible.



*Informal meeting on the state finances of Greece at the sidelines of the European Council Brussels, 19-20/03/2015
French President François Hollande, German Chancellor Angela Merkel, Euro Group President Jeroen Dijsselbloem, Commission President Jean-Claude Juncker, Greek Prime Minister Alexis Tsipras, European Council President Donald Tusk, Secretary-General of the Council of the EU Uwe Corsepius, and President of the European Central Bank Mario Draghi (in a clockwise direction)*

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TIME FOR HONESTY, UNITY AND SOLIDARITY

Mr President, Honourable Members,

The Commission's mandate in negotiations with a programme country such as Greece has a very clear basis: it is the Treaty on European Union which calls on the Commission to promote the common interest of the Union and to uphold the law. The same law includes the Treaty clause, agreed by all Member States, that qualifies membership in the euro as irrevocable.

As long as Member States have not amended the Treaties, I believe the Commission and all other EU institutions have a clear mandate and duty to do everything possible to preserve the integrity of the euro area.

The Commission has also been explicitly entrusted by the European Stability Mechanism (ESM) Treaty, ratified by all euro area Member States, with conducting programme negotiations with a Member State. We have to do this in liaison with the European Central Bank and, where possible, together with the International Monetary Fund. But we have a clear mandate to do so.

“Let us be very honest: We are only at the beginning of a new, long journey.”

Where the Treaties talk about the Commission, I read this as meaning the Commission as an institution that is politically led by the President and the College of Commissioners. This is why I did not leave the talks with Greece to the Commission bureaucracy alone, in spite of their great expertise and the hard work they are doing. But I spoke personally to our experts regularly, often several times per day, to orient them or to adjust their work. I also ensured that every week, the situation of the negotiations in Greece was discussed at length and very politically in the meetings of the College.

Because it is not a technical question whether you increase VAT not only on restaurants, but also on processed food. It is a political and social question.

It is not a technical question, but a deeply political question, whether you increase VAT on medicines in a country where 30% of the population is no longer covered by the public health system as a result of the crisis. Or whether you cut military expenditure instead – in a country that continues to have one of the highest military expenditures in the EU.

It is certainly not a technical question whether you reduce the pensions of the poorest in society or the minimum wage; or if you instead levy a tax on Greek ship owners.

Of course, the figures in what is now the third Greek programme had to add up in the end. But we managed to do this with social fairness in mind. I read the Troika report of the European Parliament very thoroughly. I hope you can see that we have drawn the lessons from this, that we have made, for the first time, a social impact assessment of the programme. Even though I admit frankly that the Commission also had to compromise sometimes in these negotiations.

What matters to me, is that, in the end, a compromise was found which could be agreed by all 19 euro area Member States, including Greece.

After weeks of talks, small progress, repeated setbacks, many crisis moments, and often a good dose of drama, we managed to sign a new Stability Support Programme for Greece on 19 August.

Now that the new programme is in place, I want it to be a new start, for Greece and for the euro area as a whole.

Let us be very honest: We are only at the beginning of a new, long journey.

For Greece, the key now is to implement the deal which was agreed. There has to be broad political ownership for this.

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I had the leaders of all the mainstream Greek political groups in my office before the final agreement was concluded. They all promised to support this agreement, and they gave first proof of their commitment when they voted for the new programme and for the first three waves of reforms in the Hellenic Parliament. I expect them to stand by their word and deliver on the agreement – whoever governs. **Broad support and timely delivery of the reforms is what Greece needs, so that confidence can return both among the Greek people and to the Greek economy.**

The programme is one thing, but it is not enough to put Greece on a path of sustainable growth. **The Commission will stand by Greece to make sure the reforms take shape. And we will assist Greece in developing a growth strategy which is Greek owned and Greek led.**

From the modernisation of the public administration and the independence of the tax authority, the Commission will provide tailor-made technical assistance, together with the help of European and international partners. This will be the main task of the new Structural Reform Support Service I established in July.

On 15 July, the Commission also put forward a proposal to limit national co-financing in Greece and to frontload funding for investment projects short of liquidity: **a €35 billion package for growth**. This is urgent for recovery after months of financial squeeze. This is money that will reach the Greek real economy, for businesses and authorities to invest and recruit.

The Commission worked day-in, day-out to put this on the table. National Parliaments met several times throughout the month of August. I therefore hope that the European Parliament will also play its part, in line with previous commitments. Our programme for growth in Greece has been on the table of this House for two months. If adopted, it will still take several weeks until the first euro will reach the real economy of Greece.

I call on you to follow the example of the Council, which will agree on this growth programme by the end of this month. The European Parliament should be at least as fast as the Council on this.

I said I wanted the new programme to be a new start not just for Greece but for the euro area as a whole, because there are important lessons we need to draw from the crisis that has haunted us for far too long.

The economic and social situation speaks for itself: over 23 million people are still unemployed today in the European Union, with more than half without a job for a year or more. In the euro area alone, more than 17.5 million people are without a job. Our recovery is hampered by global uncertainties. Government debt in the EU has reached more than 88% of GDP on average, and stands at almost 93% in the euro area.

The crisis is not over. It has just been put on pause.

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This is not to say that nothing is happening. Unemployment figures are improving, GDP is rising at its highest rate for years, and the financing conditions of households and companies have recovered significantly. And several Member States once severely affected – like Latvia, Ireland, Spain and Portugal – which received European financial assistance are now steadily growing and consolidating their economies.

This is progress but recovery is too slow, too fragile and too dependent on our external partners.

More fundamentally, the crisis has left us with very wide differences across the euro area and the EU as a whole. It has damaged our growth potential. It has added to the long-term trend of rising inequalities. All this has fuelled doubts about social progress, the value of change and the merits of belonging together.

What we need is to recreate a process of convergence, both between Member States and within societies, with productivity, job creation and social fairness at its core.

We need more Union in our Europe.

For the European Union, and for my Commission in particular, this means two things: first, investing in Europe's sources of jobs and growth, notably in our Single Market; and secondly, completing our Economic and Monetary Union to creating the conditions for a lasting recovery. We are acting on both fronts.

Together with you and the Member States, we brought to life the **€315 billion Investment Plan for Europe**, with a new European Fund for Strategic Investments (EFSI).

Less than a year after I announced this plan, we are now at a point where some of the first projects are just taking off:

40,000 households all over France will get a lower energy bill and 6,000 jobs will be created, thanks to Investment Fund-financed improved energy efficiency in buildings.

In health clinics in Barcelona, better treatment will be available to patients through new plasma derived therapies, funded by the Investment Fund.

In Limerick and other locations in Ireland, families will have improved access to primary healthcare and social services through fourteen new primary care centres. This is just the beginning, with many more projects like these to follow.

At the same time as we deploy our Investment Plan, we are upgrading our Single Market to create more opportunities for people and business in all 28 Member States. Thanks to Commission projects such as the Digital Single Market, Capital Markets Union and the Energy Union, we are reducing obstacles to activities cross-border and using the scale of our continent to stimulate innovation, connecting talents and offering a wider choice of products and services.

But we will fail in our efforts to prosper if we do not learn a hard lesson: we have not yet convinced the people of Europe and the world that our Union is not just here to survive, but can also thrive and prosper.

Let us not fool ourselves: our collective inability to provide a swift and clear answer to the Greek crisis over the last months weakened us all. It damaged the trust in our single currency and the EU's reputation in the world.

No wind favours he who has no destined port – we need to know where we are headed.

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This is the essence of the report I presented in June with the other Presidents of the European institutions on the completion of our Economic and Monetary Union.

It was self-evident for me to include President Schulz in this important work. After all, the Parliament is the heart of democracy at EU level, just as national Parliaments are the heart of democracy at national level. **The European Parliament is and must remain the Parliament of the euro area.** And the European Parliament, in its role as co-legislator, will be in charge of deciding on the new initiatives the Commission will propose in the months to come to deepen our Economic and Monetary Union. **I am therefore glad that for the first time, we have written not a ‘Four Presidents’ Report’, but a ‘Five Presidents’ Report’.**

Despite months of late-night discussions to find an agreement for Greece, we wrote this report in May and June to set out the course for a stronger future. The Five Presidents of the leading EU institutions have agreed a **roadmap that should allow us to stabilise and consolidate the euro area by early 2017**; and then, on the basis of a renewed convergence of our economies, to achieve **more fundamental reform** and move where we can from crisis resilience to new growth perspectives.

As we had expected, the Five Presidents’ Report has triggered a lively debate across Europe. Some say we need a government of the euro. Others say we need more discipline and respect of the rules. I agree with both: we need collective responsibility, a greater sense of the common good and full respect and implementation of what is collectively agreed. But I do not agree this should mean the multiplication of institutions or putting the euro on auto pilot, as if new institutions or magic rules could deliver more or better.

“No wind favours he who has no destined port – we need to know where we are headed.”

You cannot run a single currency on the basis of rules and statistics alone. It needs constant political assessment, as the basis of new economic, fiscal and social policy choices.



TIME FOR HONESTY, UNITY AND SOLIDARITY

The Five Presidents' Report includes a full agenda of work for the years to come, and I want us to move swiftly on all fronts – economic, financial, fiscal and political Union. Some efforts will have to be focused on the euro area, while others should be open to all 28 Member States, in view of their close interaction with our Single Market.

Allow me to highlight five domains where the Commission will present ambitious proposals swiftly and where we will be expecting progress already this autumn.

First: the Five Presidents agreed that we need **a common system to ensure that citizens' bank savings are always protected up to a limit of €100,000 per person and account**. This is the missing part of our Banking Union.

Today, such protection schemes exist, but they are all national. **What we need is a more European system, disconnected from government purses so that citizens can be absolutely sure that their savings are safe.**

We all saw what happened in Greece during the summer: Citizens were – understandably – taking out their savings since they had little trust and confidence in the financial capability of the State to support its banking system. This must change.

A more common deposit guarantee system is urgently needed, and the Commission will present a legislative proposal on the first steps towards this before the end of the year.

I am of course fully aware there is no consensus on this yet. But I also know that many of you are as convinced as I am of the need to move ahead. I say to those who are more sceptical: the Commission is fully aware that there are differences in the starting positions of Member States. Some have developed and well-financed their national systems of deposit insurance. Others are still building up such systems. We need to take these differences into account. This is why the Five Presidents' Report advocates not full mutualisation, but a new approach by means of a reinsurance system. We will present further details on this in the weeks to come.

Second: **we need a stronger representation of the euro on the global scene**. How is it possible that the euro area, which has the second largest currency in the world, can still not speak with one voice on economic matters in international financial institutions?

Imagine yourselves in the daily work of the International Monetary Fund for a moment. We know well how important the IMF is. Still, instead of speaking with one voice as the euro area, Belgium and Luxembourg have to agree their voting position with Armenia and Israel; and Spain sits in a joint constituency with Latin American countries.

How can it be that we – Europeans – are jointly major shareholders of global institutions such as the IMF and the World Bank and still end up acting as a minority?

How can it be that a strategically important new Infrastructure Investment Bank is created in Asia, and European governments, instead of coordinating their efforts, engage in a race who is first to become a member?

We need to grow up and put our common interests ahead of our national ones. **For me, the President of the Eurogroup should be the natural spokesperson for the euro area in international financial institutions such as the IMF.**

Third: **we need a more effective and more democratic system of economic and fiscal surveillance**. I want this Parliament, national Parliaments, as well as social partners at all levels, to be key actors in the process. I also want the interest of the euro area as a whole to be better reflected upfront in EU and national policies: the interest of the whole is not just the sum of its parts. This will be reflected in our proposals to streamline and strengthen the European Semester of economic policy coordination further.

TIME FOR HONESTY, UNITY AND SOLIDARITY

In the future, I no longer want our recommendations for the economic orientation of the euro area as a whole to be empty words. I want them to provide real orientation, notably on the fiscal stance of the euro area.

