



**COUNCIL OF
THE EUROPEAN UNION**

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NOTE

from : The Presidency
to : COREPER/General Affairs Council

Subject : *European Council*
- Follow-up by the Council

In order to ensure that the General Affairs Council can fully play its general coordinating role as well as its specific role in ensuring the follow-up to European Council meetings, the Presidency has prepared the attached information note. The note outlines steps taken in implementation of the orientations agreed by the European Council at its meetings of December 2011 and March 2012, as well as at in the declaration of the Heads of State and Government of 30 January 2012. This note also sets out how these orientations will be taken forward by the Presidency within the Council until the end of the Presidency period, notwithstanding upcoming discussions to be held in Coreper and Council in respect to the orientations set out by the March 2012 European Council, in particular as regards paragraph 16 of its conclusions.

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A. Growth agenda

1. The European Council has set out a comprehensive growth agenda in its recent meetings, identifying priority measures for growth enhancement and job-creation. The Presidency intends to pursue vigorously these orientations at the level of the Council, focusing on the implementation of measures which have an immediate effect on jobs and growth.
2. The orientations set out by the European Council reconfirmed the utmost priority given to the single market. All efforts are being devoted to reaching agreement during the Presidency period on the urgent measures agreed by the members of the European Council in January 2012, namely to resolve the last outstanding issue in the patent package by June 2012, as requested by the March European Council, standardisation, energy efficiency, simplification of accounting requirements and alternative and online dispute resolution; for the latter two files, the Presidency aims to reach agreement by the time of the May COMPET Council. Work will continue with a rapid pace on all the other legislative files corresponding to the twelve priority levers of the Single Market Act, in order to allow their adoption by the end of the year, as called for by the European Council. Thus, a discussion on the legislative initiatives for the posting of workers remains planned for the June EPSCO Council; a debate on the public procurement package will be held at the May COMPET Council; and subject to the timing of its presentation by the Commission, a discussion on the Pan-European framework for electronic identification, authentication and signature may take place at the June TTE (Telecom) Council. The adoption of council conclusions on the governance of the Single Market and on the digital single market is scheduled for the May COMPET Council.
3. The COMPET Council will report in May, as requested by the members of the European Council at their informal meeting of 30 January 2012, on implementation of measures to be taken at European level for boosting the access to finance for SMEs. In this context the COSME programme will be discussed at the May COMPET Council and work will be taken forward rapidly on the legislative proposal for the creation of a EU-wide venture capital regime (part of the twelve priority levers of the Single Market Act).

4. The Employment package is expected to be presented by the Commission in April; the Presidency will consider possible preparatory work in Council with a view to addressing the package at the June EPSCO Council.
5. The Presidency is taking forward the orientations set out by the European Council as regards the reduction of administrative and regulatory burden. In February, the COMPET Council addressed in its conclusions the Commission report of November 2011 on Minimising regulatory burdens for SMEs - adapting EU regulation to the needs of micro-enterprises.
6. In the area of innovation, in order to keep work on track for the completion of the European Research Area by 2014, the Presidency stands ready to start preliminary work on the upcoming Commission proposal on the ERA framework, expected in June 2012. The Presidency will continue to take work forward on the Horizon 2020 proposals, which are dealt with in the context of MFF-related sectoral legislation; the aim is to reach a partial general approach at the May COMPET (Research) Council.
7. As regards the digital single market, the Radio spectrum policy programme has been formally adopted in February. The Presidency pursues negotiations on the Roaming Regulation, with the aim to reach an agreement during the first semester of 2012 in line with the target set out in the statement of the members of the European Council of 30 January 2012. Work is proceeding on the examination of the Commission's communication on a coherent framework to build trust in the Digital single market for e-commerce and online services; the Presidency intends to address this at the May COMPET Council. An information point is foreseen at the June TTE (Telecom) Council on the second Digital Agenda scoreboard.

8. In the energy sector, the overarching objective remains the completion of the Internal Energy Market by 2014; the Presidency will continue to ensure that work progresses and remains on track for that target. The Presidency continues to devote all efforts to negotiations within the Council on the Energy Efficiency Directive, with the aim to reach agreement by June 2012 as called for by the European Council. Work is taken forward on the proposal on energy infrastructure in order to allow its adoption end 2012-early 2013 as part of the MFF-related sectoral legislation. The final report on nuclear safety stress tests, expected from the Commission, will be addressed at the TTE (Energy) Council in June; the separate report on nuclear security measures will be prepared in Council with a similar timeline. As regards external aspects of the energy policy, the Presidency will pursue work in Council on the Commission proposals for the conclusion of international agreements of Euratom with South Africa and Canada and will take forward negotiations with the European Parliament on the information exchange mechanism with regard to intergovernmental agreements between Member States and third countries in the field of energy.

