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# Luxembourg EU Council Presidency - Second semester 2015 - Overview of priority dossiers

## 1. Introduction

Luxembourg will hold its 12th Presidency of the Council, concluding the Italian-Latvian-Luxembourg Trio Council Presidency in the second half of 2015. Luxembourg last presided over the Council of the EU in 2005. The official programme of the Presidency will be presented to the Conference of Committee Chairs by Nicolas Schmit, the Minister of Labour, Employment and the Social and Solidarity Economy on 9 June, and by Prime Minister Xavier Bettel to the Parliament on 8 July. Minister Schmitt will be responsible for relations with the European Parliament during the Luxembourgish Presidency.

Luxembourg's European priorities will focus on the Growth and Jobs Agenda, the social dimension of European policies, the implementation of the European Agenda for Migration and the Energy Union, the reform of the Economic and Monetary Union, the negotiation of the TTIP agreement and the preparation of the COP 21 climate change conference in Paris.

## 2. Inter-institutional agenda

The Commission presented a **Better Regulation** package on 19 May, including - among others - a proposal to review the inter-institutional agreement on better law-making. Tripartite negotiations will essentially take place under the Luxembourgish Council Presidency, which attaches great importance to citizens' interests. The issues addressed will include annual and multiannual programming, better regulation issues (REFIT), delegated and implementing acts and impact assessment.

The Commission presented on 27 May a proposal for the **2016 EU budget** of €143.5 billion in payment credits. It includes €2 billion in commitments and €500 million in payments for the guarantee fund of the European Fund for Strategic Investments (EFSI), as well as €1.67 billion to support priority projects under the Energy Union and the Digital Single Market via the Connecting Europe Facility. The Council will present its position on the EU Budget for 2016 at the September

plenary session, and Parliament will adopt its reading on 28 October. A conciliation committee would be subsequently set up, and if there is an agreement, the budget for 2016 would be adopted on 25 November.

### 3. Jobs, Growth and Investment

The Presidency's action in this field will evolve around the Commission's Investment Plan for Europe. On the European Fund for Strategic Investment (**EFSI**) (2015/0009/COD), agreement of the co-legislators is sought by the summer, in order for the Fund to be operational by September 2015. With regards to investment in capital markets, the regulatory framework will be determined by the Action Plan on Capital Markets Union which the Commission will present in September 2015. The Commission aims to build a bottom-up Capital Markets Union, unlocking liquidity and venture capital for the cross-border financing of SMEs.

Building on the results of a public consultation, the Commission will present proposals to review the **Europe 2020 strategy** before the end of 2015. One of the main priorities of the Luxembourgish Presidency would be to boost long-term investment in research and development, as well as education.

### 4. Migration, Justice and Home Affairs

As concluded at the special European Council summit of 23 April, President Tusk will convene a special EU-Africa summit in Malta on 6-7 November to tackle the cause of illegal migration and to combat smuggling and trafficking of human beings. The issues addressed will also include poverty, wars, human rights, unequal distribution and access to resources. Meanwhile, on 8 June, G7 heads of state and government will meet various African States during the G7 Summit in Schloss Elmau, Germany, to discuss the reforms necessary for peace, security, growth and sustainable development in Africa.

The **European Agenda on Migration**, adopted by the Commission on May 13, is meant to provide EU Member states with a common platform to address the issue of migrants flowing mainly through the Southern borders. It outlines four points, namely a common asylum policy, the fight against human trafficking, preventing irregular migration, and reforming the legal migration system. Other key points of the Migration Agenda include the establishment of an EU resettlement scheme and a review of the Blue Card system for highly skilled migrants. In addition, the creation of a multi-purpose centre in Niger is envisaged for the end of 2015, in order to assist legal migrants and refugees.

In the fight against terrorism, the political and legislative priorities in the second semester of 2015 will be the following:

- the **Data Protection Reform Package** (General Data Protection Regulation and Directive on Personal Data used by competent authorities in criminal affairs) is a main priority for the LIBE committee. The Latvian Presidency adopted a partial general approach on 16 March for the Regulation and a general approach is expected in June for the Directive, so that

negotiations could be pursued under the Luxembourgish Presidency. Trilogues could advance in parallel with the EU-PNR Directive;

- adoption of the **EU-PNR Directive** (2011/0023/COD) - the draft report was presented on 26 February in the LIBE committee. In its resolution on anti-terrorism measures of 11 February, Parliament committed to working towards the finalisation of the EU-PNR Directive by the end of this year. Meanwhile, Parliament's consent to the draft revised PNR agreement with Canada is pending an opinion of the European Court of Justice on its compliance with the EU Treaties;
- On 28 April, the Commission presented its **European Agenda on Security** in the form of a 5-year Action Plan setting out measures in the field of terrorism and radicalisation, organised crime and cybercrime. The European Council will adopt conclusions at its June summit;
- LIBE is preparing a strategic initiative report (2015/2063 INI) on the prevention of **radicalisation** and recruitment of European citizens by fundamentalist movements, to be adopted at the July plenary.

