

Presidency of  
the Council of the  
European Union

GRAND DUCHY OF

**luxembourg**

# A Union for the citizens

Priorities of the Luxembourg Presidency

1 July - 31 December 2015



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# **A Union for the citizens**

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of the Council of the European Union**

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In the second semester of 2015, Luxembourg will hold the Presidency of the Council of the European Union for the twelfth time. This Presidency is taking place in an institutional environment that has changed substantially since the entry into force of the Lisbon Treaty. While the role of the six-month rotating presidency – still largely consisting of coordinating and providing impetus – remains the same in some respects, the permanent Presidency of the European Council as well as the role of the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission have affected the way in which the Presidency is carried out. It is thus also Luxembourg's first Presidency in light of the new competences conferred on the EU by the Treaties.

The appointment procedure of the President of the Commission and in particular the role played by the European Parliament in this respect have contributed to the emergence of new institutional balances and given us a new perspective on the cooperation between the institutions. The credibility of the EU depends on its capacity to implement the decisions and commitments made. For that purpose, the EU needs strong and determined institutions that have the capability to make a difference, to prioritise and to respond to key issues in Europe and beyond.

The Luxembourg Presidency – committed to building a strong Europe as well as to the Union's values and principles – has opted for an open approach: listening to citizens, supporting businesses, collaborating with partners and institutions in order to act in the European interest.

**European citizens are at the heart of the European project.** The Luxembourg Presidency, in keeping with its traditions and convictions, will endeavour to put the citizen at the heart of its initiatives and ensure that all EU policies really benefit its citizens. The Presidency will therefore contribute to a sound application of the principles of subsidiarity and proportionality. Updating the Interinstitutional Agreement on better law-making, based on the proposal submitted by the Commission, falls within this context and will enable better interinstitutional cooperation. In accordance with the capacity of the other institutions to participate in this process, the Luxembourg Presidency will seek to advance negotiations on establishing the foundations of an agreement that will ensure high-quality legislation, in a context of sustainable

development, resulting from a transparent and efficient legislative process. The Presidency will step up the interinstitutional dialogue on the content of the Commission's annual work programme.

The **Strategic Agenda for the Union in Times of Change**, adopted by the European Council of 26 and 27 June 2014, outlines the key priorities for the EU over the next five years and acts as a basis for the work programmes of the institutions. The Luxembourg Presidency has developed a programme that places itself within the framework of implementing this agenda whilst also taking into account the **policy orientations of the President of the Commission**, the **Commission's annual work programme** and the work of the Trio Presidency.

The priorities of the Luxembourg Presidency for the second semester of 2015 are presented under the following sections:

- 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 its digital dimension
- Placing European competitiveness in a global and transparent framework
- Promoting sustainable development
- Strengthening the European Union's presence on the global stage

The programme of the Luxembourg Presidency, which does not claim to be exhaustive, is an expression of Luxembourg's will to fully contribute to the fresh momentum given to the European integration process last year.

## Stimulating investment to boost growth and employment

The work of the Luxembourg Presidency will build on the **Investment Plan for Europe** of the President of the European Commission, Jean-Claude Juncker, which seeks to unlock investments in the real economy of up to €315 billion. The implementation of the **European Fund for Strategic Investments (EFSI)** will mobilise existing European savings and funds to **finance strategic investment projects providing added value to**

**the European Union.** The Fund has been set up within the framework of the European Investment Bank (EIB) and can therefore rely on the EIB's expertise and experience, not only during the project selection process, but also in the form of technical assistance for the development and implementation of projects.

The Luxembourg Presidency will support the initiatives taken by the Commission in order to **strengthen regulatory predictability and remove constraints on investment.** These measures, which seek to make Europe more attractive for investments, should multiply the effects of the investment plan.

In order to enhance Europe's sustainable growth and create jobs, **capital markets should play a bigger role in the financing of the economy.** It is necessary to **remove barriers to cross-border investment** in order to improve and widen the sources of financing. The **Capital Markets Union** proposed by the Commission must be established. Capital markets in Europe remain fragmented as well as constrained to their home markets. The EU should improve access to financing for small and medium-sized enterprises (SMEs) and large businesses on the capital markets of all EU Member States.

The new regulatory framework should also serve to **encourage investment beyond capital markets.** Creating incentives for other sectors by improving the business environment will stimulate investment potential to boost growth and employment.

Two legislative proposals to which the Luxembourg Presidency will pay particular attention during the second semester of 2015:

- a proposal to ensure transparent, simple and high-quality **securitisation** in order to revitalise a market that has not yet regained its pre-crisis levels and to address the risks associated with securitisation.
- the review of the **Prospectus Directive requirements** in order to facilitate access to capital markets for SMEs.

The Luxembourg Presidency sets out to **complement the regulation of financial services** by advancing negotiations on a range of issues, in particular with regard to **the banking structural reform.**



It will furthermore seek to launch negotiations on a **new legislative proposal regarding the resolution of market infrastructures**.

The Luxembourg Presidency will pursue efforts to implement a real **European industrial policy**, in particular by systematically strengthening competitiveness in all areas of EU action by way of a cross-sectoral approach. With regard to industrial policy, the Luxembourg Presidency will especially focus on:

- the implementation of the Commission's '**roadmap**' on **industrial competitiveness**;
- the implementation and monitoring of **sectoral action plans** – in particular the steel action plan, which aims at improving competitiveness within the steel industry in Europe;
- the promotion of the EU's financing and support instruments in the fields of SMEs, innovation and research, in particular the Programme for the Competitiveness of SMEs (**COSME**) and the Research and Innovation Programme '**Horizon 2020**'.