B. Economic policy

9. The European Council undertook in March its annual examination of the European Semester, for which the Presidency prepared a synthesis report of work in the various Council formations. With a view to the conclusion of the European Semester by the June European Council, after submission of National Reform Programmes and Stability or Convergence Programmes by the Member States and after presentation of the Commission's proposals for country-specific recommendations, the Presidency will coordinate work in the EPSCO and ECOFIN Councils which will adopt recommendations in June and the General Affairs Council which will transmit them to the European Council for endorsement. In the context of the new economic governance cycle, following the Commission's Alert Mechanism Report, the procedure on the prevention and correction of macroeconomic imbalances will be implemented. The way forward on the Commission's report has been discussed in the ECOFIN in March and an item in this respect is foreseen on the agenda of the June ECOFIN Council.

10. In line with the orientations set out by the European Council, significant work is being undertaken in the area of financial services. After reaching agreement on the Regulation of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories (EMIR) in February, final steps are being taken for its formal adoption in April 2012. Work is ongoing on the revised capital requirements rules, with the aim to reach agreement in June 2012 as requested by the European Council. The Presidency aims to reach a general approach on the amendments to the Regulation on Credit Rating Agencies (CRAIII). Work is being taken forward at technical level on the proposal on markets in financial instruments, for which the European Council has set the target for adoption by the end of the year. As called for by the March European Council, the ECOFIN Council will closely monitor the implementation of decisions taken in October 2011 as regards the strengthening of banks' capital positions without excessive deleveraging; an exchange of views on bank recapitalisation issues is foreseen at the May ECOFIN Council. Subject to the timing of presentation by the Commission of its proposal on bank crisis management and resolution, an orientation debate could be held at the May ECOFIN Council.
11. A general approach was reached in February on the two outstanding proposals aimed at further strengthening economic governance and euro area surveillance (the Regulation for enhanced monitoring and assessment of draft budgetary plans of euro area member states, especially those subject to an excessive deficit procedure and the Regulation on enhanced surveillance of euro area member states that are experiencing severe financial disturbance or request financial assistance). The Presidency will continue negotiations with the European Parliament with a view to reaching agreement by June 2012 as called for by the European Council.

12. In the area of taxation, the Presidency will coordinate work within the Council on the elaboration of the report requested by the European Council for June 2012, paying particular attention to how tax policy can support economic policy coordination and contribute to fiscal consolidation and growth. The report will also explore concrete ways to improve the fight against tax fraud and tax evasion, including in relation to third countries. The Presidency will continue to work towards the rapid adoption of the negotiating directives for savings taxation agreements with third countries and to take work forward on the Commission proposals for a revision of the Savings Tax Directive, for a financial transactions tax and for a common consolidated corporate tax base. Particular efforts will be devoted to making progress on the taxation of energy products and electricity.
13. The Presidency aims to continue work within the Council on the pilot phase of the Europe 2020 project bond initiative, for which the European Council set the aim of reaching agreement by June 2012.

C. Multiannual Financial Framework

14. In keeping with the objective set out by the European Council to conclude negotiations by the end of the year, the Presidency will continue to devote all efforts to advancing negotiations on the next Multiannual Financial Framework at the level of the Council, with the aim of developing a basis for the final stage of negotiations to be discussed at the European Council in June 2012. Orientation debates on the next Multiannual Financial Framework are foreseen to take place at the General Affairs Council in March, April, May and June.

D. Justice and Home Affairs

15. As requested by the March European Council, the Presidency is taking steps to identify and implement measures which would contribute to the successful enlargement of the Schengen area to Bulgaria and Romania. Work will continue in Council on the two proposals on Schengen governance, with a view to negotiations with the European Parliament. The European Council called for a swift agreement on the Regulation on the establishment of an evaluation and monitoring mechanism to verify the application of the Schengen *acquis*, which should also address the required functioning of the institutions involved in the application of the Schengen *acquis*; the March Justice and Home Affairs Council adopted conclusions to reinforce political oversight of Schengen-related developments and work is progressing at technical level. The Common European Asylum system, referred to by the European Council in previous meetings, is on the agenda of the JHA Council in April and June; the Presidency intends to advance work and start negotiations with the European Parliament in order to allow the completion of the Common European Asylum System by the end of the year.

E. Climate

16. The European Council called for rapid progress on the low-carbon 2050 strategy and on the implementation of the roadmap towards a resource efficient Europe. The adoption of Council conclusions on the low-carbon 2050 strategy, initially foreseen for the March Environment Council, has not been possible; the Presidency is currently reflecting on next steps. The June TTE (Energy) Council will adopt conclusions on the Energy roadmap 2050.

F. Trade

17. The European Council agreed in March that it would review progress on trade and investment relationships of the Union with key partners at its meeting in June 2012. The Presidency will undertake any preparatory actions to that effect and continue to move ahead on trade agreements with major partners.

G. Enlargement

18. As agreed by the December European Council, the General Affairs Council has taken the decision granting Serbia candidate status in February 2012. The Presidency will take work forward upon reception of the Commission report on progress in the implementation of reforms in Montenegro, in order to allow the General Affairs Council in June to take the decision on the opening of accession negotiations with Montenegro, as agreed by the December 2011 European Council.
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