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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's internet site or may be obtained from the Press Office.

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ITEMS DEBATED**Emissions trading system**

Ministers held a policy debate on the revision of the EU emissions trading system (ETS) for the phase 4 of the system (2021-2030). The presidency had prepared a note explaining the state of play and the main policy choices that will need to be made to progress on this file. Ministers were invited to express whether they agreed on the proposed way forward suggested by the presidency. They were also invited to assess whether the proposed revisions made the EU ETS future-proof, with regard to the global climate objectives of the Paris Agreement.

Ministers in general broadly agreed with the Presidency's assessment of the state of play and on the suggestions for the way forward on the file. It was stressed that the ETS revision should be in line with the October 2014 European Council conclusions as well as with the 2030 climate and energy framework and the Paris Agreement.

Ministers also agreed that it is essential to strengthen the ETS while protecting Europe's industrial competitiveness. Free allocation and carbon leakage provisions were key matters during the debate. Ministers agreed on aiming to reduce to a minimum the need to apply the cross-sectoral correction factor (CSCF) in phase 4 of the EU ETS. Further discussions will be necessary to define the key elements in this context.

While many ministers supported the split between allowances to be auctioned and free allowances proposed by the Commission, some alternative proposals were also mentioned. Regarding benchmarks, the principle that they should reflect technological progress is agreed upon but there were different views on whether they should be recalculated before the start of phase 4.

Concerning the alignment of free allocations with verified production data, there was broad agreement on a more dynamic system, which should not however lead to excessive administrative burden. Several ministers also indicated that the system of allocations should be based on the most recent production data.

Ministers agreed in principle on the need for a better targeted protection to industrial sectors according to the level of risk of carbon leakage. There were different opinions on whether the two-tier approach proposed by the Commission is appropriate or a system with more than two groups would be preferable. Some delegations indicated that additional criteria such as geographical location or sectoral specificities should also be considered.

Regarding the system for compensation for indirect carbon costs, opinions varied on the level of harmonisation required: some ministers called for a centralised scheme while others can only support an optional system.

Regarding the financial mechanisms, ministers called for transparent, efficient and balanced rules. Some ministers indicated that the type of projects eligible for support should be better specified, while others considered that the beneficiary member states should have enough flexibility in such decisions.

Ministers welcomed proposals to further simplify and reduce administrative burden in the EU ETS, especially for small installations.

Some delegations expressed concerns about the current level of the carbon price. Some ministers considered that the ETS revision, together with the market stability reserve, were sufficient to enable the EU ETS to deliver on EU's commitments in view of the Paris Agreement. Others considered that a review clause should be included in order to consider whether adjustments will be needed taking into account international developments.

Ministers' statements during the meeting will serve as political guidance for the Council to take discussions forward on this file, with a view to setting out the Council's position at a later stage.

Paris Agreement

The Commission presented its proposal for a Council decision on the conclusion on behalf of the EU of the Paris Agreement. The Council took note of the information and will now consider the proposal.

[Proposal for a Council Decision on the conclusion of the Paris Agreement by the EU](#)

The Council adopted a statement on the ratification of the Paris Agreement, the global legally-binding agreement on climate change adopted in December 2015.

Council statement

"The Council recalls that in December 2015 a historic outcome was reached in Paris when the world adopted the first-ever truly global and legally-binding climate agreement including by (a) holding the increase in the global average temperature to well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels, (b) increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and (c) making finance flows consistent with a pathway towards low greenhouse gas emissions and climate resilient development.

The Council recalls that the Paris Agreement emphasizes the intrinsic relationship that climate change action, responses, and impact have with equitable access to sustainable development and the eradication of poverty, recognizes the fundamental priority of safeguarding food security and ending hunger, and notes the importance of the integrity of all ecosystems and the protection of biodiversity including forests.

The Council recalls the global political commitment to fighting climate change made by 175 Parties, including the European Union and its Member States, who signed the Paris Agreement at the signing ceremony in New York on 22 April 2016, and recognises that more Parties have signed thereafter.

The Council recalls the March 2016 European Council Conclusions underlining the need for the European Union and its Member States to be able to ratify the Paris Agreement as soon as possible and on time so as to be Parties as of its entry into force.

The Council notes the growing international political momentum in favour of early entry into force of the Paris Agreement and also calls for ratification of the Agreement by the European Union and its Member States as soon as possible. In this context the Council calls on Member States and the European Union to start taking the necessary steps to finalise their respective ratification procedures, in accordance with their constitutional and/or other provisions, as soon as possible, and to endeavour to take the necessary steps with a view to deposit collectively their ratification instruments with the UN Secretary General.

The Council welcomes that a number of Member States have already initiated and some already completed their national ratification procedures.

The Council also welcomes the submission by the European Commission of a proposal for a Council decision on the conclusion on behalf of the European Union of the Paris Agreement. Implementation of the Paris Agreement has been high on the agenda of the Council at the technical and political level.