The Luxembourg Presidency will hold a wide-ranging debate on the future outline of an **integrated and comprehensive EU strategy on space**, in particular concerning the current framework agreement between the EU and the European Space Agency (ESA), as well as leveraging ESA's expertise in the context of a strengthened partnership. The Presidency will continue negotiations on the proposal for a directive on the **identification and dissemination for commercial purposes of high-resolution satellite data (HRSD)** in the field of Earth observation. Furthermore, work on the full implementation and operation of the EU's flagship programmes **Galileo** and **Copernicus** will continue.

**Research and innovation (R&I)** rank among the priorities of the Europe 2020 strategy which aim to promote smart, sustainable and inclusive growth. The cornerstone of European policy in this field is the **development of the European Research Area (ERA)** which will allow the potential of the single market for researchers and knowledge to be fully realised. In order to achieve this, the Luxembourg Presidency will strive to improve the coordination and coherence of research policies at European level and take full advantage of the diversity of national R&I systems. The Presidency will support and **promote a culture of 'scientific integrity'**,

with a particular focus on prevention and raising awareness. **Gender mainstreaming in research** will be examined with particular attention given to open recruitment procedures.

Improved **territorial cohesion** will create favourable conditions for investment to the benefit of all regions in Europe. In that respect, the Luxembourg Presidency will give consideration to territorial development by 2050. The Presidency will make proposals for improving cross-border cooperation by paving the way for the adoption of specific legal provisions for border regions. With regard to urban policy, the focus will be on small and medium-sized towns, which play an essential role in the balanced development of the European territory.

In order to implement European policies, especially those that foster growth and employment, the EU must have the necessary financial resources. It will be the Luxembourg Presidency's responsibility to hold the **annual budget negotiations** at 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. Particular attention should be paid to **payment appropriations** and to **restructuring the payment plan** as called for by the European Parliament.

## Deepening the European Union's social dimension

The economic and financial crisis has taken its toll on the European Union in terms of social consequences. In particular, youth unemployment has increased significantly within the Union and inequalities have widened. Since its inception, the European project has been characterised by a **strong social dimension** which, for a long time, has given it the support of its citizens. Widening social differences not only weaken the Union's economic performance, but also its socio-political stability. They also call into question the EU's objective: 'the promotion of a highly competitive social market economy, which aims at full employment and social progress', as well as of justice and social protection.

The Luxembourg Presidency will support the idea of the President of the European Commission for a Europe with a **'Triple A social rating'**. In order to advance this ambitious project, the Luxembourg Presidency will work closely with the European Parliament, the Commission, the Member States and the social partners.

The appointment of a Vice-President of the Commission, responsible for both the 'euro' and 'social dialogue', underlines the importance that the Commission places on **relaunching the social dialogue**. The Luxembourg Presidency will lend its full support to the Commission in its efforts to **involve the social partners** in order to ensure better economic and social governance at the European level.

Although policies on social protection and employment are first and foremost a matter of national competence, the Union shares responsibility with its Member States in certain areas.

The Luxembourg Presidency will focus on **social investment** and, in particular, on **investment in human capital**, that is to say skills. Particular attention will be paid to digital skills, thus demonstrating the Luxembourg Presidency's commitment to digital technology. Digital technology will be vital in the future to make our economies more productive, increase their growth potential and strengthen competitiveness.

The **Europe 2020 strategy** that needs to be readjusted quickly must prioritise education, training and qualifications. Investment in people, especially young people, will also be essential for the successful creation of a European digital market. The inclusive growth objective as a flagship initiative of the Europe 2020 strategy must be established within a system of reference to support Member states in their efforts to modernise social policies.

The Luxembourg Presidency will support all policies that foster the creation of more better quality jobs, such as investment, access to credit for SMEs, and policies to boost the single market.

The Luxembourg Presidency considers that national governments must continue to **improve the performance of their labour markets**, in particular with regard to facilitating the transition between the world of

education and the world of work, integration of young people into the labour market via the Youth Guarantee, participation in employment for those groups who are most distanced from the labour market such as the long-term unemployed etc. The Presidency will also support the Commission's initiatives to fight effectively against all forms of social dumping such as those related to undeclared work.

In its work programme, the Commission announced that it will propose a new legislative initiative on **mobility** during the second semester of 2015. As a cornerstone of the single market, the Luxembourg Presidency considers mobility to be crucial for the proper functioning of the European economy, even though it may not be regarded as the only solution for combating unemployment.

The Luxembourg Presidency would like to **improve social governance within the Union and, in particular, the Eurozone**. It is necessary to better understand the links between social concerns and macroeconomic challenges and to ensure enhanced monitoring of all aspects of social policy. These efforts should also be extended to improving the ability of social protection systems to provide effective protection against life-long risks. The Council must play its part in that regard to the fullest extent.

The Luxembourg Presidency will promote gender equality at all levels. Particular attention will be paid to **increasing the rate of female employment and to a balanced representation of women and men in political and economic decision-making** as factors of competitiveness.

The Luxembourg Presidency will promote **the principle of non-discrimination** as enshrined in the EU texts, including the Treaty on the Functioning of the EU and the Charter of Fundamental Rights of the EU. In this context, the Luxembourg Presidency will continue efforts to adopt the proposal for **Directive 2008/0140 (CNS)** on implementing the principle of **equal treatment** of persons irrespective of **religion or belief, disability, age or sexual orientation**.

It is clear that a European project serving the citizens must focus on **public health**. Priorities in this area will centre on the patient and innovation.

