

# COUNCIL OF THE EUROPEAN UNION



17591/12 PRESSE 523 PR CO 76

## PRESS RELEASE

3213th Council meeting

## Transport, Telecommunications and Energy

Brussels, 20 December 2012

President Mr Efthymios Flourentzou

Minister for Communication and Works of Cyprus

# PRESS

#### Main results of the Council

#### **Transport**

The Council agreed on a general approach to a draft directive updating the common rules on periodic **roadworthiness tests** for motor vehicles. New requirements will be introduced to ensure high testing standards, bureaucracy will be cut by mutual recognition of certificates and administrative cooperation between member states will be enhanced. In addition, fast tractors have been included in the scope of the directive, with possible exemptions. The general approach, though, does not retain the Commission's proposal to extend periodic tests to motorcycles and light trailers and to increase the minimum frequency of checks for older cars and light commercial vehicles from every two years to every year throughout the Union. However, member states are free to impose stricter rules.

The Council took note of the state of play regarding two draft regulations on:

- the **Connecting Europe Facility** (CEF), which is the future funding instrument for the trans-European networks in the transport, energy and telecommunications sectors, and
- the new financial and governance framework for the European **satellite navigation** systems EGNOS and Galileo for the period 2014 to 2020.

Furthermore, the Council adopted conclusions in response to the Commission's communication on the future challenges for the EU's **external aviation policy**.

The Council also authorised the signing and provisional application of an aviation agreement with **Israel**.

#### **Telecommunications**

The Council held a debate on a draft regulation aimed at enabling **secure electronic transactions** across the EU and took note of a progress report.

Within the framework of the implementation of the *Europe 2020 strategy*, the Council held a debate on the mid-term review of the Digital Agenda for Europe and the next steps to be taken.

\* \* \*

Without discussion, the Council approved an agreement reached with the European Parliament on a regulation on **food for vulnerable persons** such as babies and young children.

## **CONTENTS**<sup>1</sup>

PARTICIPANTS	
ITEMS DEBATED	
TRANSPORT	8
LAND TRANSPORT	8
Regular vehicle checks for roadworthiness	8
HORIZONTAL AND INTERMODAL QUESTIONS	10
Connecting Europe Facility	10
Financing and governance of the European satellite navigation systems	11
AVIATION	12
External aviation policy	12
Aviation agreement with Israel	12
OTHER BUSINESS	13
Transport	13
Emissions trading in the aviation sector	13
Implementation of the new requirements on the sulphur content of marine fuels	13
Work programme of the incoming Irish presidency	13
TELECOMMUNICATIONS	14
Electronic identification and trust services	14
Trans-European telecommunications networks	15
Public sector information	16
<ul> <li>Europe 2020 Strategy</li> <li>Where declarations, conclusions or resolutions have been formally adopted by the Council, this in the heading for the item concerned and the text is placed between quotation marks.</li> <li>Documents for which references are given in the text are available on the Council's Internet sit (http://www.consilium.europa.eu).</li> <li>Acts adopted with statements for the Council minutes which may be released to the public are</li> </ul>	s is indicated e
an asterisk; these statements are available on the Council's Internet site or may be obtained from	

Office.

EVENT IN THE MARGINS OF THE COUNCIL		18	
ОТ	HER BUSINESS	19	
Tel	ecommunications	19	
Eur	opean Network and Information Security Agency	19	
Acc	Accessibility of public sector bodies' websites		
Work programme of the incoming presidency			
Wo	rld Conference on International Telecommunications	19	
ОТ	HER ITEMS APPROVED		
EN	ERGY		
_	Energy Star programme	20	
$TR_{\lambda}$	ADE POLICY		
_	Trade agreement with Columbia, Peru: Safeguard clause and stabilisation mechanism for bananas	20	
_	Association agreement with Central America: Safeguard clause for bananas	20	
FIS	THERIES .		
-	Deep-sea fish stocks 2013-2014	21	
FΟ	OD LAW		
_	Rules on foods for vulnerable persons*	21	
EN	VIRONMENT		
_	CO2 emissions for new light commercial vehicles	22	
SO	CIAL POLICY		
_	Statistics on income and living conditions	23	
ΕD	UCATION		
_	Validation of non-formal and informal learning	23	
INS	TITUTIONAL AFFAIRS		
_	Adjustment of salaries of EU civil servants	23	
DE	VELOPMENT COOPERATION		
_	EU development assistance for water supply and sanitation in Sub-Saharan countries	24	

## ECONOMIC AND FINANCIAL AFFAIRS

_	Financial assistance to Portugal	24
FO.	PREIGN AFFAIRS	
_	EU relations with Andorra, Monaco and San Marino - Conclusions	25
_	EU relations with EFTA countries – Conclusions.	26
_	Switzerland - Financial contribution - Croatia	34
_	Afghanistan - restrictive measures	34
_	Democratic Republic of Congo - restrictive measures	34
_	Iran - restrictive measures	35
_	Iraq - restrictive measures	35
GE.	ENERAL AFFAIRS	
_	Statistical programme 2013-2017	35
JU	STICE AND HOME AFFAIRS	
_	Right to stand as a candidate in elections to the EP	35
-	Agency for Fundamental Rights	36
_	Automated data exchange with Poland	36
-	Mortality tables	36
_	Migration to SIS II	36

## **PARTICIPANTS**

**Belgium:** 

Mr Melchior WATHELET State Secretary for the Environment, Energy and Mobility,

attached to the Minister for the Interior, and State

Secretary for Institutional Reforms, attached to the Prime

Minister

Mr Olivier BELLE Deputy Permanent Representative

Bulgaria:

Mr Valery BORISSOV Deputy Minister for Transport, Information Technology

and Communications

**Czech Republic:** 

Mr Jakub DÜRR Deputy Permanent Representative

**Denmark:** 

Mr Henrik Dam KRISTENSEN Minister for Transport

**Germany:** 

Mr Peter RAMSAUER Federal Minister for Transport, Building and Urban

Development

Deputy Permanent Representative Mr Guido PERUZZO

**Estonia:** 

Mr Juhan PARTS Minister for Economic Affairs and Communications Mr Clyde KULL

Deputy Permanent Representative

Ireland:

Mr Patrick RABBITTE Minister for Communications, Energy and Natural

Resources

Mr Leo VARADKAR Minister for Transport, Tourism and Sport

**Greece:** 

Mr Stavros KALOGIANNIS Deputy Minister for Development, Competitiveness,

> Infrastructure, Transport and Networks Deputy Permanent Representative

Mr Andreas PAPASTAVROU Spain:

Mr Alexis DUTERTRE

Ms Carmen LIBRERO PINTADO

Secretary-General for Transport of the Ministry of Public

Works

Mr José Pascual MARCO MARTÍNEZ Deputy Permanent Representative

France:

Mr Frédéric CUVILLIER Minister with responsibility for Transport, Oceans and

Fisheries, attached to the Minister for Ecology,

Sustainable Development and Energy Deputy Permanent Representative

Mr Mario CIACCIA Deputy Minister for Infrastructure and Transport

Mr Marco PERONACI Deputy Permanent Representative

Cyprus:

