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Competitiveness (Internal Market, Industry, Research and Space)

Brussels, 30 November and 1 December 2017

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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.
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ITEMS DEBATED

SINGLE MARKET - INDUSTRY

Single digital gateway

The Council reached an agreement on a general approach to establish a single digital gateway to help citizens and businesses solve problems and exercise their rights in relation to the EU's internal market.

A Council general approach enables negotiations with the European Parliament to begin.

The adoption of amendments at the Parliament's IMCO committee is planned for February 2018.

The single digital gateway will be a virtual one-stop-shop allowing easy cross-border access to EU single market- related national rules and procedures to reduce the administrative burden for businesses and citizens.

See press release: [Digital Single Gateway: Council agrees to make access to information and services easier](#)

The future of EU industrial policy

The Council held a public debate and adopted [conclusions](#) on a future EU industrial policy strategy.

The debate was based on a [report tabled by the Presidency](#).

The conclusions call on the Commission to develop a forward-looking EU industrial strategy with a focus on 2030 and beyond.

The strategy should present medium to long term objectives and an action plan with concrete measures developed in close consultation with the member states and relevant stakeholders.

The conclusions also invite the Commission to consider a concrete mechanism to effectively monitor the implementation of the strategy. In this context, the Commission is requested to regularly report to the Competitiveness Council with a view to the spring economic EU summits, starting in 2018.

The conclusions of the [European Council of 23 June 2017](#) called for a future industrial policy strategy, underlined the essential role of industry as a major driver for growth, employment and innovation in Europe and called for concrete action to ensure a strong and competitive industrial base in the single market.

Competitiveness check-up: objectives of the industrial policy

The Commission gave a brief presentation of its communication on "[Investing in smart, innovative and sustainable industry: A renewed EU Industrial Policy Strategy](#)", issued on 13 September 2017.

It also presented an analysis of the current situation and perspectives of the European industrial sector compared with other powerful economies in the world. The analysis was based on a number of parameters which included trends on industrial production, manufacturing employment, innovation, the use of technology in European companies and levels of digital skills.

The Commission reiterated the need for a joint action at European, national and regional level to help reindustrialise Europe.

Ministers also listened to a presentation by Philippe Citroën, Director General of UNIFE, the European rail manufacturing industry association, representing the coalition "#Industry4Europe".

The speaker underlined the main challenges that European industry faces today and possible measures to improve the competitiveness of the industrial sector.

Ulrich Schuh, the chair of the [High Level Group on Competitiveness and Growth](#) the Competitiveness Council think-tank, briefed ministers on the outcome of preparatory discussions.

A large number of member states demanded transparent long term objectives for industrial policy that would reflect an ambitious strategy.

Some member states considered the definition of objectives as necessary preconditions for developing a process of monitoring and evaluation.

The 'competitiveness check-up' allows ministers to put forward priorities and respond to urgent issues and developments in the real economy.

It is a regular working method that was established in 2015 and aims to improve the role of the Competitiveness Council as regards the analysis of horizontal and sectoral economic issues as well as the monitoring of competitiveness mainstreaming.

In practice, it is based on a presentation by the Commission of the latest figures and trends related to micro-economic issues, with ministers being invited to respond and provide input on possible implications for EU companies and citizens.

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During the informal working lunch, ministers discussed the future of the car industry in the context of digitalisation, decarbonisation and globalisation with Elżbieta Bieńkowska, Commissioner for single market, industry, entrepreneurship and SMEs.

RESEARCH AND INNOVATION

Addressing global challenges through R&I: a mission-oriented approach

During a public session, ministers addressed ways to develop a mission-oriented approach to research and innovation (R&I) for the next EU research framework programme.

The outcome of the debate will feed into upcoming discussions on preparations for the next framework programme.

The debate was structured by means of a [background document](#) tabled by the Presidency.

Ministers expressed preliminary views on the aspects and characteristics to be considered as part of the process to define the concept, criteria and goals of future missions.

