



Council of the
European Union

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14960/16
ADD 1

PV/CONS 63
COMPET 618
RECH 333
ESPACE 65
MI 752
IND 255

DRAFT MINUTES

Subject: **3503rd** meeting of the Council of the European Union
(Competitiveness (Internal Market, Industry, Research and Space)),
held in Brussels on 28 and 29 November 2016

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¹ Deliberations on Union legislative acts (Article 16(8) of the Treaty on European Union), other deliberations open to the public and public debates (Article 8 of the Council's Rules of Procedure).

LEGISLATIVE DELIBERATIONS

"A" ITEMS

1. General budget of the European Union for the financial year 2017

= Approval of the joint text

14635/16 FIN 804

+ ADD 1 to ADD 5

Following Council (ECOFIN/Budget) on 16/17.11.2016

The Council approved the joint text on the budget for 2017 as set out in the Annex of 14635/16 and in ADD 1 to ADD 5.

Joint statement on the Youth Employment Initiative

"The European Parliament, the Council and the Commission recall that reducing youth unemployment remains a high and shared political priority, and to this end they reaffirm their determination to make the best possible use of budgetary resources available to tackle it, and in particular through the Youth Employment Initiative (YEI).

They recall that, in accordance with Article 14(1) of Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (MFF Regulation), *"Margins left available below the MFF ceilings for commitment appropriations for the years 2014-2017 shall constitute a Global MFF Margin for commitments, to be made available over and above the ceilings established in the MFF for the years 2016 to 2020 for policy objectives related to growth and employment, in particular youth employment"*.

The Council and the European Parliament invite the Commission to propose an amending budget in 2017 in order to provide EUR 500 million² for the YEI in 2017 financed by the Global margin for commitments, as soon as the technical adjustment foreseen by Article 6 of the MFF Regulation is adopted.

The Council and the European Parliament undertake to process rapidly the draft amending budget for 2017 put forward by the Commission."

² This amount is part of the overall increase for YEI until 2020 in the framework of the mid-term review/revision of the MFF.

Joint statement on payment appropriations

"The European Parliament and the Council recall the need to ensure, in the light of implementation, an orderly progression of payments in relation to the appropriations for commitments so as to avoid any abnormal level of unpaid invoices at year-end.

The European Parliament and the Council calls on the Commission to continue monitoring closely and actively the implementation of the 2014-2020 programmes. To that end, they invite the Commission to present in a timely manner, updated figures concerning the state of implementation and estimates regarding payment appropriations requirements in 2017.

The Council and the European Parliament will take any necessary decisions in due time for duly justified needs to prevent the accumulation of an excessive amount of unpaid bills and to ensure that payment claims are duly reimbursed."

Joint statement on the 5 % staff reduction

"The European Parliament, the Council and the Commission recall the agreement to progressively render 5 % of the staff as in the establishment plan on 1 January 2013, to be applied to all institutions, bodies and agencies, as stated in Point 27 of the Interinstitutional Agreement of 2 December 2013 on budgetary discipline, on cooperation in budgetary matters and on sound financial management.

The three institutions recall that the target year for the full implementation of the 5 % reduction of staff is 2017. They agree that appropriate follow-up measures will be taken to take stock of the situation with a view to ensuring that all efforts are deployed to avoid any additional delays in implementing the 5 % staff reduction target for all institutions, bodies and agencies.

The three institutions welcome the Commission's overview of consolidated data on all external staff employed by the institutions, presented in the draft budget, in line with point (b) of Article 38(3) of the Financial Regulation. They invite the Commission to continue providing this information when presenting its draft budgets for future years.

The Council and the Parliament underline that achieving the 5 % staff reduction target should contribute to savings in the institutions' administrative expenditure. With that in mind, they invite the Commission to start assessing the outcome of the exercise in order to draw lessons for the future."

Joint statement on the European Fund for Sustainable Development

"In order to address the root causes of migration, the Commission launched the European Fund for Sustainable Development (EFSD) based on the establishment of an EFSD Guarantee and an EFSD Guarantee Fund. The Commission proposes to endow the EFSD Guarantee Fund with EUR 750 million over the period 2017–2020, of which EUR 400 million from the European Development Fund (EDF) over the four years, EUR 100 million from the ENI over 2017–2020 (of which EUR 25 million in 2017), and EUR 250 million of commitment (and payment) appropriations in 2017.

The Council and the European Parliament invite the Commission to request the necessary appropriations in an amending budget in 2017 in order to provide the financing of the EFSD from the EU budget as soon as the legal base is adopted.

The Council and the European Parliament undertake to process rapidly the draft amending budget for 2017 put forward by the Commission."

Joint statement on EU Trust Funds and the Facility for Refugees in Turkey

"The European Parliament, the Council and the Commission agree that the establishment of Trust Funds and of the Facility for Refugees in Turkey should be transparent and clear, consistent with the principle of unity of the Union budget, with the prerogatives of the budgetary authority, and with the objectives of existing legal bases.

They undertake to address, as appropriate, those issues as part of the revision of the Financial Regulation in order to strike the right balance between flexibility and accountability.

The Commission undertakes to:

- regularly inform the budgetary authority on ongoing and planned Trust Funds' financing (including Member States' contributions) and operations;
- present, as of 2017, a Working Document accompanying the draft budget for the following financial year;
- propose measures for proper involvement of the European Parliament."