Mr Efthemios FLOURENTZOU Minister for Communications and Works

Mr Juris ŠTĀLMEISTARS Deputy Permanent Representative

<u>Lithuania:</u> Mr Arūnas VINČIŪNAS Deputy Permanent Representative

**Luxembourg:** 

Ms Michèle EISENBARTH Deputy Permanent Representative

<u>Hungary:</u> Mr Pál VÖLNER State Secretary, Ministry of National Development

Mr Olivér VÁRHELYI Deputy Permanent Representative

17591/12 6 EN

Malta:

Mr Austin GATT Minister for Infrastructure, Transport and

Communications

Mr Patrick R. MIFSUD Deputy Permanent Representative

Netherlands:
Mr Derk OLDENBURG Deputy Permanent Representative

Austria:

Mr Harald GÜNTHER Deputy Permanent Representative

Poland:

Mr Maciej JANKOWSKI Deputy State Secretary, Ministry of Transport,

Construction and Maritime Economy

Portugal:

Mr Pedro COSTA PEREIRA Deputy Permanent Representative

Romania:

Mr Septimiu BUZAŞU State Secretary, Ministry of Transport and Infrastructure

Slovenia:

Mr Ljubo ŽNIDAR State Secretary, Ministry of Infrastructure and Spatial

Planning

Mr Uroš VAJGL Deputy Permanent Representative

Slovakia:

Mr František PALKO State Secretary, Ministry of Transport, Construction and

Regional Development

Finland:

Ms Merja KYLLÖNEN Minister for Transport

Sweden:

Mr Hannes Carl BORG State Secretary for Energy and IT

Ms Ingela BENDROT State Secretary

**United Kingdom:** 

Mr Stephen Hammond MP Parliamentary under-Secretary of State for Transport

Mr Keith Brown MSP Scottish Minister for Transport

**Commission:** 

Mr Siim KALLAS Vice-President Ms Neelie KROES Vice-President

The Governments of the Acceding States were represented as follows:

Croatia:

Mr Siniša HAJDAŠ DONČIĆ Minister for Maritime Affairs, Transport and

Infrastructure

### **ITEMS DEBATED**

#### **TRANSPORT**

## **LAND TRANSPORT**

#### Regular vehicle checks for roadworthiness

The Council agreed a general approach on a draft directive updating the common rules on periodic roadworthiness tests for motor vehicles (5018/13), with a view to improving road safety. The draft directive lays down minimum requirements, which leaves member states free to impose stricter rules

As a result of the transport ministers' debate on the proposal at their last meeting in October (see press release <u>15491/12</u>, pp. 14-15) and following the discussions in the Council's preparatory bodies, the general approach substantially amends the original Commission proposal (<u>12786/12</u>).

The text agreed by the Council does not retain the Commission's proposal to extend the scope of periodic tests to scooters, motorcycles and light trailers. Fast tractors with a maximum speed of over 40 km/h, however, have been included in the scope, if they are used mainly on public roads and with possible exemptions for tractors used for agricultural, horticultural, forestry or fishery purposes and only operating on the territory of the member state.

While the Commission proposed to increase the minimum frequency of checks for older cars and light commercial vehicles from every two years to every year, the general approach maintains the current rules.

Moreover, the legal form of the draft legislation has been changed from a regulation, as proposed by the Commission, to a directive, which leaves more scope for taking account of the particularities of the member states.

During ministers' discussions, the draft tabled by the presidency (<u>17720/12</u>) was amended slightly to include a provision on appropriate sanctions for tampering with the mileage counter. In addition, member states' responsibilities have been made more explicit by specifying that each member state is responsible for ensuring periodic testing of vehicles registered in its territory. The text thus amended was acceptable to all member states. Some delegations, however, would have preferred to subject light commercial vehicles to annual testing. Furthermore, different delegations voiced concerns about the exclusion of motorcycles or light trailers from the directive or about the legal form.

The Commission, while generally supportive of the agreement achieved, has misgivings about the changes to the scope, the frequency of testing and the legal form as well as the deletion of a provision which would have given it the power to update certain elements of the technical annexes in the light of technical progress.

Compared with the current rules, the draft directive also introduces new requirements designed to ensure high testing standards and relating in particular to test equipment, skills and training of testing personnel and supervision of testing centres; the annexes with the technical testing details have also been updated. Detection of mileage counter tampering will be facilitated by making the counter readings from the previous test available to inspectors. In addition, the new text provides for the mutual recognition of roadworthiness certificates in the event of re-registration of a vehicle in another member state. More generally, administrative cooperation between member states will be enhanced, and the feasibility of an electronic vehicle information platform will be explored.

After five years, the Commission will review the effectiveness of the directive and present new proposals if necessary.

The proposed regulation, presented by the Commission in July 2012, is part of a "roadworthiness package" that also includes proposals for regulations on roadside inspections of commercial vehicles (12809/12) and on the registration documents for vehicles (12803/12).

The European Parliament, whose approval is also required for the adoption of the proposal, has not yet determined its position.

#### HORIZONTAL AND INTERMODAL QUESTIONS

#### **Connecting Europe Facility**

The Council took note of the state of play on the draft regulation establishing the Connecting Europe Facility (CEF), the future funding instrument for the trans-European networks (TEN) in the fields of transport, energy and telecommunications (progress report: <u>17107/12</u> + <u>COR 1 REV 1</u>). The regulation determines the conditions, methods and procedures for the Union's financial contribution to TEN projects. It will replace the existing legal bases for TEN funding. Complementing these general rules, sector-specific policy guidelines will be adopted separately to define development strategies, priorities and implementation measures for each of the sectors.

In June this year, the Council agreed on a partial general approach to the CEF (11236/12) which did not include the financial provisions, pending the negotiations on the new Financial Regulation and on the multi-annual financial framework (MFF) for the years 2014-2020. Since then, the majority of issues linked to the Financial Regulation have been solved. Items relating to the ongoing MFF negotiations, however, are still open, including the amounts allocated under the CEF, the amount to be transferred from the Cohesion Fund, and the question of whether value added tax should be an eligible cost for grants under the CEF. Other outstanding issues concern the provisions on financial aid through the use of innovative financial instruments such as project bonds, designed to leverage additional investment from private and public sources. In addition, further sector-specific discussions will be needed on the infrastructure priorities for the telecommunications sector, as listed in the annex to the CEF regulation (this issue was also addressed by telecommunications ministers in the afternoon session on 20 December).

At the Council meeting, the Commission expressed regret that important cuts to the CEF budget have been proposed in the framework of the MFF negotiations. The Commission considers such cuts counterproductive.

The Commission presented its proposal in October 2011 (<u>16176/11</u>). The European Parliament, whose approval is also required for the adoption of the regulation, has yet to determine its position on the proposal.

For more details on the CEF, see also the press release on the adoption of the partial general approach (10479/12, pp. 9-11).

#### Financing and governance of the European satellite navigation systems

The Council took note of the state of play on the draft regulation defining a new financial and governance framework for the European satellite navigation systems (EGNOS and Galileo), for the period covered by the multi-annual financial framework 2014-2020 (progress report: <u>16871/12</u>).

In June this year, the Council agreed on a partial general approach to the draft regulation ( $\underline{11105/12}$ ), leaving out, for the time being, the financial envelope for the satellite navigation programmes.