All delegations agreed on the need to explore new ways to achieve a greater impact and make research and innovation more inclusive of relevant players and citizens.

The Commission announced the preparation, in cooperation with the member states, of examples of possible missions and a public consultation early next year.

This approach is based on a recommendation made in a report delivered by a group of independent experts chaired by Pascal Lamy last July on how to [maximise the impact of EU research and innovation programmes](#).

The report points out that further investment and an increase in the impact of R&I would be key elements in the provision of solutions to global challenges and improvements in the well-being of European citizens.

Of a total of eleven recommendations, the group recommended the implementation of a mission-oriented, impact-focused approach to address global challenges for the ninth EU framework programme, which will be the successor of the Horizon 2020 programme.

According to the report, the post-2020 EU R&I programme should translate global societal challenges (social, economic, environmental) into a limited number of large-scale research and innovation "missions".

These missions should mobilise researchers, innovators, investors and other relevant players to induce action across disciplines, sectors and institutional silos. They should also allow better communication of the benefits to the public.

At a conference organised by the Estonian Presidency on "European research excellence – Impact and value for society", held in Tallinn on 12 October 2017, participants committed to the "[Tallinn call for action](#)", which aims to mobilise support for research and innovation in Europe.

In particular, the "Tallinn call for action" stresses the responsibility of policy makers, researchers, businesses and journalists in ensuring that research is a real priority in EU policy making, and in increasing trust in research.

The ministerial debate was preceded by a working lunch with a presentation by Professor Mariana Mazzucato on a mission-oriented approach in R&I. Professor Mazzucato is director of the Institute for Innovation and Public Purpose at University College London. She will advise Commissioner Carlos Moedas on mission-oriented innovation policies addressing major challenges.

From the interim evaluation of Horizon 2020 towards the ninth framework programme

The Council held a public debate and adopted the conclusions:

["From the interim evaluation of Horizon 2020 towards the ninth framework programme"](#)

Building on the lessons learnt from the interim evaluation of Horizon 2020, the conclusions address key messages to be taken into account in preparation for the next EU multiannual programme for R&I.

In particular, the conclusions provide guidance on a set of principles which include:

- building a R&I ecosystem at the service of the economy and society
- continuous dialogue between the Commission and the member states
- the rationalisation of the R&I funding landscape
- openness, accessibility and simplification
- aspects of implementation

Horizon 2020, the EU framework programme for R&I from 2014 to 2020, was designed to drive economic growth and create jobs by combining R&I with excellent science, industrial leadership and willingness to tackle societal challenges. This three-pillar structure was one of the novelties of the programme.

The interim evaluation has shown that the three pillars and the core principle of excellence across the entire programme have attracted large support from stakeholders. However, there have been calls to improve the programme by fine-tuning the pillars, improving their internal coherence and maximising their mutually reinforcing impact.

The findings from the interim evaluation of Horizon 2020 show that the impact of the framework programme is real and large in many aspects, even if it is not always fully visible.

On 30 May 2017, the Commission presented the interim evaluation of Horizon 2020.

On 6 October 2017, the Commission published the interim evaluation of the Joint Undertakings operating under Horizon 2020 and the participation of the EU in research and development programmes undertaken by several member states.

On 19 October 2017, the Commission issued the interim evaluation of the European Institute of Innovation and Technology (EIT).

SPACE POLICY

EU space programmes: the way forward

During a public session, the Council discussed the way forward for the EU space programmes.

The outcome of the debate will provide input for upcoming discussions on the preparations for the future of the EU space programmes and initiatives, which might start in 2018.

The exchange of views was conducted on the basis of a [Presidency background document](#), and taking into account the broader context of the EU's industrial policy and digital agenda and their impact on space.

Ministers agreed on the importance of ensuring the continuation of the programmes.

The Director General of the European Space Agency (ESA), Johann Dietrich Wörner, participated in the meeting.

