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## OUTCOME OF THE COUNCIL MEETING

3505th Council meeting

### Transport, Telecommunications and Energy

Brussels, 1, 2 and 5 December 2016

|            |                                                                                                             |
|------------|-------------------------------------------------------------------------------------------------------------|
| Presidents | <b>Arpád Érsek</b><br>Minister for Transport, Construction and Regional<br>Development of Slovakia          |
|            | <b>Peter Pellegrini</b><br>Deputy Prime Minister for Investments and the<br>Information Society of Slovakia |
|            | <b>Peter Žiga</b><br>Minister for the Economy of Slovakia                                                   |

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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**

### **TRANSPORT**

#### **Civil aviation safety – EASA**

The Council agreed on a general approach on a proposal on revised common **safety rules for civil aviation** and a revised mandate for the **European Aviation Safety Agency ('EASA basic regulation')**. The proposal introduces a more performance- and risk-based approach to safety regulation. It contains the first EU-wide rules for the safe integration of **drones** into European airspace, where they will fly alongside normal aeroplanes.

The main objective of the draft regulation is to allow the EU aviation sector to continue to grow in the future while maintaining the current high level of safety. Another objective is to create an effective regulatory framework that will stimulate emerging technologies and new business models. In particular, the category of remotely piloted drones has been expanding rapidly in recent years. The sector offers vast potential for promoting growth and creating new jobs.

For details, see press release [Aviation safety, EASA and drones rules: Council adopts its position](#).

[Civil aviation safety regulation - general approach](#)

#### **Passenger ship safety**

The Council discussed all three proposals presented by the Commission in June 2016 to **update and revise common rules on the safety of passenger ships**.

It adopted a general approach on two of the proposals: the '**general' directive on passenger ship safety**, which contains the most extensive technical rules on passenger ship safety in the EU, and the directive on **inspections of ro-ro ferries and high-speed passenger craft**. It took stock of progress on the third proposal: revised rules on the **registration of passengers**.

The paramount objective of the new provisions is to make travelling by sea safer. The revision also aims to make the rules simpler and cut administrative costs.

For details, see press release [Passenger ship safety: Council stance on two sets of rules](#).

[Revised safety rules and standards for passenger ships - general approach](#)

[Inspections of ro-ro passenger ships and high-speed passenger craft - general approach](#)

[Registration of passengers - progress report](#)

## **Other business**

### **– *International Civil Aviation Organisation and International Maritime Organisation***

The [Commission briefed ministers](#) on the outcome of the 39th session of the Assembly of the International Civil Aviation Organisation (ICAO) and the 70th meeting of the Marine Environment Protection Committee (MEPC) of the International Maritime Organisation (IMO). Both meetings took place this autumn.

The ICAO agreed to establish a global scheme (global market-based measure) to stabilise CO<sub>2</sub> emissions from international aviation from 2021. In the light of this outcome, the Commission will review the scope of the EU Emissions Trading System and intends to propose new legislation in early 2017.

The IMO made progress in addressing international shipping emissions, in particular by formally adopting a mandatory data collection system for fuel consumption of ships and agreeing that an IMO strategy on reduction of greenhouse gas emissions from ships should be adopted in 2018. It may also consider the levels of ambition of the shipping sector's contribution to the international efforts to curb greenhouse gas emissions.

The IMO now needs to develop guidelines for the implementation of the data collection scheme. These are expected to be approved in May 2017. The Commission will review the EU data collection scheme against the international one, once the latter is in place.

– ***Draft common aviation area agreement with Turkey***

Ministers took note of the Cyprus delegation's remarks regarding the ongoing negotiations for a common aviation area agreement between the EU and Turkey.

– ***Upcoming road initiatives and the road haulage sector***

The Commission briefed ministers on the road package it is planning to present in the first half of 2017. The French and German delegations, which had asked for this item to be put on the agenda, expressed their concerns with regard to the current challenges in the road haulage sector and asked the Commission to address these issues in the upcoming legislative initiatives on road transport. A large number of member states also took the floor to express their views.

