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OUTCOME OF THE COUNCIL MEETING

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General Affairs

Cohesion

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Minister for Public Administration of Estonia

P R E S S

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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.

ITEMS DEBATED

FUTURE OF COHESION POLICY

The Council discussed the future of cohesion policy post-2020, following the publication of the [7th Commission report on economic, social and territorial cohesion](#).

The outcome of the debate will provide input into the work being undertaken by the Commission, as part of its preparation of a new legislative package for cohesion policy post-2020, which is expected to be presented next year.

The debate focused on a number of key political issues including the following:

– *Policy areas to be supported and prioritised in the future*

Many member states outlined a set of priorities related to the need to tackle current and upcoming societal challenges: the fight against climate change, globalisation, the digital economy, social inclusion, innovation, the development of skills and capacities, and migration. These priorities should be fully in line with the overarching objectives of creating economic growth and employment.

– *Stability of planning for long-term investment v. more flexibility to address new challenges*

Some delegations were in favour of greater flexibility for member states and regions so that they could respond to unforeseen events.

A number of member states were of the view that long-term strategic objectives would help to better channel projects funded by structural funds in future. Many also argued that these projects should have real European added value.

– *Transition between programming periods*

Many delegations stressed the need for a smoother transition between programming periods. That could be achieved by taking a number of measures, such as shortening procedures for closing programmes and speeding up the processes for appointing management authorities and for programming.

– *Link between structural reforms and cohesion policy*

Some delegations were in favour of strengthening the link between structural funds and national structural reforms. Some participants were also in favour of a stronger link with the European semester cycle.

The discussion also revealed that some member states would like to see a more incentive-based system.

A number of delegations referred to respect for fundamental EU values and principles as an element of a sound investment environment.

Complementarity and coherence between structural funds and other EU financial instruments were considered by some delegations as an important way of increasing efficiency.

– *Simplification in the delivery of the policy*

All delegations acknowledged that cohesion policy has become increasingly complex to manage. A different approach to simplifying the implementation of cohesion policy is therefore needed.

Some shared the view that a single set of rules for existing funds would ensure a more coherent investment and make it easier for beneficiaries.

The Commission referred to a number of key issues contained in the 7th report on economic, social and territorial cohesion, such as concerns about increasing disparities within EU member states while disparities between member states are decreasing. It also identified the need to put the emphasis on measures that can create jobs, growth, social inclusion, transport infrastructures, digital innovation and other tangible benefits for citizens and businesses.

The Commission also recalled its plans to present the proposal for the next multi-annual financial framework in May 2018, to be followed by proposals on cohesion policy post-2020.

ANY OTHER BUSINESS

Simplification of the European structural and investment funds

During a public session, the Estonian presidency updated ministers on the progress made on ongoing work regarding two Commission proposals to improve the 'common provisions regulation'.

The [common provisions regulation](#) defines the common principles, rules and standards for the implementation of the five European structural and investment (ESI) funds. These are:

- the European Regional Development Fund (ERDF)
- the European Social Fund (ESF)
- the Cohesion Fund
- the European Agricultural Fund for Rural Development (EAFRD)
- the European Maritime and Fisheries Fund (EMFF)

1. Proposal to simplify the ESI funds provisions included in the 'omnibus' proposal

The [omnibus regulation](#) proposal seeks to simplify the financial rules applicable to the EU budget and to a number of sectorial legislative acts, including in the field of cohesion policy. It was presented by the Commission in September 2016, as part of the multiannual financial framework mid-term review for the period 2014 to 2020.

The modifications proposed in the field of cohesion policy would facilitate access to and management of EU funding, thereby contributing to the reduction of disparities between the various regions for the benefit of EU citizens.

Member states broadly supported the adjustments proposed by the Commission to make life easier for both managing authorities and beneficiaries of funds.

The interinstitutional negotiations between the European Parliament (EP), the Council and the Commission on the legislative provisions to simplify the ESI funds started in September 2017.

The presidency stressed its commitment to intensify efforts with a view to reaching a political agreement with the EP before the end of the year.

It also called on all delegations to continue providing support during the final stages of the negotiations.

2. Proposal to modify the common provisions regulation to introduce technical changes

On 5 October 2017, the Commission proposed technical adjustments to the common provisions regulation in order to align the financial figures to the already agreed review of the allocations for the ESI funds 2017-2020, taking into account the most recent statistical data available ([12963/17](#)).

This proposal was endorsed by the Coreper, the EU's committee of permanent representatives, on 25 October.

The presidency stressed its commitment to work closely with the EP on the draft regulation with a view to its timely adoption.

OTHER ITEMS APPROVED

COHESION POLICY

Synergies and simplification for cohesion policy post-2020

The Council adopted conclusions on synergies and simplification for cohesion policy post-2020 ([13860/17](#)).

The conclusions call on the Commission to take into account a number of elements in its preparation for the legislative proposals on cohesion policy for the period post-2020.

Among other things, the conclusions recall the commitment to continue simplifying cohesion policy for both beneficiaries and managing authorities.

Traditional rum from French outermost regions - reduced tax rates

The Council amended a decision authorising France to increase the current annual quota of 120 000 hectolitres of pure alcohol (hpa), to which reduced rates of excise duties are applied, to 144 000 hpa of traditional rum produced in Guadeloupe, French Guiana, Martinique and Réunion, for the period from 1 January 2016 until 31 December 2020 ([13338/17](#)).

The decision amends [Council decision 189/2014/EU](#). It is aimed at addressing the difficulty for traditional rum to compete on the EU market due to higher production costs, higher freight costs and higher taxes.

It follows a request by the French authorities to address the problems encountered by producers of 'traditional' rum, who were unable to benefit from sufficient access to the French mainland market in 2016.

ECONOMIC AND FINANCIAL AFFAIRS

Interchange fees for card-based transactions

The Council decided not to object to Commission regulations supplementing regulation 2015/751 on interchange fees for card-based payment transactions ([13624/17](#) + [12966/17](#)).

These relate to regulatory technical standards, establishing the requirements to be complied with by payment card schemes and processing entities, to ensure the application of independent requirements in terms of the accounting, organisational and decision-making processes.

AGRICULTURE

Pesticides - maximum residue levels

The Council decided not to oppose the adoption of a Commission regulation replacing Annex I to regulation 396/2005 as regards the list of products of plant and animal origin to which the maximum residue levels of pesticides ('MRLs') set in the body of the regulation apply ([12734/17 + ADD 1 and ADD 2](#)).

Regulation 396/2005 establishes the MRLs permitted in products of animal or vegetable origin intended for human or animal consumption. These MRLs include, on the one hand, levels which are specific to particular foodstuffs intended for human or animal consumption and, on the other, a general limit which applies where no specific level has been set. MRL applications are communicated to the European Food Safety Authority (EFSA) which issues a scientific opinion on each intended new MRL. Based on the EFSA's opinion, the Commission proposes a regulation to establish a new MRL or to amend or remove an existing MRL and modifying the annexes of regulation 396/2005 accordingly.

This Commission regulation is subject to the regulatory procedure with scrutiny. This means that now that the Council has given its consent the Commission may adopt it, unless the European Parliament objects.

TRANSPORT

Aviation safety agreement with the USA - joint declaration on Croatian

The Council approved the text of a joint declaration on the future authentication of the Croatian language versions of the agreement. The joint declaration is on cooperation in the regulation of civil aviation safety between the United States of America and the European Community (BASA agreement), following Croatia's accession to the EU.