Europe owns world-class space systems with Copernicus¹ for Earth observation, EGNOS² and Galileo³ for satellite navigation and geo-positioning.

Space technologies, data and services have become indispensable in the daily lives of European citizens: when using mobile phones and car navigation systems, watching satellite TV or withdrawing cash.

They support numerous EU policies and key political priorities, including the competitiveness of our economy, migration, climate change, the digital single market and the management of natural resources. The combination of space data with digital technologies opens up many business opportunities for all member states.

¹ [European Earth Observation Programme](#).

² [European Geostationary Navigation Overlay Service](#), which augments GPS signals over Europe.

³ [European Global Navigation Satellite System](#), similar to GPS.

Space policy can help boost jobs, growth and investments in Europe. Investing in space pushes the boundaries of science and research.

Space is also of strategic importance as it reinforces Europe's role as a stronger global player and is an asset for its security and defence.

For this reason, the EU will invest overall EUR 12 billion in space activities for the period 2014 to 2020.

On 26 October 2016, the Commission presented a communication on the [Space strategy for Europe](#) with the aim of developing and creating new services and promoting Europe's leadership in space.

Copernicus mid-term review

The Council adopted conclusions on the mid-term review of the Copernicus space programme: [Copernicus space programme: conclusions on mid-term review](#)

[Copernicus](#) is the EU space flagship programme aimed at developing European information services based on satellite earth observation.

The conclusions build on the mid-term evaluation of the Copernicus programme (2014-2020) carried out by the Commission, which was published on 23 October [\(13599/17\)](#).

These conclusions contain key elements for the preparation of the next generation of the programme.

The current situation and future perspectives of the Copernicus programme were the subjects of preliminary discussions at the [EU-ESA informal space ministerial meeting](#) held in Tallinn, Estonia, on 7 November 2017.

ANY OTHER BUSINESS

– *Geo-blocking*

The Estonian Presidency briefed the Council on the agreement reached with the European Parliament on 21 November on a draft regulation to prevent unjustified geo-blocking in the internal market.

The agreement was endorsed by Coreper on 29 November.

See press release: [Geo-blocking: EU ambassadors confirm agreement on removing barriers to e-commerce](#)

– *Digital Single Market strategy: progress on implementation*

The Commission gave information on progress made on the implementation of the digital single market strategy.

It also encouraged member states to intensify efforts to speed up the legislative process of the various ongoing initiatives in order for the digital single market to become a reality as soon as possible.

The [Tallinn Digital Summit](#) on 29 September 2017 sent a strong message on the need for a stronger and more coherent digital Europe.

The EU summit on 22-23 June 2017 reviewed the progress made on the implementation of the strategy.

The [European Council](#) conclusions of 28 June 2016 called on the Council of Ministers to report annually on the progress made on deepening the single market, starting in June 2017.

– *European SME action programme*

The Council took note of information provided by the German delegation and by the Commission on the annual report of the SME Envoy Network and the European SME action programme ([14888/17](#)).

The 2017 SME Assembly took place in Tallinn, Estonia, from 22 to 24 November 2017.

The SME Assembly is part of the [European SME Week](#), a pan-European campaign with events and awards, such as the European Enterprise Promotion Awards, aiming to promote entrepreneurship in Europe. The 2017 edition was emboldened by the encouraging results published in the [Annual report on EU SMEs](#). The report shows that European SMEs are recovering from the crisis, which benefits the whole EU economy. 2016 was the third consecutive year where there was a steady increase in EU SME employment and value added.

– *Unitary Patent Protection system*

The Council took note of updated [information](#) on the state of play of the Unitary Patent and the Unified Patent Court (UPC).

The Commission and several member states invited those countries which have either not yet ratified the UPC agreement, or have not yet endorsed the Provisional Application Protocol, to do so as soon as possible.