The Luxembourg Presidency will make every effort to facilitate the creation of a strong regulatory framework providing European citizens with quick access to **safe and high-quality medical devices**, whilst promoting the innovation and competitiveness of the European market. The Luxembourg Presidency will initiate a process of reflection on improved access to **personalised medicine** and on adopting an innovative approach to tackling **dementia**. The Presidency will assess the management of the **Ebola** epidemic. Improving the protection of European citizens in the event of a **nuclear or radiological emergency** will also be addressed.

In the field of **sport**, the Luxembourg Presidency will seek to **promote physical and motor activity, in particular during early childhood**. In addition, the Presidency will develop previous work on 'dual career' training for young sportsmen and women and assess the future coordination and representation of the EU within the World Anti-Doping Agency. The Luxembourg Presidency will also address sport-related professions and their impact on the economy.

A primary objective in the field of **education** will be to take better account of students' linguistic diversity, amongst others. The Luxembourg Presidency will focus in particular on the provision of schooling and high-quality childcare during early childhood.

As for **youth**, it is necessary to strengthen the political participation of young people and to develop, for that purpose, the necessary European synergies. In that context, a structured dialogue allows young people to express their views on the issues affecting them, in particular by way of national consultations and European youth conferences.

In terms of **culture**, the assessment of its potential contribution to the EU's external relations, in particular in respect of development cooperation policies, will provide an opportunity to focus on third countries. The Luxembourg Presidency will examine issues of coherence in cultural and foreign policies with regard to development cooperation. Furthermore, the Presidency will identify the specific contribution made by culture to the sustainable development goals to be adopted by the end of 2015.

The objectives identified in the fields of sport, education, youth and culture should enable Member States to implement targeted measures

aimed at promoting **social inclusion and the active participation of citizens in political life**. These objectives are also essential in the fight against radicalisation of young people within our societies.

## **Managing migration, combining freedom, justice and security**

The tragic loss of life in the Mediterranean calls for **resolute and sustained action at the level of the European Union**. The Luxembourg Presidency will **prioritise** the actions taken on EU territory as well as those carried out in partnership with third countries to save lives and implement an effective **immigration policy**. All joint means of action are to be put in place against **trafficking and smuggling**. The strong pressure being exerted on external borders and national asylum systems requires our policies to be brought up-to-date in a spirit of innovation and solidarity.

The European Commission has set out an **Agenda on Migration** which proposes the establishment of a coordinated EU response to common migration challenges by developing internal and external policies, strengthening the capacity of EU agencies and by involving all relevant players: international organisations, Member States, European institutions, third countries and civil society.

The Council will take **immediate measures** to address the crisis in the Mediterranean as well as to outline the initiatives that will need to be taken **in the coming years** to better manage migration in all aspects. A **balanced package of measures** is required to save lives, fight criminal networks, receive migrants with dignity, guarantee them the necessary protection and return those who do not meet the criteria for protection.

This new political impetus must **bring the European institutions, Member States and citizens together** to promote a sound management of migration to the EU, intensify cooperation with third countries, reinforce solidarity between Member States, step up the fight against the trafficking and smuggling of migrants and increase the channels of legal migration in order to make the EU an attractive destination for talented and skilled individuals.

The free movement of persons within the EU and its corollary the Schengen area – which is celebrating its 30th anniversary – are rooted in the principle of individual responsibility of Member States. European rules on **fluidity at border crossings, solidarity between Member States** and **public security** must be developed. To enable the implementation of a common policy under good conditions, it is necessary to reinforce **mutual trust** by respecting shared rules, convergent practices and effective commitment to common initiatives on the part of all Member States. The reorientation of European immigration policy should include **high safeguard standards** in order to encourage the acceptance by EU citizens of policies that are welcoming migrants, are open and provide protection, whilst taking the economic and demographic needs of the Member States into account. In that regard, the Luxembourg Presidency will accelerate work on recasting the EU Visa Code, introducing a travel visa, relocating and resettling migrants, unaccompanied minors in the ‘Dublin procedure’, smart borders and strengthening compensatory measures in the Schengen Area in order to respond effectively to new challenges to mobility and security.

The Luxembourg Presidency will continue to create links between the **internal and external components** of immigration policy. The European Year for Development provides an opportunity to address the **connection between development and migration**. Strengthening cooperation with third countries of origin and transit as well as receiving countries will occupy a central role in the work of the Presidency.

It is necessary to improve and strengthen the **integrated management of the EU’s external borders**, respecting the Charter of Fundamental Rights. The Luxembourg Presidency will monitor **the implementation of the Common European Asylum System**. It will help to develop the EASO, Frontex and eu-LISA **agencies**, which need suitable mandates to face the challenges of migration and sufficient resources to accomplish their tasks.

The Luxembourg Presidency will make every effort to complete negotiations on the **proposed Directive on Students and Researchers** in order to sustain our potential for growth and boost employment, and to promote cultural and social exchanges.

The EU must be resolute in its efforts to **consolidate and promote the fundamental values** on which it was founded.

**Respecting the Rule of Law** is part of this heritage. The Council of the EU and the Member States meeting within the Council have undertaken to establish a **dialogue between all the Member States** with a view to promoting and safeguarding the rule of law. The Luxembourg Presidency intends to launch this dialogue and, in so doing, will ensure that the principles on which it is based – principles laid down at the General Affairs Council of 16 December 2014 – are fully respected.

