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OUTCOME OF THE COUNCIL MEETING

3380th Council meeting

General Affairs

Brussels, 17 March 2015

President **Edgars Rinkēvičs**
Minister for Foreign Affairs of Latvia

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- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- Documents for which references are given in the text are available on the Council's Internet site (<http://www.consilium.europa.eu>).
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the Council's Internet site or may be obtained from the Press Office.

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ITEMS DEBATED

Preparation for the March European Council

The Council examined draft conclusions for the European Council meeting to be held on 19-20 March, prepared by the President of the European Council, Donald Tusk, in cooperation with the Latvian presidency and the Commission.

The European Council will focus on:

- **Energy Union:** the European Council will return to the strategic priority of energy and set out further guidance with a view to building an Energy Union. Leaders are likely to focus on energy security, completing the internal energy market, and pursuing efforts to make more use of renewable energies and increase energy efficiency.
- **European Semester:** heads of state or government will have an exchange of views on the economic situation and conclude the first phase of the European Semester for 2015. They will also provide guidance to member states on the preparation of their national reform and stability or convergence programmes.
- **External relations:** leaders will take stock of preparations for the Eastern Partnership summit on 21-22 May 2015 in Riga, and are expected to provide a steer.

The European Council is also again expected to discuss relations with Russia and the situation in Ukraine, in particular the implementation of the Minsk Agreement, and agree on possible further steps.

Moreover, leaders will exchange views on the situation in Libya and its implications for the security of the European Union.

An [annotated draft agenda](#) was discussed by the Council on 10 February.

European Semester

The Council took note of a presidency synthesis report and an updated roadmap on the European Semester for the European Council on 19- 20 March 2015.

The report provides a synthesis of the discussions and main messages from seven different Council configurations¹ involved in the current European Semester exercise ([6538/15](#)).

The report highlights the implementation of the country specific recommendations as the most pressing issue within the European Semester. It also points to the importance of the digitalisation of the European economy, a priority for the Latvian presidency.

The updated European Semester roadmap reflects the postponement of the Europe 2020 review.

Any other business - Iceland

The presidency briefed the Council on a letter received on 12 March 2015 from the Minister for Foreign Affairs of Iceland. The letter outlines the intentions of the Government of Iceland regarding its application to join the EU.

¹ Economic and Financial Affairs Council; Employment, Social Policy, Health and Consumer Affairs Council; Competitiveness Council; Transport, Telecommunications and Energy Council; Environment Council; Education, Youth, Culture and Sport Council; and Justice and Home Affairs Council.

OTHER ITEMS APPROVED**GENERAL AFFAIRS****Historical archives of the EU institutions**

The Council adopted a regulation providing for the continued deposit of the historical archives of the EU institutions at the European University Institute in Florence ([6867/13](#)). The new regulation makes the deposit of the archives of all EU institutions at the European University Institute legally binding and replaces the current contractual arrangement.

The obligation to deposit historical archives applies to documents more than 30 years old. Due to the specific nature of their activities, the European Court of Justice and the European Central Bank are not subject to this obligation but may deposit their historical archives in Florence on a voluntary basis.

EU-funded airport infrastructure - Council conclusions on Court of Auditors' report

The Council adopted the following conclusions on the Court of Auditors' special report entitled "EU-funded airport infrastructures: poor value for money" ([6784/15](#)):

"THE COUNCIL OF THE EUROPEAN UNION:

- (1) WELCOMES the special report from the European Court of Auditors (hereinafter referred to as 'the Court') and TAKES NOTE of its observations.
- (2) NOTES that the audit covers 20 EU-funded airports in five Member States. These 20 airports have received a total EU funding of 666 million euro during the 2000-2006 and 2007-2013 programme periods through the European Regional Development Fund (ERDF) and the Cohesion fund (CF) (thus representing almost 23.30 % of more than 2.86 billion euro total ERDF and CF support to infrastructure over 2000-2013), out of which 460 million euro was actually audited (69.07%).