The Unified Patent package is built on three pillars:

- a [regulation establishing unitary patent protection](#)
- a [regulation on the translation arrangements](#)
- an intergovernmental [agreement setting up the UPC](#) for the settlement of disputes relating to European patents and European patents with unitary effect

The two regulations were adopted under the enhanced cooperation procedure, with Italy and Spain not participating initially. In September 2015, Italy confirmed its participation in the system. Croatia, which was not an EU member state at the time, is not yet participating.

The UPC agreement was signed on 13 February 2013 by all member states except Spain, Poland (although Poland participates in the enhanced cooperation) and Croatia.

As of today, the UPC agreement has been ratified by 14 member states.

To take effect, the package requires ratification of the UPC agreement by 13 member states including France, Germany and the United Kingdom.

Ratification details of the UPC agreement can be found in the [database](#).

– ***Public procurement package***

The Commission presented a package of initiatives put forward on 3 October 2017 to carry out procurement procedures more efficiently and make full use of digital technologies to simplify and accelerate those procedures.

The purpose is to increase the impact of public investment through efficient and professional procurement.

The Commission reiterated the strategic importance of public procurement in spurring innovation, fostering competitiveness and supporting the economy.

[\(Commission press release\)](#)

– ***European Defence Industrial Development Programme***

The Presidency briefed the Council on the progress made regarding a proposal for establishing a [European Defence Industrial Development Programme](#) (EDIDP).

As a follow-up to the European Defence Action Plan, the Commission submitted a proposal for establishing the EDIDP on 7 June 2017.

The purpose of the EDIDP is to enhance cross-border cooperation among the EU's defence industries and to increase the competitiveness of the whole defence industrial sector through the joint development and joint procurement of key defence capabilities.

The proposed programme would cover the years 2019-2020 for a total amount of EUR 500 million.

It would provide incentives for starting collaborative development projects relating to the security and defence interests of the EU and would supplement national financing by the member states of those projects.

The overall aim is to support industry in the development phase for collective investments in cutting-edge products and technology.

The Estonian Presidency set up a specific Friends of the Presidency group for examining the Commission's EDIDP proposal, with the aim of adopting a general approach at the [General Affairs Council](#) by the end of 2017.

– ***Traceability of tobacco products***

The Council took note of concerns by the Hungarian delegation regarding a draft implementing regulation on technical standards for the establishment and operation of a traceability system for tobacco products. In particular, on the possible negative impact of the implementation of the new scheme for small manufacturers and economic operators.

The Danish and the Slovak delegations shared some of these concerns.

The Commission argued that the new measures are necessary to protect public health and that the new system is expected to bring transparency and to create a level playing field for economic operators.

The [Tobacco Products Directive](#) entered into force on 19 May 2014 and became applicable in EU countries on 20 May 2016. The directive lays down rules governing the manufacture, presentation and sale of tobacco and related products, including cigarettes, roll your own tobacco, pipe tobacco, cigars, cigarillos, smokeless tobacco, electronic cigarettes and herbal products for smoking.

The directive transposes into EU law the Protocol to eliminate Illicit trade of Tobacco products to the WHO Framework Convention on Tobacco Control (FCTC), by introducing an EU-wide tracking and tracing system. In accordance with the implementation plan of the directive, an implementing act laying down the technical standards of the tracking and tracing system should be adopted before the end of 2017.

– ***Open Science***

The Commission briefed the Council on the state of play regarding open science, in response to the [Council conclusions](#) from May 2016, which called on the Commission to inform the member states and the stakeholders on developments and outputs of the Open Science Policy Platform at least twice a year ([14881/17](#)).

– ***Construction of the laser facility "Extreme light infrastructure"***

The Council took note of information on the progress of the [Extreme Light Infrastructure](#) (ELI) project ([14419/17](#)).

A presentation was given by Carlo Rizzuto, Director General of the ELI Delivery Consortium.

The ELI project – selected and proposed by the European Strategy Forum on Research Infrastructure (ESFRI), and endorsed by the EU – is positioned to be one of the world's foremost laser facilities, and is the first such facility to be built on the basis of international efforts and fully conceived and implemented to serve external users.

