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OUTCOME OF THE COUNCIL MEETING

3458th Council meeting

General Affairs

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¹ • 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.

ITEMS DEBATED

Preparation for the March European Council

The Council examined draft conclusions for the European Council meeting to be held on 17-18 March, prepared by the President of the European Council, Donald Tusk, in cooperation with the Netherlands presidency and the Commission.

The European Council is due to focus on:

- migration, following the EU-Turkey summit on 7 March 2016
- European Semester/single market
- other items

An annotated draft agenda was discussed by the Council on 16 February 2016.

European Semester

The Council took note of a <u>presidency synthesis report</u> on the contributions of seven Council configurations involved in the current European Semester exercise: the Economic and Financial Affairs Council, the Employment, Social Policy, Health and Consumer Affairs Council, the Competitiveness Council, the Transport, Telecommunications and Energy Council, the Environment Council, the Education, Youth, Culture and Sport Council and the Justice and Home Affairs Council.

The report emphasises that pressing ahead with an ambitious jobs and growth agenda remains crucial to sustain the economic recovery in Europe, which is still fragile.

The Council also held a thematic debate on better governance and the quality of public administrations.

The European Semester involves simultaneous monitoring of the member states' fiscal, economic and employment policies during a six-month period every year. In the light of the guidance provided by the European Council, the member states will prepare their national reform programmes (economic and employment policies) and stability or convergence programmes (fiscal policies) for this year.

Agreement on better law-making

The Council adopted the interinstitutional agreement on better law-making.

For details, see Council press release.

Ministers also approved the <u>Council arrangements on annual programming</u> which translate the provisions of the interinstitutional agreement into a set of concrete practical steps and indicative timelines. Ministers also exchanged views on programming.

In accordance with the interinstitutional agreement, the Commission consults both the Council and the Parliament before adopting its annual work programme and takes their views into account. In addition, drawing on the Commission's annual work programme, the three institutions will identify joint legislative priorities for the following year.

Council website on better law-making http://www.consilium.europa.eu/en/policies/better-regulation/

Cohesion policy: investments for growth and jobs

The Council took note of a Commission communication <u>"Investing in jobs and growth -</u> <u>maximising the contribution of European Structural and Investment Funds"</u>. The communication provides an overview of the main results of negotiations between member states' authorities and the Commission on their investment programmes following the reform of the European structural and investment funds.

The Council adopted the following conclusions on the Commission communication $(\underline{6334/16})$:

"THE COUNCIL OF THE EUROPEAN UNION:

- (1) RECALLING that the mission of Cohesion Policy is to strengthen its economic, social and territorial cohesion and, in particular, to reduce disparities between the levels of development of the various regions as set out in Article 174 of Treaty on the Functioning of the European Union;
- WELCOMES the highly anticipated communication from the European Commission:
 "Investing in jobs and growth maximising the contributions of European Structural and Investment Funds" provided under Article 16 of the Common Provisions Regulation¹(hereafter "Article 16 report");
- (3) COMMENDS the work done by the Commission and Member States' authorities in preparing the Partnership Agreements and the Programmes after the adoption of the aforementioned Regulation in December 2013;
- (4) UNDERLINES the importance of involving relevant partners during the preparation of the Partnership Agreement and the Programmes, and of continuing this cooperation throughout the implementation phase;
- (5) RECALLS that with a budget of EUR 454 billion for 2014-2020, the European Structural and Investment Funds (ESI Funds) are the European Union's (EU) main investment tool, and that by pursuing their economic, social and territorial cohesion objectives, the ESI Funds play a key role in supporting this investment strategy, and WELCOMES that the Article 16 report specifically concentrates on results to be achieved, thereby indicating the strengthened alignment with ESI Funds with the principle of result-orientation, which could set an example to other policy areas;
- (6) NOTES that the expected results to be delivered through the use of ESI-Funds in the current period are amongst others that more than 2 million enterprises will be supported, that tens of millions of people will receive support to improve their skills and adaptability and that large investments in infrastructure will make it possible that less developed regions will catch up with the rest;

Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

- (7) REITERATES the importance of funding from the ESI Funds for co-financing public investment programmes, which represents a significant and important share of public investment in some Member States and helps to reduce the investment gap for research and innovation, sustainable and inclusive growth and regional disparities that, in the aftermath of the economic crisis still persists;
- (8) WELCOMES the alignment of the investments with the priorities of the Europe 2020 strategy and the European Semester, and that the outcome of the negotiations shows a clear move towards a more focused policy approach, a stronger result orientation, solid framework conditions for investments, a better coordinated use of ESI Funds through the Common Strategic Framework and improved links between EU priorities and regional needs;
- (9) NOTES that the support from the ESI Funds represents on average 71 % of the total programmed 2014-2020 investment; CALLS on the Commission to further analyse the 2014-2020 level of co-financing and the trends compared to previous periods, including the share of private funding, in order to obtain more information on the provision of national co-financing and the effects in terms of leverage, impact, and ownership of the policy on different levels and sources of co-financing;
- (10) CALLS on Member States to further encourage the use of private funding, for instance through the optimal use of Financial Instruments or public-private partnerships, where appropriate, and seeking complementarity with other instruments such as the European Fund for Strategic Investments;
- (11) WELCOMES the finding that Member States have largely taken into account the relevant Country Specific Recommendations (CSRs) while preparing the Partnership Agreements and Programmes and UNDERLINES the importance to continue to align the ESI Funds with the European Semester, which can indeed be delivered with the help of the ESI Funds, while taking into account the continuity and stability of the multi-annual programmes, and STRESSES that in this respect the CSRs need to be relevant, clear and specific;

- (12) STRESSES the importance of the territorial dimension of cohesion policy and of the ESI Funds and the role of European Territorial Cooperation in enhancing the economic, social and territorial potential of regions, in particular border regions, and in reinforcing their competitiveness, as well as of the continuous, increased focus on the new instruments and delivery mechanisms such as the Integrated Territorial Investments and the Community-led local development (CLLD). REGRETS therefore that the analysis of the territorial aspects and challenges of the ESI Funds is rather limited in the Article 16 report and INVITES the Commission to provide a deeper analysis in future publications;
- (13) WELCOMES that the introduction of the new strategic framework of Partnership Agreements and Programmes has led to more cross-fund alignment within Member States, but IS CONCERNED, in light of the lessons learned from the negotiation process, that the framework may result in unnecessary delays and duplication of work;
- (14) EMPHASIZES that the success of the programmes and the corresponding strategies will depend on good governance and on them starting as early as possible, as well as on their full implementation in the coming years;
- (15) REGRETS the absence of an in-depth analysis, in particular with regard to the process of setting up the Partnership Agreements and Programmes, as well as with regard to the exante conditionalities which were not fulfilled at the moment of publication of the Article 16 report; and CALLS therefore on the Commission to:
 - evaluate the abovementioned strategic framework of the Partnership Agreements and the Programmes, including the preparatory process, and
 - analyse the ex-ante conditionalities, with emphasis on which conditionalities were not fulfilled at the moment of publication of the Article 16 report, as well as on the related Action Plans, in particular with a view to determine underlying bottlenecks in relation to specific ex-ante conditionalities,

having in mind that the result of this evaluation and analysis could have a learning effect for all stakeholders and feed into the policy discussions on the post-2020 period;

(16) TAKES NOTE that the country fiches, annexed to the Article 16 report, are based on evolving data and sought to reflect the state of play at the time of the drafting of the Article 16 report, but REGRETS that Member States were not given an opportunity to review the data prior to publication and that details on key issues for each Member State cannot be used for peer-to-peer comparison and learning;

- (17) WELCOMES in this context the new ESI Funds Open Data website of the Commission. HIGHLIGHTS it as a good practice, as it provides for greater transparency of the use and performance of the ESI Funds without increasing the administrative burden, and RECOGNISES that the regular submission of data by Member States and their authorities within the existing regulatory framework will allow the Commission to provide updated and additional information in the open data platform to be used by Member States for benchmarking and peer learning;
- (18) NOTES that the "High Level Group of Independent Experts on Monitoring Simplification for Beneficiaries of the European Structural and Investment Funds" identifies good and best practices, but deems this scope too narrow, REITERATES its demand that simplification measures should apply to the entire cycle of policy programming and implementation, taking into consideration the needs of all bodies involved in management and control and beneficiaries, CALLS upon the Commission to also identify substantial horizontal issues and INVITES the Commission to regularly inform the Council on its activities;
- (19) REMAINS COMMITTED that a regular debate takes place among relevant ministers in the Council to discuss the implementation and the results of the ESI Funds."

