

Presidency of
the Council of the
European Union.

GRAND DUCHY OF

luxembourg

Preliminary report on
the achievements of the
Luxembourg Presidency

July - December 2015



A Union for the citizens

***Preliminary* report on the achievements
of the Luxembourg Presidency
of the Council of the European Union**

July - December 2015

Contents

- 07** A Union for the citizens
- 09** 1. Stimulating investment to boost growth and employment
- 11** 2. Deepening the European Union's social dimension
- 16** 3. Managing migration, combining freedom, justice and security
- 21** 4. Revitalising the Single Market by focusing on the digital dimension
- 26** 5. Placing European competitiveness in a global and transparent framework
- 28** 6. Promoting sustainable development
- 32** 7. Strengthening the European Union's presence on the global stage

A Union for the citizens

Throughout the second half of 2015, the **Luxembourg Presidency of the Council of the European Union** – committed to the European project as well as to the values and principles of the Union – has opted for an **open approach** by being responsive to citizens, supporting businesses and collaborating with partners and institutions in order to act in the European interest. The Presidency has allowed the Grand Duchy to put some of its essential qualities at the service of the EU: the aptitude to build bridges, the ability to reconcile a variety of different positions and traditions in its role as an **honest broker**, and the willingness to seek compromise. Over the past six months, Luxembourg has worked, in keeping with its traditions and convictions, to **put the European citizen at the heart of the EU's initiatives** and to ensure that all EU policies truly benefit its citizens. Luxembourg has sought to implement its key values – **reliability, dynamism and openness** – in the context of the Presidency and at the service of the EU.

The 12th Luxembourg Presidency of the Council of the EU took place in a particularly difficult context, as the Union saw itself confronted with unprecedented challenges. Especially the spiralling migration crisis and the atrocious terrorist attacks that struck Paris on 13 November have had a significant impact on the work of the Presidency, requiring a responsive and determined approach at the European level.

Since the beginning of summer, the EU has faced unprecedented migratory pressures. Even though the issue of **migration** had already been identified as a priority by the Luxembourg Presidency, the events that followed and the sheer scale of the migration flows, demanded exceptional efforts to manage this crisis. In this context, the Luxembourg Presidency called for a comprehensive and horizontal approach, working on emergency measures as well as on the root causes of the phenomenon of migration.

The terrorist attacks in Paris propelled the EU's security concerns to the forefront of the European agenda, by illustrating once again the geopolitical instability in several regions adjacent to the European continent. These events, combined with the constant threat of foreign

terrorist fighters, called for a strong and united response from the EU in the **fight against terrorism**. Hence, the Luxembourg Presidency identified clearly defined priority actions that include: the strengthening of external borders, improving the exchange of information, the systematic use of databases, combatting radicalisation and fostering cooperation with third countries.

In spite of these tragic events and their unprecedented scale, Luxembourg has sought to gain traction on different EU policy areas and **to rigorously pursue the implementation of the EU work programme**.

The Luxembourg Presidency put a particular focus on improving Regulation. After three months of intense negotiations with the European Parliament and the European Commission, a **political agreement (IIA) on Better Law-making**. Once approved, this agreement will formalise the modalities for an improved interinstitutional cooperation for the coming years and will ensure a level of high quality legislation within the framework of a transparent and efficient legislative process. The Presidency also deepened the interinstitutional dialogue in view of elaborating the annual programme of the Commission for 2016.

The work of the Luxembourg Presidency of the EU Council was organised around **7 key priorities**:

- Stimulating investment to boost growth and employment
- Deepening the European Union's social dimension
- Managing migration, combining freedom, justice and security
- Revitalising the Single Market by focusing on the digital dimension
- Placing European competitiveness in a global and transparent framework
- Promoting sustainable development
- Strengthening the European Union's presence on the global stage

In each of these areas, the Presidency made tangible progress, further **contributing to the fresh momentum given to the European integration process** since the last year.

1. Stimulating investment to boost growth and employment

The actions taken by the Luxembourg Presidency to implement this priority fall within the framework of the **Investment Plan for Europe**. Following the adoption of the legal framework for the **European Fund for Strategic Investments (EFSI)** in June, the Presidency focused its work on **enhancing regulatory predictability and removing barriers to investment**.

The ECOFIN Council adopted conclusions on the European Commission's action plan aimed at creating a **Capital Markets Union** within the EU. The Presidency also reached an agreement on a general approach on the proposal relating to **securitisation**. These texts are aimed at reinvigorating securitisation markets in order to broaden financing sources for the real economy. This is a first step towards building a Capital Markets Union that will yield important benefits for the real economy.

Following intensive negotiations on a compromise package put forward by the Luxembourg Presidency, the Council, the European Parliament and the Commission were able to reach an agreement on the proposal for a **Regulation on indices used as benchmarks**.

The Luxembourg Presidency introduced innovative working methods within the Competitiveness Council in order to promote a holistic vision of competitiveness across all EU policy areas and to highlight the added value of European integration. To this end, the Presidency launched the **Competitiveness 'check-up'** aimed at improving the Council's role in monitoring the main developments and issues affecting the real economy and allowing it to take action where necessary. The Council agreed on a package of measures designed to improve the **competitiveness of the European steel sector** and, more generally, to create **favourable framework conditions for energy intensive industries**. Improving the **functioning of the Single Market** and the **overall quality of the regulatory framework** – as well as **taking better account of the needs of small and medium-sized enterprises (SMEs)** – have also been major priorities of the Presidency.

With regard to **Research and Innovation (R&I)**, the Presidency paved the way for the further **development of the European Research Area (ERA)**, a cornerstone of EU policy in this field. The Competitiveness Council adopted conclusions on **promoting a culture of scientific integrity**, with the objective to encourage a responsible course of conduct in research across the whole research and innovation cycle, from the initial idea to the final product. Another priority of the Presidency in the field of research and innovation was the **promotion of gender equality**, an issue that was addressed at the informal meeting of the Competitiveness Council in Luxembourg and in relation to which Ministers adopted conclusions in December. Last but not least, the Council adopted conclusions on the **ERA advisory structure**.