ELI will be at the forefront of laser technology and open up new research and technology development opportunities with significant potential impact on a broad range of scientific disciplines and in terms of economic returns. As such, ELI constitutes a vital strategic capability for European scientists and industry.

The construction of the ELI facility in the Czech Republic, Hungary and Romania, the three host countries, has been implemented based on national funding (15%) and EU structural funding (85%).

Over 1 500 researchers from more than 150 research institutions of non-host countries are involved in scientific collaborations with the three ELI research infrastructure pillars.

The project is nearing completion and is about to enter the operations phase.

– ***Work programme of the incoming Presidency***

The Bulgarian delegation gave an overview of the priorities in the field of competitiveness under its Presidency term in the first half of 2018.

On industrial policy and entrepreneurship, the priorities will include the future of industrial policy in Europe and support for start-up and scale-up enterprises.

The Bulgarian Presidency will also focus on the ongoing and forthcoming initiatives relating to the single market and the digital single market strategies.

In the field of research and innovation, it will pay particular attention to aligning EU and national R&I objectives in order to provide input with a view to preparations for the next framework programme. Other aspects will include transfer of knowledge, data and research results and the ITER project.

The implementation of the EU's space strategy will be a top priority. A ministerial discussion is planned on space matters on 13 March 2018.

The incoming Presidency also announced an informal meeting of EU ministers in charge of competitiveness in Sofia, from 31 January to 2 February 2018.

OTHER ITEMS APPROVED

INTERNAL MARKET

Consumer protection in the digital age: EU-wide cooperation between national authorities

The Council adopted a regulation to strengthen cooperation between EU national authorities responsible for the enforcement of consumer protection laws.

The regulation aims at modernising cooperation mechanisms to further reduce the harm caused to consumers by cross-border infringements of EU consumer law.

Effective consumer protection needs to respond in particular to the challenges of the digital economy and the development of cross-border retail trade in the EU.

The new rules will help increase citizens' and companies' trust in e-commerce.

The adoption follows an agreement reached with the European Parliament on 21 June 2017.

See press release [Consumer protection in the digital age: Council adopts regulation to strengthen EU-wide cooperation](#)

Statements: [14768/1/17 REV 1 ADD 1](#)

FOREIGN AFFAIRS

CARIFORUM-EU Economic Partnership Agreement

The Council authorised the opening of negotiations with the CARIFORUM states for an agreement on the protection of geographic indications based on Article 145 of the CARIFORUM Agreement.

The subject of the negotiations is the protection of Geographical Indications (GIs) of agricultural and fishery products, foodstuffs, wines, spirits and other alcoholic beverages.

[Economic Partnership Agreement](#)

[Joint communiqué following the 4th meeting of CARIFORUM-EU Council of 17 November 2017](#)

EU relations with Canada

The Council adopted a decision authorising the EU to adopt the rules of procedure of the Joint Cooperation Committee established by the Strategic Partnership Agreement between the EU and Canada, as well as the terms of Reference of the Joint Cooperation Committee and sub-committees. The Council also approved the draft joint ministerial statement to be adopted at the first meeting of the Joint Cooperation Committee. The meeting will take place on 4 December 2017 in Brussels.

[EU-Canada joint ministerial committee meeting, 04/12/2017](#)

EU-Mongolia Framework Agreement on Partnership and Cooperation

The Council adopted a Protocol to the Framework Agreement on Partnership and Cooperation between the European Union and its member states and Mongolia to take account of the accession of Croatia to the European Union.

The Council also approved the Croatian language version of the Framework Agreement on Partnership and Cooperation between the European Union and its member states and Mongolia.

[Framework Agreement on Partnership and Cooperation](#)

[Factsheet on the EU-Mongolia Framework Agreement on Partnership and Cooperation](#)

EU-Philippines Framework Agreement on Partnership and Cooperation

The Council adopted a Protocol to the Framework Agreement on Partnership and Cooperation between the European Union and its member states and the Philippines to take account of the accession of Croatia to the European Union.