As the regulation also needs to be approved by the European Parliament, the competent Parliament committee examined the Commission's proposal in September and established a number of draft amendments. Since then, informal consultations with the Parliament have taken place to seek an agreement. The Parliament could accept a significant part of the Council's partial general approach, and agreement could also be reached on a number of technical issues. However, three issues in particular remain to be settled: a request by the Parliament to include the development of applications in the scope of the regulation; the question of the powers to be given to the Commission for certain decisions concerning the implementation of the regulation; and some fine-tuning concerning the governance of the programmes.

Further progress on this regulation is closely linked to the outcome of the ongoing negotiations on the next multi-annual financial framework (MFF). No final decision can be taken, until the amount to be allocated to the EU's satellite navigation programmes under the MFF is known.

The proposal presented by the Commission in December 2011 (<u>17844/11</u>) contains the following key elements:

- a financial request of EUR 7.9 billion at current prices, to be fully financed from the EU budget. These appropriations, which might be downsized in the MFF negotiations, will be used to finance activities related to the completion of the deployment phase of Galileo and to the exploitation of the Galileo and EGNOS systems;
- a definition of the EU satellite navigation systems and programmes and of the services they will provide;
- a new governance framework that establishes a strict division of tasks between the Commission, the European GNSS Agency and the European Space Agency;
- rules on public procurement in the programmes.

For more details on the Council's partial general approach and, more generally, on Galileo and EGNOS, see also press release 10479/12, pp. 12-14.

17591/12 11 TENI

#### **AVIATION**

#### **External aviation policy**

The Council adopted conclusions providing guidelines for policy-making both at EU and national level as regards aviation relations with non-EU countries ( $\underline{17558/12} + \underline{COR 1}$ ).

The conclusions come in response to a communication presented by the Commission in September 2012 on the EU's external aviation policy (<u>14333/12</u>). The communication reviews the progress achieved since 2005 when the Council agreed on an agenda for external aviation policy, analyses the challenges the EU aviation sector is facing and proposes ways to address them.

Endorsing the key elements of the Commission's communication, the Council stresses the importance of a competitive aviation sector in the EU and the need to place aviation relations with third countries on a sound legal basis and to further enhance relations, taking into account the particularities of the partner countries. Whilst recognising the progress made, the Council calls for a more ambitious policy based on the principles of reciprocity and open and fair competition. Finally, it underscores the key role of the International Civil Aviation Organisation (ICAO) in developing a more appropriate economic regulatory framework for global aviation and in addressing greenhouse gas emissions from international aviation.

#### **Aviation agreement with Israel**

The Council authorised the signing and provisional application of an aviation agreement between the EU and its member states on the one hand and Israel on the other (agreement: <u>16828/12</u>; decision on signing: <u>16826/12</u>).

The agreement provides in particular for a gradual and reciprocal market opening - with full market opening by 2017 -, an increase in weekly flight frequencies and the possibility for EU airlines to operate freely from any point within the EU to any point in Israel. In addition, new arrangements, based on EU legislation, for regulatory cooperation and convergence between the EU and Israel are established in fields essential for the safe, secure and efficient operation of air services. Moreover, the agreement aims at establishing a level playing field for economic operators and promotes fair competition among airlines.

17591/12 12 Table

#### OTHER BUSINESS

#### **Transport**

#### Emissions trading in the aviation sector

The Commission updated ministers on international developments in the International Civil Aviation Organisation (ICAO) regarding global action to tackle emissions from aviation (17703/12). In view of the progress made on this issue at last November's ICAO Council meeting, the Commission has submitted a legislative proposal which would temporarily suspend the enforcement of the EU's emissions trading scheme (ETS) for international flights to and from Europe, in an effort to contribute to finding a global solution at the ICAO assembly in September 2013.

## Implementation of the new requirements on the sulphur content of marine fuels

The French delegation informed the Council about its concerns as regards the timely availability at an acceptable price of fuels with reduced sulphur content which ships operating in sulphur emission control areas will be required to use as from 1 January 2015 under new international and EU rules (17790/12). It called upon member states and the Commission to work together on possible solutions. Several other delegations took the floor to state that they share these concerns.

Under the incoming Irish presidency, this issue will be discussed further in order to seek a solution.

#### Work programme of the incoming Irish presidency

The incoming Irish presidency briefly presented its work programme in the field of transport for the next six months, the overall aim of which will be safer, more efficient and sustainable transport in Europe.

The top priorities are the Connecting Europe Facility and the trans-European transport networks as well as the three proposals of the airport package and the new proposal to be presented by the Commission for a fourth railway package.

Moreover, work on other new legislative proposals to be presented by the Commission will start. This concerns issues such as air passenger rights, marine equipment, passenger ship safety or clean power for transport. Work will continue on the proposals already under discussion, such as the roadworthiness package and the tachograph regulation.

#### **TELECOMMUNICATIONS**

#### Electronic identification and trust services

The Council held, in a public session, a policy debate on a draft regulation on electronic identification and trust services for electronic transactions in the internal market. In addition, it took note of a presidency progress report which reflects the progress made to date and identifies issues requiring further discussions (17269/12).

The debate provided useful guidance on the way forward for the incoming Irish presidency and confirmed support for the main objectives of the Commission proposal.

The proposed legal framework seeks to enable secure and seamless electronic interactions between businesses, citizens and public authorities, thereby increasing the effectiveness of public and private online services, e-business and electronic commerce in the EU. It should contribute to achieving of a fully integrated digital single market. The European Council has called repeatedly for a swift adoption of this proposal.

The Commission presented this proposal in June 2012 (<u>10977/12</u>). The draft regulation aims to ensure mutual recognition and acceptance of electronic identification means across the EU. It also enhances current rules for electronic signatures and lays down a legal framework for other trust services such as electronic seals, electronic time stamps, electronic documents, electronic delivery services and website authentication. It will contribute to building trust and confidence in electronic transactions in the internal market.

The European Parliament's ITRE committee vote is scheduled for July 2013.

#### Trans-European telecommunications networks

In a public deliberation, the Council took note of a progress report on a draft regulation on guidelines for trans-European telecommunications networks (17257/12).

The Commission presented its proposal in October 2011 (<u>16006/11</u>). The draft regulation will establish guidelines covering the objectives and priorities envisaged for broadband networks and digital public service infrastructures. The guidelines will identify projects of common interest in this respect.

In the field of broadband networks, projects of common interest will support the rollout of high-speed or very high-speed broadband networks. This will contribute to reaching, by 2020, the Digital Agenda for Europe targets of universal coverage at 30 Mbps; or having at least 50% of households subscribing to speeds above 100 Mbps. A balanced portfolio of 30 and 100 Mbps projects is envisaged across the EU.

Projects of common interest in the field of digital service infrastructures could include trans-European high-speed backbone connections for public administrations, cross-border delivery of eGovernment services based on interoperable identification and authentication enabling access to public sector information, multilingual resources, online safety and security and smart energy services.

The EU funding related to this regulation is to be negotiated in the context of the Connecting Europe Facility financing instrument, relating to the next multiannual financial framework (2014-2020). The Commission presented this proposal in June 2011 (<u>16176/11</u>) with the aim of promoting the completion of priority energy, transport and digital infrastructures. The Commission proposed to allocate EUR 9.2 billion to broadband networks and digital service infrastructures.

The European Parliament's ITRE committee's vote took place on 5 November 2012.

#### **Public sector information**

In a public session, the Council took note of a presidency progress report on the work done to date on this subject (17272/12).

