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6552/15

CO EUR-PREP 11
POLGEN 28
ENV 81
ENER 44
MI 111
RECH 34
COMPET 62
IND 25
ECOFIN 134
SOC 103
EDUC 41
TELECOM 53
JAI 110
EMPL 51
SAN 73

NOTE

From:	General Secretariat of the Council
To:	Council
Subject:	European semester 2015
	- Synthesis report on Council contributions

Delegations will find attached the synthesis report prepared by the Presidency on the discussions and the main political messages of the different Council configurations in relation to 2015 European Semester.

1

PRESIDENCY SYNTHESIS REPORT

Introduction

This report summarises the results of discussions within and conclusions of the Council regarding the Commission's Annual Growth Survey 2015 package. It also draws on the country reports package that was presented by the Commission on 26 February 2015 as regards the implementation of Country-specific recommendations at the national level.

The first Annual Growth Survey presented by the Juncker Commission on 28 November 2014 outlines a new agenda for jobs and growth based on three mutually supportive pillars: investment, structural reforms and fiscal responsibility. The Council welcomes the Commission's Annual Growth Survey 2015 and broadly shares the Commission's analysis of the economic situation and policy challenges in the EU.

The Annual Growth Survey is closely linked with key policy initiatives such as Investment plan for Europe, Energy Union and upcoming Digital Single Market Strategy and Internal Market Strategy for goods and services. The link to forward-looking transport policy through the development of sustainable infrastructure and a well-functioning single market was also highlighted. Therefore, the debates touched upon these broader policy processes enabling the different Council formations to provide their views and reflections.

The Council is taking forward the <u>Investment</u> Plan for Europe with great diligence. On 10 March 2015, the ECOFIN Council adopted a General approach on the Proposal for a European Fund for Strategic Investments (EFSI) which aims at mobilising at least EUR 315 billion over three years in additional public and private investment. The debates in different Council formations highlight the potential of EFSI and also confirm the need to pursue in parallel the other strands of the Investment Plan. In particular, it is necessary to further improve the investment climate and the general business environment by reducing regulatory burden while providing for sufficient regulatory certainty. Synergies have to be ensured between EFSI, other EU programmes such as Horizon 2020 and CEF, structural funds and national funding. Special efforts are required to facilitate SME access to finance, including venture capital, and to help European start-ups in the critical growth phase.

As regards <u>structural reforms</u>, while progress has been made, there is a need to accelerate the pace of reform. Overall, according to the Commission, the implementation of almost half of the Country-specific recommendations adopted by the Council in July 2014 has been limited or non-existent. The situation is slightly better in the euroarea where 60% of the recommendations have been implemented at least partly. Nevertheless, it is clear that more has to be done on several fronts, in particular in countries under less market pressure. Key areas of concern include product and services market reforms and modernisation of public administration. The persistently high levels of unemployment, especially long-term and youth unemployment, re-confirm that more efforts are needed in the labour markets. This concerns, in particular, wage-setting, matching education with labour market needs, capacity of Public Employment Services and labour market segmentation.

Further modernisation of pension systems and improving the efficiency of health and long-term care are essential, also in the context of fiscal consolidation.

Finally, Europe as a whole should pursue on the path of growth-friendly <u>fiscal responsibility</u>. Each Member State should take appropriate action reflecting the fiscal space that it has available. Further progress is needed on coordinating fiscal policies in the eurozone. Overall, more attention has to be paid to the effectiveness, quality and growth-friendliness of public finances. Recommendations regarding the reduction of the tax wedge on labour and regarding safeguarding the spending on growth-friendly areas such as research and investment have to be fully implemented.