The EFSI not only aims at reviving investment in strategic projects within the EU, it also seeks to stimulate research and innovation, in particular within SMEs and highly innovative companies. For that reason, the Presidency found it important to have an in-depth discussion on the **research and innovation aspects of the EFSI**.

As far as concerns **economic, social and territorial cohesion**, the work of the Presidency focused on creating conditions favourable to mobilising investment in all EU regions. To that end, the Council adopted three sets of conclusions in November: the **simplification of European Structural and Investment Funds (ESI funds)**, **25 years of European Territorial Cooperation (Interreg)**, as well as the **contribution of the European Structural and Investment Funds to the shift towards a low-carbon economy**. As for the conclusions on territorial cooperation, the Presidency was able to build upon the results of the **Interreg Conference** held in Luxembourg in September.

The Council supported the **simplification of European Structural and Investment Funds** at all levels in order to facilitate access to these funds, in particular for SMEs and small municipalities. The conclusions on the contribution of the ESI funds to the shift towards a low-carbon economy were situated in the run-up to the Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC).

At their informal meeting, Ministers for Regional Planning set out ways to foster territorial cohesion and invited future Presidencies to **review**

the Territorial Agenda of the EU from 2018 onwards, on the basis of a long-term territorial perspective. They also stressed the need to develop an **instrument allowing for the application of legal norms specific to border regions**, in order to improve the implementation of cross-border projects. Moreover, Ministers responsible for urban policy highlighted the **role of small and medium-sized cities** by focusing on the development of cross-border urban networks.

It was also the Luxembourg Presidency's responsibility to lead the **annual budget negotiations**, at the Council level and with the European Parliament, in order to **reach an agreement on the 2016 EU budget** and to provide the Union with the means necessary to attain its objectives and carry through its policies. In November, the Council and European Parliament were able to reach an agreement during a meeting of the Conciliation Committee. For the Presidency, the agreed budget is a **practical expression of solidarity** both within the EU and with third countries. It will provide the EU with the financial means to boost growth and job creation. In addition, the new budget will keep a margin of flexibility to ensure that the EU is able to react to unexpected needs and events. In a particular effort to strengthen the response to the migration crisis, the Council and the Parliament also agreed to earmark more than 2 billion euros in commitments for humanitarian aid, emergency assistance to Member States that are hardest hit and to non-EU Member States receiving refugees.

2. Deepening the European Union's social dimension

The Luxembourg Presidency strived to deepen the EU's **social dimension** by supporting the European Commission's plans to build a Europe with a **'triple A social rating'** by **relaunching the social dialogue** and by focusing on **social investment and boosting investment in human capital**.

Several discussions on the social dimension were held within the **Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council**. The 'triple A social rating' was also addressed within the framework of several conferences, as well as during the **Tripartite Social**

Summit held in October. Furthermore, the Luxembourg Presidency focused its efforts on strengthening the **social dimension of economic governance within the Union and particularly in the Eurozone**. In that regard, Ministers held an orientation debate on social governance in the EU, based on the Five Presidents' Report on the Economic and Monetary Union (EMU). Ministers also acknowledged the Commission's work in relaunching the social dialogue and adopted a decision on the guidelines for employment policies in the Member States. In addition, the Luxembourg Presidency held for the first time an informal meeting with the Ministers for Employment and Social Affairs of the 19 Eurozone countries. In the light of significant social differences, the meeting provided the opportunity for an exchange of views on the strengthening of the social dimension in the EMU governance.

The EPSCO Council in December adopted **conclusions on social governance in an inclusive Europe** aiming to strengthen the social dimension of the European Semester so as to ensure a more balanced path towards sustainable and inclusive growth.

Against the backdrop of existing challenges regarding EU employment policy, it is essential to **highlight the links between employment and other policy areas** if the objectives of the **Europe 2020 Strategy** are to be achieved.

In terms of **employment**, the Luxembourg Presidency launched an initiative to foster youth employment in the Maghreb countries during the 11th Mediterranean Economic Rendezvous. This initiative was hailed as 'a first, essential step in tackling the problem of youth unemployment'.

In October, the Council adopted new **guidelines for employment policies**, which drew attention to the important role of social and employment indicators, the role of the Joint Employment Report, as well as the close link between the governance of the European Semester and the framework of the Europe 2020 Strategy and its objectives. During that meeting, the Council also adopted conclusions on a **new Agenda for health and safety at work**. This agenda focuses on new forms of work organisation, on the importance of worker mobility and on decent working conditions. The recommendation regarding the

integration of the long-term unemployed into the labour market was adopted by the Council in December. During the trilogue negotiations, the Luxembourg Presidency reached an agreement on the creation of a European platform **against undeclared work**. It also reached an agreement on re-establishing the European network of Employment Services (EURES), on workers' access to mobility services and on the further integration of labour markets.

A high level conference held in the Grand Duchy in November considered the impact of the transition to digital technology on employment and working conditions. In that same context, the Luxembourg Presidency considered it important to give a new push to the **social and solidarity economy** by organising a conference in December. Within the context of this conference, job creation, access to finance as part of the global ecosystem and deepening the concept of a more social Europe were discussed. The EPSCO Council in December also adopted conclusions on the promotion of the social and solidarity economy as an essential driver of social and economic development in Europe.

As far as the policy on **equal opportunities** for women and men is concerned, the Luxembourg Presidency set ambitious objectives which, on the one hand, related to traditional issues such as increasing the female employment rate and balanced representation of men and women in political and economic decision-making. Equal opportunities in decision-making was a focus of several conferences convened by the Luxembourg Presidency, in addition to the issue being discussed at Council level. On the other hand, the Presidency sought to find new ways to highlight the need to **combine the policy on gender equality with other policy areas**.