## 5. Economic and Monetary Union

On 18 December, the European Council mandated European Commission President Jean-Claude Juncker, Euro Summit President Donald Tusk, Eurogroup President Jeroen Dijsselbloem, and European Central Bank President Mario Draghi to prepare a report on the reform of the eurozone governance, for a discussion to be held at the European Council on 25 and 26 June.

At the informal meeting of the European Council on 12 February 2015, President Juncker presented an analytical note on the current state of Economic and Monetary Union (EMU) and identified the main shortcomings of the EMU framework. President Juncker indicated his intention to draw on input - in the form of a questionnaire - from the Member States and the President of the European Parliament for the preparation of the final report. Parliament's contribution is based on the input of the political groups and reflects the content of the ECON report on the 'Review of the economic governance framework: Stocktaking and challenges' (2014/2145/INI), which will be debated at the June II plenary session. Parliament's position focuses essentially on the democratic legitimacy and accountability of the European Semester and the proposal for a fiscal capacity within the euro area.

## 6. Tax policy

On 18 March, the European Commission adopted a package of tax transparency measures as part of its agenda to tackle corporate tax avoidance and harmful tax competition in the EU. Parliament was consulted on the proposal for the mandatory exchange of information between Member States on their tax rulings, as well as on the repeal of the Savings Directive. Parliament will give its opinion on tax rulings in December. The next milestone will be the proposal, on 17 June, for an Action Plan for a fairer corporate tax system in the EU, which will focus on measures to make corporate taxation fairer and more efficient within the Single Market, including a re-launch of the

Common Consolidated Corporate Tax Base (CCCTB) and ideas for integrating new OECD/G20 actions to combat base erosion and profit shifting (BEPS) at EU level.

The European Parliament has set up a special committee (TAXE) to assess EU Member States' "tax rulings and other measures similar in nature or effect" and make recommendations for the future. The final report from TAXE (2015/2066 INI) will be adopted at the November II plenary session. It will be followed-up by a legislative initiative report prepared by the ECON committee on transparency, coordination and convergence of Corporate tax policies in the Union (2015/2010 INL), to be adopted in December.

## 7. External action

The negotiations of the EU-USA (TTIP) and EU-Canada (CETA) trade agreements will feature prominently during the Luxembourg Presidency of the Council. The CETA could be ratified in 2016, if an agreement is found on investment issues by the end of this year. As for the TTIP, Commissioner Malmström presented new proposals to the INTA committee early May and Parliament will adopt its recommendations for the negotiations at its June plenary session in Strasbourg. The Presidency is expected to make progress on sensitive political issues. Also, the Presidency aims at concluding negotiations with Vietnam and Japan.

2015 is the European Year for Development and the Presidency is committed to promote a common EU position at the UN Conference on Financing for Development in Addis Ababa, as well as at the UN Summit on the Post-2015 development agenda of 21-23 September in New York. A debate on the Post-2015 Development Agenda will take place at the plenary session of 16 September. The Luxembourgish Presidency also intends to couple development policy with trade. It will prepare and coordinate the EU's position with a view to the 10th Ministerial Conference of the WTO to be held in Nairobi in December 2015.

In October, the European Council will have a broad discussion on Southern Partnership in the context of its neighbourhood policy, as 2015 also marks the 20th anniversary of the Barcelona process. The Commission launched a public consultation to review the principles on which the European Neighbourhood Policy (ENP) is based and how instruments should be used. The public consultation ends in June and a Communication setting out proposals for the future direction of the ENP will follow in the autumn. As indicated in its political guidelines, the Juncker Commission does not foresee any enlargement of the EU within the next five years, but ongoing negotiations will continue with the candidate countries, especially in the Western Balkans. The Presidency will also aim to open new chapters in the negotiations with Turkey.

## 8. Energy Union

The Commission adopted on 25 February the strategic framework of the **Energy Union**, including a roadmap for policy action between 2015 and 2020. Since Russia's decision to abandon the South Stream pipeline project in December 2014, the EU's orientation has shifted to its other Eastern and Southern energy partners (Turkey, Azerbaijan and Euromed countries), triggering a bigger

emphasis on energy diplomacy and regional negotiations. The first draft legislations under the new framework will be presented on 15 July in a "summer package", including proposals on electricity market design, retail market, energy labelling and the review of the Emissions Trading System.