The Council approved the Croatian language version of the Framework Agreement on Partnership and Cooperation between the European Union and its member states and the Philippines.

[Framework Agreement on partnership and cooperation between the EU and the Philippines](#)

EU terrorist list

The Council updated the statements of reasons for listing two terrorist groups subject to restrictive measures, namely Hamas, including 'Hamas-Izz al-Din al-Qassem', and the Al-Aqsa Martyrs Brigade.

The legal acts, including the modified statements of reasons, are included in the Official Journal of 1 December 2017.

[EU terrorist list](#)

Economic sanctions on Russia over actions destabilising the situation in Ukraine

The Council adopted a derogation to the economic sanctions on Russia which was necessary so that the sanctions would not affect the European space industry.

The derogation concerns the export of hydrazine, a product that falls under the category of fuels and related substances referred to in the common military list of the EU. This substance is needed in space programmes operated by the EU, its member states or the European Space Agency. In particular, extremely highly concentrated hydrazine is required as a propellant for part of the ExoMars 2020 mission.

ExoMars 2020 is an important scientific mission to land a rover on Mars for the first time and search for signs of life there. It forms part of a European Space Agency programme. Its launch is planned for July 2020.

Extremely highly concentrated hydrazine is produced within the EU and needs to be exported to Russia for use in the preparation and implementation of the mission. Roscosmos, the Russian space agency, is a partner in the programme.

Technical changes have been made to the EU legislation in force regarding restrictive measures against Russia in order to allow for the necessary quantity of hydrazine to be exported to complete this mission. The changes to the legislation do not otherwise affect EU sanctions with respect to Russia in any way. Each request for export needs to be authorised by the competent authority of the relevant EU member state.

[EU restrictive measures in response to the crisis in Ukraine](#)

[European Space Agency](#)

ECONOMIC AND FINANCIAL AFFAIRS

Money laundering - Ethiopia

The Council decided not to object to a Commission regulation amending regulation 2016/1675 on money laundering and terrorist financing, adding Ethiopia to a list of high-risk countries ([14371/17](#) + [13833/17](#)).

The regulation is a delegated act pursuant to Article 290 of the Treaty on the Functioning of the European Union. It can now enter into force, unless the European Parliament objects.

BUDGET

2018 EU budget - approval by the Council

The Council gave its final go-ahead to the 2018 EU budget by approving the deal reached with the European Parliament on 18 November ([14587/17](#) + [14587/17 ADD 1](#) + [14587/17 ADD 2](#) + [14587/17 ADD 3](#) + [14587/17 ADD 4](#) + [14587/17 ADD 5](#)). Following the Parliament's endorsement on 30 November, the budget is considered adopted.

The 2018 EU budget is set at €160.1 billion in commitments. A margin of €1.6 billion is left under the expenditure ceilings of the multiannual financial framework for 2014-2020, allowing the EU to react to unforeseen needs. Total payments amount to €144.7 billion, rising 14.1% from 2017. Payments will increase significantly because the implementation of the 2014-2020 programmes is expected to reach full speed in 2018.

The 2018 EU budget continues to focus on measures aimed at tackling the migration crisis, reinforcing security, boosting growth and creating jobs. It also strengthens support for young people, while cutting pre-accession funds for Turkey.

For details, [see press release](#)

Approval of other measures agreed with the Parliament

The Council also confirmed the agreement reached with the Parliament on 18 November regarding:

- the mobilisation of the Flexibility Instrument in 2018 for an amount of €837.2 million in commitments in heading 3 (*Security and citizenship*) to finance measures in the field of migration, refugees and security ([14588/17](#));
- the mobilisation of the EU Solidarity Fund in 2018 for a total amount of €50 million in commitments and payments to allow the timely payment of advances in case of natural disasters in member states or in a country involved in accession negotiations with the European Union ([14589/17](#));
- the amendment to the decision on the mobilisation of the Contingency Margin in 2017 by decreasing the amount offset in heading 5 in 2018 and introducing a corresponding offset in heading 5 in 2020 ([14669/17](#)).

