

Luxembourg EU Council Presidency

THREE REASONS TO EXPECT A PRODUCTIVE TERM

JULY 2015 -- **LUXEMBOURG's** accession to the six-month rotating EU Council Presidency has passed almost unnoticed, with all eyes fixed on negotiations with **Greece**.

Luxembourg's low profile doesn't mean its Presidency won't be effective. With the country out of the firing line when it comes to the Euro crisis, it is relatively free to pursue its own policies and seek compromises. Reasons to expect progress:

1. With former Luxembourg Prime Minister **Jean-Claude Juncker** serving as Commission President, the country has a "friend in a high place".
2. A founding EU member, Luxembourg is as federalist as they come, and boasts experience in the role of Council President. Smaller countries tend to do a better job at chairing the rounds of Ministerials and Council Working Parties, overcoming limited resources with a modest, compromise-oriented approach.
3. Much of the above is also true of the **Netherlands**, up next in the leadership rotation, and with the Commission's legislative conveyor belt slowing, it looks to be a productive coming year for Council Presidencies.



Two key dossiers to watch closely during Luxembourg's Presidency:

- 1) Food & Agriculture
- 2) Energy & Environment

8 KEY PLAYERS



Prime Minister
XAVIER BETTEL
Minister of Communications and the Media, Religious Affairs



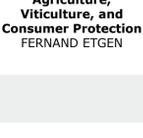
Deputy Prime Minister
ETIENNE SCHNEIDER
Minister of Finance, Defence, Internal Security



Minister of Foreign Affairs, Immigration and Asylum
JEAN ASSELBORN



Minister for Sustainable Development and Infrastructure
FRANÇOIS BAUSCH



Minister for Agriculture, Viticulture, and Consumer Protection
FERNAND ETGEN



Minister of Equal Opportunities & Health
LYDIA MUTSCH



Minister for the Environment
CAROLE DIESCHBOURG



Secretary of State for Sustainable Development and Infrastructure
CAMILLE GIRA

DATES FOR YOUR DIARY

DIGITAL Sept-Oct First legislative proposals to be tabled under the Digital Single Market Strategy, most likely on copyright reform, geo-blocking and contract law	DIGITAL Sept-Dec Tripartite negotiations between MEPs and the Member States on General Data Protection Regulation	DIGITAL Sept Launch of work in Council and Parliament on the Digital Single Market	HEALTH Sept 24-25 Dementia as a social phenomenon, informal council 📍 Luxembourg
HEALTH Oct 8-9 DG Health and Food Safety, 2nd conference on European Reference Networks 📍 Lisbon	TRANSPORT Oct October Transport Council	ENERGY Nov 30-Dec 11 COP21 UN Climate Change Conference 📍 Paris	YOU Now Contact Grayling to manage your meetings & engagement calendar

5 KEY SECTORS IN DETAIL

- FOOD & AGRICULTURE
- DIGITAL & TECHNOLOGICAL INNOVATION
- HEALTH
- ENERGY & ENVIRONMENT
- TRANSPORT

FOOD & AGRICULTURE

WATCH THIS SPACE:

The revised proposal to simplify the novel foods authorisation procedure is likely to be formally endorsed by the Council, assuming the full Parliament votes in favor of it, as now appears likely. Sticking points including cloning, the definition of nano, and Parliament's powers of scrutiny were overcome once MEPs in the ENVI Committee voted in favour of the compromise put forward by the Council, dropping a request for veto power on novel foods authorizations.

KEY CONTACTS TO ENGAGE & INFORM:

JAMES NICHOLSON, MEP (ECR, UK) - Rapporteur on novel foods

PRIORITIES:

- Novel foods
- Organic farming
- Official controls
- GMOs
- Consumer information & labelling of fats

• **ORGANIC FARMING** In agriculture, the Presidency will manage negotiations on the Commission's organic farming proposal, which EU Agriculture Ministers have already agreed on, with the Council and Parliament expected to begin negotiations in the autumn. Countries that opposed the proposal: Denmark, which stressed the need to maintain annual inspections, and Belgium, Bulgaria, the Czech Republic and Slovenia, which argued unsuccessfully for an EU-wide harmonised threshold so that products containing unauthorised substances could be downgraded.