The Commission urges Member States to achieve a minimum target of 10% of electricity interconnections by 2020. These infrastructure projects will benefit from European financing, notably through the Connecting Europe Facility, the Structural Funds and the European Fund for Strategic Investment.

The Energy Union reconfirms the EU's Intended Nationally Determined Contribution (INDC) that is an emission reduction pledge of 40% compared to 1990 levels by 2030. This pledge will be promoted at the United Nations COP21 **climate change conference** of Paris in December 2015 to limit the increase in global temperatures to maximum 2 degrees. The ENVI committee is preparing a related strategic report (2015/2112/INI), to be debated in plenary in autumn.

On 18 May, the Vice-President for the Energy Union launched an Energy Union Tour to engage in an intensive dialogue with governments, national parliaments and the European Parliament, as well as relevant stakeholders, including social partners, representatives of the business community and NGOs. This series of visits will feed into the first State of the Energy Union report, which the Commission will present to the European Parliament and Council in the autumn of this year. Parliament will debate and adopt a report on the Energy Union (2015/2108/INI) at its September plenary session. Finally, the Luxembourg Presidency will report on the Council's conclusions to the European Council before December 2015.

## 9. Other key legislative dossiers

The Luxembourg Presidency will inherit a number of unfinished legislation from the Latvian Presidency. There are currently 130 active files under the ordinary legislative procedure (CODs): 83 are waiting Parliament's first reading out of which 9 are codifications. The Council must give its first reading position on 47 CODs. The most important legislative dossiers under the Luxembourgish Presidency term will likely be (in addition to those mentioned above) the following:

### Digital Single Market

- A digital single market strategy was adopted by the Commission on 6 May, with legislative proposals expected in 2015, inter alia, on cross-border contract rules, Geo-blocking, and the reform of the copyright regime.
- Meanwhile, the Latvian Presidency is aiming at concluding negotiations with Parliament on the Regulation on the **European single market for electronic communications** (2013/0309/COD). However, negotiations are likely to be continued under Luxembourgish Presidency.

## Reform of the EU Banking sector and financial markets

- The draft report on Structural measures improving the **resilience of EU credit institutions** (2014/0020/COD) failed to secure a majority in the ECON committee in May and it therefore needs to be redrafted. On the other hand, the Latvian Presidency is expected to conclude negotiations on the **Securities financing transactions** legislation (2014/0017/COD) and its final adoption is foreseen in autumn.
- The Luxembourg Presidency is expected to pursue and possibly conclude negotiations on the **Benchmark** Regulation (2013/0314/COD), for which Parliament adopted a mandate on 19 May.

## Health and Consumer protection

- The proposals on **maternity leave** (2008/0193/COD) and **gender balance among directors of companies** (2012/0299/COD) have been blocked in the Council for a considerable time. With regard to maternity leave, Parliament has until June to find an agreement with the Council, after which the Commission is expected to withdraw the proposal.
- On the revised proposal on **novel foods** (2013/0435/COD), negotiations are ongoing and may continue under the Luxembourgish Presidency.
- The **consumer product safety package** - composed of the market surveillance of products (2013/0048 COD) and consumer product safety (2013/0049/COD) - is currently awaiting Council's position but could be eventually concluded under the Latvian presidency.

## Transport

- On the **4th Railway Package**, the Latvian Presidency is expected to reach an agreement with the Parliament regarding the technical pillar which concerns mainly safety by the end of June, but the political issue of market access of railways in Europe will need to be addressed by the Luxembourgish Presidency.
- The dossier on **Air Passenger Rights** (2013/0072/COD) and the **Single European Sky** package have been blocked for a considerable time. Council has refused to enter into negotiations on the Single European Sky package, due to the statute of the Gibraltar airport. However, direct routes and a new airspace configuration would be essential, as European air passengers are faced with delays and congestion. The Commission is planning to push for a high level discussion on the existing proposal on EU passenger rights again this summer.

## 10. International summits

- UN Conference on Financing for Development, Addis Ababa: 13-16 July
- UN General Assembly, New York: 15-28 September
- UN Summit on the Post-2015 development agenda, New York: 21-23 September
- 12th ASEM Foreign Ministers Meeting in Luxembourg: 5-6 November
- EU-Africa Summit, Malta: 6-7 November

- G20 summit in Antalya, under the Turkish Presidency: 15-16 November
- COP 21 Conference on Climate Change in Paris: 30 November to 11 December
- 10th ministerial conference of the WTO in Nairobi: 15-18 December

European Council meetings will be held on 15-16 October and 17-18 December 2015.

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