In addition, the presidency briefed ministers on the outcome of the first trialogue with the European Parliament that took place on 17 December 2012. The next trialogue will be held under the Irish presidency in early 2013.

The Commission presented its proposal to revise directive 2003/98/EC on re-use of public sector information (PSI) in December 2011 (18555/11). It forms part of the <u>Digital Agenda for Europe</u> and the Europe 2020 strategy for smart, sustainable and inclusive growth.

Public sector information is the single largest source of information in Europe. It is produced and collected by public bodies and includes digital maps, meteorological, legal, traffic, financial, economic and other data. Most of this raw data could be re-used or integrated into new <u>products and services</u> which we use on a daily basis, such as car navigation systems, weather forecasts, financial and insurance services.

The aim of this proposal is to eliminate differences between member states in the exploitation of public sector information which hamper attainment of the full economic potential of this resource. In addition, it aims to facilitate the creation of Union-wide products and services based on PSI and to ensure the effective cross-border use of PSI for value-added products and services.

The Commission's amending proposal contains three new main elements in particular: extension of the scope to cover cultural institutions as well, the obligation to allow the re-use of existing accessible documents held by public sector bodies and the charging rules for re-use.

#### **Europe 2020 Strategy**

Within the framework of the implementation of the Europe 2020 strategy for jobs and growth, the Telecoms Council held a public policy debate on the mid-term review of the Digital Agenda for Europe and the next steps to be taken. This debate also included relevant aspects of the 2013 Annual Growth Survey (16669/12) and contributed to the European Semester exercise, the cycle of economic policy coordination under the Europe 2020 strategy for jobs and growth.

On the basis of a presidency note (17339/12), ministers assessed the progress made on the priorities of the Digital Agenda for Europe and focused on the need for more intensive efforts at EU level in order to meet the challenges identified in the information and communication technology sector and the digital single market. The ministers' debate was also a first step in preparations for the 2013 October European Council devoted to innovation and digital policies.

During the debate, ministers also expressed broad support to new initiatives for digital economy and society contained in the <u>Digital Agenda Review</u> which was adopted by the Commission on 18 December 2012. The review is intended to consider how best to refocus the Digital Agenda in order to better stimulate the digital economy through mutually enhancing and complementary measures in key areas.

The 2013 Annual Growth Survey sets out the economic and social priorities for the EU by providing overall guidance for the member states and the EU in conducting their policies. It also includes the first Report on the State of the Single Market Integration (17281/12), which further develops the EU's challenges and priorities for better stimulating the digital economy.

## **EVENT IN THE MARGINS OF THE COUNCIL**

On the sidelines of the Council, the European Union and the European Organisation for the Safety of Air Navigation (Eurocontrol) signed an agreement establishing a new and stable framework for enhanced cooperation (13792/12).

For more details, see the joint press release of the Council and Eurocontrol (18002/12).

#### **OTHER BUSINESS**

#### **Telecommunications**

#### **European Network and Information Security Agency**

The presidency briefed the Council on the state of play in the negotiations with the European Parliament on this subject. It regretted that it could not reach an agreement with the European Parliament on this dossier before the end of its term. The European Parliament cancelled the third trialogue meeting (scheduled for 4 December), as it considered the Council's mandate insufficient for meeting Parliament's demands and reaching an agreement. The incoming Irish presidency will explore all possibilities in order to bring this matter to a conclusion.

## Accessibility of public sector bodies' websites

The Commission briefed ministers on its new legislative proposal on the <u>accessibility of public sector bodies' websites</u> adopted on 3 December 2012 (<u>17344/12</u>).

#### Work programme of the incoming presidency

The incoming Irish presidency briefed the Council on its priorities and the legislative proposals on which it will focus its work ( $\frac{17796/12}{2}$ ).

## **World Conference on International Telecommunications**

The presidency and the Commission briefed the Council on the outcome of the World Conference on International Telecommunications (WCIT), held from 3 to 14 December in Dubai with a view to revising the International Telecommunications Regulations.

#### OTHER ITEMS APPROVED

#### **ENERGY**

## **Energy Star programme**

The Council adopted a regulation amending regulation (EC) No 106/2008 on a Community energy-efficiency labelling programme for office equipment (Energy Star) by approving the European Parliament's position (*PE-CONS 57/12*).

This regulation reflects the provisions of a new agreement concluded on 29 November 2011 between the United States of America and the EU on the coordination of energy-efficiency labelling programmes for office equipment (10193/12). The agreement aims to continually reduce the energy consumption of office equipment such as computers, displays, printers, copiers *etc*. It will cover a five-year period.

### **TRADE POLICY**

# Trade agreement with Columbia, Peru: Safeguard clause and stabilisation mechanism for bananas

The Council approved the position of the European Parliament (<u>PE-CONS 62/12</u>) on a regulation implementing the bilateral safeguard clause and the stabilisation mechanism for bananas of the trade agreement with Colombia and Peru.

The regulation will be published in the Official Journal of the EU when it has been signed by the President of the Council and the President of the European Parliament.

#### Association agreement with Central America: Safeguard clause for bananas

The Council approved the position of the European Parliament (<u>PE-CONS 63/12</u>) on a regulation implementing the bilateral safeguard clause and the stabilisation mechanism for bananas of the association agreement with Central America.

The regulation will be published in the Official Journal of the EU when it has been signed by the President of the Council and the President of the European Parliament.

#### **FISHERIES**

#### Deep-sea fish stocks 2013-2014

The Council adopted a regulation fixing for 2013 and 2014 the fishing opportunities for EU vessels for certain deep-sea fish stocks (17289/12).

A political agreement was reached on this regulation at the Agriculture and Fisheries Council meeting in November this year (16664/12). This regulation concerns certain stocks of deep water fish such as certain deep-sea sharks, the black scabbardfish (*Aphanopus carbo*), roundnose grenadier (*Coryphaenoides rupestris*), alfonsinos (*Beryx spp.*) and forkbeards (*Phycis blennoides*). The fishing opportunities for deep-sea species have been fixed biennially at the EU level since 2003

According to article 43(3) of the Treaty of Lisbon, it is incumbent upon the Council to adopt measures on the fixing and allocation of fishing opportunities in the framework of the common fisheries policy. The European Parliament's participation and the Economic and Social Committee's opinion are therefore not required for this regulation.

## FOOD LAW

## Rules on foods for vulnerable persons\*

The Council approved an agreement reached with the European Parliament on foods considered essential for certain vulnerable persons such as babies and young children ( $\underline{16961/12} + \underline{COR~1} + \underline{ADD~1} + \underline{ADD~2}$ )<sup>1</sup>. It confirmed the agreement reached between the Cyprus presidency and representatives of the European Parliament on 14 November and paved the way for the formal adoption of the new EU regulation by the European Parliament.

17591/12

21

The UK and German delegations abstained.

The new regulation seeks to clarify the legal framework relating to these foods by avoiding the overlap between the specific legislation applicable to such foods and the legislation applicable to normal food. It further aims at closing legal loopholes under the existing system and ensuring that EU rules on such foods are applied in the same manner in all member states. It thereby contributes to providing legal clarity in the interests of both consumers and producers, and to preventing distortions in the internal market.<sup>1</sup>

For details see 18003/12.

#### **ENVIRONMENT**

#### CO2 emissions for new light commercial vehicles

The Council confirmed its intention not to object to a delegated act by the Commission, which supplements regulation 510/2011 with regard to rules for the application for a derogation from the specific CO2 emissions targets for new light commercial vehicles (16146/12).