OTHER ITEMS APPROVED

GENERAL AFFAIRS

The Council adopted the following conclusions on the Cooperation and Verification Mechanism (6203/16):

- "1. Reaffirming its earlier conclusions, the Council welcomes the reports from the Commission on progress in Bulgaria and Romania under the Cooperation and Verification Mechanism. The Council commends the Commission on its work, on the methodology followed, and it fully shares the objective and balanced analysis and recommendations contained in the reports. In this context, the Council appreciates the continued good cooperation of Bulgaria and Romania with the Commission and with the other Member States under the Mechanism.
- 2. The Council reiterates its adherence to the values and principles of the EU. Effective implementation of reforms focusing on sustainable results and on convincing and verifiable track records remains essential for ensuring that citizens are enabled to benefit fully from all the opportunities offered by membership of the Union. In these regards, the Council also reiterates the need for broad and unequivocal political support for such reforms, in order to meet the objectives under the Mechanism.
- 3. The Council acknowledges that encouraging steps have been taken to put the reform process back on track although overall progress in Bulgaria needs to be accelerated urgently. The senior appointments made in the judiciary are noteworthy. A number of commendable initiatives, notably the amendment of the Constitution adopted by a broad majority of Parliament in December 2015, which is a step towards the reform of the Supreme Judicial Council (SJC), should now be followed up. Ensuring implementation of the important comprehensive reform strategies on judicial reform and on anti-corruption, and the monitoring of concrete results will now be key.
- 4. While the Council welcomes the political commitment to reforms expressed by the government, a broader and unequivocal political consensus in support of the reform process is required to ensure a stronger boost to concrete and sustainable reform efforts. The Commission's overall assessment reiterates a number of concerns that still need to be addressed. Bulgaria should focus its efforts on removing controversy about political influence on the judicial system and integrity issues regarding appointments, as well as the need to improve on the monitoring and the addressing of deficiencies, and the effective implementation of court judgements. Pursuing reforms of the Supreme Judicial Council (SJC) and the prosecution office, and strengthening the powers of the Judicial Inspectorate (ISJC) remain of key importance. The Council also notes the difficulties with establishing track records in the areas of combating corruption and organised crime.

5. Building on progress already achieved and existing strategic planning prepared by Bulgaria, the Council urges a decisive acceleration of efforts to address all the recommendations set out by the Commission in its report and looks forward to concrete steps and tangible progress ahead of the next Commission report.

Bulgaria should consolidate and reinforce its overall political resolve to bring about reforms and make tangible progress, inter alia, by improving and safeguarding the independence, accountability and integrity of the judiciary, and to pursue the reform of the judicial system, including an independent analysis of the prosecutor's office taking into account the reform measures already implemented. In this regard, particular efforts should be made to implement the reform of the SJC, to strengthen the ISJC, and to modernise the criminal legislation. The fight against corruption, in particular at high level, needs to be intensified, to bring about concrete and sustained results, including in improving the transparency of public tender procedures. An urgent priority should be to adopt a new anticorruption law, which consolidates the intentions set out in the anti-corruption strategy. This includes the swift establishment of an appropriately funded, unified anti-corruption authority with a strong independent mandate to fight high-level corruption. As regards combating organised crime, the efforts should be accelerated, notably through increased professionalism of law enforcement, and sustained, effective and successful investigations followed by dissuasive sanctioning, including cooperating with other EU Member States where appropriate. The Council also notes the importance of swiftly addressing the issues currently hampering the work of the organised crime directorate (CDCOC) within the Ministry of Interior, and the Commission for Illegal Assets Forfeiture (CIAF).

6. The Council commends the continued trend of significant progress demonstrated by Romania in many areas, which heralds an increasing sustainability of reforms. Action taken by the key judicial and integrity institutions to address high-level corruption has maintained an impressive momentum. The professionalism within the Romanian judicial system as a whole has continued to increase. Overall, the Council considers that Romania, by maintaining the current positive trends of reform and consolidation of progress and by internalizing the CVM objectives with national policies and strategies, is on its way to ensuring the necessary sustainability and irreversibility of reforms which would allow Romania to attain the objectives of the Mechanism. The Council also reiterates the importance of a broad and unequivocal political commitment to the reforms by all public institutions and political actors. This is particularly relevant with regard to the fight against corruption at all levels, to the respect for the independence of the judiciary, and to other integrity issues highlighted in the report. The Council notes that open and merit-based appointments to senior positions within the judiciary, and the scrutiny of candidates for forthcoming elections are a key opportunity to make further progress in these regards. The Council encourages Romania to swiftly finalise and adopt the Action Plan 2015-2020 for the implementation of the Strategy for the Development of the Judiciary 2015-2020 and the development of a new National Anti-Corruption Strategy.

7. Building on substantial progress already achieved, the Council encourages Romania to focus its efforts on further consolidating progress made, and to sustain the current positive momentum by addressing all the recommendations set out by the Commission in its report. This would further build towards demonstrating the sustainability of reforms which will pave the way to satisfactorily fulfil all the benchmarks of the Mechanism in the near future.