Council discussions on the Annual Growth Survey have highlighted the potential of the <u>digital</u> <u>economy</u> for the EU's growth and job agenda. Europe needs a digital transformation to re-establish its status as a leading player in the global digital economy. Digitisation should cut across all policy fields, from industrial to environmental policies. The roll-out of high-speed broadband networks, addressing the digital skills gap, building consumer trust, and enhancing cyber-security are among the basic prerequisites for a digital economy and call for resolute action at EU and national level. There is an urgent need to establish a Digital Single Market removing restrictions to, and further stimulating, cross-border e-commerce. Support to digital Research and Investment, cloud computing and exploitation of Big data remains necessary. Europe needs to support its digital startups but also assist the digitisation of its companies more widely. The Council looks forward to the Commission presenting a comprehensive and ambitious Digital Single Market Strategy.

The 2015 European semester will be the first one to implement the <u>streamlined</u> model proposed in the 2015 Annual Growth Survey. The debates within the Council welcome this streamlining. A single country analysis for each Member State presented much earlier than in the past (on 26 February) should enhance ownership and facilitate peer review. It should facilitate the examination of Country-specific recommendations within the Council and allow for stronger stakeholder involvement at the national level.

At the European level, the Presidency has engaged in an exchange of views with the European Parliament on the European semester. The Parliament is adopting three resolutions on the topic on 11 March 2015, on the European semester for economic policy coordination: Annual Growth Survey 2015, on European semester for economic policy coordination: employment and social aspects in the Annual Growth Survey 2015 and on Single market governance within the European semester 2015. The interparliamentary dialogue on the European semester organised by the European Parliament on 3-4 February 2015 has also contributed to the reflection (see doc. 6195/15).

Economic and financial affairs

The Economic and Financial Affairs (ECOFIN) Council discussed the Annual Growth Survey in its meeting on 9 December 2014. Changes envisaged to the European Semester were also addressed in that meeting in the context of the exchange of views on the Europe 2020 Strategy and its implementation through the European Semester, which was based on a joint EFC-EPC opinion (doc. 16228/14). The ECOFIN Council subsequently adopted Council conclusions on the Annual Growth Survey and the Alert Mechanism Report (doc. 5957/1/15 REV1) in its meeting on 17 February 2015. The Commission presented the integrated country analyses at the ECOFIN Council of 10 March 2015.

The ECOFIN Council agreed on the broad policy priority areas outlined by the Commission in the Annual Growth Survey on which national and EU level efforts should concentrate in 2015, namely boosting investment, renewing commitment to structural reform implementation and exercising fiscal responsibility.

The ECOFIN Council also welcomed the Commission's suggestions to streamline and reinforce the European Semester.

6552/15 PPG EN

As regards <u>investment</u>, the conclusions recognise that there is an urgent need to boost investment in order to strengthen the EU's economic recovery and growth potential and welcome the Investment Plan for Europe presented alongside the Annual Growth Survey. The ECOFIN Council stresses that initiatives taken under the Investment Plan should be complemented by measures which improve the business environment and make investment more attractive.

On 10 March 2015, the ECOFIN Council adopted a General approach on the Proposal for a Regulation of the European Parliament and the Council on the European Fund for Strategic Investments and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 (doc. 6831/15) aiming at mobilising at least EUR 315 billion over three years in additional public and private investment. The swift agreement reached on this General approach demonstrates the strong political support amongst Member States for this initiative, and a clear understanding of the need to deliver new investments for Europe fast. To reap the full benefits of the EFSI, the General approach insists on a transparent depoliticised governance structure and establishes clear project selection criteria. These relate to consistency with Union policies, viability, additionality and participation of private investors. The Council General approach also foresees a strong role for National Promotional Banks and investment platforms which will act as catalysts for investments projects. The EIB will be instrumental in ensuring that the new advisory hub will provide effective technical assistance to support project development across the Union.

Concerning the <u>implementation of structural reforms</u>, the conclusions recognise that ambitious implementation of structural reforms in product, services and labour markets are key for increasing productivity, regaining competitiveness and improving the business environment, thereby also fostering private productive investment, employment and growth potential. They acknowledge that the European single market remains the most powerful engine of growth at EU level and that completing the single market in both goods and services is a priority. The Ecofin Council acknowledged efforts made by Member States in the implementation of structural reforms whilst highlighting the need for additional reform efforts in all Member States, commensurate with the remaining level of rigidities and vulnerabilities.

