

Brussels, 21 September 2017

Dear colleagues,

Prime Minister Ratas has asked me to chair our dinner ahead of the Tallinn Digital Summit, which is why I am writing to you.

On 29 June 2016, a few days after the Brexit vote in the United Kingdom, we decided to begin a reflection on the future of a European Union of 27 Member States. The first meeting devoted to this, in September 2016, resulted in the Bratislava roadmap. We agreed to focus our attention on the issues of most immediate concern to our citizens: migration, security as well as economic and social matters. We further developed this agenda in Malta and in Brussels this year, leading to the Rome declaration, which outlined a more comprehensive vision for the years to come.

In parallel, we set out to deliver on this agenda also during our regular European Councils. We managed to sort out several issues, which is why the situation in Europe is better today and we can look to the future with more optimism. On migration, we focused first on the Eastern Mediterranean Route, then the Central Mediterranean Route, regaining control of our external borders and bringing down the number of irregular migrants and deaths at sea. On security, we continued to strengthen our instruments against terrorism and made important progress on European defence, including in cooperation with NATO. On the economic front we embarked on a reorientation of our trade policy so that negative effects of globalisation are mitigated. We are maintaining high ambitions in terms of market opening (trade agreements with Canada and Japan) while strengthening the robustness of our response to unfair trading practices.

On each of these issues, we still have important and hard work ahead of us. We need to consolidate our external migration policy, improve our capacity for returns and reach durable solutions on a reformed asylum system. We must continue to strengthen European defence, in the first instance by launching the Permanent Structured Cooperation in December. Equally, we need to continue to improve our economic base, including through the digital single market (Tallinn summit), while ensuring that it is socially balanced (Gothenburg summit in November).

We must also decide on the further development of the Euro. There is no silver bullet to complete the Economic and Monetary Union once and for all. But I am convinced that we have the obligation to improve the functioning of the EMU and strengthen it step by step. Our priority should be to complete the Banking Union in line with the agreed roadmap so that the euro area is strengthened structurally. This means that we have to prepare a common backstop to the Banking Union, to advance further risk reduction and pave the way for a European deposit insurance scheme. We should also enhance Europe's capacity to act, which could involve developing the ESM towards a European Monetary Fund. A number of ideas on governance and budgetary resources specific to the euro area have been introduced, on which much more discussion will be needed. In order to advance this agenda I will call a Euro Summit in December in an inclusive format. Concrete decisions on these issues should be taken at the European Council by June next year at the latest.

At the same time, we should continue to develop the international role of the Union, in our neighbourhood as well as at the global level. In the October European Council I suggest that we discuss our reaction to developments in relations with Turkey, and in May next year I propose, in agreement with Prime Minister Borisov, that we gather in Bulgaria for a Western Balkans summit. Trade will also remain an important priority for our work.

Looking beyond these immediate priorities, we have a big task in front of us when it comes to the next multiannual EU budget. This discussion, which will shape our policies for the years to come, will start in earnest once we have concluded the agreement on the UK's withdrawal. It will be an important item on our agenda until we reach consensus in time for the entry of the new Multiannual Financial Framework in 2021.

We cannot deal with, let alone decide on, all these questions in Tallinn. But I do think that this meeting will be a good opportunity to discuss how we approach this debate, particularly given the many interesting voices we have recently heard on substance, method as well as objectives. I will be seeking your guidance with a view to deciding, after our discussion, how to organise the work of the European Council in this respect. In order to ensure an open, frank and informal exchange on these issues, there will be no texts on the table, and no written conclusions will be drawn from our discussion.

Finally, we should all be aware that Brexit remains one of the main tasks for us. This will be the subject of our next meeting at 27 in October, on the basis of Article 50.

Yours sincerely,

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