The Council confirms its commitment to implement, as a priority, the 2030 regulatory framework set out in the European Council conclusions of October 2014, including the binding EU 2030 climate target to reduce EU greenhouse gas emissions domestically by at least 40% compared to 1990 emissions. On 15 July 2015 the European Commission published a proposal to reform the EU emissions trading system and the European Commission will come with other proposals in the non-ETS sectors as of July 2016, in line with the EU and its Member States intended nationally determined contribution.

The Council affirms its intention to regularly take stock of progress made in the domestic ratification procedures in all Member States."

Proposed directive on air pollutants

The Council took stock of negotiations concerning the proposed directive on the reduction of national emissions of certain pollutants, the so-called NEC directive.

Following a fourth trilogue on 8 June 2016 that ended without a positive outcome, the presidency informed that contacts with the European Parliament had continued with a view to a new trilogue and an agreement by the end of June.

Several delegations underlined that the reduction commitments for 2030 as stated in the Council's negotiating position would already represent big efforts for their countries and that they were therefore not able to accept further reductions. They called for balance between ambition and feasibility. Some ministers however asked for more ambition and hoped that further steps could be taken in the direction of the European Parliament's position.

Some ministers also reminded that they support keeping methane out of the scope of the directive and that the intermediate limits for 2025 should be indicative.

Ministers broadly supported the willingness of the presidency to continue its efforts to reach an agreement at first reading with the European Parliament on this directive.

[NEC directive - State of play - Presidency note](#)

Circular economy

The Council adopted the following conclusions on the EU action plan for circular economy.

"Closing the loop - An EU action plan for the Circular Economy

The Council of the European Union,

RECALLING:

- The Europe 2020 Strategy for smart, sustainable and inclusive growth adopted by the European Council on 17 June 2010, and its Flagship Initiative “A Resource-Efficient Europe”;
- The Decision of the European Parliament and of the Council on a General Union Environment Action Programme to 2020 "Living well, within the limits of our planet" (7th EAP)¹ for a resource-efficient, green and competitive low-carbon economy;
- The Report of the European Parliament on “Resource Efficiency: moving towards a Circular Economy”²;
- The UNGA resolution of 25 September 2015 on "Transforming our world: the 2030 Agenda for Sustainable Development" and The Climate Agreement (COP 21 Paris);
- The Commission’s Communications “Innovating for Sustainable Growth - A Bioeconomy for Europe”³; The Eco-innovation Action Plan⁴; Green Action Plan for SMEs⁵ and the Green Employment Initiative⁶; Resource Efficiency Opportunities in the Building Sector⁷; A Blueprint to Safeguard Europe's Water Resources⁸; Digitizing the European industry, reaping the full benefits of a digital single market and related communications⁹; Raw Materials Initiative¹⁰;

¹ OJ L 354 of 28 December 2013, p. 171

² (2014)2208 (INI)

³ 6487/12 - COM(2012) 60 final

⁴ 18874/11 - COM(2011) 899 final

⁵ 11616/1/14 REV 1 - COM(2014) 440 final

⁶ 11572/14 - COM(2014) 446 final

⁷ 11609/14 - COM(2014) 445 final

⁸ 16425/12 - COM(2012) 673 final

⁹ 8100/16 - COM(2016) 180 final

⁹ 8097/16 - COM(2016) 179 final

⁹ 8099/16 - COM(2016) 178 final

⁹ 8104/16 - COM(2016) 178 final

¹⁰ 16053/08 - COM(2008) 699 final

- The Council conclusions on
 - Sustainable materials management and sustainable production and consumption¹;
 - Greening the European Semester and the Europe 2020 Strategy²;
 - The Commission's Communication "A Roadmap to a Resource-Efficient Europe"^{3 4};
 - The Mid-Term Review of the EU-Biodiversity Strategy 2020⁵;
 - The mainstreaming of industrial competitiveness⁶.

UNDERSTANDING that a Circular Economy offers great potential to achieve sustainable growth and boost the EU's competitiveness, create jobs, decrease the EU's dependency on non-renewable primary raw materials, achieve resource and energy efficiency and a smaller environmental footprint, promote locally produced goods, prevent and minimise waste generation, protect nature and natural capital, strengthen ecological resilience and mitigate greenhouse gas emissions, thus contributing to the 2030 agenda for Sustainable Development and the world-wide efforts towards a green economy, while maintaining well-being within the limits of our planet and protection of human health and the environment;

UNDERLINES the importance of the waste hierarchy in supporting the transition to the Circular Economy, starting with an increase in prevention, preparation for reuse and recycling of waste, and minimizing waste disposal, in particular through a significant reduction of landfilled waste.