• **OFFICIAL CONTROLS** Work initiated by Latvia on official controls will continue. The Presidency will seek agreement between Member States divided on financing and the role of official veterinarians; some countries argue mandatory control by an official veterinarian of each carcass would be too burdensome.

• **GMOs** The revision of the authorisation procedure for genetically modified organisms in foodstuffs and animal feed remains a hot issue. The current proposal gives Member States more freedom to restrict, or prohibit the marketing of GMOs in food or feed on their territory via opt-out measures. The proposal is under attack; Argentina, Brazil, Canada, Chile, Paraguay and the US are concerned by the review's impact on the EU internal market and multilateral trade rules. MEPs also strongly oppose the proposal, arguing it would hinder trade relations with EU partners, and criticized the Commission's failure to carry out an impact assessment despite its launch of the Better Regulation agenda.

• **CONSUMER INFO** The Presidency will pursue work aimed at improving consumer information, particularly regarding labelling of fats, and will have to deal with the Commission's delayed transfat report, originally due in December.

DIGITAL & TECHNOLOGICAL INNOVATION

WATCH THIS SPACE:

Data protection reform has been a fraught and protracted process and Luxembourg is keen to conclude data protection negotiations during its Presidency. Brokering an agreement between the European Parliament and the EU Council on this controversial dossier would represent a major political win, but only if it's the right text.

KEY CONTACTS TO ENGAGE & INFORM:

- Cabinet of Vice-President for Digital Single Market ANDRUS ANSIP (DG Connect)
- Commissioner for Digital Economy and Society GÜNTHER OETTINGER
- Within Parliament: IMCO Committee, particularly the Working Group on the Digital Single Market

PRIORITIES:

- General Data Protection Regulation (GDPR)
STATUS: In tripartite negotiations. Agreement with EU institutions expected by end of 2015.
- EU Digital Single Market Strategy
STATUS: Adopted 6 May, with 16 legislative and non-legislative actions to follow in the next 1.5 years.

• **PRO-INTERNAL MARKET** Luxembourg is pro-internal market and a staunch advocate of the economic power of cross-border online trade. This is hardly surprising given its geographic location and the potential benefits it could reap from a Digital Single Market. Still, very few legislative proposals under the DSM

Strategy will actually be tabled during the Luxembourgish Presidency's mandate, with the first expected in Q3-4 of 2015. Expect Luxembourg to therefore focus on process, laying the foundations in the Council for the speedy and collaborative policy-making that is so vital in fast-moving digital markets.

EU Digital Digest

A bi-weekly publication of Grayling Brussels' EU Digital Policy Team, keeping you abreast of the latest political and legislative developments.

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HEALTH

WATCH THIS SPACE:

Among legislative proposals already under discussion at the Council and Parliament, dialogues on the proposals related to **medical devices** (2012/0266/COD and 2012/0267/COD) will start while negotiations on the revised **novel foods** proposals (2013/0435/COD) may continue under the Luxembourgish Presidency.

KEY CONTACTS TO ENGAGE & INFORM:

DAGMAR ROTH-BEHRENDT, MEP (S&D, Germany), Rapporteur on medical devices

PRIORITIES:

- Patient-centred care
- Innovation
- Ebola epidemic management
- Improving protection of European citizens in nuclear or radiological emergency
- Common Agricultural Policy - focus on health & environmental factors considered in sustainability principles
- Medicinal products for veterinary use, including combating antimicrobial resistance

• **QUICK ACCESS & INNOVATION** Like Latvia before it, Luxembourg will focus on creating a strong regulatory framework providing European citizens with quick

access to safe and high-quality medical devices, whilst promoting innovation and competitiveness in the European market.

ENERGY & ENVIRONMENT

WATCH THIS SPACE:

In the run-up to the COP21 climate change summit in Paris (See Dates for Your Diary), expect the Presidency to work toward three goals within this dossier:

1. EU global leadership to secure progress in negotiations toward an international agreement in Paris.
2. Ensuring reduction pathways are based upon the latest scientific evidence and on global equity and justice concerns.
3. EU leadership of the call to annul surplus credits from the first commitment period of the Kyoto Protocol.

