

COUNCIL OF THE EUROPEAN UNION



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PRESS RELEASE

3072nd Council meeting

Transport, Telecommunications and Energy

ENERGY

Brussels, 28 February 2011

President Tamás Fellegi

Hungarian Minister for National Development

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Main results of the Council

In public deliberation, the Council was briefed on the discussions on the draft regulation on **energy market integrity and transparency**, which aims to set up a framework for monitoring wholesale energy markets in order to detect market abuse and manipulation.

The Council adopted conclusions on *Energy 2020*: A strategy for competitive, sustainable and secure energy. The conclusions set political orientations for the EU energy strategy for 2011-2020, particularly as regards the internal energy market, energy efficiency, infrastructure, research and innovation in low-carbon energy technology, indigenous energy sources and production, as well as external energy relations.

In addition, the Council held a public policy debate on its **contribution to the European Semester** in the light of the 2011 annual growth survey, addressing two energy-related components of the Europe 2020 headline targets, namely **energy efficiency** and **renewable energy**.

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The Council adopted a decision implementing the UN Security Council Resolution on **Libya** of 26 February (UNSCR 1970/2011) and imposing additional restrictive measures against those responsible for the violent crackdown on the civilian population.

The Council adopted a directive aimed at facilitating access to safe and high-quality **cross-border healthcare** and promoting cooperation on healthcare between member states.

It also adopted a regulation updating the conditions for the marketing of **construction products** in the internal market.

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PARTICIPANTS

Belgium:

Mr Didier SEEUWS Deputy Permanent Representative

Bulgaria:

Ms Marii KOSSEV Deputy Minister for the Economy, Energy and Tourism

Czech Republic:

Mr Tomáš HÜNER Vice-Minister, Ministry of Industry and Trade

Denmark:

Ms Lykke FRIIS Minister for Climate and Energy and Minister for Equal

Opportunities

Germany:

Mr Jochen HOMANN State Secretary, Ministry of Economic Affairs and

Technology

Estonia:

Mr Gert ANTSU Deputy Permanent Representative

Ireland:

Ms Geraldine BYRNE NASON Deputy Permanent Representative

Greece:

Ms Tina BIRBILI Minister for the Environment, Energy and Climate Change Mr Yannis MANIATIS

Deputy Minister for the Environment, Energy and Climate

Change

Mr Fabrizio HERNANDEZ PAMPALONI State Secretary for Energy

France:

Mr Philippe LEGLISE-COSTA Deputy Permanent Representative

Mr Stefano SAGLIA State Secretary for Economic Development

Cyprus:

Mr Antonis PACHALIDES Minister for Commerce, Industry and Tourism

Latvia:

Mr Artis KAMPARS Minister for the Economy

Lithuania:

Mr Arvydas SEKMOKAS Minister for Energy

Luxembourg:

Mr Jeannot KRECKÉ Minister for Economic Affairs and Foreign Trade

Minister for Sport

Hungary:

Mr Tamás FELLEGI Minister for National Development

Mr Pál KOVÁCS Deputy State Secretary

Malta:

Mr George PULLICINO Minister for Resources and Rural Affairs

Netherlands:

Mr Derk Oldenburg Deputy Permanent Representative

Austria:

Mr Reinhold MITTERLEHNER Minister for Economic Affairs, the Family and Youth

Poland:

Mr Waldemar PAWLAK Deputy Prime Minister and Minister for Economic Affairs

Portugal:

Mr José Carlos ZORRINHO State Secretary for Energy and Innovation

Romania:

Mr Ion ARITON Minister for the Economy, Trade and the Business

Environment

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NIO.	enia:
SIUV	uma.

Ms Darja RADIČ Minister for the Economy

Slovakia: Mr Martin CHREN State Secretary, Ministry of the Economy

Finland:

Mr Mauri PEKKARINEN Minister for Economic Affairs

Sweden: Ms Maud OLOFSSON Minister for Enterprise and Energy

United Kingdom: Mr Charles HENDRY Minister of State, Department of Energy and Climate

Change

<u>Commission:</u> Mr Günther OETTINGER Member

ITEMS DEBATED

Energy market integrity and transparency

In public deliberation, the Council took note of a progress report (5970/1/11) on the work done so far on a draft regulation on energy market integrity and transparency (17825/10).