Fourth: **we need to enhance fairness in our taxation policies.** This requires greater transparency and equity, for citizens and companies. We presented an Action Plan in June, the gist of which is the following: **the country where a company generates its profits must also be the country of taxation.**

One step towards this goal is our work on a Common Consolidated Corporate Tax Base. This simplification will make tax avoidance more difficult.

“The same pay for the same job at the same place.”

We are also working hard with the Council to conclude an agreement on the automatic exchange of information on tax rulings by the end of the year.

At the same time, we expect our investigations into the different national schemes to yield results very soon.

And we are fighting hard to get Member States to adopt the modalities of a Financial Transaction Tax by the end of the year.

We need more Europe, we need more Union, and we need more fairness in our taxation policy.

Fifth: **We have to step up the work for a fair and truly pan-European labour market.** Fairness in this context means promoting and safeguarding the free movement of citizens as a fundamental right of our Union, while avoiding cases of abuses and risks of social dumping.

Labour mobility is welcome and needed to make the euro area and the single market prosper. But labour mobility should be based on clear rules and principles. The key principle should be that we ensure **the same pay for the same job at the same place.**

As part of these efforts, I will want to develop **a European pillar of social rights**, which takes account of the changing realities of Europe's societies and the world of work. And which can serve as a compass for the renewed convergence within the euro area.

This European pillar of social rights should complement what we have already jointly achieved when it comes to the protection of workers in the EU. I will expect social partners to play a central role in this process. I believe we do well to start with this initiative within the euro area, while allowing other EU Member States to join in if they want to do so.

As said in the Five Presidents' Report, we will also need to look ahead at more fundamental steps with regard to the euro area. The Commission will present a White Paper on this in spring 2017.

Yes, we will need to set up a Euro Area Treasury over time, which is accountable at European level. And I believe it should be built on the European Stability Mechanism we created during the crisis, which has, with a potential credit volume of €500 billion, a firepower that is as important as the one of the IMF. The ESM should progressively assume a broader macroeconomic stabilisation function to better deal with shocks that cannot be managed at the national level alone. We will prepare the ground for this to happen in the second half of this mandate.

The European Union is a dynamic project. A project to serve its people. There are no winners or losers. We all get back more than we put in. It is one, comprehensive project. This is also a message for our partners in the United Kingdom, which I have very much in my mind when thinking about the big political challenges of the months to come.

A FAIR DEAL FOR BRITAIN

Since I took office, things have become clearer as regards the United Kingdom: before the end of 2017, there will be a referendum on whether Britain remains in the Union or not. This will of course be a decision for voters in the United Kingdom. But it would not be honest nor realistic to say that this decision will not be of strategic importance for the Union as a whole.

I have always said that I want the UK to stay in the European Union. And that I want to work together with the British government on a fair deal for Britain.

The British are asking fundamental questions to and of the EU. Whether the EU delivers prosperity for its citizens. Whether the action of the EU concentrates on areas where it can deliver results. Whether the EU is open to the rest of the world.

These are questions to which the EU has answers, and not just for the sake of the UK. All 28 EU Member States want the EU to be modern and focused for the benefit of all its citizens. We all agree that the EU must adapt and change in view of the major challenges and crisis we are facing at the moment.

This is why we are completing the Single Market, slashing red tape, improving the investment climate for small businesses.

This is why we are creating a Digital Single Market – to make it such that your location in the EU makes no difference to the price you pay when you book a car online. We are modernising the EU's copyright rules – to increase people's access to cultural content online while ensuring that authors get a fair remuneration. And just two months ago, the EU agreed to abolish roaming charges as of summer 2017, a move many tourists and travellers, notably from Britain, have been calling for, for years.

This is why we are negotiating trade agreements with leading nations such as the Transatlantic Trade and Investment Partnership. This is why we are opening markets and breaking down barriers for businesses and workers in all 28 EU Member States.

It is my very personal commitment to improve the way in which the Union works with national Parliaments. I have inscribed a duty to interact more closely with national Parliaments in the mission letters of all Members of my Commission. **I am convinced that strengthening our relationship with national Parliaments will bring the Union closer to the people that it serves.** This is an ambition that I know Prime Minister David Cameron also shares. I am confident that we will be able to find a common answer.

Over a year ago, when I campaigned to become President of the Commission, I made a vow that, as President, I would seek a fair deal for Britain. A deal that is fair for Britain. And that is also fair for the 27 other Member States.

I want to ensure we preserve the integrity of all four freedoms of the Single Market and at the same time find ways to allow the further integration of the Eurozone to strengthen the Economic and Monetary Union.



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To be fair to the UK, part of this deal will be to recognise the reality that not all Member States participate in all areas of EU policy. Special Protocols define the position of the UK, for instance in relation to the euro and to Justice and Home Affairs. To be fair to the other Member States, the UK's choices must not prevent them from further integration where they see fit.

I will seek a fair deal for Britain. I will do this for one reason and one reason alone: because I believe that the EU is better with Britain in it and that Britain is better within the EU.

In key areas, we can achieve much more by acting collectively, than we could each on our own. This is in particular the case for the tremendous foreign policy challenges Europe is currently facing and which I will address in the next part of this speech.

UNITED ALONGSIDE UKRAINE

Europe is a small part of the world. If we have something to offer, it is our knowledge and leadership.

Around a century ago, one in five of the world's population were in Europe; today that figure is one in nine; in another century it will be one in twenty-five.

I believe we can, and should, play our part on the world stage; not for our own vanity, but because we have something to offer. We can show the world the strength that comes from uniting and the strategic interest in acting together. There has never been a more urgent and compelling time to do so.

“If we want to promote a more peaceful world, we will need more Europe and more Union in our foreign policy. This is most urgent towards Ukraine.”

We have more than 40 active conflicts in the world at the moment. While these conflicts rage, whilst families are broken and homes reduced to rubble, I cannot come to you, almost 60 years after the birth of the European Union and pitch you peace. For the world is not at peace.

If we want to promote a more peaceful world, we will need more Europe and more Union in our foreign policy. This is most urgent towards Ukraine.

The challenge of helping Ukraine to survive, to reform and to prosper is a European one. Ultimately, the Ukrainian dream, the dream of the Maidan is European: to live in a modern country, in a stable economy, in a sound and fair political system.

Over the past twelve months, I have got to know President Poroshenko well, at a Summit, over dinner at his home, during many meetings and countless phone calls. He has begun a transformation of his country. He is fighting for peace. He deserves our support.

We have already done a lot, lending €3.41 billion in three Macro-Financial Assistance programmes, helping to broker a deal that will secure Ukraine's winter gas supplies and advising on the reform of the judiciary. The EU and all its Member States must contribute if we are to succeed.

We will also need to maintain our unity.

We need unity when it comes to **the security of our Eastern Member States, notably the Baltics.**

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The security and the borders of EU Member States are untouchable. I want this to be understood very clearly in Moscow.

We need more unity when it comes to sanctions. The sanctions the EU has imposed on Russia have a cost for each of our economies, and repercussions on important sectors, like farming. But sanctions are a powerful tool in confronting aggression and violation of international law. They are a policy that needs to be kept in place until the Minsk Agreements are complied with in full. We will have to keep our nerve and our unity.

But we must also continue to look for solutions.

I spoke to President Putin in Brisbane at the G20, in a bilateral meeting that went on into the early hours of the morning. We recalled how long we have known each other, how different times had become. A spirit of cooperation between the EU and Russia has given way to suspicion and distrust.

The EU must show Russia the cost of confrontation but it must also make clear it is prepared to engage.

I do not want a Europe that stands on the sidelines of history. I want a Europe that leads. When the European Union stands united, we can change the world.



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UNITED IN LEADERSHIP IN ADDRESSING CLIMATE CHANGE

One example of where Europe is already leading is in our action on climate change.

In Europe we all know that climate change is a major global challenge – and we have known for a while now.

The planet we share – its atmosphere and stable climate – cannot cope with the use mankind is making of it.

Some parts of the world have been living beyond their means, creating carbon debt and living on it. As we know from economics and crisis management, living beyond our means is not sustainable behaviour.

Nature will foot us the bill soon enough. In some parts of the world, climate change is changing the sources of conflict – the control over a dam or a lake can be more strategic than an oil refinery.

Climate change is even one the root causes of a new migration phenomenon. Climate refugees will become a new challenge – if we do not act swiftly.

The world will meet in Paris in 90 days to agree on action to meet the target of keeping the global temperature rise below 2 degrees Celsius. **The EU is on track and made a clear pledge back in March: a binding, economy-wide emissions reduction target of at least 40% by 2030, compared to 1990 levels. This is the most ambitious contribution presented to date.**

Others are following, some only reluctantly.

Let me be very clear to our international partners: the EU will not sign just any deal. My priority, Europe's priority, is to adopt an ambitious, robust and binding global climate deal.

This is why my Commission and I have been spending part of this first year in drumming support for ambition in Paris. Last May I was in Tokyo where I challenged Prime Minister Abe to work with us in ensuring that Paris is a worthy successor of Kyoto.

In June at the G7 summit, leaders agreed to develop long-term low-carbon strategies and abandon fossil fuels by the end of the century.

Later I met Chinese Premier Li Keqiang to prepare Paris and to launch a partnership to ensure that cities of today are designed to meet the energy and climate needs of tomorrow.

And, in coordination with the High Representative, the members of the College have been engaged in climate diplomacy efforts. Today Commissioner Arias Cañete is in Papua New Guinea discussing the plans for Paris with the leaders of the Pacific Islands Forum. If corrective action is not taken to tackle climate change, the tide will rise and those islands will be the proverbial canary in the coalmine.

At the G7 Summit in Krün, Germany, European Commission President Jean-Claude Juncker and European Council President Donald Tusk discuss climate change, the next UN Sustainable Development Agenda and the state of the global economy with the Heads of State and Government of the G7 Countries



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However, if Paris delivers, humanity will, for the first time, have an international regime to efficiently combat climate change.

Paris will be the next stop but not the last stop. There is a Road to Paris; but there is also a Road from Paris.

My Commission will work to ensure Europe keeps leading in the fight against climate change. We will practice what we preach.

We have no silver bullet to tackle climate change. But our laws, such as the EU Emissions Trading Scheme, and our actions have allowed us to decrease carbon emissions whilst keeping the economy growing.

“My Commission will work to ensure Europe keeps leading in the fight against climate change.”

Our forward-looking climate policy is also delivering on our much needed Energy Union goals: it is making us a world leader in the renewable energy sector, which today employs over one million people across the EU and generates €130 billion turnover, including €35 billion worth of exports. European companies today hold 40% of all patents for renewable technologies and the pace of technological change increases the potential for new global trade in green technology.

This is why a strategic focus on innovation and on interconnecting our markets is being given in the implementation of the Energy Union.

This is what I promised you last year and this is what this Commission has delivered and will continue to deliver.

The fight against climate change will not be won or lost in diplomatic discussions in Brussels or in Paris. It will be won or lost on the ground and in the cities where most Europeans live, work and use about 80% of all the energy produced in Europe.

That is why I have asked President Schulz to host the Covenant of the Mayors meeting in the Parliament next month, bringing together more than 5,000 European mayors. They have all pledged to meet the EU CO₂ reduction objective. I hope that all members of this House will lend their support to the action that communities and localities across Europe are taking to making Paris and its follow up a success.

CONCLUSION

Mr President, Honourable Members,

There were many things I did not and could not mention today. For example, I would have liked to talk to you about Cyprus and my hope, my ambition and my wish to see the island united next year. After I met for a long talk with President Nikos Anastasiades and Mustafa Akinci in the middle of the Green Line in July, I am confident that, with the necessary vision and political will from the two leaders, this is feasible under the current conditions and with continued good coordination between UN and EU efforts. I will offer all my support and assistance to help achieve this objective. **Because I believe that walls and fences have no place in an EU Member State.**

I have not spoken about Europe's farmers who were protesting this week in Brussels. **I agree with them that there is something wrong in a market when the price of a litre of milk is less than the price of a litre of water.** But I do not believe that we can or should start micromanaging the milk market from Brussels. We should compensate the farmers who are suffering from the effects of sanctions against Russia. And this is why the Commission is putting a **€500 million solidarity package** for farmers on the table. And European and national competition authorities should take a close look into the structure of the market. Something has turned sour in the milk market. My impression is that we need to break some retail oligopolies.