Many delegations stated that they were against further liberalisation of road transport, while some were in favour of more market opening. Any abuse and fraud in the road haulage sector were felt to be unacceptable. A number of delegations mentioned the issue of working and rest times, fraudulent use of tachographs and letterbox companies. Several member states called for more harmonised inspections.

A number of member states also mentioned the need to facilitate competition, avoid fragmentation and keep the administrative burden to a minimum.

The Commission explained that its upcoming road package will consist of four pillars, focusing on the functioning of the internal market, the social aspects of road transport, road charging and digitalisation and interoperability. It was too early, however, to discuss specific policy measures that will be included in the package. The Commission will analyse carefully the phenomenon of letter-box companies, which is at the heart of many problems. It will also carry out an impact assessment to see which rules should apply to light trucks. A smart tachograph adopted in 2014 will be mandatory for new vehicles in 2019, and that will be an efficient tool.

– ***Evolution of EU type approval legislation***

The Commission updated ministers on progress made on EU legislation aimed at preventing irregularities in connection with emissions-related approval procedures.

The German delegation, which had requested the item, felt that it would be crucial to have uniform rules in the EU against the use of defeat devices. It welcomed what the Commission was doing but considered that this could only be complementary to amending the relevant provisions.

The Commission believes that the prohibition of defeat devices is clear and that the provisions do not need to be changed. Together with the member states, it is finalising a guidance document to clarify interpretation of the provisions.

In January 2016 the Commission adopted a new proposal to reinforce the independence and quality of testing that allows a car to be placed on the market. The proposal introduces an effective market surveillance system to control the conformity of cars already in circulation and reinforces the type approval system by providing for greater EU oversight. The proposal has been examined at technical level in the Council.

– ***Security in the transport sector***

The Commission updated ministers on the latest developments in the area of security in the transport sector. Transport Commissioner Violeta Bulc was joined by Security Union Commissioner Julian King. The EU is currently working on developing a Security Union, and transport security is part of it.

According to the Commission, transport security requires a risk-based approach and proportionate policy responses. At the same time, transport systems should be kept open and accessible to citizens.

Current work on **air transport** security focuses on the protection of public areas of airports and the mitigation of risks related to flights originating from third countries. The Commission's work on this risk mitigation includes developing a mechanism for responding to time-critical threat. It also aims at deepening cooperation by offering capacity building, in particular funded under the EU's Instrument for Stability and Peace.

When it comes to **maritime transport**, the Commission will continue its work on maritime passenger security issues on the basis of two studies it carried out in 2013 and 2016. It will propose new legislation if deemed appropriate.

As regards **rail transport**, in 2017 the Commission will flesh out security elements and required coordination in particular to increase rail passenger services' resilience to emerging security risks, both on board trains and in stations. It will also continue to develop guidance procedures, manuals and other tools for practitioners.

#### – **Road safety**

The Commission updated ministers on road safety in the EU.

The Commission has evaluated cross-border enforcement of road traffic rules, and the results show that the cross-border enforcement directive is working. However, more could be done. For example, not all detected road traffic offences committed by non-residents are investigated. The Commission also suggests that additional road safety-related offences could be considered for inclusion in the scope of the directive, such as failing to keep a sufficient distance from the vehicle in front, dangerous overtaking and dangerous parking.

When it comes to road safety in general, the Commission points out that 26 000 people still die on EU roads each year and the figure has been stagnating for the last two years. As regards serious injury statistics, the Commission calls on member states to continue to support new data collection using the harmonised EU definition.

In conclusion, the Commission calls on all member states to step up efforts to improve road safety. The potential of the cross-border enforcement directive could be maximised by fully using the possibilities offered by the electronic information system for vehicle registration data exchange and by systematically investigating road traffic offences committed by non-residents.

– ***Connected and automated driving - Amsterdam declaration follow-up***

The Netherlands delegation updated ministers on the follow-up to the Amsterdam declaration that was endorsed at the informal Transport and Environment Council meeting in Amsterdam in April 2016. The declaration was an important first step towards a common European strategy for connected and automated driving. It called for the establishment of a high-level structural dialogue for member states to share views and best practices regarding the development of connected and automated driving and to monitor progress in this area. The first meeting of the high-level structural dialogue on connected and automated driving will take place in Amsterdam on 15 February 2017, and the Netherlands invited member states and the Commission to attend.