The Hungarian Presidency intends to progress as much as possible with the examination of the proposal, in the light of the European Council conclusions of 4 February 2011 (*EUCO 2/11*, paragraph 3).

As the EU internal energy market for electricity and gas is becoming increasingly liberalised and interconnected, the potential for its abuse and manipulation is also growing. The proposed regulation sets up a framework for monitoring wholesale energy markets in order to detect market abuse and manipulation, thereby ensuring the integrity and transparency of those markets. The central element of this framework is the establishment of a market monitoring function at European level, a task which should be carried out by the Agency for the Cooperation of Energy Regulators.

The main elements of the draft regulation are as follows: definitions and legal prohibition of trading on the basis of inside information and market manipulation; market monitoring and data collection; investigation and enforcement; and provisions for adopting delegated acts.

Market abuse and manipulation relating to financial instruments in general are already covered by the market abuse directive 2003/6/EC and markets in financial instruments directive 2004/39/EC.

<u>Follow-up of the European Council of 4 February and preparation of the European Council of 25 March</u>

The Council adopted the conclusions on Energy 2020: A strategy for competitive, sustainable and secure energy set out in document <u>6207/1/11</u>.

These conclusions define short, medium and long-term priorities for the EU energy strategy for 2011-2010, in particular as regards the internal energy market, energy efficiency, infrastructure, research and innovation in low-carbon energy technology, indigenous energy sources and production, as well as external energy relations.

The Council conclusions, setting political orientations on two Commission communications (Energy 2020 strategy <u>16096/10</u> and Energy infrastructure priorities <u>16302/10</u>), complement the conclusions on energy drawn by the European Council on 4 February 2011 (<u>EUCO 2/11</u> paragraphs 2-15).

Contribution to the European Semester

As were several other Council configurations, the Energy Council was called upon to contribute to the "European Semester", the new cycle of economic policy coordination under the Europe 2020 strategy for jobs and growth.

On the basis of the Commission's annual growth survey for 2011 (18066/10) and a presidency note (6209/1/11), energy ministers addressed, in a public debate, the two energy-specific targets of the Europe 2020 strategy, namely increasing energy efficiency and the share of renewable energy in final energy consumption by 20 %.

The presidency summarised the debate along the following lines:

- "On **energy efficiency**, we agreed that energy efficiency investments boost economic growth and competitiveness in the EU and help us decrease our dependency on non-EU energy imports.
- The Council conclusions on the Energy 2020 strategy highlighted that buildings, transport, emobility and industry still have high energy-savings potential. The public sector must lead by example and in transport, public services and public procurement we must choose energy-efficient solutions. We must step up measures and make progress in terms of eco-design and also labelling in energy use.
- The national reform programmes and the ambitious national energy efficiency action plans contain indicative national energy efficiency objectives and this can give serious political momentum to energy efficiency improvement measures. Several delegations underlined that measures must be complemented with appropriate information for consumers. We must have consumer-friendly and cost-efficient measures. We must fully exploit market mechanisms, boosted with relevant market incentives in order to support this investment.
- The forthcoming Commission communication on an energy efficiency plan should propose a framework ambitious enough to ensure that the EU remains on track for reaching its 20% energy saving objective.

- In relation to **renewable energy**, ministers agreed with the Commission's assessment that the 2020 renewable energy policy goals can be reached and exceeded if member states do their best to implement fully their national renewable energy action plans and financing instruments are improved, and cooperation among member states can be strengthened.
- The need for continued and consistent support schemes for renewable energy sources was recalled, as was the need to effectively address any barriers to the wider deployment of renewables.
- Exchanges of best practice and the use of cooperation mechanisms can be enhanced, within the EU as well as with third countries."