The Commission submitted the delegated act on 6 November 2012. According to regulation 510/2011 concerning light commercial vehicles (vans), the Council has two months to object to a delegated act, following its notification, unless it and the Parliament speed up the process by informing the Commission of their intention not to raise objections.

The draft delegated act provides the format for the application for a derogation pursuant to Article 11 of regulation 510/2011, specifies the information to be provided on the eligibility criteria, defines the baseline to be used for the assessment of the proposed specific emissions target, and specifies the information to be submitted on the applicants reduction potential. The draft delegated act lays down detailed provisions for the procedure for assessment of the proposed specific emissions target and reduction potential.

17591/12

EN

Currently, similar foods may be marketed in different member states as food for particular nutritional uses and/or as food for normal consumption addressed to the population in general or to certain sub-groups such as pregnant women, older adults, growing children, adolescents and others. This state of affairs undermines the functioning of the internal market, creates legal uncertainty for authorities, producers and consumers and carries the risk of marketing abuse and distortion of competition.

#### **SOCIAL POLICY**

#### Statistics on income and living conditions

The Council decided not to oppose adoption by the Commission of a regulation setting the target secondary variables and the variables' identifiers for the 2014 module on material deprivation to be included in the cross-sectional component of European statistics on income and living conditions (EU-SILC) (17266/12).

The draft regulation, which is a measure implementing the EU-SILC regulation of 2003, is subject to the regulatory procedure with scrutiny; now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

#### **EDUCATION**

## Validation of non-formal and informal learning

The Council adopted a recommendation on the validation of non-formal and informal learning set out in 16153/12 + COR 1.

## <u>INSTITUTIONAL AFFAIRS</u>

#### Adjustment of salaries of EU civil servants

The Council confirmed that there is no qualified majority for the adoption of a Commission proposal for adjusting the remuneration and pensions of officials and other servants of the EU for 2012.

The idea behind the method for calculating the annual adjustment of salaries of EU civil servants is to ensure a parallel evolution of the purchasing power of national civil servants in the eight member states of reference and EU officials. However, the method includes an "exception clause" which applies if there is a serious and sudden deterioration in the economic and social situation within the Union. In line with the EU staff regulations the method applies notably to the basic monthly salaries of EU officials and EU contract agents as well as to the monthly remuneration of parliamentary assistants.

17591/12

EN

Officials and other servants of the EU receive twelve monthly salaries per year.

2012 is the last year for which the current version of annex XI of the staff regulations of Union officials provides for the application of the adjustment method. Since the discussions on a reform of the staff regulations are still ongoing the Commission suggested to the Council and the European Parliament at the end of November that the method be prolonged temporarily for one year, together with a special levy of up to 5.5% which would otherwise also expire at the end of this year. However, the Council could not agree to this suggestion. The special levy of 5.5% is currently applied progressively so that the levy is lower for officials in lower grades.

## **DEVELOPMENT COOPERATION**

## EU development assistance for water supply and sanitation in Sub-Saharan countries

The Council adopted conclusions (<u>17288/12</u>) on the European Court of Auditors' report on EU development assistance for drinking-water supply and basic sanitation in Sub-Saharan countries. The report underlines that significant improvement in several areas is needed since fewer than half of the projects examined met all the beneficiaries' needs. The Council acknowledges the fact that the Commission has already started to take a number of initiatives to address most of the questions raised in the Court of Auditors' Report. The Council also emphasised that successful and long-term sustainable water supply and sanitation projects require a broad range of supporting mechanisms to ensure their financial and institutional sustainability and that despite their high risks, these projects are vital for the achievement of the Millennium Development Goals.

#### **ECONOMIC AND FINANCIAL AFFAIRS**

#### Financial assistance to Portugal

The Council adopted a decision amending implementing decision 2011/344/EU on granting financial assistance to Portugal. This follows a decision by the Council in October to grant Portugal an additional year to correct its excessive budget deficit.

#### **FOREIGN AFFAIRS**

#### EU relations with Andorra, Monaco and San Marino - Conclusions

The Council adopted the following conclusions on EU relations with Andorra, Monaco and San Marino:

- 1. "In line with the Council conclusions of 14 December 2010 on EU relations with EFTA countries¹ and the Presidency Report on EU relations with the Principality of Andorra, the Republic of San Marino and the Principality of Monaco, endorsed by the Council on 21 June 2011², the Council welcomes the Communication from the Commission on EU Relations with the Principality of Andorra, the Principality of Monaco and the Republic of San Marino Options for Closer Integration with the EU of 20 November 2012, as well as the accompanying Commission Staff Working Paper on Obstacles to access by Andorra, Monaco and San Marino to the EU's internal Market and Cooperation in other areas. The Council takes good note of the conclusions and recommendations therein.
- 2. The Council welcomes the continued interest shown by the three countries concerned in strengthening and deepening their relations with the EU and takes note of the information provided by them regarding current obstacles hampering their access to the EU's Internal Market, as reflected in the above-mentioned Commission Staff Working Paper.
- 3. The Council recognises that a closer integration of Andorra, Monaco and San Marino is in principle also in the interest of the EU, as it could potentially enhance perspectives for growth, investment, innovation and employment to the benefit of both the EU (first and foremost the neighbouring regions of these countries) and the countries in question.
- 4. Against this background, the Council encourages the continuation of work of the Commission and the High Representative (as appropriate) regarding enhanced relations with the three countries in question. This work should be guided by the need to ensure the homogeneity and the good functioning of the internal market, while taking into account the specificities of the three countries, as well as by the importance of developing a coherent approach for all three countries.

-

Doc. 17423/1/10 REV 1.

Doc. 11466/11.

- 5. The Council considers that the most viable options for the closer integration of Andorra, Monaco and San Marino would be: i) participation of these countries of small territorial extension in the European Economic Area; and ii) the negotiation of one or more framework association agreement(s) with these countries, with a view to giving them access to the EU's internal market, its flanking measures and horizontal policies, and including institutional mechanisms following the model of the Agreement on the European Economic Area.
- 6. In the light of the assessment undertaken so far and the interest expressed by Andorra, Monaco and San Marino in strengthening their relations with the EU, the Council invites the Commission and the High Representative (as appropriate) to continue their analysis and reflections on these two options, and in particular:
  - to hold consultations with the Governments of Andorra, Monaco and San Marino and other relevant parties, starting in the first semester 2013, with a view to identifying the feasibility of and the degree of support for these two options, taking into account, in particular, the institutional conditions referred to in the Communication;
  - to submit to the Council, before the end of 2013, a report, including an analysis of the impact and of the main institutional, political and economic implications of these options, as well as recommendations regarding further steps.
- 7. Finally, the Council takes good note of efforts made by Andorra, Monaco and San Marino. It encourages them to pursue their efforts in order to further increase the convergence of their legislation with EU internal market *acquis* and strengthen their administrative capacity in view of facilitating the implementation of further relevant EU *acquis*."