The Commission highlighted in this context the European strategy on cooperative intelligent transport systems that it had adopted the day before.

– ***Women in transport***

The Commission reported to ministers on the issue of women in transport. Transport is not a gender-balanced sector: only 22% of people working in transport are women, compared to 46% in the overall economy. The proportion of women is extremely low in the more technical professions: they account for only 3% of rail drivers. Factors such as atypical and long working hours make it difficult to increase the proportion of women in transport jobs.

The Commission considers that focused action is necessary to increase the participation of women in the transport sector in order to introduce more gender balance in this area and avoid shortages of labour in the future. It will continue to work with member states on this important topic.

Several member states took the floor to support the Commission and express their commitment to these efforts.

– ***Galileo***

The Commission updated ministers on the latest developments on the European satellite navigation programme Galileo.

There are now 18 Galileo satellites orbiting the Earth and there are plans to launch additional ones in 2017 and 2018. Three Galileo initial services (open, public regulated, and search and rescue) will be launched soon, offering reliability and accuracy. Open service can be used for example in car satellite navigation systems. The public regulated service is intended for government applications, such as for police and customs authorities. The search and rescue service will make it possible to detect people in distress rapidly.

The key to ensuring the success of Galileo is to secure a significant share in the worldwide market of technologies, applications and services based on satellite positioning, navigation and timing. The Space Strategy for Europe adopted in October 2016 makes the market uptake of Galileo a high priority.

– ***European strategy for low-emission mobility***

The Commission presented the European strategy for low-emission mobility, adopted in July 2016. The strategy focuses on organising transport differently and promoting technology and new business models.

It includes three main elements. Firstly, it aims to increase the efficiency of the transport system by making the most of digital technologies and smart pricing and encouraging the shift to lower-emission transport modes. Multimodality is also promoted by the European strategy on Cooperative Intelligent Transport Systems that the Commission adopted on 30 November 2016, on the eve of the Council meeting. Secondly, the low-emission mobility strategy aims to speed up the deployment of low-emission alternative energy for transport, such as advanced biofuels and electricity. The third pillar consists of moving towards zero-emission vehicles.

– ***Incoming presidency's work programme in the field of transport***

The incoming Maltese presidency presented its work programme for the first half of 2017. For the Maltese presidency all modes of transport will be on an equal footing. High among its priorities are the passenger ship legislation and the European Aviation Safety Agency (EASA) regulation. As regards land transport, the presidency priorities include a review of the directive on the initial training qualification and periodic training for professional drivers and a revision of the regulation on rail passenger rights.

## **TELECOMMUNICATIONS**

### **Review of EU telecoms rules**

The Council held a **policy debate** on the **revision of the EU telecoms regulatory framework** on the basis of a [discussion paper](#) prepared by the presidency.

The review sets out to improve fixed and mobile connectivity for consumers and businesses in Europe. It aims to further investment, competition and innovation, and at the same time protect consumers.

The discussion addressed topics related to two legislative proposals and two communications under the '**connectivity package**' presented by the Commission in September. The main proposal in the package is the draft '**European Electronic Communications Code**', which merges four existing telecoms directives (framework, authorisation, access and universal service). The Commission also proposes new rules for the body of European regulators BEREC.

In the debate, member states expressed their support for the revised connectivity objectives in the proposals, which now emphasise very high speed connectivity for all.

They considered it important to promote investment and foster competition. At the same time, regulation should be kept as light as possible and it should take into account member states' local characteristics. Some delegations pointed out that member states ought to have further flexibility to address connectivity issues in sparsely populated areas, with the possibility of state intervention where there would otherwise be insufficient investment. More efficient tools should also be provided to deal with the situation of non-competitive duopolies.

A large number of member states expressed their support for clear new rules on consumer protection and the inclusion of internet access as a universal service. Some delegations, however, mentioned the need to maintain flexibility regarding the funding of this universal service.

A few delegations mentioned the need to boost digital skills.

When it comes to radio spectrum, most members states agreed that the existing framework, including the radio spectrum policy group, could easily support the required cooperation for spectrum management. There was no need to create additional layers of cooperation or turn BEREC into a European agency. This would just add to the administrative burden.