The presidency will forward the outcome of this exchange of views to the spring European Council through the General Affairs Council on 21 March.

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Other business

Renewable energy - progressing towards the 2020 target

The Commission briefed ministers on the progress made towards the 2020 target for renewable energy and presented its communication adopted in January (5965/11).

Recent developments on the Southern Corridor

The Commission briefed ministers on recent developments on the Southern Corridor and on possible ways forward (6308/11).

Operating incident in the Czech national Emission Trading Registry

The Czech delegation briefed ministers on an operating incident in its national Emission Trading Registry ($\frac{7053/11}{1}$).

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OTHER ITEMS APPROVED

FOREIGN AFFAIRS

Libya: EU imposes arms embargo and targeted sanctions

The Council of the European Union today adopted a decision implementing the UN Security Council Resolution on Libya of 26 February (UNSCR 1970/2011) and imposing additional restrictive measures against those responsible for the violent crackdown on the civilian population.¹

In line with Saturday's decision by the UN Security Council, the Council banned the supply to Libya of arms, ammunition and related material. In addition to the UN measures, the Council also prohibited trade with Libya in equipment which might be used for internal repression.

The Council enacted the following UN measures:

- a visa ban on 16 persons, including Muammar Qadhafi, parts of his family closely associated with the regime and other persons responsible for the violent crackdown on the civilian population since 15 February;
- a freeze of the assets of Muammar Qadhafi and five members of his family.

The Council also adopted as autonomous measures a visa ban on an additional 10 individuals and an asset freeze on a further 20 individuals responsible for the violent crackdown on the civilian population.

On 23 February, the European Union expressed its grave concern about the situation unfolding in Libya. It strongly condemned the violence and use of force against civilians and deplored the repression against peaceful demonstrators which has resulted in the deaths of hundreds of civilians. It called for an immediate end to the use of force and for steps to address the legitimate demands of the population, including through national dialogue.

The decision taken today will be kept under review. It will be published in the Official Journal in the coming days.

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¹ The decision was adopted without discussion at today's meeting of the Transport, Telecommunications and Energy Council.

MIGRATION

Negotiations with Belarus on short-stay visas and readmission

The Council adopted two decisions authorising the Commission to open negotiations with Belarus concerning the conclusion of agreements with the European Union

- on the facilitation of the issuance of short-stay visas (6354/11);
- on readmission (<u>6424/11</u>).

TRADE POLICY

Anti-dumping and anti-subsidies measures - Polyethylene terephthalate - India

The Council amended regulations 1292/2007 and 367/2006 imposing anti-dumping and countervailing duties on imports of polyethylene terephthalate (PET) film originating in India (6153/11 and 6202/11).

TRANSPORT

Cooperation in civil aviation research and development with the US*

The Council authorised the signing and provisional application of a memorandum of cooperation with the US (6458/11, 6454/11 + 6658/11 ADD 1), aimed at promoting civil aviation research and development activities and ensuring interoperability between the future European air traffic management programme SESAR (Single European Sky ATM Research) and its American counterpart NextGen.

For more information see 7055/11.

<u>HEALTH</u>

Adoption of cross-border healthcare directive*

The Council approved the European Parliament's amendments on a draft directive aimed at facilitating access to safe and high-quality cross-border healthcare and promoting cooperation on healthcare between member states ($\frac{6/11}{2} + \frac{6590/11}{2} = \frac{ADD}{2} = \frac{1}{2} = \frac{1}{2}$). The Austrian, Polish, Portuguese and Romanian delegations voted against and the Slovak delegation abstained.

The European Parliament's amendments reflect a second-reading compromise reached between the Belgian Presidency and representatives of the European Parliament in an informal trialogue on 15 December 2010. In line with article 294 of the Lisbon Treaty, the cross-border healthcare directive has now been adopted. Member states will have 30 months to transpose the directive's provisions into national legislation.