1 17495/10
 2 14731/14
 3 18346/11
 4 6678/12
 5 15389/15
 6 13617/14

INTEGRATED POLICY APPROACHES

1. WELCOMES the Commission Communication of 2 December 2015 on "Closing the loop - An EU action plan for the Circular Economy"¹ (hereinafter referred to as the "Action Plan") and COMMITS to supporting its implementation with a view to facilitating the transition to a circular economy;
2. UNDERLINES that the transition to a Circular Economy requires long-term commitment and action, in a wide range of policy areas in the EU, and at all levels of government in Member States; ENCOURAGES Member States to establish and adopt measures and/or strategies to complement and contribute to the EU Action Plan; URGES the Commission to fully integrate the Circular Economy in all its relevant policies and strategies; further RECOGNISES that with a view to accelerating the transition, the different conditions and stages in Member States should be taken into account;
3. CONSIDERS the active involvement of the private sector and other stakeholders across Europe and at the global level a key element for a successful and more effective transition towards a Circular Economy; ENCOURAGES the EU and the Member States, at all levels of government, to actively engage the private sector to promote cooperation, innovation and industrial symbiosis projects within and across sectors and value chains; including by addressing specific challenges in the transition to the Circular Economy, through agreements between stakeholders in society and governments such as the pilot on voluntary "Innovation Deals"²;

¹ 14972/15

² 'Better regulations for innovation-driven investment at EU level' (SWD(2015) 298; and http://ec.europa.eu/research/participants/data/ref/h2020/wp/2016_2017/main/h2020-wp1617-focus_en.pdf

4. CALLS upon the Commission to ensure that proposals flowing from the Action Plan are accompanied by a thorough Impact Assessment; and UNDERLINES that policy measures need to support sustainable development and the long-term competitiveness of EU industry, with a particular reference to SMEs, and improve the functioning of the Internal Market; FURTHER UNDERLINES that policy measures need to be in line with the principles of Better Law-Making as set out in the inter-institutional agreement of 13 April 2016¹, be proportional, cost-effective, socially acceptable, easy to adopt with minimal administrative burden, avoid policy fragmentation to create synergies, take into account existing national legislation that stimulates circularity, and initiatives that stimulate consistent and coherent EU legislation such as the Make-it-Work project;
5. UNDERLINES the need to ascertain sustainable sourcing and supply of primary raw materials; EMPHASISES the role of fair trade, in ensuring that prices of primary raw materials and products reflect their environmental and social externalities, and that, where relevant, healthy competition between the market for primary and secondary resources is facilitated; CALLS upon the Commission to take concrete initiatives to promote sustainable sourcing and supply of raw materials within the EU and in cooperation with third (commodity producing) countries, without creating tariff or non-tariff trade barriers;

¹ OJ L123/1 (12.5.2016)

PRODUCT POLICIES AND RESOURCE EFFICIENCY

6. SUPPORTS the Commission's approach in the Action Plan to address the entire life cycle of products and STRESSES that such an integrated, cross-sectoral approach is essential to effectively 'close the loop' and achieve a transition to a Circular Economy where the value of products, materials and resources is maintained in the economy for as long as possible, and the generation of waste minimised; ENCOURAGES the Commission and the Member States to create an enabling and coherent policy environment and legislative framework for systemic innovation to promote a circular economy throughout the value chain, including opportunities to experiment with such innovations;
7. UNDERLINES the importance of a coherent product policy framework at the EU level, in line with the 7th Environmental Action Programme calling for action by 2020; WELCOMES the Commission's intention to work towards this; STRONGLY ENCOURAGES the Commission to ensure coherence, enhancement and effectiveness of existing EU instruments relevant for product policy; INVITES the Commission to ensure that policy instruments can facilitate systemic innovations in the future;
8. STRESSES the need to ensure that products are designed and produced more sustainably, taking into account their full life cycle and minimising negative impact on the environment and on human health; in this context; NOTES with concern that the Commission has failed to meet the timetable indicated in the annex to the action plan for actions regarding eco-design; REQUESTS the Commission to follow-up on these actions without further delay; URGES the Commission to include appropriate measures to improve the durability, reparability, reusability, possibilities to use recycled materials, upgradability and recyclability of products in the EU Ecodesign regulations, and other legislation as appropriate, before 2020; INVITES the Commission to evaluate before the end of 2018 for which product groups, other than energy related, it would be possible to take better into account resource efficiency and impact on the environment and human health, building on experiences from the Ecodesign directive;

9. STRESSES the need for action at European level to extend the lifetime of products, including by addressing planned obsolescence; INVITES the Commission to develop common methods for assessing and verifying product life time; NOTES the Commission's proposal on online sales of goods; LOOKS FORWARD to discussing the possibilities to extend the legal guarantee of all sales of goods on the basis of this proposal and the ongoing fitness check of the EU consumer and marketing law; INVITES the Commission to investigate what other initiatives can be taken at the EU level in the interest of extending the lifetime of products, for instance by promoting the availability of spare parts;
10. NOTING the crucial role of consumers in the transition to a Circular Economy; EMPHASISES the importance of raising awareness, promoting appropriate market based mechanisms and developing supportive infrastructure, in order to boost sustainable behavior, consumption and production, both in Business to Consumer and Business to Business markets; STRESSES that access to reliable, timely and understandable information regarding the environmental characteristics of products and services can help make informed choices; CALLS upon the Commission to develop and propose a methodology to ensure that environmental claims, including labels, are based on verifiable and transparent information, taking into account specific conditions in Member States and the lessons learnt from the ongoing European pilots on the environmental footprint and Environmental Technologies Verification; ENCOURAGES the Commission and the Member States to support awareness raising activities directed at consumers in promoting the Circular Economy;