There is much more to be said but in touching upon the main issues, the main challenges confronting us today, for me there is one thing that becomes clear: whether it is the refugee crisis we are talking about, the economy or foreign policy: we can only succeed as a Union.

Who is the Union that represents Europe's 507 million citizens? The Union is not just Brussels or Strasbourg. The Union is the European Institutions. The Union is also the Member States. It is national governments and national Parliaments.

It is enough if just one of us fails to deliver for all of us to stumble.

Europe and our Union have to deliver. While I am a strong defender of the Community method in normal times, I am not a purist in crisis times – I do not mind *how* we cope with a crisis, be it by intergovernmental solutions or community-led processes. As long as we find a solution and get things done in the interest of Europe's citizens.

However, when we see the weaknesses of a method, we have to change our approach.

Look at the relocation mechanism for refugees we put on the table for Greece and Italy in May: the Commission proposed a binding, communitarian solidarity scheme. Member States opted instead for a voluntary approach. The result: the 40,000 figure was never reached. Not a single person in need of protection has been relocated yet and Italy and Greece continue to cope alone. This is simply not good enough.

Look at intergovernmental solutions like the 2011 Fiscal Compact to strengthen fiscal discipline or the 2014 Agreement setting up a common bank resolution fund. Today, we see that not a single Member State has completely implemented the Fiscal Compact. And only 4 out of 19 Member States have ratified the agreement on the bank resolution fund, which is meant to be launched on 1 January 2016.

This is simply not good enough if we want to cope with the present, immense challenges.

We have to change our way of working.

We have to be faster.

STATE OF THE UNION 2015

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We have to be more European in our method.

Not because we want power at European level. But because we need urgently better and swifter results.

We need more Europe in our Union.

We need more Union in our Union.

All my life, I have believed in Europe. I have my reasons, many of which I know and am relieved are not relatable to generations today.

Upon taking office, I said I want to rebuild bridges that had started to crumble. Where solidarity had started to fray at the seams. Where old daemons sought to resurface.

We still have a long way to go.

But when, generations from now, people read about this moment in Europe's history books, let it read that we stood together in demonstrating compassion and opened our homes to those in need of our protection.

That we joined forces in addressing global challenges, protecting our values and resolving conflicts.

That we made sure taxpayers never again have to pay for the greed of financial speculators.

That hand in hand we secured growth and prosperity for our economies, for our businesses, and above all for our children.

Let it read that we forged a Union stronger than ever before.

Let it read that together we made European history. A story our grandchildren will tell with pride.



Jean-Claude Juncker

LETTER OF INTENT
TO PRESIDENT MARTIN SCHULZ
AND TO PRIME MINISTER
XAVIER BETTEL

Strasbourg, 9 September 2015



Jean-Claude JUNCKER
President of the European Commission

Frans TIMMERMANS
First Vice-President of the European Commission

Strasbourg, 9 September 2015

Dear President Schulz, *Dear Martin,*
Dear Prime Minister Bettel, *Dear Xavier,*

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

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

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

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*Mr Martin Schulz
President of the European Parliament*

*Mr Xavier Bettel
Prime Minister of Luxembourg*

By email

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

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

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

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

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

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

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

Priority 2: A Connected Digital Single Market

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

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

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

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

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

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

Priority 5: A Deeper and Fairer Economic and Monetary Union

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

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

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

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

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

Priority 8: Towards a New Policy on Migration

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

Priority 9: A Stronger Global Actor

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

Priority 10: A Union of Democratic Change

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

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

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

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

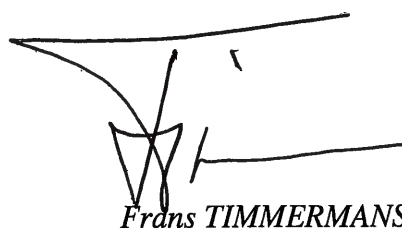
In light of the magnitude of the challenges ahead, all three institutions need to concentrate their efforts and energy on moving swiftly forward on those key files which have the potential to make a real difference to the daily lives of citizens and businesses. This is why the Commission will make another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

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

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



Jean-Claude JUNCKER



Frans TIMMERMANS



PROGRESS
ON THE EUROPEAN
COMMISSION'S
10 PRIORITIES

1. A New Boost for Jobs, Growth and Investment

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

Jean-Claude Juncker, Political Guidelines, 15 July 2014

The **Investment Plan for Europe** has already started financing real projects: research into Alzheimer's and heart disease; new energy connectors across Europe; making steel and pulp production greener; extending family healthcare to rural areas; improving energy efficiency in homes, to name but a few.

We promised to bring Europe back to jobs and growth. With the Investment Plan, **we have delivered**: just one month into office, the Juncker Commission **unveiled an ambitious plan to mobilise at least €315 billion of investment over three years**, without creating new debt. This is now operational and yielding tangible results.

Together with the European Investment Bank, which started the work early in 2015 already, the EU institutions worked at an unprecedented pace, in less than six months' time, to pass the necessary legislation. The Regulation establishing a **European Fund for Strategic Investments (EFSI)** entered into force in July 2015. Nine Member States have already declared their intention to add to the firepower of the EFSI, in most cases via their national promotional banks. Bulgaria (€100 million), Germany (€8 billion), Spain (€1,5 billion), France (€8 billion), Italy (€8 billion), Luxembourg (€80 million), Slovakia (€400 million) Poland (€8 billion), United-Kingdom (€8,5 billion/£6 billion).

The idea behind EFSI is to use public money as a guarantee and catalyst to stimulate private investment in the real economy, where it is most needed. It will be used to mobilise the abundant liquidity available to support strategic projects which would not receive financing otherwise, in areas such as research and innovation, renewable energy, broadband and healthcare.

This is not just about large infrastructure projects: a quarter of the EFSI-guarantees will be used to finance small and medium-sized enterprises (SMEs) and mid-caps, which have struggled to secure financing for their activities since the crisis.

Already now the European Investment Fund (EIF) has signed over twenty agreements with intermediaries across Europe, meaning millions of euros are being made available to SMEs from Prague to Poznan, Bucharest to Birmingham - and more are being signed every week.

An **Investment Project Portal** is being made available to advertise projects for potential investors and an **Investment Advisory Hub** will be launched shortly to assist project promoters.

To support its agenda for investment, structural reforms and fiscal responsibility, the Commission presented in January an interpretative Communication on making the best use of the **flexibility within the existing rules of the Stability and Growth Pact**.

As part of its broader effort to fight unemployment, the Commission proposed and the EU legislator agreed in May to **frontload €1 billion to speed up the implementation of the Youth Employment Initiative**. This will help up to 650,000 young people find jobs, apprenticeships, traineeships or continued education across Europe. The Commission will swiftly present a **recommendation to promote the integration of the long-term unemployed** in the labour market.



2. A Connected Digital Single Market

"We must make much better use of the great opportunities offered by digital technologies, which know no borders. To do so, we will need to have the courage to break down national silos in telecoms regulation, in copyright and data protection legislation, in the management of radio waves and in the application of competition law."

Jean-Claude Juncker, Political Guidelines, 15 July 2014

The Internet and digital technologies are transforming our world. Today we can watch our favourite TV show live on our smartphones while walking in the street; we can run our errands from home using the Internet to order food from our grocery shop; we can interact with our public administrations online. Tomorrow you will be able to read your book while your car is driving you to your friend's house; your fridge will directly make your food orders at the supermarket; your grandmother's doctor will be immediately alerted if she has forgotten to take her medicine.

The digital revolution is about having access to new goods and services that will make life easier for citizens and offer new opportunities to business. Europe must embrace this digital future by using the scale of the EU's Single Market. At present, barriers online mean citizens miss out on goods and services: only 15% shop online from another EU country and only 7% of SMEs sell cross-border.

In May, the Commission presented its Strategy to create a Digital Single Market. A **Digital Single Market could contribute €415 billion per year to our economy and create hundreds of thousands of new jobs.**

First, the Digital Single Market will offer **better access for consumers and businesses to digital goods and services across Europe.** The Commission will remove the barriers that today hamper you from buying online the pair of shoes you want from a shop based in another Member State. The Commission will also make sure that when you travel abroad you can still watch all the TV programmes you like most from your favourite channel as if you were at home.

Second, the Commission will **create the right conditions for digital networks to develop and innovative services to flourish.** It means that you will be able to have Internet access everywhere you go, even in the mountains or in isolated rural corners at an affordable price.

Thirdly, the Commission will work to **boost the digitalisation of our society and economy**

notably by promoting standards that are interoperable. It aims at making life easier for citizens so that electronic devices are compatible between them and connect you with all online services you need from your kids' school, to the hospital or your gas supplier.

In 2015, important steps have already been taken. The EU institutions have agreed to **end roaming charges** and to guarantee an **open Internet.** The price for calling your home country from abroad could cost in 2005 up to €5 a minute. With the EU anti-roaming rules, costs to consumers have dropped significantly. In 2007 the roaming limits were €0,49 a minute for a call and are now €0,19 a minute. By June 2017, roaming charges will disappear altogether, it will cost you exactly the same price to call friends and family or download pictures and movies wherever you are in Europe as if you were at home. With the new rules, your Internet service provider will not be allowed to block you access to any Internet service you may wish to have.

The reform of our **personal data protection** rules should be finalised by the end of 2015. You will then have easier access to your data and you will be able to transfer your personal data when you change email address from your former account to the new one. You will be able to better manage your "online life" and you will have the right to be forgotten and delete the pictures you posted on a social platform years ago. You will also get the guarantee that your personal data is protected by the EU rules even if handled by non EU companies.



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

"Current geopolitical events have forcefully reminded us that Europe relies too heavily on fuel and gas imports. I therefore want to reform and reorganise Europe's energy policy into a new European Energy Union."

Jean-Claude Juncker, Political Guidelines, 15 July 2014

It was urgent to put an end to the disorderly patchwork of energy and climate policies in the 28 Member States. In February the Commission presented detailed steps for an Energy Union that delivers the twin goals of **cutting the emissions** that provoke changes in the climate and making **energy systems more secure, sustainable and reliable**.

This requires combining infrastructures and interconnecting the markets so that energy can flow freely across borders. The grids must be designed so that the electricity produced in the wind farms of the Atlantic or in the solar farms of the plains can provide cheaper power to the industrial installations and to the homes where it is most needed.

This is why, in March, this **Commission agreed with France, Spain and Portugal to strengthen the connections on the Iberian Peninsula**. It has also supported **Italy and Malta to build the cable that in April ended with the isolation of the Maltese grid**. Blackouts will be less frequent as Malta is no longer an energy island.

This Commission has also **upgraded the Baltic Energy Market Interconnection Plan** to bring the electricity grid of that part of the EU closer to the European markets thereby strengthening the energy security of the Baltics. Likewise it has, since February, been working with the countries of **Central and South East Europe in designing the networks that will guarantee gas supply** in case of disruption of imports.

In July, the Commission presented proposals to help consumers benefit from new technologies to reduce their bills. First, it proposed to make the **energy efficiency label easier to read and providing manufacturers with the incentives to design and sell more energy efficient appliances**. Once in place, the new rules will bring additional energy savings equal to today's energy consumption of the three Baltic countries combined. Second, it presented measures to **support the use by consumers of smart home-metering appliances** which make it simpler to manage consumption and to switch suppliers by benefiting from increased comparability of prices.

Also in July the Commission began **adapting the electricity markets to new forms of energy production** such as renewables and has reformed **the EU Emissions Trading System**. The goal is to offer the incentives leading the energy-intensive industries to modernise their plants and make use of innovative solutions to reduce and capture carbon emissions.