(3) RECALLS that the Commission in the 2011 White Paper on Transport Policy considered congestion as a major concern. It went on affirming that ‘airport capacity needs to be optimized and, where necessary, increased to face growing demand for travel’. POINTS also to the 2011 Commission communication COM(2011) 823 accompanying the Airport package, in which the Commission confirmed that congestion at airports is an issue for Europe and that if capacity on the ground is lacking, the success of the Single European Sky project as a whole will be threatened. Although the trend in air passenger transport development differs among Member States, overall EU-27 passenger numbers increased by 6% between 2007 and 2013. Meanwhile despite the fact that, between 2001 and 2010, traffic at regional airports in Europe increased by nearly 60 %, nearly half (48 %) of Europe’s airports were loss making in 2010.

(4) RECOGNISES the strategic importance of airports in i) transportation of people and cargo; ii) creation of direct and spill-over opportunities for employment, business, commerce, trade and tourism industry; iii) connectivity of all European regions, including insular, remote, isolated areas, outermost regions and northernmost regions with very low population density (provision of services of general economic interest and directive on airport charges); iv) overall contribution to EU GDP, as well as to integration and global competitiveness of EU.

(5) TAKES NOTE of the overall conclusion by the Court and in particular that:

5.1. A need for the EU-funded investments in airport infrastructure could be demonstrated for only around half of the projects examined (according to a benchmarking used in the Court’s analysis);

5.2. There were delays in construction and the final delivery of airport infrastructures in 17 and cost overruns in 9 of the 20 airports examined;

5.3. More than half of the newly built (or upgraded) infrastructures were not fully used;

5.4. In many cases EU-funding was not cost-effective, thus 7 of the 20 airports examined were not profitable and, as a result, there is a risk that they may need continuous public financial support to remain in operation;

5.5. The planning (forecasting, cost-benefit analysis, cash flow profiles, self-sustainability assessment), co-ordination and supervision in some cases were not sufficient, thus resulting in overcapacity, overlaps with the catchment areas of existing neighbouring airports, low productivity;

5.6. Improvements in customer service were in most cases not measured and therefore difficult to assess.

(6) TAKES NOTE of the Court's recommendations that:

6.1. The Commission should ensure during the 2014-2020 programme period that Member States allocate EU funding to airport infrastructures in those airports which are financially viable and for which investment needs have been properly assessed and demonstrated.

The new European Structural and Investment Funds regulatory framework for the period 2014-2020 has limited the investment opportunities in airports to those that: i) are needed to ensure the compliance with the safety requirements and ii) are accompanied by measures mitigating or reducing negative environmental impact of the airport infrastructures;

6.2. Call upon Member States to have coherent transport plans at regional, national or supra national level to avoid overcapacity, duplication and uncoordinated investments in airport infrastructures.

The new European Structural and Investment Funds regulatory framework for the period 2014-2020 has foreseen such coordination through the fulfilment of applicable ex-ante conditionalities that require existence of a comprehensive plan or framework for transport investment in accordance with the Member States' institutional set-up (including public transport at regional and local level) which supports infrastructure development and improves connectivity to the TEN-T networks comprehensive and core networks.

(7) CONSIDERS that the Court's recommendations are properly addressed by the new European Structural and Investment regulatory framework for the period 2014-2020 and CALLS on Member States and the Commission to build on lessons learned from previous experiences of investments in airport infrastructure.

(8) Understanding the capital intensive nature of investments in airports and noting the core business model differences between hub airports and regional airports that may result in their capacity to generate enough revenues, and taking into account the time lag between supply and demand for infrastructure facilities, as well as the actual economic situation hampered by the crisis and slow recovery, UNDERLINES that every decision in favour of EU fund allocation to airport infrastructures should be taken fully in accordance with the new European Structural and Investment Funds regulation, therefore:

- 8.1. HIGHLIGHTS the necessity for Member States to assess ex ante the financial, economic, social and territorial objectives and the proper amount of investments needed in airport infrastructure;
- 8.2. CALLS upon the Commission to ensure that Member States only allocate EU funding to airport infrastructures in those airports for which investment needs have been properly assessed and demonstrated;
- 8.3. After the investments in the airport infrastructure are made, INVITES Member States to measure properly airport service quality improvements and evaluate relevant contributions to the fulfilment of national and regional socio-economic development objectives in order to fully reflect the effects of EU funding.
- (9) WELCOMES the improved approach concerning the management of major projects that defines the quality review process and the quality elements of the cost benefit analysis to be respected (main benefits and costs by sector, list of risks, precise reference periods by sector etc.), including the establishment of the Jaspers initiative, which provides technical assistance to Member States.
- (10) INVITES the Member States to consider whether less profitable airports can be encouraged to explore further options in order to reduce losses or maintenance costs, enhances productivity and improve other performance indicators of airports.
- (11) TAKES NOTE of the definition of catchment area of an airport used by the Commission for issuing state aid decisions stating that the catchment area of a given airport may be different and needs to take into account the specificities of each particular airport.
- (12) HIGHLIGHTS the importance of airport infrastructure compliance with the safety requirements in order to protect the interests and health of people who use it."

ENLARGEMENT

Court of Auditors report on assistance to Serbia

The Council adopted conclusions on a special report of the Court of Auditors entitled "EU Pre-Accession Assistance to Serbia" ([7282/15](#)). The audit covered the 2007-13 programming period. The overall outcome of the conclusions was that the Commission is managing pre-accession support to Serbia effectively and that the same support helps Serbia to implement social and economic reforms as well as improve governance.

Mechanism on Cooperation and Verification for Bulgaria and Romania

The Council adopted conclusions ([7281/15](#)) on the reports presented by the Commission in January 2012 regarding the Mechanism on Cooperation and Verification for Bulgaria and Romania.

ECONOMIC AND FINANCIAL AFFAIRS

Bank of Latvia - External auditors

The Council adopted a decision approving the appointment of KPMG as external auditors of the Bank of Latvia for the financial years 2015 to 2019.

Capital requirements regulation: Technical standards

The Council decided not to object to the adoption by the Commission of a regulation supplementing the so-called capital requirements regulation ("CRR") 575/2013 with regard to regulatory technical standards for assessing the materiality of extensions and changes of internal approaches when calculating own funds requirements for market risk.

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

TRADE POLICY

Generalised tariff preferences - vulnerability threshold

The Council decided not to object to a Commission regulation amending the vulnerability threshold in Annex VII of regulation 978/2012 applying a scheme of generalised tariff preferences (GSP regulation).

This follows the removal of China, Thailand, Maldives and Ecuador from the list of GSP beneficiaries as of 1 January 2015.

The GSP regulation lays down that when the list of GSP beneficiaries is amended, the vulnerability threshold can be reviewed by the Commission through a delegated act.

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

JUSTICE AND HOME AFFAIRS

Prevention, Preparedness and Consequence Management of Terrorism and other Security related risks

The Council adopted a decision repealing decision 2007/124/EC, Euratom establishing for the period 2007 to 2013, as part of General Programme on Security and Safeguarding Liberties, the Specific Programme 'Prevention, Preparedness and Consequence Management of Terrorism and other Security related risks' ([15187/13](#)) as this policy area will receive financial support from the Internal Security Fund under the new multiannual financial framework 2014-2020.

FOOD LAW

Food additives

The Council decided not to oppose the adoption of a Commission regulation amending and correcting annexes II and III to regulation 1333/2008 as regards the use of certain food additives ([6176/15](#)).

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

RESEARCH

Synchrotron-light source international centre - EU observer status

The Council accepted the EU's becoming an observer in the international centre for research and advanced technology "SESAME" (Synchrotron-light for Experimental Science and Applications in the Middle-East).

[SESAME](#) seeks to promote scientific and technological excellence in the Middle East and build bridges between diverse societies through international cooperation in science. It was launched in 2004 under the auspices of UNESCO and has its seat in Jordan.

Bahrain, Cyprus, Egypt, Iran, Israel, Jordan, Pakistan, Palestine and Turkey are members of SESAME. Brazil, China, Japan, Kuwait, Switzerland, Russia, the USA and several EU countries (France, Germany, Greece, Italy, Portugal, Spain, Sweden and the United Kingdom) have observer status.

In March 2014, the Commission received the [invitation](#) from SESAME for the EU to become an observer.

APPOINTMENTS

European Economic and Social Committee

By written procedure ending on 17 March 2015 the Council appointed Mr Rudi THOMAES (Belgium) as a member of the European Economic and Social Committee for the remainder of the current term of office, which runs until 20 September 2015.