11. EMPHASISES the importance of a well-functioning chemicals legislation to support the Circular Economy and the need to fulfil the various goals in the 7th Environmental Action Programme; CALLS upon the Commission, when addressing the interface between EU chemicals, products and waste legislation by 2017, to develop, in cooperation with the Member States, a methodology to determine whether recycling, recovery or disposal provides the best overall outcome to achieve both non-toxic material cycles and increased recycling rates, while respecting the existing high level of protection of human health and the environment and taking into account the precautionary principle; in this context, EMPHASISES the need for adequate information on the presence of substances of very high concern in materials, products and waste;
12. STRESSES the importance of a well functioning and efficient market for secondary raw materials; UNDERLINES the importance of stimulating demand for secondary raw materials and high quality recycling by, inter alia, promoting the use of secondary raw materials and improving the confidence in the quality of secondary raw materials including accessibility of information regarding the content of substances which pose problems to recycling or recovery; CALLS upon the Commission to develop uniform EU end of waste criteria where appropriate, and to promote the development of EU and international quality standards for secondary raw materials, in order to facilitate cross border movement, while safeguarding the environment and human health;
13. CALLS upon the Commission to explore possibilities to encourage that used products that are exported from the EU will be recycled in an environmentally sound and safe manner once they become waste inside or outside the EU;

- 13a RECOGNISES that export of waste can make it harder to achieve higher recycling rates; CALLS for reinforcement of controls within the EU and at its borders to prevent illegal transport of waste, in line with the revised waste shipment regulation¹.
14. REITERATES the need for preventing marine litter, and in particular plastics, from ending up in the environment in order to achieve a significant reduction by 2020; CONSIDERS eco-design of plastic and plastic products, as well as sound management of plastic waste essential for pollution prevention; WELCOMES the voluntary initiatives taken by industry; CALLS upon the Commission to propose robust measures to reduce discharge of macro- and micro-sized plastic debris in the marine environment as part of the announced plastic strategy by 2017 at the latest, including a proposal for a ban on micro-plastic particles in cosmetics, and proposals to address other products generating marine litter as appropriate, while taking into account developments within regional sea conventions like OSPAR, HELCOM and Barcelona;
15. EMPHASISES the contribution of efficient water use to a Circular Economy; in this regard STRESSES the importance of integrated water management as well as, enhanced and cost-effective recycling and reuse of water taking into account regional conditions, and recycling of resources in waste water, in line with the EU environmental acquis; CALLS upon the Commission to ensure that the legislative framework supports, where appropriate, the reuse of treated wastewater while respecting the existing high level of protection to human health and the environment²;
16. SUPPORTS efforts of all actors to reduce food waste, which will contribute to achieving Sustainable Development Goal 12.3, which aims at halving per capita global food waste at the retail and consumer level, and reducing food losses along production and supply chains including post-harvest losses by 2030;

¹ Regulation (EC) No 1013/2006 on shipments of waste, as last amended by Regulation (EU) No 660/2014

² Inter alia, on the basis of opinions of the European Food Safety Authority

SUPPORT FOR CIRCULAR INNOVATION AND BUSINESS

17. EMPHASISES that research and innovation are essential to develop the necessary sustainable and resource efficient industrial, economic and societal processes to stimulate the transition to the Circular Economy; CALLS upon the Commission to support the EU industry in research and innovation, in improving cross-cycle and cross-sectoral cooperation, and in taking up new technologies and business models, digital solutions, more resource-efficient services, products and production processes and better alternatives for hazardous chemicals and materials in terms of human health and environmental protection;
18. ACKNOWLEDGES the benefits of natural capital, the importance of ecosystems and their services and the need for sustainable use of natural resources; RECALLS the importance of developing a system of valuation of natural capital through appropriate indicators for monitoring economic progress and further developing ecosystem accounts while making the best use of existing sustainability instruments and initiatives; INVITES the Commission and the Member States to promote nature- and bio-based solutions, the use of sustainably sourced renewable materials, including the bio-refining of biomass to high value purposes without compromising food security and environmental integrity, resource efficiency, the resilience of ecosystems and their services and the sustainable use of renewables; TAKES NOTE of the Commission's intention to promote efficient use of bio-based resources through a series of measures including guidance and dissemination of best practices on the cascading use of biomass and support for innovation in the bioeconomy; REQUESTS the Commission to examine the contribution of its Bio-economy Strategy 2012 to the Circular Economy and update it accordingly;