The Luxembourg Presidency supported the promotion of respect for the **principle of non-discrimination**. With regard to Directive 2008/0140 (CNS), Luxembourg endeavoured to make progress on the implementation of the **principle of equal treatment** between persons irrespective of **religion or belief, disability, age or sexual orientation**, an EU priority, at a standstill since 2008. The Presidency also drew attention to questions concerning access to goods and services for disabled persons and the compatibility of these provisions with the United Nations Convention on the Rights of Persons with Disabilities.

Delegations welcomed the proposals made by the Presidency as a step into the right direction.

The Luxembourg Presidency also addressed the issue of **public health**, focusing in particular on patients and innovation. Using a patient-focused approach, Health Ministers in December adopted conclusions to make access to **personalised medicine** a reality in clinical practice. The Council also adopted conclusions improving the care of people living with **dementia** by applying a multisectoral approach.

The informal meeting of Health Ministers in September was devoted to dementia, healthcare for **migrants**, the **cross-border healthcare Directive**, and the role of health within the **European Semester**.

Regarding **medical devices** in general and **in vitro diagnostic medical devices** in particular, the Council adopted a general position on two draft Regulations in October and stepped up its efforts to reach a political agreement in the context of the trilogue negotiations with the European Parliament.

A further priority concerned the safety of European citizens in the event of a **nuclear emergency**, in relation to which the Council adopted conclusions emphasizing the importance of coordinating protective measures between Member States.

As far as **food security** is concerned, the Council approved the **Novel Foods Regulation**, which facilitates the placing on the EU market of novel foods, while at the same time maintaining a high level of protection of human health. Furthermore, the Council adopted in October a general position on **official controls** along the food chain.

In the area of **sport**, the Luxembourg Presidency sought to **promote motor, physical and sporting activities for children** to encourage them to lead an active life from an early age. The Council adopted conclusions calling on Member States to develop crosscutting strategies that involve all relevant sectors. The Council also adopted conclusions aimed at improving and strengthening the representation of EU Member States within the World Anti-Doping Agency (WADA). Lastly, the Presidency organised several international conferences on motor

activity, including on the contribution of sport to growth, wealth and employment, and on the promotion of dual careers for athletes.

The Luxembourg Presidency promoted the **inclusion of all children and young people in high quality education**. A particular focus was put on the reduction of school dropout rates, the respect for diversity and multilingualism in early childhood education as well as on inclusive education. The Council adopted in November the **joint report 2015 on the implementation of the strategic framework on European cooperation in the area of education and development**.

With regard to **young people**, it was in the context of the Luxembourg Presidency that the Council adopted, in November, the 2015 Joint Report on Youth on the implementation of the renewed framework for European cooperation in the youth field (2010-2018). The Council also adopted a resolution to improve political participation in the democratic process in Europe. Lastly, in September the Grand Duchy hosted the European Youth Conference aimed at empowering young people to participate in the European democratic process.

In terms of **culture**, the Luxembourg Presidency welcomed the Council decision to highlight the **cross-cutting role of culture in EU external action**. It adopted conclusions on culture in EU external relations, with a focus on culture in development cooperation, which call for a strategic approach and the establishment of an **informal working group** to further reflect on the coherence between culture and development cooperation. The Council also decided to amend its Work Plan 2015-2018 in order to create an expert group that will take stock of best practices, as regards the **integration of migrants and refugees** in our societies through culture and the arts. Furthermore, the Work Plan will outline ways to fight against the destruction and illicit trafficking of cultural heritage in conflict areas.

3. Managing migration, combining freedom, justice and security

The Luxembourg Presidency took office in a context of a massive influx of migrants. From the beginning, the Luxembourg Presidency adopted a holistic approach, focusing on measures to be taken outside the European Union, at its external borders and within its own territory, thus implementing the [European Agenda on Migration](#) and the European Council of June.

To guarantee the [reception of persons in need of international protection](#), decisions to **relocate** 160,000 people and conclusions by representatives of the Governments of the Member States to **resettle** 22,504 people were adopted by the Justice and Home Affairs (JHA) Council in July and September respectively. In October, the Council agreed to earmark additional financial aid of 455,70 million euros in the 2015 EU budget in order to respond to the migratory crisis, thereby following up on the commitments made by the European Council on 23 September 2015. This envelope has funded, among others, the creation of 120 new positions within the relevant EU agencies, namely Frontex, the European Asylum Support Office and Europol. It should also be noted that Member States reiterated their commitment to reinforce the joint operations Triton and Poseidon, carried out under the aegis of Frontex. On the matter of **human trafficking and smuggling**, the Council proceeded to the second phase of the naval operation EUNAVFOR MED SOPHIA.

In October, the Council adopted conclusions on a **new return and readmission policy**, focusing on its operationalisation and providing a precise overview of the work to be carried out. The Council also discussed the **future of the EU's external borders management**, and particularly the need to strengthen collective responsibility.

The [High-level Conference on the Eastern Mediterranean-Western Balkans Route](#) in Luxembourg that brought together EU Member States, associated countries as well as the Western Balkan countries, Turkey, Lebanon and Jordan, led to an agreement on better cooperation between all countries concerned and on supporting the efforts of countries most directly affected by the migratory crisis. The Valletta

Summit on 11 and 12 November, allowed for progress on the **EU-Africa dialogue** on migration to be made. In a spirit of constructive cooperation it was possible to strike a good balance between development policies, legal migration and an effective return and readmission policy. On 29 November 2015, the EU held a meeting with representatives from Turkey. This meeting marked an important step in the development of **EU-Turkey relations** through the adoption of a joint statement and the activation of a joint action plan.

The JHA Council in November adopted conclusions on the acceleration of the ongoing relocation process, the strengthening of the EU's external borders, the fight against human trafficking and smuggling as well as on return and readmission. The Council also expressed support for the Presidency's decision to **activate the Integrated Political Crisis Response arrangements (IPCR)**. At the December JHA Council, Member States discussed the actions necessary to strengthen the Schengen area against the backdrop of Member States temporarily reintroducing controls at their intra-EU borders.