The Charter of Fundamental Rights is the foundation for the effective protection of fundamental rights in the implementation and interpretation of European law. Article 6 of the TEU states that the EU shall accede to the **European Convention for the Protection of Human Rights and Fundamental Freedoms**. This accession will serve to reaffirm and strengthen the protection of the fundamental rights, thereby integrating the EU into the pan-European network of human rights protection assured by the Convention. While the **process of accession** must continue, it requires a **period of reflection and analysis** following the opinion of the Court of Justice of the EU.

The **reform of the Court of Justice of the EU**, i.e. increasing the number of judges of the General Court of the EU, will be a priority for the Luxembourg Presidency. Putting the General Court of the EU in a position to deliver judgment within a reasonable time period, in accordance with the requirements of the Charter of Fundamental Rights, remains vital. As the first actions for damages for the infringement of this obligation have already been lodged, the reform needs to be implemented without delay.

It is necessary to finalise the **EU data protection reform** for the proper functioning of the single market. The success of the digital internal market will largely depend on the trust that citizens and companies have in the flow of online data.

The EU can be used as a model for a **high level of data protection**. This heritage must not be challenged by the adoption of the new regulatory framework. Both citizens' rights and the competitiveness of the European economy need to be protected. The Luxembourg Presidency will



seek to make progress in negotiations on the **new regulatory framework** in this area, aiming to conclude the matter before the end of the year.

In its judgment of 8 April 2014 which declared Directive 2006/24/EC on the retention of data invalid, the Court of Justice underlined the importance of fundamental rights (i.e. the right to a private life and the right to the protection of personal data). The EU legislature and the Commission will be responsible for drafting an adequate response taking into account the principles deriving from the case-law, which is to be included in the updated legal framework governing data protection.

The **fight against terrorism** is the number one priority for internal security. It is necessary to maximise the potential of existing tools when developing new measures whilst simultaneously respecting human rights and the rule of law. The EU's response to the threat posed by the significant number of its residents and citizens setting off to join terrorist groups in Syria and Iraq, and their potential return to Europe, remains the key issue. The implementation of a roadmap relating to **foreign terrorist fighters** is particularly important. The Luxembourg Presidency will work to ensure that the EU adopts a **coherent global approach** to the fight against terrorism. It will consider both **internal and external aspects** and follow up on the work related to the implementation of diverse EU strategies relating to the fight against terrorism, particularly those designed to fight **terrorist financing, radicalisation and the recruitment of terrorists**.

The terrorist attacks perpetrated at the start of the year require a **strong and united response**. As a result, the Luxembourg Presidency will vigorously pursue the implementation of measures and actions set by the Heads of State and Government in their declaration of 12 February 2015, including the implementation of a European Passenger Name Record (**PNR**), the fight against internet content promoting terrorism or extremism, the fight against illicit trafficking in firearms, as well as the reinforcement of **external border controls, information exchange and operational cooperation**.

The implementation of the renewed **European Union Internal Security Strategy** for 2015-2020 is a major priority and the Luxembourg Presidency intends to support this process to the best of its capabilities.

It is necessary to define a common response to **new challenges** that threaten the security of citizens of the EU. Beside the emergence of new threats such as foreign fighters and environmental crimes, other criminal phenomena such as cyber-crime or economic crime are becoming increasingly widespread.

In the **fight against organised crime**, the Luxembourg Presidency will endeavour to develop the **Policy Cycle**, overseen by the Standing Committee on Internal Security (COSI), whilst strengthening its visibility. The cycle has proved its worth as a primary instrument producing encouraging results. In this context, the Luxembourg Presidency aims to promote and **encourage cross-border police cooperation**.

Whilst internal security is primarily the responsibility of the Member States, Luxembourg is convinced that the **EU can provide added value**, in particular through its agencies. The Luxembourg Presidency will therefore work to ensure that the European Police Office (**Europol**) is given a regulation that enables it to **maximise its potential** in service to the Member States whilst respecting the prerogatives of all parties.

The **creation of a European Public Prosecutor's Office** responsible for investigating and prosecuting cases of fraud in EU spending is the flagship project in the European area of justice. The Luxembourg Presidency will endeavour to advance negotiations at Council level in order to establish the European Public Prosecutor's Office in 2016. The development of an independent, effective European Prosecutor's Office is to be coupled with the **modernisation** of the substantive rules on protecting the EU's financial interests. The appropriate conclusions must be drawn with a view to adapting Eurojust.

The Luxembourg Presidency will support the implementation of the **legal aspects of the Internal Security Strategy**, particularly regarding the extension of the ECRIS system to citizens of third countries and the mutual recognition of decisions on confiscation orders.

The harmonisation of procedural and substantive law implies improved mutual recognition of judgments and decisions. This is particularly the case for **procedural safeguards in criminal matters**. A key initial step was taken with the adoption of measures regarding interpretation and

translation, the right to information and the right to a defence. Attention is now focused on adopting the second series of measures: directives on the rights of children, legal aid and the presumption of innocence.

Judicial cooperation in **family law** is a field of action in which European legislation has a tangible impact on the lives of citizens. It is an element of European citizenship and the free movement of persons. The body of law relating to this cooperation is decisive with regard to ensuring legal certainty and predictability for European couples involved in complex litigation. Every effort will be made to usefully complement this body of law, particularly with regard to the instruments required for matrimonial relationships and property effects arising from registered partnerships.

**Simplifying the circulation of a number of public documents** is another measure designed to help build a people's Europe: it will make it easier to exercise the fundamental freedoms enshrined in the Treaties.

## Revitalising the single market by focusing on its digital dimension

Creating jobs and generating growth requires, above all, a more in-depth and well functioning single market that takes the transversal nature of digital technology into consideration and is flanked by an ambitious European policy on energy and transport.