The transformation to a low-carbon economy drives disruptive innovation. Today renewable energy caters for the needs of 78 million Europeans, or one quarter of EU electricity consumption. It employs over one million people and generates €130 billion turnover, including €35 billion worth of exports. European companies today hold 40% of all patents for renewable technologies and the pace of technological change increases the potential for new global trade in green technology. The future electricity-powered cars and planes will require venturing into the new technologies that will boost the low-carbon transition such as smart appliances, solar power and electric batteries. To that end strategic focus on research and innovation is being given in the implementation of the Energy Union and to making the EU the world number one in renewables.

This combined action helps the EU to fulfil its pledge **to reduce domestic greenhouse gas emissions by at least 40% by 2030** and sends a clear signal of leadership in the run-up to the **United Nations Climate Change Conference in Paris** in December.



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

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

Jean-Claude Juncker, Political Guidelines, 15 July 2014

The European Commission has been improving the Internal Market in the field of taxation, finance, goods and services.

Ensuring that all companies active in Europe pay their fair share of taxes is paramount for a well-functioning single market. We are ensuring that companies will no longer be able to exploit differences and loopholes in national tax regimes. We have asked all Member States to provide information on tax-rulings and several **in-depth investigations** will be completed this autumn. We proposed in March 2015, and are now working hard with the Council Presidency, to conclude an agreement on the **automatic exchange of information** between Member States on their tax rulings by the end of this year.

In June 2015 we launched the Action Plan for Fair and Efficient Corporate Taxation. At its heart is the principle that **the country in which a company generates profits is the country where this company should pay taxes**. The work on a common consolidated corporate tax base has been re-launched in this context.

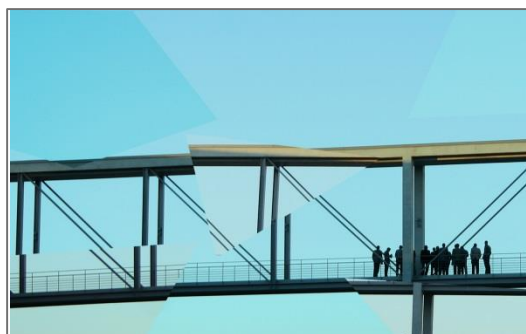
The Commission is also working closely with Member States to adopt the modalities of a **Financial Transaction Tax**. Success will be a major institutional move to pave the way for future enhanced cooperation in the field of taxation.

The **Capital Markets Union** is essential for financial stability and will make it easier for businesses big and small to tap into capital markets and find the funding they need to boost activities; and it will also spur cross-border investments and investment in infrastructure. After consultations launched in February, an Action Plan and detailed proposals will be unveiled shortly, including legislation on safe, standardised and transparent securitisation, reduced capital charges for infrastructure investments and a

review of the Prospectus legislation. Revived securitisation markets alone would mean that banks would be able to provide an additional amount of credit to the private sector of around € 100billion.

In the coming months, the Commission will launch its **Internal Market Strategy for goods and services**, including actions to facilitate cross-border activities and strengthen integration in European and global value chains, enhancement of mutual recognition, harmonisation and standardisation measures, and improved enforcement of the rules. All these actions have a single purpose: to simplify the life and create more opportunities for consumers, businesses, entrepreneurs and public authorities investing, buying and selling goods and services in the European Internal Market.

Furthermore, the Commission will present a **Labour Mobility Package**, supporting labour mobility, strengthening the European job mobility portal (EURES) and the cooperation between employment services, tackling abuse by means of better coordination of social security systems, and a targeted review of the Posting of Workers Directive to ensure that social dumping has no place in the European Union.



5. A Deeper and Fairer Economic and Monetary Union

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

Jean-Claude Juncker, Political Guidelines, 15 July 2014

We have learnt the lessons of the crisis. In June 2015, President Jean-Claude Juncker, in close cooperation with the President of the Euro Summit, Donald Tusk, the President of the Eurogroup, Jeroen Dijsselbloem, the President of the European Central Bank, Mario Draghi, and the President of the European Parliament, Martin Schulz, presented an ambitious and yet pragmatic roadmap for **completing Europe's Economic and Monetary Union**.

This so-called [Five Presidents' Report](#) proposes concrete steps for turning our vision for a deeper and fairer economic, financial, fiscal and political union into a reality.

In **Stage One ('DEEPENING BY DOING')** - from 2015 to 2017 – we are building on existing instruments and making the best possible use of the existing Treaties, while in **Stage Two ('COMPLETING EMU ARCHITECTURE')**, more far-reaching actions will be launched to make the convergence process more binding, through for example a set of commonly agreed benchmarks for convergence which would be of legal nature. This would go hand-in-hand with the creation of a common macroeconomic stabilisation function to better deal with shocks that cannot be managed at the national level, as well as the establishment a euro area treasury.

The first concrete proposals under the first stage will be swiftly presented, including steps towards a **European Deposit Insurance/Reinsurance Scheme**, a renewed approach to the **European Semester**, a proposal on a more **unified representation of the euro area** within international financial institutions (such as the IMF) and conferences, a targeted stability-oriented **revision of the 6-pack and 2-pack legislation** to strengthen and simplify economic governance and to enhance the **democratic dialogue** between the Commission and the European Parliament with regard to the Annual Growth Survey and the implementation of Stability Support Programmes.

The Commission will also work on a **pillar of social rights**, building on the EU rules, in order to identify common principles and reference benchmarks which can serve greater convergence of employment and social performance over time.

The Commission played a key role in the talks related to **financial stability in Greece**. As foreseen in the Treaty establishing the European Stability Mechanism (ESM), the Commission, in liaison with the ECB and, wherever possible, together with the IMF, was entrusted with the task of negotiating a Memorandum of Understanding (MoU) with Greece for a new Stability Support Programme. After months of discussion, the MoU was signed on behalf of the ESM on 19 August 2015. The Commission also published its assessment of the programme's social impact. It will play a central role in the monitoring of the programme implementation.

In July 2015, the Commission presented a **Jobs and Growth Plan for Greece** to help the country makes the best use of available EU funds. €35 billion could be made available faster to invest in people and businesses, providing a powerful additional stimulus.

The Commission established the **Structural Reform Support Service** in July 2015 to strengthen the support and provide technical assistance to Member States in implementing growth-enhancing administrative and structural reforms. This service will work with European and international partners to pool experience and share best practices across Europe.



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

"Under my presidency, the Commission will negotiate a reasonable and balanced trade agreement with the United States of America, in a spirit of mutual and reciprocal benefits and transparency. [...] I will also be very clear that I will not sacrifice Europe's safety, health, social and data protection standards or our cultural diversity on the altar of free trade."

Jean-Claude Juncker, Political Guidelines, 15 July 2014

Following intensive consultations with the European Parliament, Member States, national Parliaments and civil society, the Juncker Commission gave a **new push** to the negotiation of the Transatlantic Trade and Investment Partnership (TTIP) with the United States.

The Commission implemented an **increased level of transparency** and made public key documents, including thirteen legal textual proposals and sixteen negotiating position papers. We have also set up an **independent TTIP Advisory Group** drawn from business and trade unions, consumer bodies and environmental and public health groups to benefit from their expertise in the preparation of negotiating rounds.

This agreement will give a **strong boost to the economy, create jobs, bring real benefits to consumers and help businesses, especially Small and Medium-sized ones, export to, or get investment from the US**. TTIP will breathe life into the world's most significant strategic and economic partnership and increase Europe's influence on the world stage through standard-setting.

Europe will reiterate **its high standards on food safety, health, social and data protection, and cultural diversity**. These goals were reaffirmed and agreed in [a joint EU-US statement](#) last March on public services. Like every other trade agreement, **TTIP will guarantee EU governments' ability to adopt or maintain regulations** to ensure the high quality of services and to protect important public interest objectives, such as the protection of health, safety, or the environment.

The Commission will also deliver on the creation of a **reformed investment protection system** that enshrines the **right of governments to regulate** and that **in no way limits the EU courts' jurisdiction**. With TTIP, our objective is to move towards a system of **tribunals that operate like traditional courts**. The Commission is furthermore committed to taking initiatives to move towards the creation of a fully-fledged **Permanent International Court for Investment**.

The 11th negotiating round is scheduled for October 2015 and the Commission continues to stand ready to conclude a deal within the mandate of the administration of U.S. President Barack Obama.

We are equally ready and prepared to speed up these negotiations, as requested by the European Council and with the critical support of the European Parliament. Substance will however always prevail over speed. The Commission will not rush into concluding an agreement that does not fully satisfy the conditions that were clearly set out.



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

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

Jean-Claude Juncker, Political Guidelines, 15 July 2014

Terrorism, organised crime, and cybercrime are complex and evolving security challenges that cross European borders. Dramatic events unfolding this year such as the attacks in Paris, Copenhagen and most recently on the Thalys cross-border train confront Europe with challenges **that defy the capacity of individual countries to act alone and require a coordinated and collaborative European approach.**

Europeans must feel confident that, wherever they are in Europe, their freedom and their security are well protected. In April, the Commission took the lead by presenting an **EU Agenda on Security** focusing in the areas where the EU makes a difference. The Agenda is the basis for cooperation and joint action in the next five years. Strong emphasis is put on exchanging information and on police and judicial cooperation.

In this context, the Commission adopted **new measures to support the fight against terrorism. Improvements made to the Schengen Information System (SIS) have enabled national authorities to exchange information** about persons who have joined terrorist groups outside the EU.

We are pushing for the adoption by the co-legislators of important laws, such as the **EU Passenger Name Record Directive**, the reform of **Europol** and **Eurojust** as well as the reform of the **EU Data Protection** laws.

We have also taken steps to **counter radicalisation, cut terrorist financing and enhance the capacities of Europol.** We will now move swiftly to strengthening the legal framework on **firearms.** There are an estimated 80 million legally-held civilian firearms in the EU and almost half a million of them have been lost or stolen and

remain unaccounted for. **Firearms cannot be illegally traded across Europe.** To disrupt the illicit manufacturing and trafficking of firearms the Commission will improve the rules for the marking, registering and the exchange of information to help detecting faster stolen and lost weapons.

The Commission is on the way to conclude the **EU-U.S. data protection umbrella agreement**, which notably provides for judicial redress for EU citizens in the U.S. This agreement will protect personal data transferred between the EU and the U.S. for the prevention, detection, investigation and prosecution of criminal offences, including terrorism.

The Commission is pushing for the adoption of the proposal for the establishment of the **European Public Prosecutor's Office** to investigate and prosecute EU-fraud affecting the Union's financial interests.



8. Towards a New Policy on Migration

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

Jean-Claude Juncker, Political Guidelines, 15 July 2014

Migration and refugee movements form one of the biggest challenges the EU is facing. The number of **asylum applicants** registered across the EU has increased by 44% from 435,000 in 2013 to 626,000 in 2014. There has been a major **increase of irregular border crossings**, in the first 5 months of 2015 over 153 000 migrants were detected at Europe's external borders. This represents a 149% increase when compared to the same period in 2014.

We have taken action to provide a European response. In May, the Commission presented the **European Agenda on Migration** and implemented its first measures. We have taken swift measures to alleviate the crisis. We clamped down on smugglers networks. With Member States assets we have tripled European presence in the Mediterranean enabling the rescue of over 120,000 people.

The Commission acted swiftly and repeatedly stressed that a **European approach was essential**. Every day, refugees are arriving at our shores and borders. The need for ambitious EU action based on shared solidarity and responsibility is clear.

In July 2015, we have proposed to assist Italy and Greece by **relocating 40,000 people who have arrived on their shores to other Member States** for processing of asylum applications. Member States have endorsed our proposals to **resettle people from refugee camps outside the EU**, and we will soon resettle more than 22,000 refugees.

We must go further. To deal with the emergency nature of the current refugee crisis, on 9 September we proposed to relocate an **additional 120,000 refugees from Italy, Greece and Hungary**. This is part of a broader package of measures including a list of **safe countries of**

origin, a permanent relocation mechanism to be automatically triggered in future emergency situations as well as diplomatic action to stabilise the countries where the refugees are fleeing from.