In December, the JHA Council endorsed the political agreement reached on the **'Researchers and Students' Directive**, constituting an investment in the future by making the EU more accessible and attracting more young talent to Europe.

The recent terrorist attacks in Europe and the constant threat of foreign terrorist fighters have called for a **strong and united response from the EU** in the **fight against terrorism**. With regard to the external aspects of the fight against terrorism, the Luxembourg Presidency held a first targeted and in-depth political dialogue on security and the fight against terrorism with one of the priority third countries. Experts were deployed in a number of leading EU delegations, to further contribute to European efforts in the fight against terrorism by strengthening their capacities, and ensuring a more effective liaison with the local competent authorities.

As for the internal aspects, Ministers for Home Affairs adopted in October conclusions that aim at strengthening the means to fight against illicit trafficking of firearms, calling inter alia for the definition of common minimum standards for the deactivation of firearms,

for a revision of the ‘Firearms’ Directive, as well as for improving the exchange of information via specific databases and strengthening the fight against illegal trafficking using the Internet including the ‘darknet’.

The Luxembourg Presidency put a particular emphasis on five priorities including the operationalisation of common risk indicators in the light of strengthening **external border controls**, improving the **exchange of information** at the European and international level, the systematic input and consultation of existing databases, the strengthening of capacities in the fight against **radicalisation** and against the promotion of extremist online content, and finally, cooperation with third countries in the field of counter-terrorism.

Following the atrocious attacks in Paris on 13 November, the Luxembourg Presidency convened an extraordinary JHA Council meeting in order to formulate a common and resolute EU reponse to terrorism. Ministers stressed the need to establish an effective **European passenger name record (PNR)** and to reinforce efforts in relation to the implementation of the measures set out in the joint statement of Heads of State or Government of 12 February 2015.

The Luxembourg Presidency managed to negotiate a compromise text regarding the European PNR, which respects the principles of data protection while responding to the operational needs of the competent services. A political agreement was reached by the Council in December. Before being formally approved by the Ministers of Home Affairs, the agreement will be presented at the plenary session of the European Parliament at the beginning of 2016.

The implementation of the European Union **Internal Security Strategy** for the period 2015-2020 led to a detailed work programme that lays down the foundations for the working groups’ future work programming. The Luxembourg Presidency duly involved the upcoming Presidency trio in this exercise who agreed to use the model designed by the Luxembourg Presidency in the planning of their programmes for the next 18 months. Thanks to this new working model, which was also welcomed by the Council, the Luxembourg Presidency can be credited with a number of successes in this area.

In December, a political agreement was also reached on the proposal for the **European Union Agency for Law Enforcement Cooperation and Training (Europol)**. This text will provide the agency with a solid legal basis, enabling it to maximise its potential at the service of the Member States, with due regard for the competences of the relevant stakeholders.

Particular attention was paid to the creation of a **European Public Prosecutor's Office**, the flagship project in the field of judicial cooperation in criminal matters. Work has continued at a steady pace, culminating in a broad agreement within the Council regarding Articles 17 to 35, which deal with the Office's day-to-day working practices. Ministers for Justice initiated discussions on the potential inclusion of serious VAT fraud into the revised legislation relating to the **protection of the EU's financial interests**.

For the Luxembourg Presidency, the package of **procedural safeguards in criminal matters** constitutes an important step in the construction of the common European judicial area. The Presidency welcomed the agreement with the European Parliament on the Directive strengthening the presumption of innocence, which will set common minimum standards and ensure the respect of the basic right to a fair trial throughout the EU. Furthermore, an agreement with the European Parliament on the proposal for a Directive on procedural safeguards for minors in criminal proceedings was reached.

Judicial cooperation in the area of **family law** is a field of action in which European legislation has a tangible impact on the daily lives of citizens. The compromise texts tabled by the Presidency regarding matrimonial regimes and property consequences of registered partnerships were welcomed by a large majority of Member States. While the required unanimity could not be reached, some delegations expressed their wish to enter into an enhanced cooperation regarding those two instruments.

The Presidency and the European Parliament reached a political agreement to **simplify the circulation of certain public documents**, thus facilitating the exercise of European citizens' fundamental freedoms.

The Court of Justice's judgement of 6 October 2015 invalidating the Commission's decision on the adequate level of **protection of personal data** transferred to third parties, emphasised the need to strengthen existing European legislation. The Presidency made great efforts on the **data protection reform package**, which allowed for a political agreement between the Council and the European Parliament on the two instruments of this reform. This new, ambitious regulatory framework is composed of a Regulation defining the general framework applicable to the treatment of personal data and a Directive putting in place rules for judicial authorities and police forces. The Luxembourg Presidency also launched a debate at ministerial level to identify potential avenues concerning the retention of electronic communication data.

The Luxembourg Presidency organised the first political dialogue among Member States to promote and safeguard **the rule of law** in the European Union. Member States exchanged best practices and discussed the challenges encountered at national level in the field of rule of law, as well as ways to tackle them. They also discussed the rule of law in the age of digitalisation. This first exchange helped to better identify the areas where additional efforts at national and European level could be useful.

As far as the proposed **reform of the Court of Justice of the European Union** is concerned, the Luxembourg Presidency reached an agreement during a quadrilogue, which paves the way for increasing the number of judges in the General Court of the European Union to 56 in three stages between now and 2019. This reform will provide the General Court with the necessary means to cope with the steady increase in its workload, to reduce the length of proceedings and, consequently, to better respect the time-limits set to give a ruling.

4. Revitalising the single market by focusing on the digital dimension

The Luxembourg Presidency set itself the objective of facilitating job creation and generating economic growth through a more in-depth and well functioning single market, that accounts for the transversal nature of digital technology as well as the need to find sustainable energy and transport solutions. For that purpose, the Presidency committed itself to supporting and launching several initiatives to realise the EU's digital potential.