The Luxembourg Presidency welcomes the importance given to the **development of the single digital market** by the European Commission – identified as one of its ten priorities – a logical continuation of the efforts undertaken to establish the single market.

While the digital economy is now omnipresent, its potential remains under-exploited. **Europe must play a role in the global digital revolution.** The Luxembourg Presidency will give priority to digital technology in a transversal manner, placing it at the heart of its single market policy.

Digital technology is not a stand-alone sector; it is a facilitator that leaves its mark on every area of activity. Going digital benefits all sectors

of the economy and presents numerous opportunities, laying the foundations for a real information economy and knowledge-based society. The Luxembourg Presidency will promote initiatives, both horizontal and targeted, with a view to implementing a genuine digital single market.

The **fragmentation of the single market** into 28 national ‘mini-markets’ remains tangible within the framework of the Internet as a result of its global and cross-border nature. Consumers and European start-ups are the first victims: refusal to sell and **geo-blocking of online content**, administrative fees incurred by the territorial application of laws which prevents them from enjoying the benefits from economies of scale. **Barriers to cross-border digital trade must be removed** to enable European companies to become real **digital champions, capable of competing on a global scale**.

The Luxembourg Presidency will encourage an approach based on the principle of **‘digital by default’** which will ensure that European Union legislation really does provide good solutions for exploiting new technologies and for helping the European digital economy take off.

The Luxembourg Presidency will therefore promote initiatives in fields as diverse as civil liberties (**reuse and protection of personal data**), telecommunications, cross-border e-commerce, online public services (**eGovernment**), research and innovation (**Big Data, Cloud Computing**), employment (inclusion), energy (efficiency), industrial policy, transport as well as education (skills).

The Luxembourg Presidency will focus on the issue of digital skills to meet the needs of the IT sector.

More generally speaking, the ultimate aim of the European single market – the main engine of growth in the EU – must be to enable consumers and European companies to sell and purchase goods and services anywhere in the EU as easily as they can on their national markets.

The **development of a real and fully integrated single market** is hampered by persistent legal and administrative obstacles, as well as a lack of trust from market players. To help deepen the single market, the Luxembourg Presidency will encourage the use of the most effective

regulatory and non-regulatory instruments, in particular **harmonisation and mutual recognition** with a view to **guaranteeing optimum legal certainty, reducing regulatory fees** for companies and **offering consumers the widest possible choice**.

In this respect, examining the Commission's forthcoming strategy for the **single market for goods and services**, which will feature initiatives designed to promote the use of the principle of mutual recognition and to remove obstacles to cross-border trade, will be a priority for the Luxembourg Presidency.

Along the same lines, the Luxembourg Presidency will support efforts to update the interinstitutional agreement on better law-making and implement the **REFIT programme**, seeking to identify and highlight the **'European added value'**. To **improve the functioning of the single market and stimulate growth**, it would be useful to **adopt common European rules** – failing which the 28 national legislations would be applicable – in order to achieve legal certainty for market players.

The Luxembourg Presidency will also take measures designed to make progress on the **retail action plan**, including the abolition of territorial restrictions which limit the freedom of choice of distributors by forcing them to secure their supplies from a given country.

In the field of **intellectual property**, the Luxembourg Presidency will pursue efforts to finalise work on the proposed Directive on Trade Secrets. The Presidency will also seek to follow up on reflections on modernising copyright. Legal clarity across the EU, acquired notably through adaptation to the digital era, will enable creative industries to develop, whilst respecting the interests of users and rightholders.

SMEs will be at the heart of all these policies. The Luxembourg Presidency will ensure that the **'Think Small First'** principle is applied systematically so that all EU policies encourage the development of SMEs. The **revision of the 'Small Business Act'** will be treated as a priority.

The **European energy policy** has reached a turning point in its history. Progress has been made, for instance, on opening markets, securing supplies, deploying renewable energies and implementing measures

to reduce consumption. But this has not been enough to make the EU more resilient vis-à-vis its suppliers or to allow the required energy transition to take place at an affordable, competitive cost, whilst inducing the deployment of new technologies and the creation of employment in these emerging sectors. In the field of energy policy, the Luxembourg Presidency will fully take into account the ambitious objective the EU has set for itself, namely to become a low-carbon economy by 2050.

The **Energy Union** as proposed by the Commission promotes the emergence of a horizontal energy strategy based on an ambitious action plan and targets the implementation of a new form of governance.

The Luxembourg Presidency will strive to implement **robust governance based on dialogue between the Commission and the Member States** with the added value of the regional and Community dimension.

The Luxembourg Presidency will focus on **innovation, research and the new technologies** used in energy transition (essentially **in the field of renewable energy, energy efficiency and integrated resource management**) as **key catalysts for sustainable, green growth that will create wealth and boost employment** throughout the EU.

The Presidency will address the issue of financing the **transition to sustainable energy** in view of the establishment of the European Fund for Strategic Investments (EFSI) and will ensure better coordination between all the existing European financial instruments.

The essential question of the **future design of the single electricity market**, its implementation and the role played by end-consumers will also be tabled at the Council.

The Luxembourg Presidency will undertake all the legislative work required in the field of **gas supply**, which is both economically and strategically important, as well as in **labelling appliances**, which is key to the EU's ambitions in terms of reducing energy consumption.

Furthermore, the Luxembourg Presidency will address the issue of **synergies between the energy sector and development cooperation**.

The Luxembourg Presidency will strive to achieve the aims of the **European transport policy, which seeks to promote effective, safe, reliable, accessible and socially responsible mobility**. It will also endeavour to create suitable conditions for a **sustainable, innovative transport industry that generates first-rate jobs and good working conditions** in order to bolster the EU's prosperity and economic competitiveness, whilst respecting the social, financial and ecological balance.