19. REITERATES that a circular economy not only requires investment in sustainable and innovative solutions, but also green public expenditure in order to mobilise public and private sector initiatives; in this regard WELCOMES the available support and increased focus for circular economy in EU funds and financial programmes; CALLS upon the Commission to actively support the Member States, the private sector and other stakeholders to use these funds, to facilitate the transition to a Circular Economy by improving resource and energy efficiency and minimising waste, including through application of the waste hierarchy; ENCOURAGES the Commission and Member-States to apply the Polluter Pays Principle to cover the costs of the necessary waste management infrastructure in a sustainable manner;
20. UNDERLINES that government has a key role to play in creating incentives and ensuring effective application of Green Public Procurement (GPP) towards the Circular Economy; CALLS upon the Commission and Member States to stimulate and facilitate circular business models that enable an increased share of green public procurement in the public expenditure at all levels possible, to create markets for circular products and services; REQUESTS the Commission to develop guidance and incentives for the application of GPP for Circular Economy including on application of life cycle costing; CALLS upon the Commission and Member States to build on existing targets¹ for GPP, to accelerate the transition to the Circular Economy, to improve monitoring, and to actively facilitate exchange of knowledge and best practices between Member States, and to provide support for GPP training schemes;

¹ In line with 7th EAP, and based on the experiences in the Energy Efficiency Directive

21. RECOGNIZES that SMEs, while often drivers of innovation and at the forefront of the transition to a Circular Economy, face specific challenges; SUPPORTS measures to enhance the possibilities of SMEs to profit from opportunities which the transition to a Circular Economy presents, as well as support SMEs to adapt and contribute to the transition to a Circular Economy; WELCOMES the contribution of the Eco-Innovation Action Plan and the Green Action Plan for SMEs to the transition towards a Circular Economy;
22. STRESSES the importance of education and training in all relevant fields to facilitate the transition to the Circular Economy and ensure that it contributes to reducing unemployment while creating high quality jobs;

MONITORING, FOLLOW-UP AND COOPERATION

23. STRESSES the need for a governance structure at EU level and a monitoring framework to strengthen and assess the progress towards circular economy, while minimising the administrative burden; in this respect, NOTES information is already reported to Eurostat; CALLS upon the Commission, in cooperation with the Member States, to continue to develop a dashboard of reliable indicators in view of formulating ambitious and realistic targets¹ with a long-term horizon, and integrating these with a follow-up of the EU 2020 Strategy, and the EU implementation of the 2030 agenda for Sustainable Development;
24. EMPHASIZES that it is important to keep progress made with the Action Plan under regular review at political level; REQUESTS the Commission to provide the Council with an annual written update on the progress made on the implementation of the action plan; and REQUESTS the Commission to regularly, starting by 2018, evaluate the effect of the implemented actions in line with the better regulation principles, inter alia by consulting stakeholders in order to include their practical experiences, with a view to taking stock of results of the action plan, ascertaining the most effective set of policies and when necessary updating the plan and its proposed instruments;

¹ Building on the Council conclusions on Greening the European Semester and the Europe 2020 Strategy (14731/14);

25. NOTES that stakeholders have *inter alia* called for a long-term focus and strong guidance and ownership by the EU and the Member States¹, CALLS for consistency in national approaches and standards, exchange of best practices and lessons learned by Member States and stakeholders, and more financial incentives and market-based instruments to stimulate reuse and the market for secondary raw materials;
26. UNDERLINES the importance of market based instruments where appropriate, to create economic incentives that stimulate the sustainable use of resources; CALLS upon the Member States to exchange experiences and best practices in the development and use of market-based instruments supporting the transition to the Circular Economy and take into account the impact of certain market-based instruments on neighbouring Member-States; WELCOMES guidance from the Commission on how Member States could develop such instruments in support of the Circular Economy; RECOGNISES the detrimental impact of environmentally harmful subsidies; CALLS upon the Commission to develop in cooperation with the Member States EU guidance for environmentally harmful subsidies to facilitate efforts in identifying and phasing out such subsidies, while taking into account social and economic aspects;
27. CALLS upon the Commission to set up a platform to facilitate more structural exchange of knowledge, technologies, good practices and policy experiences (including on economic instruments) between Member States, and between stakeholders at European level, making use, where possible, of existing platforms and experiences."

¹ <http://english.eu2016.nl/events/2016/01/25/stakeholder-meeting-on-the-circular-economy>

Wildlife trafficking

The Council adopted the following conclusions on the EU action plan against wildlife trafficking.