The establishment of a true **digital single market** was a priority of the Luxembourg Presidency and also the focus of the 2015 edition of the **'European Data Forum'**. The conference held in the Grand Duchy brought together industry professionals, researchers and public authorities to address the challenges relating to **'Big Data'** and the data economy. The forum sought in particular, to respond to the question of how to use data integration in a real digital single market.

The Luxembourg Presidency continued the assessment of the **'Digital Single Market Strategy'** and started work on the **'Single Market Strategy'** published in October 2015. It promoted a regulatory approach with the objective to reduce the administrative burden on companies, to facilitate market access for consumers and to ensure maximum legal certainty. In order to prevent companies from having to comply with the complexities of 28 different national legislations, the Presidency called for increased **mutual recognition, coupled with targeted harmonisation**.

The Council also approved new rules on **roaming charges** and on **open Internet**. As a result, roaming charges within the EU are to end by 15 June 2017.

The Presidency decided to renew an EU programme to facilitate interaction between public administrations, citizens and companies with regard to technical interoperability arrangements and paved the way for the adoption of Council conclusions in the light of the World Radiocommunication Conference (WRC-15). In December, the Luxembourg Presidency also reached an informal agreement with the

European Parliament on the Directive on network and information security (**NIS**) in the EU.

Luxembourg focused on **harmonisation and mutual recognition** of different regulatory and non-regulatory instruments in order to **reduce those burdens** and to **ensure maximum legal certainty** for companies. On the initiative of the Luxembourg Presidency, the Committee of the Regions adopted an opinion on the strengthening of **cross-order cooperation** to promote the **development of a genuine and fully integrated single market**. This proposal by the Presidency seeks, in particular, to build a **European model of cross-border agreements** through an instrument authorising two or more local and regional authorities to agree on common legislation in order to implement specific cross-border projects. The Luxembourg Presidency also initiated a review of the Single Market Strategy following the presentation by the Commission of the **package on the single market for goods and services** at the end of October.

In the context of Luxembourg's efforts to **remove barriers to cross-border trade** and with the objective to protect consumers, the Presidency and the European Parliament approved an interinstitutional agreement on three proposals strengthening product safety with regard to personal protective clothing, gas appliances and cableways. European consumers will thus be protected by the equipment they use, irrespective of where that equipment was manufactured.

During the **2015 SME Assembly** held in the Grand Duchy, a number of sessions were dedicated to the problems experienced by SMEs, such as barriers within the single market and the deficit in IT skills.

On 10 November, the Council adopted its position on the **revision of the European trademark system** at first reading. That revision does not only seek to protect the **intellectual property** of European citizens, but also helps to create the right conditions for innovation and provides companies with a **more effective protection against counterfeiting**.

In September, the Luxembourg Presidency initiated talks with the European Parliament on the **Directive on the protection of undisclosed know-how and business information (trade secrets) against their**

unlawful acquisition, use and disclosure. In December, the Luxembourg Presidency reached a provisional agreement with the European Parliament on common rules for the protection of trade secrets and confidential information of European companies.

During the second half of 2015, significant progress was made with regard to the **unitary patent protection system**. The unitary patent protection system will allow holders of European patents granted by the European Patent Office (EPO) to obtain cheaper unitary patent protection in the 26 countries participating in the enhanced cooperation in this field. Italy joined this enhanced cooperation in September. The Select Committee of the Administrative Council of the EPO approved the revenue distribution key between participating countries and the Preparatory Committee of the Unified Patent Court adopted the Rules of Procedure of the Unified Patent Court. The provisional application of the Unified Patent Court agreement, signed in Luxembourg on 1 October, should facilitate the establishment of the Unified Patent Court.

During the meetings of the **General Assembly of the World Intellectual Property Organisation** (WIPO) in October, Luxembourg spared no effort to ensure a compromise could be reached and major decisions could be taken, despite significant differences of opinion between the various groups represented. The Luxembourg Presidency thereafter continued its work within WIPO's various committees to strengthen the position of the EU and its Member States.

The Luxembourg Presidency closely followed the establishment of the **Energy Union** governance and the promotion of a sustainable energy transition. It worked towards establishing a reliable, transparent and robust governance system for this political project. The Council conclusions of 26 November allowed this comprehensive and detailed governance framework to be set up.

In the field of **energy efficiency**, intense work allowed for the adoption of a common position on the Regulation setting up a framework for energy efficiency labelling. The text adopted by the Council simplifies energy labelling, one of the most recognised symbols by European consumers.

Luxembourg focused on new energy technologies as an engine for economic growth and the creation of jobs and new markets. Following the SET Plan conference held in the Grand Duchy, an informal meeting of EU Ministers addressed the strategic direction to be taken to promote European excellence in this sector. The need to mobilise investment, in particular through the use of the European Fund for Strategic Investments (EFSI) was also addressed.

Moreover, the Luxembourg Presidency initiated a thorough exchange of views between Ministers and experts on the organisation of an energy market increasingly focused on renewable energy, energy efficiency as well as intelligent, flexible and sustainable technologies and infrastructures. In this regard, the Presidency contributed to highlighting the role played by the EU Agency for the Cooperation of Energy Regulators (ACER) and sought to secure a substantial increase in budgetary and human resources.

The Luxembourg Presidency also contributed towards the adoption of Council conclusions on energy diplomacy, setting out a series of priorities to strengthen EU cooperation with third countries in the energy sector and to make full use of the EU's external trade policy, thus increasing access to energy sources and external markets for European energy services and technologies. The Presidency also steered the work on the reform of the Energy Community, strengthening cooperation between EU Member States and the Contracting Parties of this organisation.

Lastly, the Presidency contributed to the rapprochement of energy and development aid policies by highlighting the synergies between both policies.