The Luxembourg Presidency will orientate the work of the Council towards **legislation that is applicable, practical and easy to transpose**. Particular attention will be paid to social issues and possible harmonised European responses.

In a bid to **promote the least polluting means of transport**, the Luxembourg Presidency will continue work on the **Fourth Railway Package** both within the Council and with the European Parliament. The Presidency will try to make progress on the proposal regarding **technical requirements for inland waterway transport**.

The major priorities for the European transport policy, as set out in the 2011 White Paper, must be reviewed in a critical, pragmatic and results-orientated spirit. The Presidency will launch a **wide-ranging debate on the European transport policy**.

Finally, the Luxembourg Presidency wants to actively promote a strategy of sustainable mobility in which **integrated urban planning** and **gentle mobility** are key pillars. This issue will be the subject of an informal ministerial meeting.

## Placing European competitiveness in a global and transparent framework

Following the presentation by the President of the European Commission, in close cooperation with the President of the Euro Summit, the President of the Eurogroup, the President of the European Central Bank and the President of the European Parliament, of a **report on the**

completion of the **Economic and Monetary Union (EMU)**, the Luxembourg Presidency intends to direct this work towards an approach **integrating the four pillars of the EMU**, which are currently being implemented at a varying pace, in order to promote a **return to growth and an employment boost within a framework of solidarity and budgetary discipline** as well as a **more social Europe**.

At the informal European Council meeting held in February 2015, the Heads of State and Government reaffirmed the value of the triptych model founded on fiscal consolidation, relaunching growth through investment and structural reforms that have a positive impact on sustainable, balanced growth.

The implementation of an ambitious programme of **structural reforms in the field of products and services and in the labour market** is key to **increasing productivity, regaining competitiveness and improving the business environment**, thereby promoting productive private investment, creating jobs and the potential for growth. Structural reforms to promote growth can also contribute to a sustainable re-balancing of the EU's growth model, reduce the negative effects of debt reduction and prevent macroeconomic imbalances.

Luxembourg intends to place the **fight against tax fraud and tax evasion in a global context** and ensure fair competition. The European Union must conceive its action in connection with the G20 and OECD decisions. Transparency and the creation of a **'level playing field'** at a global level are the pre-conditions for the effectiveness of this fight.

The expected progress within the context of the **OECD's work on BEPS** ('Base Erosion and Profit Shifting') will add impetus to the EU's approach in the second semester of 2015.

Whilst ensuring respect for the single market's body of law concerning, in particular, free movement of capital and freedom of establishment, the Luxembourg Presidency aims to successfully conclude negotiations on the proposal on **transparency and exchange of information regarding tax rulings**. The Presidency also hopes to make progress with work **on the directive on the Common Consolidated Corporate Tax Base (CCCTB)**.



The Luxembourg Presidency will discuss the reinforcement of the mandate of the **Code of Conduct for Business Taxation** in the Council, taking into account the current status of the file.

The **Action Plan for fairer corporate taxation**, as proposed by the Commission on the 17th of June 2015, will serve as a starting point for the Luxembourg Presidency in its work on taxation.

With regard to VAT, the Luxembourg Presidency will, if necessary, continue negotiations on the **standard VAT return** and the **treatment of vouchers**.

The Luxembourg Presidency will continue efforts to **improve the governance of the Customs Union**. It will continue work on the proposed Directive on **harmonising the treatment of customs infringements and sanctions**, as well as on the surveillance of the implementation of the Union Customs Code (UCC). The Luxembourg Presidency will also examine proposed regulations on the review or a possible update of regulations on the Combined Nomenclature, tariff suspensions and quotas.

The Luxembourg Presidency will focus on **continuity and coherence** in the field of **trade policy**, notably in terms of growth, job creation, opening third markets and sustainable development. These objectives define current trade policy (2010 communication) for both external (trade negotiations) and internal (legislation) affairs: **an update to this communication should be submitted during the second semester of 2015**.

In terms of multilateral negotiations, the main objectives are to **prepare the tenth ministerial meeting of the WTO in Nairobi** and **conclude the plurilateral Environment Goods Agreement**. It is a matter of **enhancing the credibility of the international rules-based trade system** and paving the way for the conclusion of the Doha cycle, as well as the post-Doha cycle, whilst respecting the aspirations of developing countries and welcoming a greater contribution from emerging countries.

On the bilateral front, the Luxembourg Presidency will work to conclude political negotiations with **Vietnam** and **Japan** and to sign the Comprehensive Economic and Trade Agreement with Canada (**CETA**).

The Luxembourg Presidency will advance discussions on the **Transatlantic Trade and Investment Partnership (TTIP)** which will intensify during the second semester of 2015, when issues of substance will be addressed.

The Luxembourg Presidency will pay particular attention to discussions on the **Investor-State Dispute Settlement (ISDS)** mechanisms and other more sensitive issues. The Luxembourg Presidency will promote maximum transparency in this regard.

As regards updating current agreements, the Luxembourg Presidency will primarily work on the modernisation of the free trade agreement with **Mexico**.

In the **EU's neighbourhood**, trade negotiations may be launched with **Tunisia**. The specific political context and the evolution of the economic situation in **Georgia, Moldova and the Ukraine** could lead to **requests to extend the EU's customs and quota measures** becoming a priority at the end of 2015.

The Luxembourg Presidency will have to address several **major legislative issues**: reform of the EU's trade defense policy, the international instrument for opening third markets, minerals from conflict zones, reviewing the anti-torture regulation and granting market-economy status to China.