In addition, on 27 November 2017 the Council approved by written procedure the Commission's proposal to update the figures for the 2017 budget by decreasing the planned commitments and payments by €61 million and €7.7 billion respectively ([14273/17](#)). The reduction in payments is due to delays in the implementation of the 2014-2020 programmes.

Following the Parliament's endorsement on 30 November, these measures are also considered adopted.

Mobilisation of the European Globalisation Adjustment Fund for Greece and Finland

The Council adopted a decision mobilising €2.9 million under the European Globalisation Adjustment Fund (EGF) to provide support to 725 dismissed workers made redundant in nine Greek enterprises operating in the retail trade, except motor vehicles and motorcycles sector ([14057/17](#)). The redundancies are the result of a continuation of the global financial and economic crisis.

The Council also adopted a decision mobilising €2.5 million under the EGF to provide support to 1660 dismissed workers made redundant in three Finnish enterprises operating in the retail trade, except motor vehicles and motorcycles sector (14058/17). The redundancies are the result of a continuation of major structural changes in world trade patterns due to globalisation.

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 provided by 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.

AGRICULTURE

Extension of the International Sugar Agreement 1992 - Position of the EU

The Council adopted a decision authorising the opening of negotiations to amend the International Sugar Agreement 1992 ('ISA'), notably in relation to the distribution of votes among members and their financial contribution.

The EU is a party to the ISA and a member of the International Sugar Organization (the 'ISO'), an intergovernmental body devoted to improving conditions on the world's sugar market.

The ISA entered into force on 1 January 1993. Since then, it has been regularly extended for periods of two years. On 25 September 2017, the Council authorised the Commission to support the extension of the ISA for a further period of up to two years, ending on 31 December 2019.

TRANSPORT

Eurocontrol Provisional Council - Aviation

The Council took note of the preparations for the 48th meeting of [Eurocontrol's Provisional Council](#) being held in Brussels from 30 November to 1 December 2017.

ENVIRONMENT

Drinking water directive implementation in Bulgaria, Hungary and Romania

The Council adopted [conclusions](#) on the [European Court of Auditors' Special Report No 12/2017](#) entitled "Implementing the Drinking Water Directive: water quality and access to it improved in Bulgaria, Hungary and Romania, but investment needs remain substantial".

The two main objectives of this audit were to assess drinking water quality and to ascertain whether EU actions have improved safe access to quality drinking water for citizens in Bulgaria, Hungary and Romania.

The report concluded that citizens' access to, and the supply of, quality drinking water in these three member states have improved since their accession to the EU. However, there are certain areas where water from the public supply network is not fully in compliance with EU standards.

In its conclusions, the Council invites the Commission and the member states to take the necessary measures to ensure that consumers have easy access to up-to-date information on the quality of drinking water, and also invites the member states to promote innovative technologies and practices to reduce water losses, thereby contributing to a sustainable and efficient use of water.

The [drinking water directive](#) deals with the quality of water intended for human consumption. It aims at protecting human health from the adverse effects of any contamination of water intended for human consumption by ensuring that it is wholesome and clean.

REGIONAL DEVELOPMENT

Standard scales of unit costs to simplify use of the European Social Fund

The Council decided not to object to a Commission regulation amending the existing standard scales of unit costs (SSUCs) for reimbursement of expenditure made in France, setting out additional SSUCs for Germany, setting out first-time SSUCs for Cyprus and correcting certain SSUCs for Sweden under the European Social Fund (ESF) ([14396/17](#) + [13673/17](#) + [13673/17 ADD 1](#)).

The use of standard scales of unit costs is aimed at simplifying the life of ESF beneficiaries and reducing the administrative burden.

The regulation is a delegated act pursuant to Article 290 of the Treaty on the Functioning of the EU. It now can enter into force, unless the European Parliament objects.