In the field of **EU transport policy**, the Luxembourg Presidency made progress on the **4th Railway Package**. The Council adopted a general position on the two politically most sensitive legislative proposals of the package. While the first aims to liberalise railway passenger transport services, the second seeks to strengthen railway infrastructure governance. This led the Luxembourg Presidency to reach a balanced agreement to promote rail transport throughout Europe and to quickly launch negotiations in that regard with the European Parliament.

The Luxembourg Presidency launched interinstitutional negotiations with the European Parliament on the proposal for a Directive laying down technical requirements for inland waterway vessels.

The Presidency reached an agreement on a Council decision authorising Member States to ratify the 2010 Protocol to the HNS Convention of the International Maritime Organisation (IMO). This authorising decision is of particular importance, in so far as the Protocol, once it has entered into force, will create an international liability and compensation regime for damages caused by the transport of hazardous and noxious substances via seaways.

Its efforts also led to a consensus allowing for seven proposals to be transmitted to the IMO on behalf of the Member States and the Commission. The proposals relate, inter alia, to the safety of ferry passengers, the occupational health and safety of seafarers and maritime environmental protection.

In addition, the Luxembourg Presidency initiated two policy debates outlining EU transport policy in the light of a review of the 2011 White Paper, as well as on the social aspects of road transport. During the informal meeting in Luxembourg, Transport Ministers adopted a declaration on cycling as a mode of transport. They also exchanged views on the effectiveness of bicycles as a mode of transport and their social, ecological and economic impact in the EU.

At the request of the Luxembourg Presidency, the European Economic and Social Committee (EESC) adopted in September its exploratory opinion regarding social dumping and cabotage in the internal market of international road freight. In November, the EESC and the Economic and Social Council of the Grand Duchy of Luxembourg held a conference on **social dumping** in the field of road transport as well as on the **integration of cross-border infrastructure**, in preparation for the political debate in the Council and prior to the publication of the European Commission's 'Road Package'.

5. Placing European competitiveness in a global and transparent framework

The Luxembourg Presidency focused on **economic governance** in order to boost growth and employment in the context of solidarity and budgetary discipline, but also of a more social Europe. Several debates were held within the General Affairs Council, the ECOFIN Council and the EPSCO Council on the **Five Presidents' Report on completing the Economic and Monetary Union (EMU)**. A progress report was presented by the Luxembourg Presidency to the European Councils of October and December. Member States agreed that **additional efforts are needed** to ensure the proper functioning of the EMU. The Council also undertook a first evaluation of the **package of short-term measures** presented by the European Commission in view of implementing the Five Presidents' Report. Consensus was reached between Ministers on the need to strengthen the European Semester, the rules of which must be simplified, made more transparent and coherent.

As for the **fight against global tax fraud**, the Council reached an **agreement** in October **on the Directive on the automatic exchange of information on tax rulings**. For the Luxembourg Presidency, the agreement constitutes a **decisive step towards greater transparency in fiscal matters**. Specifically, the Directive requires Member States to proceed with the automatic exchange of information in the field of advance cross-border tax rulings, as well as advance pricing agreements having a cross-border impact.

The **work on the OECD BEPS Initiative** ('Base erosion and profit shifting') was finalised. At the meeting of Finance Ministers and Central Bank Governors of the G20 in October, the results of the BEPS Initiative and the pioneering role of the EU were welcomed. The progress made on the exchange of information under the Luxembourg Presidency was hailed as an example to be followed.

The Presidency made progress on the legislative proposal on a **Common Consolidated Corporate Tax Base (CCCTB)** while the technical examination of international aspects of the fight against base erosion and profit sharing is advancing quickly.

During an informal meeting in September in Luxembourg, EU Finance Ministers had an exchange of views on how to advance on the matter of a **minimum effective level of taxation** within the EU and vis-à-vis third countries.

Finally, the Council adopted in December conclusions concerning the **BEPS** initiative, which express a strong signal by the EU concerning the implementation of the BEPS recommendations. The ECOFIN Council also reached conclusions on the future of the **Code of Conduct for corporate taxation**, allowing to further increase both efficiency and visibility of the work of the Code of Conduct Group.

Luxembourg worked tirelessly towards a coherent, inclusive and responsible **EU trade policy** by reinforcing the coherence of the EU's various sectorial policies. This aspect was also clearly emphasised in the Council conclusions of the FAC Trade regarding the Commission's new **trade and investment policy strategy**.

In this context, the Presidency accompanied and supported trade negotiations initiated by the Commission on a bilateral, plurilateral and multilateral level. These efforts helped to formally conclude negotiations on a free trade agreement between the EU and **Vietnam** in December, whereas negotiations with **Tunisia** could be opened in October.

As far as negotiations with the United States on the **Transatlantic Trade and Investment Partnership (TTIP)** are concerned, the Presidency was fully committed to advancing the modernisation of the **Investor-State Dispute Settlement mechanism (ISDS)** as well as to finalising the modalities that aim to establish reading rooms in Member States. Access of national parliamentarians and experts to the consolidated texts will allow for a factual and better informed debate on this subject.

It is in a spirit of openness and transparency that the Luxembourg Presidency shared with the European Parliament the negotiating Directives of the **Agreement on Environmental Goods** and managed to reach an agreement within the Council on the declassification of the **CETA** mandate.

At the plurilateral level, it is important to highlight the conclusion of the revision of the Information Technology Agreement (**ITA**) between 54 Member States of the World Trade Organisation (WTO). The submission of the EU's accession instrument to the **Agreement on Trade Facilitation**, in October, demonstrated the importance that the Grand Duchy attaches to multilateral processes within the framework of the WTO. Luxembourg also committed itself to reaching a political agreement in the negotiations on environmental goods.