We have also **doubled the emergency funding to assist the most affected Member States** from €25 million to €50 million a year. In our new **'Hotspots'** approach, EU agencies work on the ground with national authorities to swiftly identify, register and fingerprint incoming refugees. This also allows us to swiftly return all those who do not require international protection.

The Commission proposed an Action Plan to **step up investigation and prosecution of criminal networks of smugglers**, and a **Common Security and Defence Policy operation** to gather intelligence and in a second phase to intercept and destroy smugglers' vessels.

Partnerships with countries of origin and transit are essential to contribute to development opportunities and assistance. For this, the EU will be deploying migration liaison officers in EU Delegations, and will offer €96.8 billion in EU external cooperation assistance for 2014-2020.



9. A Stronger Global Actor

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

Jean-Claude Juncker, Political Guidelines, 15 July 2014

The EU has played a central role in preserving the stability and integrity of Ukraine. It has granted unprecedented support to stabilise Ukraine's economy including **€3,41 billion in three Macro-Financial Assistance programmes**. The assistance is tied to crucial reforms. The EU's policies have ensured progress as regards respect of the rule of law, the fight against corruption and the efficiency and transparency of the energy sector. The EU has **mediated talks on the supply of gas from Russia to Ukraine**, to ensure that Ukraine has sufficient supplies to pass the winter and that supplies to the EU remain secure. To confirm Ukraine's pro-European choice, the EU has shown resolve, insisting that the **EU-Ukraine Free Trade Agreement** – at the heart of the tensions between Ukraine and Russia – will enter into force on 1 January 2016.

In the Western Balkans, the EU facilitated **landmark agreements between Belgrade and Pristina**, turning points in the normalisation of their relations. Agreements for instance on the free movement of communities, the supply of energy will improve the lives of citizens. The EU was also central in brokering an agreement which aims to end the **political and parliamentary crisis in the former Yugoslav Republic of Macedonia**. Progress has also been achieved in better connecting countries within the region through priority investment projects. Over the past year, the EU has been a strong stabilising force in the region.

The EU actively supports democracies and economies along its Eastern and Southern border, and is in the process of reviewing its neighbourhood policy to **better respond to the challenges and crises** on its doorstep. This process, which has involved a broad public consultation, Summits, ministerial meetings and

conferences will be brought to a conclusion in November.

In the Middle-East, The EU played a key role in reaching an **historic agreement on the peaceful nature of the Iran nuclear programme**. These difficult negotiations have lasted over a decade.

The EU remains the **world's first donor of development and humanitarian aid**. In 2014 alone, the EU and its Member States collectively provided €58,2 billion of development assistance to help partner countries. The EU's policies on **Poverty Eradication** influenced the Addis Ababa Action Agenda and the 2030 Agenda for Sustainable Development.

In **security and defence matters**, the EU has begun helping partner countries develop their security sectors to create a stable environment for their development. Security and poverty eradication go hand in hand. Work has continued on better organising the EU's defence markets, setting pan-European norms in areas such as drones and promoting research into new technologies.



10. A Union of Democratic Change

"The proposal and election of the President of the European Commission in the light of the outcome of the European Parliament elections is certainly important, but only a first step in making the European Union as a whole more democratic. A European Commission under my leadership will be committed to filling the special partnership with the European Parliament. [...] I am also committed to enhanced transparency when it comes to contact with stakeholders and lobbyists. [...] I also intend to review the legislation applicable to the authorisation of Genetically Modified Organisms."

Jean-Claude Juncker, Political Guidelines, 15 July 2014

This year alone, the Commission organised **thirty-six Citizens' Dialogues** in **twenty-three Member States**. In these town hall meetings, Vice-Presidents and Commissioners, often accompanied by Members of the European Parliament, have directly engaged with more than 11,000 citizens in person.

Our Better Regulation Package **opens the door to greater public consultation**. A record number of 500,000 people commented on our review of the Birds and Habitats Directives.

Our Better Regulation Agenda will **improve the quality of new laws**. We will constantly review existing laws, so that policies achieve their objectives effectively and efficiently.

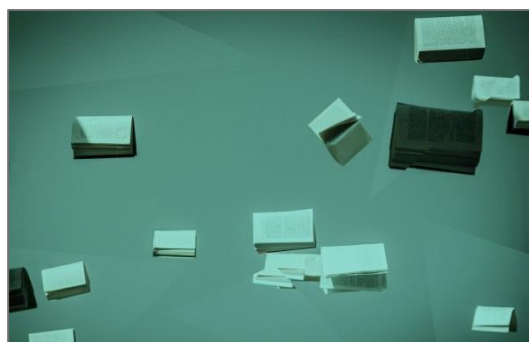
One of the first actions of this Commission was **to be transparent about who we meet**. In December 2014 we started to publish information on meetings of Commissioners and senior officials with organisations or self-employed individuals. In January 2015 the Transparency Register was improved.

We have established a **special partnership with the European Parliament**. The Members of the College meet systematically with Members of the European Parliament. President Juncker appeared thirteen times before the plenary. In addition to plenary debates, the Commissioners

have appeared collectively more than **one hundred times** in parliamentary committee meetings.

We have also established a new partnership with **national Parliaments**. To bring Europe even closer to citizens and their national representatives, Commissioners have **exchanged with national Parliaments almost two hundred times** since November 2014.

European problems require European solutions, national problems require national solutions. In respect of this principle, and because citizens' concerns about **Genetically Modified Organisms** may vary greatly among Member States, the Commission has proposed to return the power to restrict or prohibit the use Genetically Modified food and feed to national authorities.



TRANSCRIPT OF THE STATE OF THE UNION SPEECH

Strasbourg, 9 September 2015

TIME FOR HONESTY, UNITY AND SOLIDARITY

Dear Mr President,

President of the Council,

Honourable Members of the European Parliament,

It is an agreeable duty for me – and not only a duty, but also a pleasure - as President of the European Commission, for the first time in my short life, to address this House on the State of our European Union. As Prime Minister of Luxembourg I gave a speech on the state of the nation on very many occasions - twenty, I believe. After the speech, I was always assured that the tone and the rhetoric were very good - opinions differed about the content - but that it was too long. The same will happen to me today in this House.

I was not able to prepare the speech under normal circumstances, for reasons which some of you may be able to guess. But I will make every effort to bring it to a good end.

This address is required by the Agreement, the Framework Agreement that governs relations between the European Parliament and the European Commission. This Agreement provides that the President of the Commission must report to Parliament in the first half of September on the achievements, accomplishments and work carried out over the past year and on what is planned for the Commission - i.e. also in this House - in the coming months.

This is about setting priorities for the work ahead for the European Commission, and therefore also in part for the European Union. And to that end, I have sent letters to the President of the European Parliament, Martin Schulz, and to the Prime Minister of Luxembourg in his capacity as the Chair of the Council Presidency, setting out the priorities for the European Commission. And I have also (a) made this letter available to this House and (b) appended to the letter a presentation of the implementation of the ten priorities for the Commission's work. I will not deal with all of these matters here today. I would refer you - and I admit that this is impolite, but none the less necessary - to the written details which the Commission, under my signature and that of the First Vice-President, Frans Timmermans, has forwarded to the President and to the Presidency of the Council, and I would refer you also to the accompanying documents, which are intended to make the letters easier to understand.

I am the first President of the European Commission to come into office not in a roundabout way but directly, after an election and a confirmatory vote by the European Parliament.

“Our European Union is not in a good state. There is not enough Europe in this Union. And there is not enough Union in this Union.”

I made it clear right from the outset – even at my hearing address here in the European Parliament on 14 July last year - that the Commission, which I have the honour to chair, would be a more political Commission and therefore the President of the European Commission would also be a more political President because of the procedural, democratic way in which he was appointed.

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When I say political, I expressly mean political in the noble sense of the word.

We are engaged in politics, not politicking. I do not like that expression to describe what we do. We are - all of us, you and I - politicians.

When I say political, that does not mean that we would like to politicise everything. But I would like to state that I am of the firm opinion that this is not the time for business as usual.

“Please do not pay attention to how often I use the words ‘sustainable’, ‘economic’, ‘financial’ or ‘fiscal’. Now is not the time for what are very often empty expressions.”

So I would sincerely ask you not to pay attention to how often I use the word ‘social’; my heart exudes the social. Please do not pay attention to how often I use the words ‘sustainable’, ‘economic’, ‘financial’ or ‘fiscal’. Now is not the time for what are very often empty expressions. This is the time for honesty. The time has come for more honesty in Europe. And that is why this is a speech about the great, open, momentous questions facing the European Union. That is what I will focus on. Although I am not by nature a pessimist, our European Union is not in a good state.

“This is the moment for honesty. Time has come for more honesty in Europe. That is why this is a speech about the great, open, momentous issues facing Europe.”

It makes no sense for the President of the Commission to gloss over things when addressing the representatives of European democracy, i.e. the representatives of the peoples of Europe. The European Union is not in a good state. There is not enough Europe in this European Union. And there is not enough Union in this European Union. We have to change this. And we have to change this now, by common endeavour. That is what is demanded by the mandate which we received from the European electors. That is also what is demanded by the remit which I received from this House.

[Interruption from floor]

I do not know why you are becoming nervous when you are speaking about the European Union. You can interrupt me from time to time. I will not at each time respond to what you are saying, because what you are saying is worthless.

THE REFUGEE CRISIS: THE IMPERATIVE TO ACT AS A UNION

Mr. President, Ladies and Gentleman, whatever work programmes or legislative agendas say: The first priority today is, and must be, addressing the refugee crisis. Since the beginning of the year, nearly 500,000 people have made their way to Europe. The vast majority of them are fleeing from Syria, the terror of the Islamic State in Libya or dictatorship in Eritrea. The most affected Member States are Greece, with over 200,000 refugees, Hungary, with more or less 150,000, and Italy, with 120,000. The numbers are impressive. For some they are frightening. But now is not the time to take fright. It is time for bold, determined, concerted action by the European Union, by its Member States and by its institutions. The first of all the matters before other considerations is the matter of humanity and human dignity. And for Europe it is also a matter for historical fairness. We Europeans, we are all Europeans here.

“The numbers are impressive. For some they are frightening. But now is not the time to take fright. It is time for bold, determined and concerted action by the European Union, by its institutions and by all its Member States.”

This is not a time to take fright. It is a time of humanity and of human dignity. We Europeans, all of us, we should remember well that Europe is a continent where nearly everyone has at one time been a refugee.

Our common history is marked by millions of Europeans fleeing from religious or political persecution, from war, from dictatorship, from oppression. Huguenots fleeing from France in the 17th century. Jews, Sinti, Roma, many others fleeing from Germany during the Nazi horror of the '30s and the '40s of the last century. Spanish republicans fleeing to refugee camps in southern France at the end of the 1930s after their defeat in the Civil War. Hungarian revolutionaries fleeing to Austria and elsewhere, everywhere in Europe, after their uprising against communist rule was oppressed by Soviet tanks in 1956. Czech, Slovak citizens seeking exile in other countries, including mine, after the oppression of the Prague Spring in 1968. Hundreds of thousands were forced to flee from their homes after and during the Yugoslav wars. That was at the end of the last century. Not centuries ago; at the end of the last century, in the last decade of the 20th century.

Have we forgotten that there is a reason there are more McDonalds living in the United States than in the entire population of Scotland? That there is a reason the number of O'Neills and Murphys in the U.S. exceeds by far those living in Ireland? Have we forgotten that 20 million people of Polish ancestry live outside Poland, as a result of political and economic emigration after the many border shifts, forced expulsions and resettlements during Poland's so often painful history?

Have we really forgotten that after the devastation of the Second World War, 60 million people were refugees in Europe? That, as a result of this terrible European experience, a global protection regime – the 1951 Geneva Convention on the status of refugees – was established to grant refuge to those who jumped the walls in Europe to escape from war and totalitarian oppression? We Europeans should know and should never forget why giving refuge and complying with the fundamental right to asylum is so important. A fundamental right to asylum is one of the most important international and European values. We should not forget that.