"The Council of the European Union,

NOTING with deep concern that wildlife trafficking has become one of the world's most profitable organised criminal activities; that it is facilitated by corruption and weak governance structures; that in some regions it threatens national security and fuels conflicts by providing funding to militia and terrorist groups ¹; and that it occurs in a multitude of sectors, thus requiring a cross-cutting approach;

UNDERSCORING that wildlife trafficking has a devastating impact on biodiversity and very damaging effects on sustainable development and poverty eradication;

UNDERLINING that protecting wildlife and preserving biodiversity and ecosystems effectively contributes to eradicate poverty and provide a sustainable future for millions of people living in developing countries;

ACKNOWLEDGING that despite its comprehensive legal framework regarding wildlife protection ², the EU continues to play an important role as a transit point and end market for illegal wildlife trade, but also a source region for some endangered domestic species;

1. WELCOMES the UN General Assembly Resolution 69/314 on Tackling illicit trafficking in wildlife and the UN Environment Assembly Resolution 1/3 on Illegal trade in wildlife;

¹ Council conclusions on The fight against the financing of terrorism of 12 February 2016 (doc. 6068/16).

² Council Regulation (EC) No 338/97 of 9 December 1996 on the protection of species of wild fauna and flora by regulating trade therein (OJ L 61, 3.3.1997, p. 1) and European Parliament and Council Directive 2008/99/EC of 19 November 2008 on the protection of the environment through criminal law (OJEU L 328, 6.12.2008, p. 28).

2. WELCOMES the outcome document of the UN Sustainable Development Summit “Transforming our world - 2030 Agenda for Sustainable Development”, and in this context UNDERSCORES the commitment set out in its target 15.7 to take urgent action to end poaching and trafficking of protected species of flora and fauna and address both demand and supply of illegal wildlife products;
3. WELCOMES UNEA resolution 2/14 on Illegal trade in wildlife and wildlife products adopted at the second session of the UN Environment Assembly (Nairobi, 23-27 May 2016);
4. STRESSES the key importance of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) as the major international instrument to regulate legal and counter illegal trade in wildlife and wildlife products, and LOOKS FORWARD to its 17th Conference of the Parties in South Africa (COP 17), as an excellent opportunity to further strengthening global efforts against wildlife trafficking, including through new listings of endangered species;
5. UNDERSCORES that combating wildlife trafficking in an effective manner requires a comprehensive, cross-sectoral approach at all levels and the use of all relevant EU and national policies and instruments, while respecting EU and Member States competences, building on existing initiatives and efforts by EU Member States ¹,
6. UNDERLINES the need to enhance dialogue and cooperation with source, consumer and transit countries as well as relevant international organisations, and to involve as appropriate local authorities in source countries as well as all relevant non-state actors, including local communities, non-governmental organisations and the business sector;

¹ Such as the recent Save Wildlife Conference (The Hague, 1-3 March 2016: <http://www.savewildlife.nl/>).

7. WELCOMES the Commission Communication of 26 February 2016 on an EU Action Plan against Wildlife Trafficking (EUAP) ¹ as an important instrument with concrete proposals to raise awareness and step up action at all levels, whilst noting that this is without prejudice to the Council's competence to exercise its policy-making and legislative functions under the Treaties and without prejudice to Member States' competence on matters covered by the EUAP;
8. SUPPORTS the three priority areas of the EUAP, ie.
 - preventing wildlife trafficking and addressing its root causes,
 - implementing and enforcing existing rules and combating organised wildlife crime more effectively, and
 - strengthening the global partnership of source, consumer and transit countries against wildlife trafficking;
9. WELCOMES the wide scope of the EUAP, which targets not only wildlife products but also live specimens;
10. INVITES all relevant actors identified in the EUAP (the Commission, the High Representative, the Member States, Europol and Eurojust), within the scope of their respective competences to implement the relevant actions by the indicated timelines and in a coordinated and complementary manner;
11. INVITES all relevant actors to use and improve the efficiency of existing structures and resources for the implementation of the EUAP, and HIGHLIGHTS the need to ensure efficient, risk-based and proportionate in-country compliance monitoring and enforcement in order to improve the rate of detection of illegal wildlife-related activities;

¹ Docs 6570/16 - COM(2016) 87 final + ADD 1 - SWD(2016) 38 final.

12. URGES all relevant actors to give urgent consideration to those EUAP actions where concrete results are expected to be delivered by the end of 2016;
13. CALLS ON the Commission and the Member States to actively promote the adoption by CITES COP 17 of international criteria on sustainable and legal trade of hunting trophies of CITES-listed species; and URGES Member States to ensure that imports of these trophies are of legal and sustainable origin in accordance with relevant EU legislation ¹ taking account of the opinion of the Scientific Review Group;
14. URGES in particular Member States not to issue export or re-export documents for raw pre-Convention ivory from elephants on the basis of EU guidelines ² and to consider further measures to put a halt to commercial trade in ivory from elephants.
15. EMPHASISES the importance of a well-regulated, responsible and sustainable wildlife management; RECOGNISES that sustainable use including the legal commercial trade in wildlife products can be beneficial to biodiversity conservation; and UNDERLINES the need to ensure that local communities in source countries are engaged in and benefit from wildlife conservation and to support the development of sustainable and alternative livelihoods for communities living in and adjacent to wildlife habitats;
16. CALLS ON Member States and the Commission to improve cooperation, coordination, communication and data sharing between their implementation and enforcement agencies, as well as with agencies in third countries and other wildlife enforcement networks, including through the promotion of existing tools such as the EU-Twix database and the EPIX database;
17. EMPHASISES the key role of customs control and customs authorities in combating wildlife trafficking;

¹ In particular Council Regulation (EC) No 338/97 of 9 December 1996 on the protection of species of wild fauna and flora by regulating trade therein.