KEY CONTACTS TO ENGAGE & INFORM:

MIGUEL ARIAS CANETE, Commissioner for Climate Action and Energy GIOVANNI LA VIA MEP (EPP, Italy) - Chair of the European Parliament's Environment Committee

PRIORITIES:

- COP21 climate summit preparations
- 2050 emissions goals
- 2030 framework for climate & energy policy
- EU ETS reform
- Reforms to energy policy: going beyond 2014 goals
- Other opportunities: automation & control; resource use optimisation; Internet & cloud technology; domestic appliance labeling

IN DETAIL

• Building on the results of the G7 summit to go beyond the 70% decarbonisation goal for **2050**, aiming for zero net emissions as soon as possible thereafter.

• Keeping the debate open for an **EU 2030 framework** for climate and energy policies that includes three legally binding targets. Greenhouse gas (GHG) emissions reductions of at least 60%, end-use energy savings of at least 40% and at least 45% of energy sourced from sustainable renewable energy by 2030. This would put the EU in line with achieving emission reductions of at least 95% and sourcing most of its energy from renewable energy by 2050.

• Concluding the **EU ETS reform** and ensure that the market stability reserve is an effective step towards structural reform. This means proposing long-term solutions to match the EU ETS with the objectives of the 2050 decarbonisation roadmap and ensuring that ETS revenues are invested in climate action.

BEYOND 2014 TARGETS

Luxembourg would like to go beyond climate & energy targets set last year. Specifically:

- Efforts to put energy efficiency first and adopt an end-use energy savings target of at least 40%
- An ambitious legislative proposal to revise the EU Energy Labelling Directive and combine it with a strong Communication on the next Working Plan for 2015-2017 regarding further implementation of the Ecodesign Directive
- An ambitious revision of the Energy Labelling Framework Directive.
- Support an ambitious new Ecodesign and Energy Label Work Plan for the period 2015-2017, making sure it is not limited only to a few new product categories and thus avoiding weakening the single market and missing out on significant improvement potentials and further savings for Europe.

TRANSPORT

WATCH THIS SPACE:

Transport is not at the top of Luxembourg's agenda. More is expected from the Dutch, who will take over the Presidency in 2016 and who have a keen interest in logistics. Nonetheless, Luxembourg inherits a series of files that have already been under discussion or deadlocked for a long time.

KEY CONTACTS TO ENGAGE & INFORM:

SAM WEISSEN, Air Transport Counsellor, Luxembourg Permanent Representation to the EU VIOLETTA BULC - Commissioner for Transport

PRIORITIES:

- Rail
STATUS: At a crossroads in run-up to October
- Aviation
STATUS: Parked till 2016
- Road
STATUS: Commission's 2015 Package: Loosening
- Maritime
STATUS: Port Liberalisation unlikely

• **RAIL** Luxembourg's biggest task is brokering a deal among EU countries on opening national rail markets to competition, which forms the political pillar of the EU's Fourth Railway Package, a raft of initiatives still under negotiation. If no progress is made by the October Transport Council (Calendar), prioritisation of the technical pillar of the Fourth Railway Package, meaning those issues where political agreement exists, will become the central focus.

• **ROAD** Vehicle pollution norms (Euro 5/6) have not been moved by the Council, and little progress regarding cars is expected until CO2 emissions rules start next year. The road transport sector is also preparing for 2016 and the planned Road Transport Package that will focus on social rights linked to the minimum wage issues, road tolling and a review of how cabotage rules are working.

• **AVIATION** The Presidency has little chance of making progress on key aviation files deadlocked in the Council, such as Passenger Rights & Single European Sky. The EU Council, on the other hand, has promised an Aviation Package this year. While its content remains uncertain, expect it to include international competitiveness, social rights, and possibly also airport charges, a new attempt on a groundhandling proposal, or even a review of the Regulation 1008/2008 that sets all ground rules for civil aviation.

• **MARITIME** The Council has been ready to start negotiating with the European Parliament on the liberalisation of port services at the EU level, including ending monopolies, since October 2014. MEPs have twice rejected a similar proposal and are likely to refuse a third time, leaving member states to choose their preferred model.

CHECKLIST

- ☑ Have you **briefed** on the issues & current state of play?
- ☑ Have you **met** the contacts & key stakeholders relevant to your sector?
- ☑ Have you **earned** their confidence and trust?

EU Council Presidency Rotation



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