#### **EU** relations with EFTA countries – Conclusions

The Council assessed the development of EU relations with the four countries of the European Free Trade Association (EFTA): Iceland, Liechtenstein, Norway and Switzerland in the past two years, and adopted the following conclusions:

1. "In accordance with its conclusions of December 2010, the Council has assessed the development of EU relations with the four Member States of the European Free Trade Association (EFTA), namely the Kingdom of Norway, Iceland, the Principality of Liechtenstein and the Swiss Confederation, in the past two years. During that period, EU relations with the EFTA countries remained stable and close (details on developments are set out below in country-specific paragraphs). The Council is looking forward to further strengthening and deepening relations with the four countries in question in the future. It will reassess the state of relations between the EU and the EFTA countries in two years.

#### **PRINCIPALITY OF LIECHTENSTEIN**

- 2. The Council recognizes that over the past 17 years, Liechtenstein though a country of small territorial size has become a successful EEA member through political determination and significant administrative efforts, and might be a useful reference for further intensifying the relations between the EU and other European countries of small territorial size.
- 3. The Council strongly welcomes the solidarity shown by the people of Liechtenstein through their contribution to reduce social and economic disparities in the EEA for the period 2009-2014.
- 4. The Council notes with satisfaction that in the period 2010 to 2012, relations between the EU and Liechtenstein were further extended and strengthened in a number of areas. In particular, the Council welcomes the entry of Liechtenstein into the Schengen area and its association to the Dublin *acquis* in December 2011.
- 5. The Council welcomes in general efforts made by Liechtenstein in order to adapt its tax legislation and practices to EEA rules and international standards, in particular the comprehensive tax reform, which entered into force on 1 January 2011.
- 6. Regarding cooperation and information exchange in tax matters and the fight against fraud and tax evasion, the Council takes note of the efforts of the Principality to live up to its commitment to implement OECD standards on transparency and on tax information exchange and to fight against fraud, and notes that it has concluded a number of bilateral agreements including provisions on tax information exchange. The Council expects Liechtenstein to continue the implementation of its commitment to combat tax fraud and tax evasion in its relationship with the EU and all its Member States.
- 7. Concerning the taxation of savings, the Council welcomes the openness of Liechtenstein to enter into negotiations on the revision of the savings taxation agreement to reflect the evolution of the corresponding EU acquis, once the Council has adopted a decision authorising the opening of negotiations, including negotiating directives. Regarding the latter, the European Council stated in its conclusions of 28/29 June 2012 that rapid agreement must be reached by the Council on the negotiating directives for saving taxation agreements with third countries. This was reaffirmed in the conclusions of the Council on tax evasion and fraud, adopted on 13 November 2012.

- 8. Concerning state aid, the Council welcomes improvements made by Liechtenstein regarding its compliance with EEA rules on state aid and encourages Liechtenstein to pursue this path.
- 9. With regard to the ongoing dialogue on tax measures which constitute harmful tax competition, the Council encourages Liechtenstein to continue the dialogue with EU with the aim of applying the principles and all the criteria of the EU Code of Conduct on Business Taxation and addressing the concerns raised in that dialogue.

#### **KINGDOM OF NORWAY**

- 10. The Council notes with satisfaction that over the past two years, relations with Norway have continued to be marked by a high level of cooperation and stability. In the difficult period of the sovereign debt crisis in the Eurozone, Norway has demonstrated its solidarity, inter alia with a contribution of 6 billion SDRs (over 7 billion EUR) to the IMF. The close relationship between the EU and Norway has further evolved both through the EEA Agreement and bilaterally, in particular in the areas of Justice and Home Affairs, Common Foreign and Security Policy and Agriculture.
- 11. Concerning Justice and Home Affairs, including Schengen, the Council notes that relations have further strengthened in a number of sectors. In the aftermath of the tragic attacks in Oslo and Utøya in July 2011, cooperation on counter-terrorism, anti-radicalisation and police cooperation in the framework of Europol has also been stepped up. The Council acknowledges the benefits of increased cooperation. With regard to judicial cooperation in civil matters, the Council is ready to examine proposals for further extending the cooperation.
- 12. The Council welcomes Norway's cooperation in the area of Common Foreign and Security Policy, which has further intensified since 2010. The Council highly appreciates the participation of Norway in numerous Common Security and Defence Policy (CSDP) operations and missions, in the Nordic Battle Group, as well as in the activities of the European Defence Agency. The Council also welcomes the frequent alignment of Norway to EU statements, the regular political dialogues held at all levels, as well as the cooperation in the framework of the Ad-hoc Liaison Committee on Palestine (AHLC), chaired by Norway. The Council is committed to further deepening this partnership, in particular through the continuous participation of Norway in CSDP operations.
- 13. Norway is the fifth largest trade partner of the EU, while the EU remains the main trade partner of Norway for both imports and exports. Overall, trade relations are strong and intense. In this context and in the spirit of the EEA, the Council expects Norway to closely coordinate with the EU its positions for matters that fall under the EEA Agreement, including matters related to trade. The Council therefore regrets that Norway has decided to proceed with the WTO dispute settlement proceeding against the EU measures on trade in seal products.

- 14. Regarding agriculture, relations have developed since 2010 through the conclusion of an agreement on further liberalisation of trade in agricultural products under Article 19 of the EEA Agreement. The Council welcomes this step and looks forward to the upcoming review in 2013/14 of the conditions of trade in these products between Norway and the EU with a view to open negotiations within the framework of Article 19. The Council hopes that such negotiations will lead speedily to the conclusion of a new agreement, containing further concrete steps towards progressive liberalisation of trade in these products. At the same time, the Council deeply regrets the decision of Norway to increase customs duties by switching from currently applied specific duties to ad valorem duties for some agricultural products. The Council strongly encourages Norway to reverse its decision and underlines the need to ensure that the benefits, which Norway and the EU grant each other, will not be jeopardised by other restrictive import measures. The Council also expresses the need for further liberalization of trade in processed agricultural products (Protocol 3) in accordance with the spirit of the EEA Agreement.
- 15. The Council welcomes the continuously close and stable relations with Norway in the energy sector as well as on climate change and environmental issues. It looks forward to maintaining this excellent cooperation and to further deepening it, in particular with regard to the security of supply, the promotion of competitive, safe and sustainable low carbon economy, energy efficiency and renewable energies, as well as on carbon capture and storage (CCS).
- 16. The Council is well aware of the high priority attached by Norway to the Arctic and shares its interest in developments regarding this region. The EU is ready to step up its cooperation on Arctic matters in a number of sectors of common interest, inter alia through its bilateral dialogues with Norway and through regional cooperation. Regarding the latter, the Council welcomes cooperation in the framework of the Council of the Baltic Sea States. The Council also commends the Norwegian chairmanship of the Barents Euro-Arctic Council, whose 20th anniversary will be celebrated next year. It also welcomes the continued support of Norway with regard to the Commission's application on behalf of the EU for an observer status in the Arctic Council. Furthermore, the Council acknowledges the important role of Norway in the Northern Dimension. The EU continues to be committed to regional cooperation in the framework of the Northern Dimension partnerships in the field of the environment, transport and logistics, public health and social well-being and culture.
- 17. The Council also welcomes the good cooperation with Norway on Fisheries in the past two years, including successful consultations on joint fish stocks and on the exchange of fishing opportunities in their respective exclusive fishing zones, as well as the joint setting of management measures for certain fish stocks within sustainability limits.
- 18. The Council welcomes the signing of the Memoranda of Understanding with the beneficiary countries for the second period of the financial perspective 2009-2014. The Council welcomes, in particular, the commitment of Norway to share the founding principle of solidarity and to continue its very significant contribution to the reduction of social and economic disparities in the EU.