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I have said in this House, and elsewhere, in the past that we are too seldom proud of our European heritage and our European project.

Yes, in spite of our fragility, our weaknesses, our self-perceived weaknesses, today it is Europe that is sought worldwide as a place of refuge and exile.

It is Europe today that represents a place of hope, a haven of stability in the eyes of women and men in the Middle East and in Africa.

This is something, I have to say this here, to be proud of and not something to fear.

Europe today, Ladies and Gentlemen, in spite of many differences amongst the Member States, is by far the wealthiest place and the most stable continent in the world. Those who are criticizing Europe, European integration, the European construction, the European Union, have to admit that this is the place of peace and this is a place of stability and we should be proud of this.

“Europe is a continent where nearly everyone has at one time been a refugee.”

We have the means to help those fleeing from war, terror, oppression. I know that many now will want to say that this is all very well, but Europe cannot take everybody. It is true that Europe cannot house all the misery of the world. But let us be honest and put things into perspective.

There is certainly an important and unprecedented number of refugees coming to Europe at the moment. However, they still represent just 0.11% of the total EU population. In Lebanon, by comparison, refugees represent 25% of the population in a country which has only one fifth of the wealth we enjoy in the European Union. Who are we that we are never making this kind of comparisons? Who are we?

Let us also be clear and honest with our often worried citizens: as long as there is war in Syria and terror in Libya, the refugee crisis will not simply go away.

We can build walls, we can build fences. But imagine, without being demagogic, for a second if it were you, your child in your arms, the world you knew torn apart around you. There is no price you would not pay, there is no wall you would not climb, no sea you would not sail, no border you would not cross if it is a war or the barbarism of the so-called Islamic State that you are fleeing. We are fighting against the Islamic State. Why are we not ready to accept those who are fleeing the Islamic State? We have to accept these people on the European territory. It is high time to act to manage the refugee crisis. Because there is no alternative to this.

There has been a lot of finger pointing, not enough fingerprinting, but too much finger pointing in the past weeks. Member States have accused each other of not doing enough or doing the wrong thing. And more often than not, fingers have been pointed from national capitals towards Brussels. Brussels is always accused if Member States are failing. If Member States are not doing their job, Brussels, the Commission, the European Parliament is accused of not doing their job.

We could all be, not all, the majority of this House, myself and my Commission, angry about this blame-game. But I wonder who that would serve. Being angry does not help anyone. Blaming others does not help the refugees and the migrants. And the attempt of blaming others is often just a sign that politicians, policy-makers, sometimes law makers are overwhelmed by unexpected events.

Instead, we should rather recall what has been agreed that can help in the current situation. It is time to look at what is on the table and move swiftly forwards.

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We are not starting anew. Since the early years of this century, the Commission, not mine, the one of José Manuel Barroso, has persistently tabled legislation after legislation, to build a common European asylum system. And the Parliament and the Council have enacted this legislation, piece by piece. And the last piece of legislation entered into force just in July 2015, two months ago.

Across Europe we now have common standards for the way we receive asylum seekers, in respect of their dignity, for the way we process their asylum applications. And we have common criteria which our independent justice systems use to determine whether someone is entitled to international protection.

But these standards, honourable Members of Parliament, need to be implemented entirely and respected everywhere in Europe in practice. And this is clearly not the case. Before the summer, not after the summer, before the summer, the Commission started a first series of thirty-two infringement proceedings to remind Member States of what they had previously agreed to do. There's a matter of credibility. We are doing, we are legislating, and we are not implementing. It's a matter of credibility that Member States are implementing and respecting commonly agreed international and European laws. A second series of infringement proceedings will follow in the days to come.

Common asylum standards are important, but they are not enough to cope with the current refugee crisis. The Commission, the Parliament and the Council said in the spring that we need a comprehensive European Agenda on Migration. We proposed this as the Commission in May. And it would be unfair to say that nothing has happened since then.

We have tripled our presence at sea. 122,000 lives have been saved since then. Every life lost is one too many, but many more have been rescued that would have been lost otherwise – an increase of 250%. We should be proud of that performance. 29 Member States and Schengen associated countries are participating in the joint operations coordinated by Frontex in Italy, Greece and Hungary. 102 guest officers from 20 countries; 31 ships; 3 helicopters; 4 fixed wing aircrafts; 8 patrol cars, 6 thermo-vision vehicles and 4 transport vehicles – this is a first measure of European solidarity in action, even though more will have to be done.

We have redoubled our efforts to tackle smugglers and dismantle human trafficker groups. Cheap ships are now harder to come by, leading to less people putting their lives in peril in unseaworthy boats. As a result, the Central Mediterranean route has stabilised at around 115,000 arriving during the month of August, the same as last year. We now need to achieve a similar stabilisation of the Balkan routes, which has clearly been neglected by all policy-makers.

“I call on Member States to adopt the Commission’s proposals on the emergency relocation, altogether, of 160,000 refugees.”

The European Union is also the number one donor in the global efforts to alleviate the Syrian refugee crisis. Around 4 billion euros have been mobilised by the European Commission, that means by you too, and Member States in humanitarian, development, economic and stabilisation assistance to Syrians in their country and to refugees and their host communities in neighbouring Lebanon, Jordan, Iraq, Turkey and Egypt. Indeed, just today we launched two new projects to provide schooling and food security to 240,000 Syrian refugees in Turkey. And by the way, I would like to applaud the efforts of Jordan, of Turkey, and of Lebanon. These countries, by far poorer we are, they are making efforts. We should applaud them and we should recognise, both in moral, and in financial terms.

We have collectively committed to resettling over 22,000 people from outside of Europe over the next year, showing solidarity with our neighbours. Of course, this remains very modest, too modest by comparison to the Herculean efforts undertaken by Turkey, Jordan, Lebanon, who are hosting over 4 million Syrian refugees. But I am encouraged that some Member States are showing now their willingness to significantly

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step up our European resettlement efforts. This will allow us very soon to come forward with a structured system to pool European resettlement efforts more systematically. It has to be done, and it will be done.

Where Europe has clearly under-delivered is on common solidarity with regard to the refugees who have arrived on our territory.

To me, it is clear that the Member States where most refugees first arrive – and at the moment, these are Italy, Greece and Hungary – cannot be left alone to cope with this enormous challenge.

This is why the Commission already proposed an emergency mechanism in May, not now, back in May, to relocate initially 40,000 people seeking international protection from Italy and Greece.

And this is why today we are proposing a second emergency mechanism to relocate a further 120,000 people from Italy, Greece and Hungary. This has to be done in a compulsory way. I call on Member States to adopt the Commission's proposals on the emergency relocation, altogether of 160,000 refugees, at the Council of Interior Ministers on 14 September. We are not talking about 40,000, we are not talking about 120,000: it is 160,000. That is the number Europeans have to take in charge and have to take in their arms. And I really hope that this time everyone will be on board. No poems, no rhetoric. Action is what is needed for the time being. What is happening to human beings - we are talking about human beings, we are not talking about numbers, human beings coming from Libya and Syria today - could easily be the case in Ukraine tomorrow. Are we making selections? Are we distinguishing between Christians, Jews, Muslims?

Europe has made the mistake in the past of distinguishing between Jews, Christians and Muslims. There is no religion, no belief, no philosophy when it comes to refugees.

Ladies and Gentlemen, winter is approaching. Do we really want to have families sleeping in railway stations in Budapest and elsewhere? In tents, cold tents during the night? On shores in Kos? We are in charge, in the winter period, of those who had to flee their countries for the reasons I have mentioned. Of course, relocation alone will not solve the issue. It is true that we also need to separate better those who are in clear need of international protection and are therefore very likely to apply for asylum successfully and those who are leaving their country for other reasons which do not fall under the right of asylum.

“Europe has made the mistake in the past of distinguishing between Jews, Christians, Muslims. There is no religion, no belief, no philosophy when it comes to refugees.”

This is why today the Commission is proposing a common EU list of safe countries of origin. This list will enable Member States to fast-track asylum procedures for nationals of countries that are presumed to be safe. The presumption of safety must in our view certainly apply to all countries, which the European Council unanimously decided, meet the basic Copenhagen criteria for EU membership – notably as regards democracy, the rule of law, and fundamental rights. It should also apply to other potential candidate countries in the Western Balkans, in view of their progress made towards candidate status. I am of course aware that the list of safe countries is only a procedural simplification. It cannot take away, and I would act strongly against that, the fundamental right of asylum for asylum seekers coming from Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo, Montenegro, Serbia, and Turkey. But it allows national authorities to focus on those refugees which are much more likely to be granted asylum, notably those from Syria. And this focus is very much needed in the current situation. A list of safe countries is not taking away asylum rights from those people coming from the countries being listed. That is important. It is important. We are not neutralising the Geneva Convention. Asylum is a right. The countries being on the list of safe countries have to know that if they are taken off of this list because fundamental rights would not be assured, ensured, in these countries, they are losing their chance to join the

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European Union. These two things are going together, politically. Safe list, yes, but it is time we prepare a more fundamental change in the way we deal with asylum applications – and notably the Dublin system that requires that asylum applications be dealt with by the first country of entry.

We need more Europe in our asylum policy. We need more Union in our refugee policy. A true European refugee and asylum policy requires solidarity to be permanently anchored in our policy approach and our rules.

This is why, today, the Commission is also proposing a permanent relocation mechanism, which will allow us to deal with crisis situations more swiftly in the future. More swiftly in the future, that means more swiftly than in the past. A common refugee and asylum policy requires further approximation of asylum policies after refugee status is granted. Member States need to take a second look at their support, integration and inclusion policies. The Commission is ready to look into how EU funds can support these efforts.

“The Schengen system will not be abolished under the mandate of this Commission. But the other side of the coin to free movement is that we must work more closely together to manage the external borders. ”

And I am strongly in favour of allowing asylum seekers to work and to earn their own money whilst their applications are being processed. Labour, work, being in a job is a matter of dignity. Those who are working are finding back the dignity they had before they were leaving. So we should do everything to change our national legislation in order to allow refugees, migrants to work since day one of their arrival in Europe.

A united refugee and asylum policy also requires stronger joint efforts to secure our external borders. Fortunately, in the European Union we have given up border controls between Member States of the Schengen area, to guarantee free movement of people, a unique symbol of European integration. And this Schengen system will not be abolished under the mandate of this Commission. But the other side of the coin to free movement is that we must work together more closely to manage the external borders. This is what our citizens expect. The Commission said it back in May, and I said it during the election campaign

“We will propose ambitious steps towards a European Border and Coast Guard before the end of the year.”

together with Martin, together with Guy, Ska and José, and I am thinking also of Alexis not here today.

We need to strengthen Frontex significantly and develop it into a fully operational European Border and Coast Guard system. That is certainly feasible. But it will cost money. The Commission believes this is money well invested. This is why we will propose ambitious steps towards a European Border and Coast Guard before the end of the year.

A truly united, European migration policy also means that we need to look into opening legal channels for migration. But let us be clear, this will not help in addressing the refugee crisis we are currently in. But if there are more, safe and controlled roads opened to Europe, we can manage migration better and make the illegal work of human traffickers less attractive. Let us not forget, we are an ageing continent in demographic decline. We will be needing talent, talent coming from everywhere in the world. Over

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time, migration must change from a problem to be tackled to a well managed resource. To this end, the Commission will come forward with a well designed legal migration package in early 2016. This is highly important. Migration has to be legalised. It is not sufficient to protest against illegal immigration, we have to organise legal ways to Europe.

A lasting solution will only come if we address the root causes, the reasons why we are facing this important refugee crisis. Our European policy must be more assertive. Foreign policy must be more assertive. We can no longer afford to be ignorant, disunited with regard to war or instability right in our neighbourhood. We have to find a solution. Maybe that we are too weak for achieving this to the Libyan problem. We have to address in a more solution-orientated way the Syrian crisis.