As regards <u>fiscal responsibility</u>, the Council welcomed the considerable progress made with fiscal consolidation and acknowledged that, at the same time, public debt levels in most Member States remain high and that there is still a need to bring debt levels on a declining path. The conclusions stress that it is crucial for all Member States to stay on course with the agreed growth-friendly and differentiated fiscal consolidation strategy in order to ensure the sustainability of public finances. They emphasise that all Member States shall implement their fiscal policies in line with their obligations under the Stability and Growth Pact, which allows the automatic stabilizers to work around the agreed path of structural adjustment, while ensuring the long term sustainability of public finances.

Finally, concerning changes to streamline and reinforce the European Semester, the Ecofin Council welcomed the Commission's suggestions. The conclusions recognise that the publication of a single comprehensive economic assessment per Member State earlier in the process allows for greater transparency and feedback on the Commission's analysis and more time to examine and discuss the EU guidance, which should further enhance ownership and the multilateral surveillance process. They underline the importance of monitoring of performance and policy implementation, including implementation of the country specific recommendations, throughout the year.

Employment and social affairs and health

In the framework of the 2015 European Semester, the Council (EPSCO) held extensive policy debates (sessions on 11 December 2014 and 9 March 2015) on priorities for actions in the areas of employment and social policies. In this context, the EPSCO Council adopted the 2015 Joint Employment Report (doc. 7006/15) and Council conclusions, taking into account the Annual Growth Survey (doc. 7007/15), which provide political guidance for employment and social policies in 2015. It also endorsed the key messages of the SPC Report on the Social Situation in the EU (doc. 6194/15).

Despite cautious positive developments in economic parameters across most Member States, high unemployment remains a key challenge for the EU. An integrated approach which takes account of and is coherent with employment and social concerns is a prerequisite for successfully tackling unemployment.

Ministers broadly welcomed the three pillar approach of the Annual Growth Survey (AGS) to address current concerns. Some delegations referred to the need to further stress the social aspects of this approach.

To address the urgent challenges, labour markets have to become more inclusive and well-functioning. Special emphasis was put on the inclusion of vulnerable groups, for which targeted assistance is necessary. The role of women in the labour market and within society as a whole has to receive more attention. In order to achieve gender equality, the pay gap has to be closed and women's needs be better taken into account.

Long-term unemployment has become a critical issue which requires urgent attention and specific measures. Youth unemployment continues to be a high political priority. The rolling out of the youth guarantee programmes is soon to be reinforced through the new proposal on increasing the pre-financing of the Youth Employment Initiative. The increase in working live brings additional challenges to older workers, for whom special arrangements are to be made in addition to the promotion of life-long learning programmes.

In the context of the European semester, mutual learning and mutual surveillance have proved to be very valuable tools and should continue to be used. Among others those enable Member States to learn from one another and thus help improve policies.

The digital economy and new technologies offer new opportunities which need to be seized. Investment in people and skills need to be focused in order to prepare workers to face a more dynamic economic environment. Skills need to be continuously adapted to the changing economic and employment conditions. Precarious forms of work are to give way to quality jobs. The effectiveness and efficiency of social protection systems needs to be improved.

Ministers welcomed the modifications to the European semester, in particular the timing of the Country reports, which now allows for better dialogue, discussions and consultations with national stakeholders. The role of Employment Committee and Social Protection Committee in the European semester and their contribution were emphasized. The role and importance of the social partners was also stressed, particularly as regards their involvement in the European semester and mutual learning. More generally, their contributions are crucial for factors that are important to achieving more inclusive and well-functioning labour markets and social policy objectives. Reference was also made to the employment and social benefits that the new Investment Plan might achieve.