## **ICELAND**

- 19. The Council welcomes the continued progress made in the negotiations on the EU accession process of Iceland since 2010, takes note of the findings presented by the Commission on 10 October 2012 to the Council and the European Parliament in the Progress Report on Iceland and refers to its conclusions on enlargement of 11 December 2012. The Council encourages Iceland to continue to make progress in the alignment with and the implementation of the EU acquis.
- 20. The Council strongly welcomes the solidarity shown by Iceland in continuing its contribution to the reduction of social and economic disparities in the EEA for the period 2009-2014.
- 21. The Council notes with satisfaction that besides the evolution of the relationship in the framework of the accession process, relations have also further developed in the past two years in the traditional framework of cooperation under the EEA Agreement, as well as in the Schengen area. The Council appreciates the ever closer cooperation with Iceland in a wide range of policy areas, including the Common Foreign and Security Policy. It looks forward to further deepening cooperation, in particular in key areas of common interest such as the global promotion of human rights, renewable energy, climate change, fisheries, the Northern Dimension and Arctic policy.
- 22. The Council acknowledges the high priority given by Iceland to Arctic Policy and confirms the EU's strategic interest in developments regarding this region. It appreciates the support of Iceland with regard to the Commission's application on behalf of the EU for an observer status in the Arctic Council. The Council stands ready to further intensify the cooperation on Arctic issues.
- 23. The Council welcomes the opening of negotiations with Iceland on further liberalisation of trade in basic and processed agricultural products under Art. 19 and Protocol 3 of the EEA Agreement as well as on the protection of geographical indications, and hopes for rapid progress in the negotiations.
- 24. Regarding fisheries, the Council regrets that discussions of the involved parties (EU, Iceland, Norway and Faeroe Islands) on the joint management on mackerel stocks, held in several successive rounds of consultations during 2011 and 2012, were not successful. The Council is committed to the Coastal States' consultations, and reiterates its call for a constructive approach of all parties in trying to reach a long-term multi-party agreement. The European Parliament and the Council have adopted a Regulation on trade measures for the purpose of the conservation of fish stocks in joint management and the prevention of unsustainable fishing practices, which entered into force in November. The Council will follow with interest the implementation of the Regulation, should it become appropriate or necessary to implement it.

25. The Council welcomes the recent positive development of the Icelandic economy following a long and severe recession, as well as Iceland's continued commitment to move towards economic stabilization and to address all issues deriving from the 2008 banking collapse. However, the Council notes that certain economic issues, including capital controls, still need to be addressed. Furthermore, it recalls the need for Iceland to address existing obligations under the EEA Agreement as well as remaining weaknesses in the area of financial services.

## **EUROPEAN ECONOMIC AREA**

- 26. In the past two years, the EU, Norway and Liechtenstein have undertaken or launched reviews of the Agreement on the European Economic Area ("EEA Agreement"). The EU welcomes the Report of the Norwegian Review Committee and the ensuing White Paper of the Norwegian Government on the EEA Agreement and Norway's other agreements with the EU. Moreover, the Council welcomes the EEA Review commissioned by Liechtenstein, and will consider its content with interest.
- 27. The Council encouraged in its conclusions of 2010 a parallel review of the EEA Agreement on the EU side. Accordingly, the EEAS and the Commission have carried out an assessment of the EEA Agreement, which will be closely examined by the Council in the coming months. The Council expects that an extensive exchange with EEA partners on the results of the respective reviews is held at the next EEA Council meeting in May 2013. The Council hopes that these reviews will confirm the relevance of the EEA Agreement, which has proven to be effective and in the interest of all.
- 28. The Council notes that overall, the EEA Agreement has continued to function in a satisfactory manner. The Council welcomes the substantial efforts made by the three EEA EFTA countries (Iceland, Liechtenstein and Norway) in the course of the past year to reduce the number of outstanding legal acts still to be incorporated into the EEA Agreement. The Council draws the attention to the importance of addressing, as a matter of priority, the remaining large number of legal acts, for which the compliance date in the EU has passed, but which have not entered into force in the EEA EFTA countries as their incorporation into the EEA Agreement has been delayed. In this regard, the Council underlines that the principles of homogeneity and legal certainty guarantee the efficiency, sustainability and ultimately the credibility of the single market and must therefore continue to guide the action of all parties in relation to the functioning of the EEA Agreement.

## **SWISS CONFEDERATION**

- 29. The Council underlines the importance of close relations between the EU and Switzerland. Both are faced with the same global challenges, to which Europe needs to respond in a responsible and coordinated manner. Over the past decades, Switzerland has come ever closer to the EU, becoming inter alia its forth biggest trading partners and a reliable partner in the Schengen area.
- 30. The Council notes that in the last years, negotiations as regards Switzerland's further participation in parts of the Internal Market have been marked by a stalemate, partly due to unresolved institutional issues. While the Council welcomes the continuation of intensive and close cooperation with Switzerland in many areas, it is of the view that the conclusion of any negotiation regarding the participation of Switzerland in the Internal market is, in particular, dependent on solving the institutional issues outlined in the Council conclusions of 2008 and 2010.
- 31. Recalling its conclusions of 2010, the Council reaffirms that the approach taken by Switzerland to participate in EU policies and programmes through sectoral agreements in more and more areas in the absence of any horizontal institutional framework, has reached its limits and needs to be reconsidered. Any further development of the complex system of agreements would put at stake the homogeneity of the Internal Market and increase legal insecurity as well as make it more difficult to manage such an extensive and heterogeneous system of agreements. In the light of the high level of integration of Switzerland with the EU, any further extension of this system would in addition bear the risk of undermining the EU's relations with the EEA EFTA partners.
- 32. The Council welcomes the efforts made by Switzerland to formalize proposals on these institutional issues, as submitted in June 2012. In particular, the Council notes with satisfaction that Switzerland recognizes that the principle of homogeneity, a principle requiring in particular a dynamic adaptation to the evolving EU *acquis*, should be at the core of the EU-Switzerland relationship.
- 33. However, the Council considers that further steps are necessary in order to ensure the homogeneous interpretation and application of the Internal Market rules. In particular, the Council deems it necessary to establish a suitable framework applicable to all existing and future agreements. This framework should, inter alia, provide for a legally binding mechanism as regards the adaptation of the agreements to the evolving EU *acquis*. Furthermore, it should include international mechanisms for surveillance and judicial control. In this context, the Council notes that by participating in parts of the EU internal market and policies, Switzerland is not only engaging in a bilateral relation but becomes a participant in a multilateral project. All in all, this institutional framework should present a level of legal certainty and independence equivalent to the mechanisms created under the EEA Agreement.