Romania should further consolidate progress on ensuring solid respect for, and defence of, judicial independence. Transparent, robust and merit-based appointments to senior positions in the magistracy will be a key opportunity to demonstrate further progress. Pursuit of the judicial reform, including swift adoption of the amendments to the Criminal code and the Criminal procedure code, in line with what has been presented by the government, is also of key importance. Court decisions, including those confirming integrity rulings, should be applied and implemented by all institutions and instances without delay, including the Romanian parliament. Further sustained efforts to prevent and tackle corruption, including addressing it effectively and dissuasively at all levels and within all institutions, remain a top priority.

8. The Council reiterates that the Cooperation and Verification Mechanism continues to be instrumental for progress. It remains an appropriate tool to assist both Member States in their respective reform efforts, in order for each of them to achieve a record of concrete and lasting results to reach the objectives of the Mechanism. The Council recalls its readiness to support efforts of Bulgaria and Romania in this regard through EU and bilateral assistance. Pending the results expected from each of the two Member States in this framework, the Mechanism stays in place. In this context, the Council looks forward to the next Commission reports on Bulgaria and Romania foreseen within a year's time and welcomes the Commission's intention to continue monitoring the situation in Bulgaria and Romania closely and to keep the Council regularly informed."

JUSTICE AND HOME AFFAIRS

EU emergency support for Greece

The Council adopted a regulation setting up an EU emergency support mechanism to help Greece and other member states overwhelmed by the arrival of large numbers of refugees (6977/16 + 7009/16 ADD 1). This follows the political agreement reached by the Council's Permanent Representatives Committee on 9 March 2016. It enables the EU to provide a timely and effective response to the very difficult situation that is rapidly developing on the ground.

For details, see press release.

Schengen Evaluation Mechanism - Belgium

The Council adopted two implementing decisions setting out recommendations on addressing the deficiencies identified in the 2015 evaluation of the application by Belgium of the Schengen acquis in the field of return (6691/16) and of the common visa policy (6688/16).

Schengen Evaluation Mechanism - Sweden

The Council adopted an implementing decision setting out a recommendation on addressing the deficiencies identified in the evaluation of Sweden's application of the Schengen acquis in the field of management of the external borders (6686/16)

FOOD LAW

Food additives and food flavourings

The Council decided not to oppose the adoption of the following three Commission regulations:

- a regulation authorising the use of calcium propionate (E282) as a preservative in tortillas to extend their shelf-life $(\underline{6315/16})$
- a regulation establishing a food category 'edible caseinates' in the regulation setting out an EU list of additives approved for use in food $(\underline{6365/16})$
- a regulation listing seven food flavourings as evaluated substances rather than substances under evaluation $(\underline{6366/16})$

The Commission regulations are subject to the 'regulatory procedure with scrutiny'. This means that now that the Council has given its consent, the Commission may adopt them, unless the European Parliament objects.

TRANSPORT

International Maritime Organisation: positions to be adopted on behalf of the EU

The Council adopted a decision on the position to be taken on behalf of the EU at the following meetings to be held in the framework of the International Maritime Organisation (IMO):

- the 40th session of the Facilitation Committee (FAL 40) on 4–8 April 2016, with regard to amendments to the 1965 Convention on Facilitation of International Maritime Traffic ('FAL Convention')
- the 69th session of the Marine Environment Protection Committee (MEPC 69) on 18–22
 April 2016, with regard to amendments to Annex IV to the International Convention for the Prevention of Pollution from Ships ('MARPOL Annex IV'), Regulations 1 and 11, setting the effective dates for part of the Baltic Sea to be designated as a Special Area for the purpose of preventing pollution by sewage from ships
- the 96th session of the Maritime Safety Committee (MSC 96) on 11–20 May 2016, with regard to amendments to Regulations II-2/13 and II-2/18 of the International Convention for the Safety of Life at Sea ('SOLAS'), the International Code for Fire Safety Systems ('FSS Code') and the 2011 Enhanced Survey Programme Code (the '2011 ESP Code').

EMPLOYMENT

EURES

The Council adopted a regulation $(\underline{6421/16})$ on the re-establishment and reorganisation of the existing EURES (EURopean Employment Services) network.

The improved network assists workers in overcoming barriers to mobility, increases access to employment opportunities throughout the EU and helps to facilitate job creation. It contributes to tackling unemployment by helping to better match supply and demand in the labour market.

CUSTOMS UNION

Moldova - Euro-Mediterranean agreement - Rules of origin

The Council approved a <u>decision</u> on the position to be taken by the EU with a view to updating the concept of 'originating products' and methods of administrative cooperation, within the Euro-Mediterranean agreement with Moldova.