Competitiveness

The Competitiveness Council held policy debates in the framework of the European Semester and based on the Annual Growth Survey 2015, on Internal Market and Industrial Competitiveness aspects on 2 March and on Research aspects on 3 March 2015. In the debates, ministers also addressed the Investment Plan for Europe and in particular the question how to improve the investment environment in Europe.

Internal Market

Ministers acknowledged the urgent need to further strengthen, deepen and eventually complete the Single Market. While stressing the need to continue effort on horizontal policy measures, ministers also favoured a pragmatic sector oriented approach which could faster advance the integration of the Single Market. As sectors with the highest growth potential, ministers mentioned the digital economy, energy, transport, telecommunications and services (including retail, business services, construction). National reforms stay high on national policy agendas and ministers also mentioned examples or reforms undertaken aiming in particular at lifting existing barriers and improving the business and investment environment. In this context, ministers stressed that it is crucial to improve the access of business, in particular SMEs, to public procurement and to facilitate the free movement of persons by rapidly implementing the Directive on Recognition of Professional Qualifications.

Ministers underlined the importance of effective Single Market governance including stressing the importance of the implementation and enforcement of existing rules in the best possible way. They insisted on the need to improve and simplify legislation to the benefit of businesses and consumers by taking consistently account the principles of better regulation, in particular REFIT. The need to fully respect transparency, subsidiarity and proportionality, reduce the administrative burden and prepare all initiatives through well-founded impact assessments was further stressed by ministers.

It was broadly stressed that identifying barriers and bottlenecks to cross-border trade is important also in order to enhance the international competitiveness of the EU. A large number of ministers emphasised the need to unleash the full potential of the services sector by fully implementing the Services Directive and reviewing the rules on notification and to make better use of Single Market instruments, including by privileging a balanced combination between mutual recognition and harmonisation. All ministers indicated that they were looking forward to the Digital Single Market package scheduled for May 2015 and the "Internal Market Strategy for goods and services" expected in autumn 2015 and urged the Commission to be ambitious in these forthcoming initiatives.

Industry

The industrial policy aspects were discussed in the context of the up-coming Digital Single Market Strategy. The overriding concern shared by Member States was to see industrial policy elements fully incorporated in the strategy. A competitive EU implies a digital EU and it must be based on innovative companies, both large and small, which are able to use digital opportunities for creating jobs and growth. Micro-companies should not be forgotten, especially with a focus to innovative start-ups.

6552/15

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Ministers identified actions and measures that would have the best potential to achieve this aim. Several ministers underlined the need to facilitate access to finance, including venture capital on an EU-wide basis, and in particular to the benefit of SMEs, as well as the need to change the risk averse culture in this context. There is a need for venture capital not only for mature companies, but also seed and pre-seed funding for SMEs, as well as meeting the needs of upscaling. Removing regulatory burdens was also seen as essential, both within and between Member States. This would create a genuine Single Market for digital companies which would in particular allow small start-up companies to grow faster and help the EU face global competition. The need to apply the principle of "one-stop shop for SMEs" throughout the EU was highlighted in this context.

The need for EU-wide interoperability between systems and products through setting pan-European standards was underlined by many ministers as part of removing all barriers to cross border ecommerce. Interoperable frameworks might also be of benefit as demonstrated by the examples of unified e-signature, e-labelling, etc. Other barriers mentioned, both for producers and consumers, included data protection, where national rules and regulations need to catch up with global digital trade while providing a coherent and stable framework for data flows and safeguarding adequate implementation of EU data protection rules.

Some ministers underlined the need for investment (amongst others from existing European funds) to assist companies in digitalisation. Several Member States saw a role for the Investment Plan for Europe in this context.