² Reference: EUAP, Action 2.

18. RECALLS that all actors involved in the fight against serious and organised crime must retain a margin of flexibility to address unexpected or emerging threats to EU internal security, in particular regarding environmental crime and energy fraud ¹; in order to better understand the level of those threats, INVITES Europol to consider the wildlife crime threats when preparing its next EU Serious and Organised Crime Threat Assessment (SOCTA); and INVITES Member States to provide relevant information on wildlife crime to Europol, including through the SOCTA questionnaire;
19. UNDERLINES the need to enhance awareness raising and education about wildlife protection and the impacts of illegal trade in wildlife, as well as to step up training for all parts of the enforcement chain in source, consumer and transit countries;
20. URGES all relevant EUAP actors to investigate the increasing illegal trade of wildlife and wildlife products via internet, including via the "dark web", with a view to developing guidelines on how to address this problem at EU level;
21. REAFFIRMS its intention to remain closely involved in the implementation process by adopting the necessary positions and decisions in the relevant policy areas, facilitating cooperation between the different actors both at EU level and with source, consumer and transit countries, and ensuring policy coherence;
22. INVITES the Commission and the Member States to ensure the regular monitoring of the implementation of the EUAP; and INVITES the Commission to keep the Council informed of progress made, and to prepare by 31 July 2018 a report assessing mid-term progress, as well as, in 2020, an evaluation of the EUAP to establish whether further measures are needed."

¹ EU's priorities for the fight against serious and organised crime 2014-2017 (doc. 12095/13).

Any other business

– *NOx emissions by diesel cars*

The presidency recalled the main messages from the debate at the TTE Council on transport on this matter. Ministers underlined the need to restore consumers' credibility and to increase transparency regarding the automotive sector, following the diesel emissions scandal. They agreed on the need to take measures to ensure such a situation is not repeated and some delegations proposed changes in legislation to that end.

[NOx emissions by diesel cars - Information from the presidency](#)

– *Endocrine disruptors*

The Commission presented its proposal for criteria to identify endocrine disruptors, based on the World Health Organisation's (WHO) criteria, following a recent court case. Some ministers expressed strong concerns about the Commission's approach, based only on evidence, and asked the Commission to respect the precautionary principle and address also the suspected endocrine disruptors for which no evidence is yet available.

[Endocrine disruptors - Information from the Commission requested by the French delegation](#)

[Endocrine disruptors – Information from the Commission](#)

– *Global amphibian deaths (salamanders and newts)*

The German and Belgian delegations, supported by Luxembourg, informed the ministers on the situation regarding global amphibian deaths and how to combat the fungus *Batrachochytrium salamandrivorans* (*Bsal*) that is a major threat for salamanders and newts in the EU. The Council took note of the information as well as of the suggestion to take measures at the EU level to protect amphibians.

[Global amphibian deaths - Information by German and Belgian delegations, with the support of Luxembourg delegation](#)

– *Environmental implementation review*

The Commission briefed the ministers on its communication on the environmental implementation review, adopted on 27 May 2016. The Council took note of the information.

[Information on the environmental implementation review and the Commission's communication](#)

– ***High-level meeting 'Make it work'***

The presidency reported on the high-level meeting 'Make it work' that took place in Amsterdam on 4 April 2016 and on its follow-up. The Council took note of the information.

[Presidency note on "Make it work"](#)

– ***Policy conference 'REACH forward'***

The presidency informed the ministers on the policy conference 'REACH forward' that took place in Brussels on 1 June 2016. The Council took note.

[Presidency note on 'REACH forward'](#)

– ***Recent international meetings***

The Council took note of the information provided by the presidency and the Commission regarding recent international meetings:

- High level meeting (Montreal, Canada 11-13 May 2016) and preparations for the ICAO assembly (Montreal, Canada, 27 September - 7 October 2016)
- Second session of the United Nations Environment Assembly of the United Nations Environment Programme (Nairobi, Kenya, 23–27 May 2016)
- Eighth Environment for Europe Ministerial Conference (Batumi, Georgia, 8–10 June 2016)

– ***Informal meeting of environment and transport ministers***

The presidency briefed the Council on the informal meeting of environment and transport ministers that took place in Amsterdam on 14-15 April 2016.

[Informal meeting of environment and transport ministers \(14-15 April 2016\) - Information from the presidency](#)

[Informal meeting of environment and transport ministers \(The Netherlands presidency\)](#)

– ***Work programme (July-December 2016)***

The Slovak delegation presented its work programme for the coming months as the next member state to hold the presidency.