## Promoting sustainable development

**Sustainable economic development for the benefit of citizens** necessarily goes hand-in-hand with the most ambitious environmental criteria. The Luxembourg Presidency will make every effort **to accelerate the transition towards a green economy with low greenhouse gas emissions** by creating the dynamics required to build a sustainable and safe society. The Presidency will also encourage the emergence of **an innovative, circular and competitive economy** which is energy-light and respectful of biodiversity and natural resources, minimises waste and encourages cost-effective recycling.

This key ambition will act as a guide for the Presidency in ongoing legislative matters, such as those related to air quality and reducing CO<sub>2</sub> emissions.

The Luxembourg Presidency is firmly committed to **improving air quality**, in particular in relation to reviewing the Directive on National Emission Ceilings for certain pollutants (**NEC Directive**). If required, it will seek agreement on the proposal for a Directive on the limitation of emissions of certain pollutants into the air from **medium combustion plants** (MCP Directive) and on the proposal for a Directive on the **reduction of pollutant emissions from road vehicles** (Euro 5/6).

One of the cornerstones of the **Strategy on climate change** will undoubtedly be the **Emissions Trading Scheme (ETS)**, the flagship instrument of the European Union's policy to reduce carbon dioxide emissions and monitor the carbon markets. The Luxembourg Presidency will start working on the proposal to reform the ETS, which is expected at the beginning of the Presidency after an agreement has been reached on the market stability reserve (MSR) mechanism.

The **EU Biodiversity Strategy**, essential for ensuring environmental well-being in Europe, will undergo a mid-term review during the second semester of 2015. It provides favourable conditions for sustainable economic development by guaranteeing common protection standards relating to natural resources in the single market. The Luxembourg Presidency will examine the results in detail and propose, in that respect, the adoption of conclusions by the Council.

Within the context of economic development coupled with nature conservation, the Luxembourg Presidency will be actively involved in the **7th Ministerial Conference 'Forest Europe'** which aims to strengthen the protection and sustainable management of European forests.

The Luxembourg Presidency will continue work on the **revision of the Europe 2020 strategy** by **'greening' the European Semester** to better integrate environmental sustainability into the wider cycle of economic governance.

This requirement for sustainability will also be at the heart of the Presidency's actions with regard to the various international negotiations that will dominate the global agenda on sustainable development, whether at the **Special Summit on Sustainable Development** in New York in September or at the **21st Conference of the Parties to the United Nations Framework Convention on Climate Change (COP21)** in Paris in December.

During the **Paris Conference on climate change**, international negotiations should lead to the adoption of a **new, ambitious and binding treaty with universal participation**, to ensure that global warming is kept below two degrees Celsius. The Paris agreement must cover the issues of attenuation, adaptation, financing, technology transfer, capacity building in poor countries and policy transparency.

The Luxembourg Presidency will steer the discussions with a view to adopting an ambitious negotiating mandate. It will combine its efforts with those of the European Commission to ensure that the EU can make its voice heard during the negotiations to be held throughout the second semester. It will also place special emphasis on the issue of climate financing.

The agreement on drawing up a set of **Sustainable Development Goals** (SDG) adopted at the United Nations Conference on Sustainable Development in June 2012 (Rio +20) will be the basis for taking consistent, targeted action in the field of sustainable development. It will define the development agenda for the next 15 years, succeeding the eight millennium development goals adopted in 2000 and incorporating the three dimensions of sustainable development.

The results of the **Third International Conference on Financing for Development in Addis Ababa** (July 2015) should provide the means for implementing future SDGs and will define the financial framework, as well as the transfer of skills and technologies, and will strengthen capacity building in order to implement new sustainable development goals.

The Luxembourg Presidency will coordinate the EU process of preparation for the New York summit and will ensure consistency with the process relating to climate-change policy leading up to COP21 in Paris, during which the issue of financing will also be crucial.

**Sustainability** must also be the **fundamental principle for the future development of European agriculture**. This must be done in consideration of the economic and social dimension, as well as of related health and environmental factors. This is the context in which the Common Agricultural Policy must contribute to the general political objectives of the EU. To implement these principles effectively, the Luxembourg Presidency will focus, in particular, on **simplifying rules and procedures**, which will act as a guide in its work on various issues. It will also ensure that the Council is fully involved in the process of simplifying the **Common Agricultural Policy**.

To this end, the Luxembourg Presidency will work hard to ensure the success of negotiations on the Commission proposal on **organic farming** in order to implement a **regulatory framework adapted** to new challenges, thereby enabling harmonious development in this sector.

In relation to the **Russian embargo on certain EU agricultural products** and the **expiry of milk quotas**, the Luxembourg Presidency will pay particular attention to developments in the market for agricultural products and the related effects on farmers. The European agricultural and agri-food sectors are key global players and the Luxembourg Presidency will closely monitor developments in the bilateral and multilateral trade policy.

The principle of sustainability will also guide the actions of the Luxembourg Presidency in the **fisheries policy**. It will take steps to bolster the new **sustainability-based approach** ensuring that, where possible, the principle of maximum sustainable yield lies at the heart of any decisions relating to fishing opportunities (TAC and quotas) for 2016. An **in-depth discussion on scientific data relating to the state of fish stocks** should enable reasoned, transparent decisions to be taken. The Luxembourg Presidency will also seek to reach an agreement on the issue of **deep-sea fishing**, guaranteeing the sustainable exploitation of these fish stocks.