“Our European policy must be more assertive. Our foreign policy must be more assertive. (...) I call for a European diplomatic offensive to address the crises in Syria and in Libya.”

I call for a European diplomatic offensive to address the crises in Syria and in Libya. We need a stronger Europe when it comes to foreign policy. I am very glad that Federica Mogherini, our highly determined High Representative - she is “High” because she is highly determined - has prepared the ground for such an initiative with a diplomatic success in the Iran nuclear talks. And I would like to congratulate Federica for that extraordinary performance.

In order to facilitate the work of our High Representative, Federica, the Commission today is proposing to establish an emergency Trust Fund, starting with €1.8 billion from our common EU financial means to address the crises in the Sahel and Lake Chad regions, the Horn of Africa, and the North of Africa. We want to help create lasting stability, for instance by creating employment opportunities in local communities, and thereby address the root causes of destabilisation, forced displacement and irregular migration. I expect all EU Member States to pitch in and match our ambitions. We need this emergency Trust Fund, in order to prevent future crises.

“Pushing back boats from piers, setting fire to refugee camps, or turning a blind eye to poor and helpless people: that is not Europe. Europe is the baker in Kos who gives away his bread to hungry and weary souls. Europe is the students in Munich and in Passau who bring clothes for the new arrivals at the train station.”

And we need higher developments aid budgets. I do not like to question development aid, cooperation budgets. It is abnormal that Member States of the European Union are reducing their budgetary efforts when it comes to aid development. They have to be increased.

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I do not want, Mr. President, to create any illusions that the refugee crisis will be over any time soon. It will not. And we have to know that. But pushing back boats from piers, setting fire to refugee camps, or turning a blind eye to poor and helpless people: that is not Europe.

Europe that is the baker in Kos who gives away his bread to hungry and weary souls. Europe is the students in Munich and in Passau who bring clothes for the new arrivals at the train station.

That's those at the Munich rail station applauding and welcoming refugees. The Europe I want to live in is illustrated by those who are helping. The Europe I don't want to live in is a Europe refusing those who are in need.

The crisis is stark and the journey, of course, is still long. I am counting on you, in this House, the House of the European democracy, and on all Member States to show European courage going forward, in line with our common values and history.

A NEW START FOR GREECE, FOR THE EURO AREA AND FOR THE EUROPEAN ECONOMY

Mr President, Honourable Members, and in many cases dear friends,

I realise that I have already overrun the time normally allowed for the President's State of the Union speech, but given the state of the Union I need more time. So I would like to say a few words about Greece, a subject very close to my heart.

The debate we had, which revolved around Greece's problems - which are also our problems - was a difficult one because, as I never ceased to point out to the Greek Prime Minister at the time, there are 19 democracies in the euro area, not just the Greek one.

Public opinion, the views of parliament, the whole range of different beliefs are also reflected in the parliamentary debates in the 18 other democracies which together form the euro area.

I saw how the Commission was often fiercely attacked by some Member States for getting involved in the search for the solution - if I may call it that, even though there is still no definitive solution to the Greek problem. I would like to reiterate here something which I said when I appeared before you for the first time, namely that it is the duty of the European Commission to defend the general interest. Failure to tackle the situation in Greece would have been an unpardonable weakness on the part of the Commission, a mistake with multiple repercussions.

"I would like to see the programme we agreed being respected by every Greek government, past, present and future."

We have paid a high price: I in particular have been personally attacked by those who always claim to know better than the Commission and the European Parliament. But I was not prepared to leave the solution to the Greek problem to the Brussels bureaucrats, even though they have done an extraordinary job - truly extraordinary, even during the holidays. I did not want to leave it solely to what is popu-

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larly (and stupidly) referred to as the Brussels bureaucracy.

So we got involved – Frans Timmermans, Vice-President Dombrovskis, Pierre Moscovici and others – in solving the problem we were confronted with.

Some might choose to say that the Commission and its President should not have said that a Grexit was not an option. But this is not an acceptable choice. We had to say at every opportunity that Grexit was not an option, otherwise it would have happened. And I told Mr Tsipras and the Greek authorities that they should not interpret this as meaning that they would be rescued come what may. I told Alexis Tsipras that I was not a magician who would pull a rabbit out the hat if things didn't work out. He knew, he had to know and he did know that Grexit was an option but not one to be spoken of publicly. So in this case we did what we had to do and I have always thought, as you well know, that the Greek problem was not just one of consolidating public finances, not just a problem of structural reforms - important as these undoubtedly are - but also a problem of the growth prospects of this country which the European Union should be happy to count as one of its members. I have not appreciated the comments over recent months to the effect that Greece should leave the euro area or leave the European Union or that it was not a country to be taken seriously. Greeks, and particularly Greeks on low incomes, are hard-working people, people who are doing everything to ensure that their country can prosper. We should acknowledge the efforts of the Greek nation more than we have done to date.

I would like to see the programme we agreed being respected by every Greek government, past, present and future. If the rules we agreed on jointly are not respected this time round, the reaction of the European Union and the euro area will be different. This time the agreements must be implemented.

This programme includes 35 billion euro which the Commission is making available to relaunch economic and social growth in Greece. I hope that this offer – which is not a charitable donation – will be accepted by all the stakeholders in Greece.

“The crisis will be over when full employment returns to Europe.”

Obviously, the solution we found for Greece does not mean that the crisis is at an end. While there are 23 million Europeans without work in the Union as a whole and over 17 million unemployed in the Eurozone the crisis is far from over.

The crisis will be over once Europe has returned to full employment. I sometimes wonder why a continent as rich as Europe would depart from this general rule which should be universally followed. The young of today and the adults of tomorrow have a right to full employment. Let us not abandon this goal of making Europe a continent proud of its triple A social rating. We must therefore do everything we can to return Europe to full employment. It is not impossible if we really want it.

“The President of the euro group, and he alone, should represent the euro zone.”

It requires us to remain committed to the virtuous triangle of budgetary consolidation - which is essential and irreplaceable - structural reform and investment. We have presented a 315 billion euro investment plan to Parliament and the Council. It is in the process of being applied in detail and at a general level.

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I believe that all Europe's political leaders, its economic actors, businesses, CEOs and trade unions must stand up and fight for a Europe of growth. This investment plan unfortunately bears my name, for the sake of convenience. We have chosen to call it the Juncker plan, so that there will be someone to blame if it fails. But I do not want it to fail. I want all economic and social players, all political actors to get involved in implementing this investment plan, which is a plan for Europe, for jobs and for growth.

“The European Parliament must remain the Parliament of the euro zone.”

during a moment of autobiographical weakness but for reasons of principle. However, the Parliament remains a parliament and we would be deluding ourselves to think that the future of Europe and of European economic union could be decided without the direct and immediate involvement of the European Parliament. Consequently, it was my decision to include President Martin Schulz in our work. He presented his personal views – not all of which I liked – however, he also incorporated into the inter-institutional discussions the views so often expressed by our Parliament, in particular the views of our friend, Othmar Karas – whose report quite rightly bears his name – according to which the presence of the European Parliament in the construction of economic and monetary union should be stronger than ever before.

However, all this will not be enough. We will have to determine which path, road or avenue to take. This is why we have proposed the Five Presidents' Report for achieving closer economic and monetary union. I'm saying Five Presidents because I made the decision that the President of the Parliament would be personally involved in writing the report, not

Yes, Europe needs economic governance. This is something I'm not saying for the first time today: I first said it in 1991 when I was a young Minister for Finance, together with Nicolas Schmidt, overseeing the Intergovernmental Conference on Economic and Monetary Union. There were four people arguing in favour of economic governance: Jacques Delors (who remains a role model), Pierre Bérégovoy, whose passing I still mourn, Philippe Maystadt, who is always at hand to tell us what we need to know, and myself, still here as I am something of a permanent fixture. The four of us were in favour of economic governance in Europe. We wanted to introduce rules in the treaties for economic governance of the euro area. Those who today are calling for the immediate application of economic governance ('wirtschaftspolitische Steuerung' in German) did not listen to us then. Welcome to the club, it was proposed 25 years ago.

“We intend to propose a European pillar of social rights during the first half of 2016.”

By way of achieving closer economic and monetary union, we will be proposing a common deposit guarantee scheme. I believe such a system is needed. This will probably, in fact certainly, take the form of a reinsurance scheme, not a fully integrated system, but European savers and depositors will need additional security, and this they shall have. I wish to see a European Treasury set up. Of course, this will need to be discussed in detail as it is merely a name devoid of any specific content. However, it seems clear to me that the euro area now needs a European Treasury which will be supported by resources from the European Stability Mechanism.

Regarding tax policy, tax policies and the lack of coherence in European tax policy, the Commission will have the opportunity to ensure that the principle of exchanging tax related information is swiftly adopted by the Council. I stand by the same convictions I had aged 17 or 18 (which some believe I turned my back on briefly), namely that profit should be taxed in the country in which it is generated. The Commission will make sure this common-sense principle is applied across Europe. Just as we need to defend this simple rule which has proven its worth and which, when broken, has laid bare its faults. The rule

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must have its value restored across Europe, whereby the same work, in the same place, is paid the same amount. This is an age-old rule which needs to be reinvigorated. Under the oversight of the Commissioner for Social Affairs, Marianne Thyssen, we intend to propose a European pillar of social rights during the first half of 2016. The European Union is not just about the currency, the Greek situation or Ukraine, the European Union is also about establishing a common foundation of social values which we must, and will, adopt together.

“The European Union is also about establishing a common foundation of social values which we must, and will, adopt together.”

I wish to quickly add that, in my opinion, the European Parliament must remain the parliament of the euro area. Let's not prolong this discussion. Yes, I believe that international representation of the euro area must be improved. It is not right that within the Bretton Woods institutions, in particular the International Monetary Fund, Europe is seen as a chicken coop, a farmyard, where everyone runs in whatever direction they think best. The President of the Eurogroup alone should represent the euro area. Within the International Monetary Fund, we should be represented by one voice. The country-specific recommendations made by the Commission and Council must be more closely followed by the Member States of the euro area. We have reduced the number of recommendations per country proposed to the Council. It does not make sense to require Member States to carry out 20 reforms over the course of a year. This is not credible. It's idiotic, it's stupid. Consequently, we have agreed on fewer reforms for each Member State. However, these must be carried out. The reforms proposed by the Council must be taken on board at national level.

A FAIR DEAL FOR BRITAIN

I would like to say a word on the United Kingdom. Because when campaigning I was advocating a fair deal with Britain and I am totally convinced that we will have a fair deal with Britain. I have established in the structures of the Commission a specific special group for the negotiations with Britain, under leadership, by the way, of a British citizen who is a European. That is not a contradiction. I was hesitating between Jonathan Faull and Nigel Farage and then I made the choice, I took Jonathan Faull, and Nigel of course will be his greatest supporter because the one is British and the other is British and European so you have to come together and you will of course.

“When campaigning I was advocating a fair deal with Britain and I am totally convinced that we will have a fair deal with Britain.”

Of course the United Kingdom and the British government and the British policy makers are right when they criticise the European Union for being too bureaucratic for this overdose of regulation. It is the programme of my Commission to bring down this regulation. And under the leadership of the First Vice-President Frans Timmermans we are doing everything we can do in order to make sure that the regulation in the European Union will be a better one. But better regulation does not mean destruction, it does not mean no rules, it does not mean that the European Union should stand away from everything which has to be organised in a proper way in Europe. We have launched the Digital Single Market.

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We have launched the Energy Union. We are, step by step, progressively completing the internal market, because the internal market is not complete. We are taking initiatives after initiatives in order to promote entrepreneurship in Europe. These are all requests of the British government, and more largely than that, of the British policy-makers. The problem is that this cannot be requested from this Commission, because this Commission is doing exactly that. And I would like our British friends to support the initiative of the Commission in that very field.

TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP

“I am in favour of TTIP. But I am not in favour of giving up European standards, European principles.”