In general, ministers highlighted the basic prerequisites needed for the European industry to fully exploit the potential of digitalisation and the digital economy for industrial competitiveness. These included the need to roll out high-speed broadband all over Europe, address the digital skills gap at all levels of education and hierarchy (citizens, workers and managers) as well as create both consumer and company trust and confidence in cyber-security, especially with a view to industrial data ownership, usage and availability.

Research

Ministers in general agreed with the Annual Growth Survey analysis that there is a need to prioritise financing for research and innovation (R&I), make the investments smart and efficient to create the necessary leverage with private investments, and improve the framework conditions in order to transform investment into tangible assets. Moreover, they underlined the need to provide appropriate legislation, including growth – friendly state aid regulation, cut bureaucracy and red tape and ensure appropriate education and skills. A long-term view and strategy on investments are required both in Member States and at EU level.

Several ministers underlined the importance of enhancing the efficiency of research programmes through prioritisation and smart specialisation based on evaluation. Removing barriers to researchers' mobility and the use of tax incentives were also seen as necessary structural reforms by many.

As to creating a favourable environment for both public and private investment, strategic public investment in R&I to have leverage for private investment. Several ministers recalled also the need to focus on excellence and quality of research when considering investments. Ensuring synergies between Horizon 2020 and the up-coming European Fund for Strategic Investment (EFSI) as well as structural funds and national funding was considered essential. Moreover, the majority of ministers underlined the necessity to better integrate private companies, in particular SMEs and mid-caps, to R&I processes at all levels in order to ensure investment and knowledge transfer. Related benefits such as tax incentives, digital opportunities, potential of big data and of re-use of data, open innovation and science, as well as close-to-market action should be highlighted.

With regard to the Investment Plan for Europe, whereas several ministers expressed concerns related to the transfer of funds from Horizon2020 to EFSI, they underlined the need for the EFSI selection criteria to prioritise the projects with most innovative and competitive edge, taking into account also the long-term socioeconomic impact of the projects, as well as the need for the experts to cover a broad range of knowledge in these issues and the need for feedback on selected projects. Several ministers underlined the necessity to ensure that R&I stakeholders, including SMEs, have access to finance through EFSI.

Transport

The Transport Council held a policy debate on 13 March 2015 on the role and contribution of transport to unlock the EU's full growth potential in the increasingly competitive global environment.

Ministers acknowledged that a forward-looking and predictable development of infrastructure is fundamental for enhanced European competitiveness and a well-functioning single transport area. The implementation of the Trans-European Network for Transport (TEN-T) aims at strengthening the European territorial and social cohesion, and its internal market. As regards the regulatory environment and its implementation the ministers stressed the need to apply the principles of smart regulation and level playing field. Ministers stressed that an efficient, well-functioning and sustainable TEN-T network plays a key role in the competitiveness of the EU in a globalised world.

Ministers highlighted the need to fully exploit the possibilities provided by innovation in transport, which offers many opportunities for the European economy not only in the field of infrastructure, but also in the sectors of manufacturing of electric and self-driving vehicles and logistics services. It is also necessary to fully exploit the synergies with the sectors of energy, especially in the field of alternative fuels, telecommunications and digital economy, in particular for Intelligent Transportation System services.

It was also acknowledged that the implementation of the main missing cross-border projects, in particular in the field of railways and inland waterways, is a key challenge for the development of the TEN-T network. These projects are often costly, with long term socio-economic benefits, thus, with no clear incentives for private partners. Moreover, their main beneficiaries are not the regions where these projects are built but Member States and the EU as a whole.

Ministers recognized that in order for Europe to achieve its goals, considerable investment in the transport sector is needed. The EU budget 2014 - 2020 provides some support in forms of grants through the European Structural and Investment Fund and through the Connecting Europe Facility (CEF) to complement Member States' support to the TEN-T. However, these public budgets only represent a fraction of those needs.

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The proposed European Fund for Strategic Investment could provide new opportunities for financing the strategic ambitions for transport and could attract additional funds for projects with a real EU added value and a higher risk profile than those normally financed by the public and private banks or private partners. However, more new financing mechanisms must be sought, also in the framework of public-private partnerships.