In terms of legislative files, the Presidency concluded the trilogue on **autonomous trade measures for the Western Balkans**. This agreement, reached in extremis, will allow for the preservation and the development of the relative prosperity of this part of the EU's neighbourhood. The Grand Duchy also initiated the trilogue on the amendment of the **anti-torture Regulation** and was able to finalise the Council's position on the **draft Regulation for conflict minerals**. Finally, the Luxembourg Presidency started the debate in the Council on **market economy status for China**.

6. Promoting sustainable development

The Luxembourg Presidency made every effort to accelerate the transition towards a green economy with low greenhouse gas emissions, thereby promoting **sustainable economic growth**. A particular focus was placed on the circular economy and the financing of the transition towards it. In collaboration with the European Commission and the European Investment Bank (EIB), Luxembourg addressed this issue whilst raising awareness in the financial sector of potential investment opportunities. The results of this analysis were presented at the 'Financing the Circular Economy' conference held in the Grand Duchy in December.

During the Environment Council in September, EU Ministers for Environment adopted conclusions setting out the main elements of the EU's position for the **Conference of the Parties (COP21) to the UN Framework Convention on Climate Change (UNFCCC)**. The mandate obtained by the Presidency allowed the EU to negotiate the Paris agreement, an **ambitious and legally binding agreement, applicable to all**

parties, which addresses in a balanced manner the issues of mitigation, adaption, financing, losses and damages, technology transfer, capacity building in developing countries. The Paris agreement's long term goal is to limit the increase in the of global average temperatures to well below 2 °C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5 °C above pre-industrial levels. This agreement also includes a clear set of rules on transparency as well as on commitments, resulting from successful negotiations on behalf of the European Union.

Climate finance played a crucial role in the process that started with the discussions between Environment Ministers during their informal meeting in July in Luxembourg. During the ECOFIN Council meeting in November, an agreement was reached on the mandate on financing the fight against climate change for the COP21. In its conclusions, the Council reaffirmed the firm commitment of the EU and its Member States to contribute to the developed countries' aim of mobilising, by 2020, 100 billion dollars annually. This will allow the EU to assume its role as one of the parties ready to contribute significantly to alleviating the needs in this field.

Another important meeting was the **United Nations Sustainable Development Summit** held in New York in September, which led to the adoption of the **2030 Agenda for Sustainable Development**. This Agenda includes 17 new **Sustainable Development Goals** (SDG), replacing the Millennium Development Goals (MDG) and defining sustainable development planning for the next fifteen years. The success of the third **International Conference on Financing for Development** held in Addis Ababa in July contributed to paving the way for an agreement on the SDGs.

As far as the **strategy on climate change** is concerned, the Presidency successfully worked towards the formal adoption, in September, of the **market stability reserve (MSR)**. This is the first step towards the reform of the **emissions trading scheme** (ETS), the flagship policy of the EU for reducing CO₂ emissions and ensuring carbon market surveillance. Later, during the October Council, Environment Ministers held a first policy debate on the **reform of the ETS**.

Luxembourg coordinated the position of the European Union in the context of the **12th Conference of the Parties (COP-12)** to the **United Nations Convention to Combat Desertification**, held in October in Ankara. During this conference, a number of important decisions were taken to advance the combat against desertification and land degradation.

Ministers also exchanged views on the **greening of the European Semester**, so as to better integrate environmental sustainability into the economic governance cycle. In particular, they discussed the phasing out of environmentally harmful subsidies and the implementation of environmental policies and legislation.

In the context of the Volkswagen case, the Council discussed **issues concerning real driving emissions tests and the manipulation of emission control systems in cars**, which constitutes a serious obstacle to the improvement of air quality in the EU. Ministers stressed the need for more robust control systems as well as rapid decisions about new testing standards, highlighting the importance of this issue for the quality, health and development of our cities.

The general approach adopted by the Environment Council in relation to the Directive on the reduction of national emissions of certain atmospheric pollutants (**NEC**) will ensure a high level of air quality in Europe while at the same time taking into account the constraints of Member States.

The Luxembourg Presidency carried out a mid-term review of the **EU Biodiversity Strategy**, which is essential for ensuring environmental well-being in Europe. It carried out a detailed examination of the results which led to the adoption of conclusions on this topic at the December Council.

Sustainability was also the Presidency's guiding principle in the field of **agriculture** and **fisheries**, while at the same time taking into consideration economic, social and health issues.

In the light of the COP21, Ministers debated the contribution of agriculture to climate change mitigation, on the basis of a document prepared by the Luxembourg Presidency.

The Presidency also committed itself to the **simplification of the rules and procedures governing the Common Agricultural Policy**. This issue was discussed at the Agriculture Council in November, with a particular focus on greening and rural development.

As the European agricultural and agrifood sectors play an important role at the global level, the Presidency closely followed developments in bilateral and multilateral trade policy, in the light of important meetings, such as the **WTO Ministerial Conference in Nairobi** and the TTIP negotiations. Particular attention was paid to the **Russian ban on certain EU agricultural products**.

With regard to the **dairy and livestock market crisis** that a large majority of Member States are currently facing, Ministers at the extraordinary Agriculture Council convened by the Presidency in September, welcomed the Commission's package of proposals totalling 500 million euros. These proposals aim to address collapsing prices and revenues in the affected sectors.

The Agriculture and Fisheries Council in November approved the **Novel Food Regulation**, which will facilitate the placing on the EU market of novel foods by making procedures faster and cheaper whilst preserving the high level of protection of human health.

As far as the **reform of the EU's authorisation process for genetically modified organisms (GMO)** is concerned, the Council mandated a Working Group to examine the technical aspects of the proposal 2015/0093 (COD) for a Regulation as regards the possibility for Member States to restrict or prohibit the use of genetically modified food and feed on their territory.

The principle of sustainability also guided the actions of the Luxembourg Presidency in the **common fisheries policy**. In October, Ministers reached a unanimous agreement on the **2016 fishing opportunities for certain fish stocks in the Baltic Sea**. This was an important agreement both for the sustainability of stocks and for the fisheries sector of the countries concerned.