Furthermore, the principles of simplification and balance of institutional competencies must be implemented in the negotiations on the multi-annual management plans for the Baltic Sea, as well as in the decisions **aligning the acquis with the Treaty of Lisbon**, in particular in relation to **illegal and unregulated fishing** and the **regeneration of European eel stocks**.

The principle of simplification must also be applied when adopting the **new rules in the field of phytosanitary protection**, in respect of which the Luxembourg Presidency will take steps to reach a first-reading agreement with the European Parliament. These new rules will enable the trade of plants and plant products on the single EU market to be harmonised.

In the same vein, the Luxembourg Presidency will seek to reach an agreement with the European Parliament on the legislative proposal on the **zootechnical and genealogical conditions for trade in and imports from third countries of breeding animals and their germinal products** and on the finalisation of the **medicated feed** dossier. It will also continue the work on **medicinal products for veterinary use**. In this regard, combating antimicrobial resistance is one of the key challenges for safeguarding the health of European citizens.

The Luxembourg Presidency seeks to finalise the regulation on **official controls of the food chain** with a view to promoting technical harmonisation to benefit the single market, in particular by standardising fees related to checks conducted by competent authorities within the EU and at its borders.

The Presidency hopes to be able to contribute to the democratic debate by beginning work on the **revision of the authorisation procedure for genetically modified organisms** in foodstuffs and animal feed.

Consumer interests will be further protected by continuing the work aimed at **improving consumer information**, in particular in relation to the labelling of fats.

## **Strengthening the European Union's presence on the global stage**

The Treaty of Lisbon provided the European Union's foreign policy with a greater continuity by assigning most of the Presidency's foreign policy-related tasks to the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the Commission. The

Luxembourg Presidency will provide her with unfailing support. The contribution of the rotating Presidency nonetheless remains substantial, in particular in terms of relations with the European Parliament and as a stand-in for the political dialogue with third countries or international organisations.

On the basis of a mandate from the European Council of June 2015, the **High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the Commission** will be entrusted with preparing, together with the institutions and Member States, a **new foreign policy strategy** which takes account of the changes that have taken place in the global international environment since 2003. Being a multifaceted exercise, the Luxembourg Presidency will be called upon to contribute to this work.

The European Council of June 2015 will confer a series of mandates relating to the **Common Security and Defence Policy** (CSDP) to different EU institutions, including the High Representative, the European External Action Service, the European Commission and the European Defence Agency. The Luxembourg Presidency will proactively support the initial implementation of these mandates, which must be substantial and ambitious, covering operational improvements to the CSDP, European cooperation in the field of defence and development of essential military capabilities in this context.

The Luxembourg Presidency will be committed to **deepening existing relations with the EU's closest partners, without putting into question the fundamental principles of European integration** which lie at the heart of the construction of the single market: the uniform application of the EU *acquis* and the free movement of persons.

**The prospect of membership remains a powerful driver for reform at the borders of the EU, for the benefit of stability and prosperity throughout the entire continent.** As such, the Presidency will pay specific attention to the enlargement policy. On the basis of the 2015 'Enlargement package', for which the Commission will apply a new methodology, the Luxembourg Presidency will work towards the consensual adoption of the annual '**enlargement**' conclusions in December.

The Presidency will encourage new negotiation chapters to be opened with **Turkey, Montenegro and Serbia** once the necessary conditions have been fulfilled, and will continue work towards the European integration of the Former Yugoslav Republic of Macedonia and Albania. The signing and conclusion of **the Stabilisation and Association Agreement with Kosovo**, and the implementation of **the Stabilisation and Association Agreement with Bosnia-Herzegovina**, which recently entered into force, are other files in which the Luxembourg Presidency will seek to make progress once the prerequisites have been met.

On the basis of a Commission communication on **the European Neighbourhood Policy**, the Luxembourg Presidency will contribute to the work being done to update this policy with a view to adopting conclusions at the European Council before the end of 2015.

Furthermore, the Presidency will host the **12th Asia-Europe Foreign Ministers' Meeting** (ASEM FMM12) in Luxembourg (5-6th November 2015).

The EU's credibility throughout the world is bolstered by **decisive action in the field of development cooperation and humanitarian aid**.

2015 will be a pivotal year for development on account of the major international events intended to set the post-2015 framework for development, but also because it has been declared **European Year for Development**. Numerous activities will take place to inform and raise awareness among European citizens. The Luxembourg Presidency will host the closing ceremony of the European Year for Development in December 2015.

At international level, 2015 will see the establishment of objectives for sustainable development that will replace the eight Millennium Development Goals, whilst integrating the three dimensions of sustainable development as provided for in the conclusions to the Rio +20 conference.

The **Cotonou Agreement**, which governs relations between the EU and the 79 ACP States (Africa, Caribbean and Pacific) will expire in 2020. Work to draw up a new framework for cooperation will begin in 2015. Under the Luxembourg Presidency, a green paper will be presented and



a public consultation launched. This process of exchange and reflection will be supported throughout the Luxembourg Presidency.

The Luxembourg Presidency will make **policy coherence for development** a priority in the field of development cooperation. The objective of this concept is to minimise inconsistencies arising from different European policies and having negative repercussions on developing countries. Council conclusions on Policy Coherence for Development will be adopted.

Under the Luxembourg Presidency, policy coherence should also culminate in specific points being raised in other relevant configurations of the Council in order to examine the implications for Southern countries.

In terms of **humanitarian action**, the Luxembourg Presidency will facilitate the debate as part of the World Humanitarian Summit with a view to establishing a common European position reaffirming humanitarian principles. The other two priorities will be coordination between humanitarian actors and civil protection workers following natural disasters, and the issue of protection in conflict situations.