In relation to EFSI, several ministers stressed that open and independent selection of projects and sound criteria would be essential to ensure Member States' confidence and a successful implementation of the Investment Plan for the benefit of transport projects.

Telecommunications

The TTE (Telecommunications) Council discussed the mid-term review of the Europe 2020 strategy at its meeting of 27 November 2014 (doc. 16175/14), taking into account the publication of the 2015 Annual Growth Survey (AGS). In the context of the 2015European semester, the Presidency invited Member States to provide further replies in writing (doc. 6407/15).

Member States welcome the AGS process and generally support the continuation of the Europe 2020 Strategy with the Digital Agenda for Europe (DAE) as one of its flagship initiatives. In view of the Commission's forthcoming Digital Single Market (DSM) strategy, Member States call for more focus on growth and job-related actions, with a competitiveness angle.

Delegations broadly welcome enhancing the visibility of digital policies at both EU and national levels. At the same time, there is an expectation that the forthcoming strategy be of a more holistic and horizontal nature aimed at the digital transformation of Europe, which could put the Union back on the map as a leading player in the digital economy and in key technology sectors.

While acknowledging that progress has been made on many digital policy issues, as recently demonstrated in the Digital Agenda Scoreboard, delegations indicate a number of areas, where they believe more could be done, either as part of the on-going activities under the DAE, or to be included as priority areas in the DSM strategy:

- Facilitate legislation that fosters digital transformation of the European business landscape with regard to building a digital and innovative economy. The principle "digital by default" should be recognised and implemented as the horizontal policy principle when carrying out impact assessments on new regulation.
- ensuring <u>access and connectivity</u> and boosting the deployment of high-speed <u>broadband</u> <u>networks</u>, including via the Investment plan. In this context, delegations noted that the targets set in the DAE are insufficient to realise the completion of the DSM.
- further efforts to complete the Digital Single Market, notably by facilitating and stimulating ecommerce by removing unnecessary restrictions and burdens to cross-border online trade and services and putting an end to discriminatory practices such as geo-blocking. Concrete actions to be taken include the reviews of the regulatory framework for electronic communications and the audio-visual market and updating the copyright framework;
- building <u>trust</u>, <u>confidence</u>, <u>security</u>, <u>resilience</u> and <u>reliability</u> in the area of digital services and in particular on the Internet as a cornerstone for extended use of digital services by consumers, businesses and public administrations. Progress should be made in the areas of <u>data protection</u>, privacy and information security;
- more support actions to boost <u>R & I, cloud computing and Big Data</u>. There is a need to increase investments in ICT-research and digital innovation through a better promotion of <u>funding</u> programmes and the new Investment plan;
- To attract investors in the digital arena, there is a need for more <u>regulatory certainty</u>, investing in infrastructure, in particular in broadband networks and digital services and effective and consistent <u>enforcement at both European and national level</u>, as well as removal of unnecessary regulatory burdens;
- developing <u>digital skills</u> in light of the skills-gaps, which exist both on the user and provider sides and with a view to attracting young people to the ICT sector;
- support to <u>start-ups/SMEs</u>, notably as regards the need to reduce administrative barriers but also in terms of access to risk capital;

- addressing tax issues, related to the creation of the Digital Single Market;
- reducing the <u>digital divide</u> between Member States as well as within Member States;
- promoting a more digital approach to public administrations and further development of egovernment, e-procurement, and electronic access to public services including interoperable, cross-border services. Efforts should be made to apply the principle that information is collected from citizens only once;
- developing public-private partnerships to accelerate progress and enhance access to financing.

Energy

On 9 December 2014, the TTE (Energy) Council adopted conclusions on the completion of the internal energy market (doc. 16037/14) and on 5 March 2015 held a policy debate on energy infrastructure and its developments and priorities.