The new directive provides clarity about the rights of patients who seek healthcare in another member state and supplements the rights that patients already have at EU level through the legislation on the coordination of social security schemes (regulation 883/04). It meets the Council's wish to fully respect the case law of the European Court of Justice on patients' rights in cross-border healthcare while preserving member states' rights to organise their own healthcare systems.

Fore more details see press release <u>7056/11</u>.

<u>INTERNAL MARKET</u>

Marketing of construction products

The Council adopted a regulation updating the conditions for the marketing of construction products in the internal market, following an agreement with the European Parliament in second reading (5/11).

The regulation will simplify and clarify the existing framework for placing construction products on the market by replacing the measures contained in directive 89/106/EEC, which is currently in force, in order to ensure the free circulation of construction products within the single market.

The new provisions will namely:

- clarify the use of the "CE marking";
- introduce simplified procedures so as to reduce the costs incurred by enterprises, in particular for small and medium-sized enterprises (SMEs); and
- impose stricter designation criteria for bodies involved in the assessment and verification of constancy of performance of construction products.

More specifically, the provisions seek to ensure accurate and reliable information on construction products in relation to their performance. This is to be achieved by a system composed of two main elements:

- a set of harmonised standards and technical specifications and the European Assessment Documents (EAD), providing the methods for assessing the performance of the products; and
- a number of notified and technical assessment bodies (TABs) designated in conformity with strictly defined technical criteria, which contribute to the correct application of such methods.

Other important elements of the regulation are related to:

- environmental and safety aspects of construction products during their entire life cycle, including identification of hazardous substances in construction products;
- information requirements to be provided by national administrations through "product contact points";
- the possibility of allowing micro-enterprises manufacturing construction products to apply simplified procedures while respecting safety standards; and
- the supply of the declaration of performance for products to be made available on the market by electronic means.

Some of the provisions of the new regulation will be applicable as from 1 July 2013 in order to provide companies with the necessary time for adaptation.

Chemicals: REACH system - Cadmium

The Council decided not to oppose the adoption by the Commission of a draft regulation that amends the "REACH system" on the registration, evaluation, authorisation and restriction of chemicals, as regards cadmium.

This amendment will introduce further restrictions for the marketing and use of cadmium, in particular in jewellery, brazing alloys and PVC, in order to take account of the conclusions of recent scientific studies showing the need to supplement the existing REACH provisions on cadmium with the aim of further increasing the protection of human health and the environment.

The new draft Commission regulation, which will modify regulation 1907/2006 (the REACH regulation), is subject to the regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

AGRICULTURE

Import of plastic kitchenware from China and Hong Kong

The Council decided not to oppose the adoption of a Commission regulation laying down conditions and procedures for the import of polyamide and melamine plastic kitchenware from China and Hong Kong (18255/10).

The Commission regulation is subject to the so called regulatory procedure with scrutiny. This means that now that the Council has given its consent, the Commission may adopt it, unless the European Parliament objects.

Partnership agreements against illegal logging - EU and Congo; EU and Cameroon

The Council adopted two decisions on the conclusion of voluntary partnership agreements on forest law enforcement, governance and trade in timber and derived products to the European Union (FLEGT):

- The first concerns the agreement between the EU and the Republic of the Congo (<u>10028/10</u>; <u>7256/10</u>) and was signed on 17 May 2010;
- The second concerns the agreement between the EU and the Republic of Cameroon (<u>12796/10</u>; <u>13187/10</u>) and was signed on 6 October 2010.

The European Parliament gave its consent to the conclusion of these agreements during its session from 17 to 20 January 2011.

In October 2003 the Council adopted conclusions on an EU Action Plan for Forest Law Enforcement Governance and Trade (FLEGT), presented by the Commission, which called for measures to address illegal logging through the development of voluntary partnership agreements with timber producing countries. The EU has already concluded a FLEGT partnership agreement with Ghana.

ENVIRONMENT

Emission allowance trading scheme in the European Economic Area

The Council decided on the EU position to be taken in the European Economic Area (EEA) Joint Committee concerning the incorporation into the EEA agreement of the directive including aviation activities in the EU emissions trading system (<u>5345/11</u>).