- 34. The Council underlines that it attaches great importance to the continuation of a dialogue with Switzerland on possible solutions to the institutional issues as set out in previous paragraphs. The Council invites the Commission to report on the progress in the exploratory discussions and, in the light of such progress, to consider the possibility of presenting a recommendation for the opening of negotiations with Switzerland.
- 35. The Council welcomes the mobility of citizens between the EU and Switzerland, based on the Agreement on the Free Movement of Persons and enhanced by other Agreements, such as those on the participation of Switzerland in the Life Long Learning and Youth in Action Programmes and on Switzerland's association to the Research Framework Programme of the EU. However, the Council notes with regret that Switzerland has taken a number of measures, which are not compatible with the provisions and the spirit of the Agreement on the Free Movement of Persons and undermine its implementation. In particular, the Council deeply regrets that Switzerland has unilaterally re-introduced quotas for certain categories of residence permits for citizens of 8 EU Member States. The Council considers this step to be discriminatory and clearly in breach of the Agreement, and strongly urges Switzerland to reverse its decision and to respect the agreed provisions. Furthermore, the Council regrets that Switzerland has not yet abolished certain unilaterally introduced flanking measures to the Agreement (such as the obligation to provide prior notification with an 8-day waiting period), which restrict the provision of services under the Agreement and are particularly burdensome for SMEs wishing to provide services in Switzerland. The Council reiterates its call on Switzerland to abrogate these measures as soon as possible and to refrain from adopting any new measure incompatible with the Agreement.
- 36. The Council welcomes the ongoing discussions in Switzerland regarding the abolition of certain Swiss cantonal company tax regimes, which create an unacceptable distortion of competition between the EU and Switzerland and present characteristics of state aid. The Council remains deeply concerned regarding these regimes and calls on Switzerland to rapidly conclude internal discussions with the aim of abolishing these tax incentives in the near future, and to avoid taking new internal measures, which might again distort competition. In addition, the Council welcomes the ongoing technical discussions between the European Commission and the Swiss authorities regarding the New Regional Policy of Switzerland and calls for an alignment of Switzerland with EU State aid rules applicable to regional policy.
- 37. Regarding the ongoing dialogue with Switzerland on the application of the principles and all the criteria of the EU Code of Conduct on business taxation, the Council welcomes first progress made in relation to some Swiss regimes. However, the Council considers it important for all Code of Conduct Group's concerns to be taken into account, and encourages the Commission and Switzerland to continue discussions with the aim of rapid and substantive further concrete progress before the end of the next semester, while the EU and its Member States reserve their position with regard to the possibility to follow alternative approaches, including the unilateral assessment of the relevant Swiss tax measures.

- 38. Concerning the taxation of savings, the Council welcomes the readiness of Switzerland to consider an extension of the scope of the savings taxation agreement, once the Council has adopted a decision authorising the opening of negotiations. Regarding the latter, the European Council stated in its conclusions of 28/29 June 2012 that rapid agreement must be reached by the Council on the negotiating directives for saving taxation agreements with third countries. This was reaffirmed in the conclusions of the Council on tax evasion and fraud, adopted on 13 November 2012
- 39. The Council welcomes the cooperation with Switzerland in the area of Common Foreign and Security Policy (CFSP), in particular the recent conclusion of a cooperation arrangement with the European Defence Agency, Switzerland's participation in the EU's CSDP operations and missions and its alignment to EU sanction regimes. The Council regrets however, that Switzerland has not fully aligned itself with EU's sanctions regimes against Iran, and invites Switzerland to take the necessary measures to prevent circumvention of EU sanctions. The Council recalls its decision regarding the opening of negotiations on an agreement between the EU and Switzerland establishing a framework for the participation of Switzerland in EU crisis management operations and invites Switzerland to further strengthen its cooperation with the EU in the area of CFSP, including CSDP.
- 40. When receiving access to the enlarged internal market of the EU following the accession of 12 new Member States to the EU in 2004 and 2007, Switzerland agreed on a financial contribution in this enlarged economic area through a financial mechanism for a five years period, which expired in June 2012. First reviews on the EU and the Swiss side show the success of this mechanism. The Council therefore reaffirms its expectation that this expression of solidarity, which underpins the relations between the EU and Switzerland, will be extended, in parallel to the continued access to the enlarged internal market, beyond the five years period of the initial Memorandum of Understanding of 2006, and invites the Commission to initiate exploratory discussions with Switzerland to that end."

#### Switzerland - Financial contribution - Croatia

The Council adopted conclusions asking the Commission, in close cooperation with the presidency, to engage in discussions with Switzerland with a view to agreeing, as soon as Croatia has joined the EU, on a Swiss financial contribution for Croatia.

#### **Afghanistan - restrictive measures**

The Council added one person and one entity to the list of persons, groups and entities subject to EU restrictive measures in view of the situation in Afghanistan. This is to take account of recent decisions by the UN Sanctions Committee.

#### **Democratic Republic of Congo - restrictive measures**

The Council added three persons to the list of individuals and entities subject to restrictive measures against the Democratic Republic of Congo and amended the restrictive measures. This implements recent decisions at UN level.

#### Iran - restrictive measures

The Council amended EU restrictive measures against Iran in response to EU concerns about human rights violations. It permitted national authorities to allow the supply of certain equipment for internal repression, if it is exclusively used for the protection of EU and member states' personnel.

#### **Iraq - restrictive measures**

The Council amended common position 2003/495/CFSP on Iraq, which implements UN sanctions against Iraq. This will permit the transfer of frozen funds to the successor arrangements to the Development Fund for Iraq put in place by the Government of Iraq under the conditions set out in UN Security Council resolutions 1483 (2003) and 1956 (2010).

## **GENERAL AFFAIRS**

#### Statistical programme 2013-2017

The Council adopted a regulation establishing the European statistical programme for the years 2013 to 2017 (*PE-CONS 65/12*).

The programme is aimed at producing harmonised European statistics in order to contribute to the development, production and dissemination of common, comparable and reliable statistical information at Union level.

#### JUSTICE AND HOME AFFAIRS

#### Right to stand as a candidate in elections to the EP

The Council adopted a directive amending directive 93/109/EC as regards certain detailed arrangements for the exercise of the right to stand as a candidate in elections to the European Parliament for citizens of the Union residing in a member state of which they are not nationals (17198/12).

The amended directive will facilitate the enrolment of candidates.

Member states will need to transpose the new provisions into national law within one year after the entry into force of the directive. It is expected that the new rules will apply to the European Parliament elections in 2014.

#### **Agency for Fundamental Rights**

The Council adopted conclusions on a request to the European Union Agency for Fundamental Rights to carry out the research and study activities and projects set out in its work programme for 2013, based on the 2008-2012 Multiannual Framework for the Agency (MAF), until a possible revision is required by the adoption of the 2013-2017 MAF.

The EU Agency for Fundamental Rights main task is to provide advice relating to the observance of fundamental rights in the domain of Union law.

#### Automated data exchange with Poland

The Council adopted a decision on the launch of automated data exchange with regard to DNA data with Poland (16718/12). The evaluation procedure required by Council Decision 2008/616/JHA concluded that the general provisions on data protection are fully implemented by Poland and this country is therefore entitled to start receiving and supplying personal data for the purpose of prevention and investigation of criminal offences, as from the day of the entry into force of this decision.

## **Mortality tables**

The Council adopted the act laying down the mortality tables referred to in the Staff Regulations applicable to Europol employees (16738/12). According to Article 35(1) of Appendix 6 of those regulations, the budgetary authorities of Europol should, after each period of five years, lay down mortality and invalidity tables and the assumed salary increases for use in calculating the actuarial values applicable to Europol staff.

#### **Migration to SIS II**

The Council adopted a regulation on migration from the Schengen Information System (SIS 1+) to the second generation Schengen Information System (SIS II) (11142/12 + 11143/12).

<sup>&</sup>lt;sup>1</sup> OJ L 210, 6.8.2008.