[Slovak presidency website](#)

OTHER ITEMS APPROVED**ECONOMIC AND FINANCIAL AFFAIRS****Agencies' use of grants**

The Council adopted the following conclusions on the European Court of Auditors' special report no 12/2016: "Agencies' use of grants: not always appropriate or demonstrably effective" ([10017/16](#)):

"THE COUNCIL OF THE EUROPEAN UNION:

1. WELCOMES the European Court of Auditors' special report on the assessment of the use of grants as funding tool in five Union bodies (the European Institute of Innovation and Technology, the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union, the European Environment Agency, the European Food Safety Agency and the European Centre for Disease Prevention and Control), hereinafter "the selected agencies".
2. NOTES that eleven Union bodies used grants to achieve their policy objectives in the period 2013-2015, with payments amounting to EUR 740 million¹.
3. WELCOMES that the selected agencies awarded and paid grants in broad compliance with the rules, contributing to their policy objectives and fostering cooperation with public bodies of the Member States.
4. INVITES the selected agencies, when applicable, to assess the suitability of grants against other options like public procurement, service level agreements or cooperation agreements in order to achieve their policy objectives while maximising the benefit of the EU funds.

¹ The Union's contribution to the thirty-three decentralised agencies and the European Institute of Innovation and Technology, as voted in the EU budget for the period 2013-2015, amounted to EUR 2 736 million of payment appropriations.

5. SUPPORTS that the selected agencies should align their planned grant activities with their strategic and policy objectives and incorporate in their annual work programmes detailed objectives and expected results, a description of the action(s) to be financed and an indication of the amount of financial and human resources allocated to each action¹.
6. CALLS ON the selected agencies which apply specific expert selection and grant award procedures, based on exemptions in their founding regulation, to establish internal procedures ensuring the respect of the principles of transparency and equal treatment and the appropriate management of conflict of interest situations.
7. RECALLS its conclusions on Special Report No 15/2012 (Management of conflict of interest in EU Agencies)².
8. ACKNOWLEDGES the progress made by the selected agencies in order to improve grant implementation and monitoring procedures and ENCOURAGES them to further strengthen their verification systems regarding grant project implementation, including the annual revision of their *ex-post* controls.
9. CONSIDERS that an improved performance reporting can contribute to the assessment of the actions undertaken and the extent to which they have delivered the expected results and SUPPORTS the efficient introduction and incorporation of key performance indicators and *ex-post* evaluations in order to better monitor the coherence and effectiveness of their grant actions.
10. RECALLS its recommendations on the discharge to be given in respect of the implementation of the budget of the selected agencies for the financial years 2013³ and 2014⁴, which already addressed some of the weaknesses identified by the European Court of Auditors in this special report.
11. INVITES the selected agencies to adequately follow up on the implementation of the recommendations contained in this special report and INVITES the European Court of Auditors to report on the progress achieved."

¹ In line with Article 32 of Commission delegated Regulation (EU) No 1271/2013 of 30 September 2013 on the framework financial regulation for the bodies referred to in Article 208 of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council.

² Doc. 17767/12 FIN 1055 GAF 31 AG 6 INST 736.

³ Doc. 5304/15 + ADD 1 FIN 26 PE-L 3.

⁴ Doc. 5584/16 + ADD1 FIN 58 PE-L 4.

Markets in financial instruments

The Council decided not to object to Commission regulations supplementing directive 2014/65/EU on markets in financial instruments ('MiFID II') with regard to regulatory technical standards for the:

- suspension and removal of financial instruments from trading ([9446/16](#))
- admission of financial instruments to trading on regulated markets ([9450/16](#))
- determination of a material market in terms of liquidity in relation to notifications of a temporary halt in trading ([9541/16](#)).

Likewise, the Council did not object to a Commission regulation supplementing regulation 600/2014 on markets in financial instruments ('MiFIR') with regard to regulatory technical standards on criteria for determining whether derivatives subject to the clearing obligation should be subject to the trading obligation ([9540/16](#)).

These acts are delegated acts pursuant to article 290 of the Treaty on the Functioning of the European Union. They can now enter into force, unless the European Parliament objects.

BUDGETS

Mobilisation of the European Globalisation Adjustment Fund for Belgium

The Council adopted a decision mobilising €1.82 million under the European Globalisation Adjustment Fund (EGF) providing support for workers made redundant in Belgium. This follows the dismissal of 488 workers in three companies manufacturing machinery and equipment due to major structural changes in world trade patterns.

The EGF helps workers to find new jobs and develop new skills when they have lost their jobs as a result of changing global trade patterns, e.g. when a large company shuts down or a factory is moved outside the EU, or as a result of the global financial and economic crisis. The help of the EGF consists in co-financing measures such as job-search assistance, careers advice, tailor-made training and re-training, mentoring and promoting entrepreneurship. It also provides one-off, time-limited individual support, such as job-search allowances, mobility allowances and allowances for participating in lifelong learning and training activities.