Joint statement on agriculture

"The budget 2017 includes a series of emergency measures to assist farmers in facing the market difficulties experienced recently. The Commission confirms that the margin under heading 2 is sufficient to address possible unforeseen needs. It undertakes to monitor the market situation regularly and to present if needed the appropriate measures to address needs which cannot be covered by the appropriations authorised in the budget. In such a case, the European Parliament and the Council commit to process the relevant budgetary proposals as soon as possible."

INTERNAL MARKET AND INDUSTRY

4. **Proposal for a Regulation of the European Parliament and of the Council on addressing unjustified geo-blocking and other forms of discrimination based on customers' nationality, place of residence or place of establishment within the internal market and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC [First reading]**
Interinstitutional file: 2016/0152 (COD)

= General approach

14662/16 MI 738 TELECOM 244 DIGIT 136 CONSOM 287 IND 249
COMPET 604 ENT 213 POSTES 19 JUSTCIV 304 PI 138
CODEC 1697

14663/16 MI 739 TELECOM 245 DIGIT 137 CONSOM 288 IND 250
COMPET 605 ENT 214 POSTES 20 JUSTCIV 305 PI 139
CODEC 1698

9611/16 MI 396 TELECOM 104 DIGIT 60 CONSOM 130 IND 116
COMPET 339 ENT 102 POSTES 3 JUSTCIV 155 PI 64
CODEC 772 IA 31

The Council reached, with qualified majority, the general approach which serves as a base to start the negotiation with the European Parliament. Austria and Luxembourg issued a common declaration.

Statement by Austria and Luxembourg

"We are not able to express our support to this text, which offers little added value for consumers and creates additional difficulties for businesses, in particular SMEs.

By imposing, de facto, a general obligation to sell without providing for improvements and clarifications as regards the determination of the applicable law and the competent court, the text creates additional risks for businesses without offering tangible benefits for consumers. Consumers' access to products and services will not be improved significantly and is likely to remain confined within national borders. SMEs risk to be confronted with 28 different national laws and Courts.

As we strongly support the objective of achieving a fully functioning Single Market - including a Digital Single Market - and of putting an end to unjustified geoblocking, we hope that these issues will be solved during the further discussion, for the benefit of consumers and SMEs."

NON-LEGISLATIVE ACTIVITIES

8. Any other business

b) Current legislative proposals

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

- i) **Proposal for a Regulation of the European Parliament and the Council on the approval and market surveillance of motor vehicles and their trailers, and of systems, components and separate technical units intended for such vehicles [First reading]**

Interinstitutional file: 2016/0014 (COD)

14569/16 ENT 209 MI 731 CODEC 1687

- ii) **Proposal for a Regulation of the European Parliament and of the Council on cooperation between national authorities responsible for the enforcement of consumer protection laws [First reading]**

Interinstitutional file: 2016/0148 (COD)

14604/16 CONSOM 286 MI 736 COMPET 602 TELECOM 243

JUSTCIV 303 DIGIT 135 IND 248 CODEC 1693

+ COR 1

= Information from the Presidency

The Council took note of the information provided by the Presidency as well as of the comments from the Commission.

f) Current legislative proposals

(Public deliberation in accordance with Article 16(8) of the Treaty on European Union)

- i) **Proposal for a Directive of the European Parliament and of the Council on Copyright in the Digital Single Market [First reading]**

Interinstitutional file: 2016/0280 (COD)

- ii) **Proposal for a Regulation of the European Parliament and of the Council laying down rules on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions of television and radio programmes [First reading]**

Interinstitutional file: 2016/0284 (COD)

- iii) **Proposal for a Regulation of the European Parliament and of the Council on the cross-border exchange between the Union and third countries of accessible format copies of certain works and other subject-matter protected by copyright and related rights for the benefit of persons who are blind, visually impaired or otherwise print disabled [First reading]**

Interinstitutional file: 2016/0279 (COD)

- iv) **Proposal for a Directive of the European Parliament and of the Council on certain permitted uses of works and other subject-matter protected by copyright and related rights for the benefit of persons who are blind, visually impaired or otherwise print disabled and amending Directive 2001/29/EC on the harmonisation of certain aspects of copyright and related rights in the information society [First reading]**

Interinstitutional file: 2016/0278 (COD)

- = Information from the Commission
14447/16 PI 134 CODEC 1660 RECH 317 EDUC 380 COMPET 589
AUDIO 123 CULT 113 DIGIT 131 TELECOM 234

The Council took note of the information provided by the Commission.

SPACE

9. Communication from the Commission on Space Strategy for Europe

- = Presentation by the Commission
= Policy debate
(*Public debate in accordance with Article 8(2) of the Council's Rules of Procedure*)
14212/16 ESPACE 54 RECH 308 COMPET 567 IND 234 EU-GNSS 33
TRANS 414 TELECOM 223 MI 691 EMPL 466 CSDP/PSDC 641
CFSP/PESC 912
+ COR 1
13758/16 ESPACE 52 RECH 298 COMPET 544 IND 222 EU-GNSS 32
TRANS 404 TELECOM 206 MI 665 EMPL 442
CSDP/PSDC 613 CFSP/PESC 867

The Council took note of the presentation by the Commission and held a policy debate based on 14212/16 + COR 1.

RESEARCH

11. Report from the Commission on implementation of the strategy for international cooperation in research and innovation

- = Exchange of views
(*Public debate in accordance with Article 8(2) of the Council's Rules of Procedure*)
13298/16 RECH 289 COMPET 532 RELEX 906 DEVGEN 234
13288/16 RECH 287 COMPET 530 RELEX 838 DEVGEN 221

The Council had an exchange of views based on 13298/16.