Delegations reiterated the importance of achieving, as a matter of urgency, a fully functioning and interconnected European internal energy market to secure the uninterrupted supply of energy throughout Europe and to increase interconnectivity so as to put an end to any isolation of Member States from the European gas and electricity network in the near future. An interconnected and synchronised European energy grid is crucial to ensure affordable, secure and sustainable energy. It will also generate more opportunities in terms of investments, growth and jobs across the European Union. Building proper interconnections will require urgent mobilisation of efforts at all levels to achieve the common objective of a fully functioning and interconnected European internal energy market.

In support of this objective, delegations underlined that the Projects of Common Interest (PCI) urgently need to be realised so as to further strengthen the internal energy market. They also considered that timely adoption and implementation of the network codes for gas and electricity should be given the highest priority throughout the whole European Union. In addition, improving market design, notably in the electricity sector, was highlighted.

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Regional market integration was recognised as an important tool towards ultimate consolidation of a single energy market across the European Union. Regional cooperation must therefore be further enhanced to address broader policy priorities and would, through the coordinated implementation of PCIs, be an important instrument for achieving the 10% electricity interconnection target between Member States by 2020, as set out by the European Council.

Given the substantial amount of investments required up to 2020 to build the necessary infrastructure to adequately interconnect all EU Member States, the continued improvement of the investment climate in the energy sector was identified as a critical element. Delegations underlined the need for more investments in strategic and smart infrastructure, in a cost-effective way. They also recalled the urgent need for effective and consistent implementation and application of the third energy package by all Member States so as to provide a sound and market-driven investment climate throughout the whole European Union based on a stable and predictable European legal framework.

In addition to the TEN-E Regulation adopted in 2013, together with the Connecting Europe Facility (CEF), which create a stable European regulatory instrument designed to identify and ensure the timely implementation of the PCIs, reference was also made to the Investment Plan for Europe, as proposed by the Commission, and notably to the creation of a European Fund for Strategic Investments (EFSI) intended to significantly improve EU investment projects' access to long term financing. This instrument would cover PCIs or other interconnection projects and accelerate and complement the current structure of support for PCIs and beyond. New possibilities for commercial financing are offered by EFSI. In this regard, delegations stressed that it is of highest importance to ensure full use of all existing and allocated EU resources and to further improve the regulatory environment for investments.

Environment

The Environment Council exchanged views on greening the European Semester on the basis of a Presidency background note containing two questions (doc. 6143/15). Ministers reaffirmed that environment policy, greening the economy and greening the European semester can contribute in a very significant manner to the broad policy objectives of stimulating growth and creating jobs.

Ministers indicated that it is time to make progress and take full advantage of the synergies between environmental policies and policies in other fields through a mix of instruments and initiatives, such as greening the fiscal systems, more targeted investments, promoting research and development, and taking into account the special needs of SMEs.

Ministers noted however that in the Annual Growth Survey 2015 there is little recognition of the role that the environmental measures, resource efficiency or green economy play in the broader context of sustainable development, and in helping boosting growth, jobs and investments.

The Council invited the Commission to take into account the guidelines and clear messages included in its conclusions of 28 October 2014 when preparing the mid-term review of the Europe 2020 Strategy that is expected by the end of this year, so as to ensure a strong environmental dimension and a full synergy between environment and other policies.

The Council welcomed the opportunities provided by the upcoming Commission proposal for a Digital Single Market (DSM), as well as the Presidency's list of examples of possible synergies for green growth and job creation between the objectives of the circular economy and the forthcoming DSM Strategy. Ministers emphasised in particular the importance of some areas, i.e. smart cities (including smart transportation and lighting), waste management, spatial planning and access to and dissemination of environmental information.

Lastly, ministers took this opportunity to express again disappointment at the withdrawal of the Waste Package by the Commission and to invite the Commission to put forward without delay a new and more ambitious proposal on circular economy, which should be broader and go beyond waste.

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