The same is applying to the need we do see to conclude as many trade agreements with leading nations in the world, including the Transatlantic Trade and Investment Partnership. I am in favour of the TTIP treaty. But I am not in favour of giving up European standards, European principles. As in the case of Britain, the freedom of movement of workers cannot be touched. The same applies to the Transatlantic Partnership Agreement. We have our

basic values, we have our principles, and these principles cannot be given up during these negotiations with the United States. And I am strongly in favour, as is Cecilia Malmström, the excellent trade Commissioner we have, of a maximum of transparency. But I am against developing publicly negotiation positions of the European Union. We are weak. And we are the weaker ones – the more we are telling those we are negotiating with what we do intend to do if our positions will not be accepted, the weaker we are. We are international negotiators. I am in favour of transparency but I am also in favour of seriousness. Negotiations have to be conducted in a serious way.

UNITED ALONGSIDE UKRAINE

I should have one word, one paragraph, one speech on Ukraine. We are supporting the democratic efforts of the now President of Ukraine. We have to support this man, because he has the courage of action. And in this country this is not an easy thing to be done. And those who are doubting about our involvement, our engagement, in the Ukrainian case will be proven wrong, because we have offered to President Poroshenko in so many talks all the need Ukraine was asking for and we will continue in that way.

“I will do everything to enable the European Council to give visa-free right to travel to Ukrainian citizens. If the conditions are fulfilled, it has to be done.”

We were lending 3.41 billion euros in three Macro-Financial Assistance programmes to Ukraine. We were helping to broker a deal that will secure Ukraine's winter gas supplies and we are advising our friends there on the reform of the judiciary. I will do everything to enable the European Council to give a visa-free right to travel to Ukrainian citizens. If the conditions are fulfilled, it has to be done. As Guy Verhofstadt was saying months ago in this House the Maidan rallies were not only about democracy, about

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the Membership of the European Union. People there, and people living in Ukraine now, they don't want to have a country where corruption is playing a role. The Ukrainian democrats want a corruption-free country, and so we have to attend to them in that very field.

I would like to say, because I am very attentive, and I have these things on my radar all the time, to our Eastern Member States notably the Baltics, that the security and the borders of EU Member States are untouchable. And I want this to be understood very clearly in Moscow. The Member States of the Baltics and other countries have to know that solidarity is not an empty word. We are there now, and we will be there if ever this is needed. The Baltics, Poland and the others – mainly Poland and the Baltics. The Baltics and Poland are very important members of the European Union and they should not think that we would not be there if in any way their security and borders would be in danger. We have an obligation to protect if needed the security of everyone.

[Interruption from floor]

I don't know if you mentioned the Luxembourgish army, when you are saying army. The Luxembourgish army is an excellent army. 771 soldiers, defence Minister included. The Luxembourgish army will not be of great help. But others can be, if needed.

“The security and the borders of EU Member States are untouchable. I want this to be understood very clearly in Moscow.”

I am wondering myself why I like your interruptions, but I like them because these are inspiring, because they are reminding me what I should have told you before. I will never forget the meeting I had before being appointed with Nigel Farage and his group. It was very sportive, open and frank and involved humour. That is, by the way, the only quality we are sharing, humour. That is something, yes.

Could I have the permission of the President of the Parliament to distribute the text on climate change? Because that is important. I am running out of time now and have already been speaking for 72 minutes and 15 seconds.

[Interruption from floor]

Ok. I have new friends. Those sitting in the middle of the Parliament are starting to become tired. But those sitting there, they want me to continue.

[Interruption from floor]

The European Parliament, Mr President, is the place where you can meet everyone. Union in diversity.

UNITED IN LEADERSHIP IN ADDRESSING CLIMATE CHANGE

I would, Mr President, like to say a few words, given the time constraints we have, on climate change. The text of my speech will be distributed to a larger public in the next coming hours. I simply wanted to say that I do think that we have to be very ambitious, as the European Union, on our way to Paris. I do think that we are doing major efforts, probably not enough, but more efforts, huge efforts than others are delivering. We are tackling the root causes of the next migration wave, in the next coming decades.

We must address in a proper way the climate change problems because tomorrow morning we will have climate refugees. We have to know that. We should not be surprised, astonished if the first climate refugees are coming to Europe. We have to act now because we don't have time to lose. And that's why I want the European Union and the Member States to be as ambitious as possible on our way to Paris. But I would like to say here that I do think that the European Union will not sign just any deal. Europe's priority has to be to adopt an ambitious, robust and binding global climate deal. That's a European duty and we have to fight for that and we have to raise the voice against those within our Member States who are not sharing that view. Europe is not neutral when it comes to climate change. Europe has to be an example, a model for the others.

“We should not be surprised, astonished if the first climate refugees are coming to Europe. We have to act now because we don't have time to lose.”

“The European Union will not sign just any deal. Europe's priority has to be to adopt an ambitious, robust and binding global climate deal. That's a European duty and we have to fight for that and we have to raise the voice against those within our Member States who are not sharing that view.”

CONCLUSION

So there we are, Mr President, Ladies and Gentlemen: not the State of the Union in its entirety, but I did not want to present you with a whole litany on the European Union. Let me say it again, at the end of a speech which, despite being severely cut down, is still admittedly too long, I believe that the European Union is not in good health, but I also believe that it is not my job merely to criticise the state of the European Union. We have also carried out a number of reforms over the past year – to my mind important ones. We - that is, the Commission - adopted a European Agenda on Migration. I do not accept the claims that the Commission has been idle in the field of migration. Just this morning I heard on German television German Ministers, from Bavaria, criticising the absence of the Commission. Yes, I was on holiday. But, of my ten days' holiday, I spent four days working on Greece and three days on migration. The Commission had put forward its proposals in May, don't forget. We are not discovering a problem that we found out about in May. Other people are just discovering now, thanks to some terrible images, that there is a problem. We already knew.

“If I had to summarise the message of my State of the Union speech, it would be: Europe needs more solidarity and courage.”

We have adopted a number of top-up measures for the single market, especially in the field of energy and in connection with capital markets. I wanted to do it with my colleagues at the Commission, whom I cannot thank enough for the excellent relations we have established. Good relations cannot be taken for granted. Those of you here who have been Prime Ministers know that there are limits to agreement within an administration. In the Commission we enjoy great friendship, collective responsibility and rapport. I am proud of the Commission that I have the honour to preside over, proud that during the first months of our term of office we have been able to send the two legislators great projects of legislation, regulation and content that were part of our programme, were part of the ten priorities on the basis of which I was elected – and I am still proud of that fact – by this assembly. All is not well, we don't live in an ideal world, and the world would be a better place if we ourselves were better; and so it is to this task that we must apply ourselves. I know that Europe has its weaknesses, but I know how much weaker the continent would be if the European Union did not exist. So, Europeans, do not give up. Let us continue the fight!

CLOSING REMARKS

Strasbourg, 9 September 2015

CLOSING REMARKS

Thank you very much Mr President. I have spoken for such a long time that I will now fully respect the President's wish, as intimated to me, to keep my replies short. Whether I manage to do that is another matter. The President of the Commission may also be interrupted by the President of the European Parliament. I am happy to fall in line with the command of the President of this House. I wanted to add three, or maybe four or five points to this discussion and first of all point out that it is not true that the Council Presidency and the Council have not been represented here. A Luxembourg Minister, Minister for Labour, for many years responsible for migration, i.e. also for integration matters, is here. If there is anyone in the Government of Luxembourg who understands what we have been talking about then it is the Council President who is here. And I am very grateful that he has been here. Secondly, as I am not in the mood for apologies: it is not correct to criticise the President of the European Council, Mr Tusk, because he is not here. I am not his spokesperson. But where was Mr Van Rompuy in recent years when this debate took place? This is a debate between the European Commission and the European Parliament and that is also what is laid down in the agreements between the Commission and the Parliament. And Mr Tusk, with whom I discussed my speech at great length during the past few weeks - it did not simply materialise, in fact if it had had to simply materialise, then, under the given circumstances, it would not have materialised at all - is in Turkey. Turkey does after all have something to do with the problem we are discussing. Mr Tusk being in Turkey is more important than the presence of the Council President in a debate between the Commission and the European Parliament. I prepared this debate together with the President of the European Council and he prepared his visit to Turkey intensively with me. I would most emphatically like him to be excluded from the criticisms being made here. I find it is not justified and absolutely not appropriate to the situation.

As for Greece, as some have mentioned this problem, I wanted to point out that this package of 35 billion euros that the Commission has proposed comes from the structural funds. But under all governments, for lack of administration and lack of a sense of state, Greece has not been able to take up the money, the funds at its disposal. What the Commission has done under the Presidency of Vice-President Dombrovskis is to gather all the Commission's administrative and human resources energies to help Greece take up the funds, in a very short time and with co-financing rules that differ from those previously in force, to allow Greece to do what Greece should have done for years and what it has not done for years, including in the past few months.

Greece - I can go on for hours about Greece. I accept the criticism, a lot of criticism. I am not saying the programme that was negotiated is a marvellous example to be repeated. But nevertheless, for the first time, as I had promised the European Parliament, we made a social impact assessment of the Greek programme. Not a single word was said about it. If the Commission hadn't done it, obviously you would have criticised the Commission for not having done it - and with good reason. We did it.

On Greece, we had to be political. Do you really think that the question of whether a higher VAT rate is applied to restaurants, to the food chain so to speak, is a technical or a political question? It was political. So we decided as politicians.

It is nevertheless incredible, you should know, because you don't know, because you weren't told; the President of the European Commission took it upon himself to make the proposal - the elementary and commonsense proposal - to reduce the Greek defence budget. The Greek government hadn't proposed it. I proposed on behalf of the Commission to tax the ship-owning sector in a proper, fair manner.

CLOSING REMARKS

The Greek government hadn't proposed it.

Me, a reactionary, conservative Christian-Democrat, I was nevertheless very surprised at having to argue for two hours with the Greek Prime Minister to get Greece to properly tax the people in Greece who are richer than those who are victims of the crisis. It was me, it was not Mr Tsipras. I talked of honesty. It's never true because you listen to one and you don't like listening to the other. But I won't dwell on the Greek case, because otherwise you will tell me that I interfered in the Greek domestic political debate, which I don't want to do. I welcome many of the comments Mr Tsipras has made about me, much more polite than yours, at his press conferences over the last few days.

Yes, the Commission is part of the former Troika, but I tell you, if the Commission had not been there, the adjustment programme that would have come out would have been a lot harder to bear than the one which today, thanks to the Commission's presence, appears to be the most nuanced programme we have concluded so far.

I wish to pay tribute here to other countries too: Ireland, Portugal, Spain and Latvia have given evidence and results to confirm my analysis that when you make the right reforms, your results are so much better than if you hadn't.

On the TTIP I've heard what's been said. I am not naive.

I am not naive as regards the free trade agreement with the USA. I just say that we need this free trade agreement. The conditions under which this free trade agreement is coming about are the concern not just of the Commission, but also of the Member States, and are the subject of the negotiations currently taking place. However, the attitude that we should from the outset say: 'We do not need this free trade agreement', is one that, with the best will in the world, I cannot share. We should negotiate properly and keep negotiating to the end. But we need this agreement and we will also bring it about with conditions that are absolutely in line with the spirit of Europe and European principles.

On agriculture, because I have not been able to talk about this, you will receive this sometime, somewhere, from someone in writing. I feel very close links with European farmers. I have always been one of those people, also when I used to be Prime Minister and also Finance Minister, who have defended the common European Agricultural Policy because Europe without the farmers, without the wine-growers, without the custodians of the countryside, would not be the Europe we live in today. We cannot now leave the farmers standing out in the rain. And the European Commission will do its bit so that we can overcome the milk crisis, which really threatens dairy farmers' very existence, as quickly as possible. We have made some initial proposals. And now we are listening to the Council and the Parliament so that we can make further proposals.

Thank you, Mr President, for the attentiveness with which the honourable House has listened to me for so long.