7. Strengthening the European Union's presence on the global stage

The Luxembourg Presidency gave its unwavering support to the High Representative of the Union for Foreign Affairs and Security Policy. Jean Asselborn, Minister for Foreign and European Affairs, represented the High Representative at a series of EU meetings with third countries, including the Joint EU-CARIFORUM Council in Georgetown (Guyana), the EU-Cape Verde Political Dialogue Meeting at ministerial level (Luxembourg), the SADC-EU Ministerial Political Dialogue Meeting (Luxembourg) and the Political Dialogue Meeting at ministerial level between the EU and the Republic of Angola (Luanda). Also, Minister Nicolas Schmit, responsible for the relations with the European Parliament, presented in the European Parliament the position of the Council on numerous subjects related to foreign and security policy.

Luxembourg actively participated in the initial work of the Focal Point Group of the capitals of the 28 Member States developing the new **EU Global Strategy for Foreign and Security Policy**. The new strategy was discussed at several informal meetings held in the Grand Duchy. In preparation of the drafting of the new EU Global Strategy for Foreign and Security Policy, Luxembourg organised two seminars, in conjunction with the European External Action Service (EEAS) and the Clingendael and Egmont institutes. These two seminars addressed the level of ambition to be reflected in the new military and civil strategy of the Common Security and Defence Policy.

In the area of defence, the Luxembourg Presidency focused its efforts on strengthening the cooperation between EU Member States, as well as between the European Union and NATO. Two seminars were organised in Luxembourg, one was dedicated to public-private partnerships in defence procurement while the other one focused on satellite communication in the field of defence and security. Luxembourg also endeavoured to accelerate the implementation of the concept relating to capacity building in third countries, with the objective of providing EU partners with the necessary means to prevent and manage crises themselves.

The past six months have strengthened the Grand Duchy's belief that the **prospect of membership remains a powerful driver for reform at the**

EU's borders, contributing towards stability and prosperity throughout the entire continent. With regard to the migration crisis and in the light of the security situation in Europe, the Presidency paid particular attention to the **EU Enlargement policy**. Accordingly, it invited the candidate countries to eight high-level informal meetings to further their understanding of the ongoing work in the Council of the EU. On the basis of the European Commission's 2015 'Enlargement package', the Luxembourg Presidency worked towards the consensual adoption of the **enlargement conclusions** by the Council of December.

Luxembourg particularly welcomed the possibility of opening new negotiation chapters with **Turkey, Montenegro and Serbia**. The Council decided to strengthen its cooperation with Turkey by implementing a number of measures, most notably the regular organisation of EU-Turkey Summits, the first of which was held on 29 November.

The Presidency also encouraged the further pursuit of European integration of the former Yugoslav Republic of **Macedonia** and **Albania** into Europe. It welcomed the signing of the Stabilisation and Association Agreement with **Kosovo** and the convening of the first Stabilisation and Association Council with **Bosnia and Herzegovina**.

In November, the Commission and the EEAS published a joint communication proposing a revised approach of the **European Neighbourhood Policy**. The Luxembourg Presidency contributed to this work in view of the adoption by the Council of conclusions relating to the policy revision in December.

The Grand Duchy hosted the **12th Asia-Europe Foreign Ministers' Meeting (ASEM FFM12)** in November, entitled 'Working Together for a Sustainable and Secure Future'. The biggest conference organised by the Luxembourg Presidency brought together no less than 53 delegations representing 60% of the world's population, global trade and global GDP. This forum prepared for the 20th Anniversary of the ASEM meeting to be celebrated in 2016 in Mongolia. In preparation of the COP21, the delegations also discussed climate issues and expressed their commitment to reaching an ambitious agreement. Connectivity was another key focus of the conference. Ministers stressed the importance of boosting connectivity between Asia and Europe in order to promote

exchange and investment and to strengthen institutional ties between the two regions as a key factor for sustainable growth.

2015 was a pivotal year for development cooperation. Major conferences shaping the **EU development policy** for the next 15 years took place under the Luxembourg Presidency. At the occasion of the 3rd International Conference on Financing for Development in Addis Abeba, the Presidency could contribute to the adoption of a diversified package of development assistance, while maintaining the level of official development assistance (**ODA**). At the Summit in New York an ambitious universal agenda for sustainable development was adopted.

2015 had been designated as the **European Year for Development (EYD)** and the Luxembourg Presidency organised numerous events to raise public awareness about and increase public participation within development cooperation issues. In order to perpetuate the spirit of this year, an interinstitutional declaration was signed in December in Luxembourg.

The **migration crisis** also had an impact on the development cooperation files as they form an integral part of the global response to the challenges and opportunities created by this crisis.

The Presidency also contributed to operationalising the concept of **Policy Coherence for Development (PCD)**. It organised joint meetings between the Ministers for Development cooperation, the Energy and JHA Councils, as well as a formal exchange between the Development and Environment Councils (Agenda 2030) as well as organising joint meetings between different Council working parties.

The Grand Duchy launched reflections and exchanges at Council level on the **future relations (post-Cotonou)** between the EU and the African, Caribbean and Pacific Group of States (ACP), organising several events in Luxembourg and in Brussels as well as debates in the Council.

Council conclusions were prepared on the new Gender action plan in external relations, on the annual report on external assistance of the EU, on the biennial report on PCD, on the legacy of the EYD and finally on the ACP investment facility.

In the area of humanitarian assistance, the Presidency was able to establish a first joint EU position in view of the **World Humanitarian Summit** in 2016, through the **consensual adoption of Council conclusions**. Furthermore, following a workshop organised in the Grand-Duchy, discussions between humanitarian and civil protection workers led to a **follow-up list of concrete actions**. Finally the Presidency organised three meetings on the topic of protection in the area of humanitarian action and led the debate on the **statement in view of the 32nd International Conference of the Red Cross and the Red Crescent**.