The ministers' discussion will guide future work at technical level, especially on the draft Electronic Communications Code and the BEREC regulation.

## **Wholesale roaming**

The Council agreed on a **general approach** on new rules for **wholesale roaming markets** in the EU, paving the way for the abolition of roaming fees for consumers in 2017. The agreed text is the **starting point for negotiations with the European Parliament**. The Council supports a quick agreement so that roaming fees can be abolished in June 2017 as agreed. Both institutions must agree on the final text before it can be adopted.

The draft regulation lays down limits for what operators may charge each other for the use of their networks to provide roaming services. These caps cover voice calls, SMS messages and the use of data.

The aim is to set the caps at a level that will help **make the end of roaming charges sustainable across the EU**, even though mobile use, travel patterns and price levels vary a great deal from one member state to another. To achieve this, the new rules aim to preserve incentives to invest in networks, and avoid distorting competition in both home and visited markets.

Under the general approach, a new wholesale-level sustainability mechanism will be set up to ensure cost recovery in exceptional circumstances. If operators are not able to recover their costs, they may ask their national regulator for permission to apply a limited surcharge on top of the caps.

For details, see press release [Wholesale roaming: Council ready for talks with EP](#).

[Wholesale roaming markets - general approach](#)

[Joint statement by 13 member states](#)

## Cross-border parcel delivery services

The Council **took stock of the progress made** on new rules to **improve cross-border parcel delivery services**. The draft regulation aims to make regulatory oversight of the parcel sector more effective and encourage competition. It sets out to increase the transparency of tariffs in order to reduce tariff differences which cannot be justified. This should also bring down prices paid by citizens and small businesses, especially in remote areas. The proposal does not include any price regulation for the sector.

The Commission proposes that national regulators collect various sets of data on the service providers. Some of the data, in particular on tariffs, would be published by the Commission so as to improve transparency in the market. New provisions on access to networks should encourage new entrants in the market and help universal service providers reduce their costs, thus improving their competitiveness. In this connection, national regulators would also collect data to monitor the evolution of competition in the parcel markets.

According to the progress report drafted by the presidency, member states generally welcome the objectives of the proposal but have expressed a number of concerns, in particular with regard to the potential regulatory and financial burden it may cause.

Despite the presidency's efforts to clarify the scope of the measures, including a new definition of 'parcel' and other adjustments to the text, more work is needed to solve the various outstanding issues.

[Cross-border parcel delivery services - progress report](#)

## WiFi4EU

The Council adopted a **partial general approach** on a proposal to **promote free internet in local communities by means of an EU-funded scheme, 'WiFi4EU'**. Budget issues relating to the mid-term review of the multiannual financial framework will be finalised later.

The proposal aims to help provide free WiFi in town halls, public parks and other centres of public life. The EU will fund installation of local wireless access points, and the beneficiary will maintain the service. The free network will be easily recognisable to citizens under the WiFi4EU brand.

Thanks to these free local connections, even those who may otherwise face difficulties in getting online, such as unemployed or elderly people, should have the opportunity to experience the benefits of high-speed broadband. WiFi4EU will promote digital local services such as e-government, and is expected to increase citizens' demand for connectivity and use of online services.

For details, see press release [Free WiFi4EU internet connection - Council agrees its position](#).

[WiFi4EU - partial general approach](#)

## **Other business**

### **– *Fair use policy***

The Commission updated ministers on the preparation of the implementing act on fair use in the context of the agreed abolition of roaming fees. The Commission is expected to adopt the implementing act by 15 December 2016. The abolition of roaming fees subject to fair use is to become reality on 15 June 2017.

### **– *Digital single market initiatives***

The Commission provided a status update on the digital single market strategy, which is one of the main priorities for this Commission. Proposals are progressing at a good pace, and the Commission encouraged member states to keep up the momentum as outlined by EU leaders in the European Council in June 2016.

[Commission information note on the state of play of the digital single market](#)

### **– *Internet governance***

The Commission updated ministers on the latest developments in internet governance, including the Internet Assigned Numbers Authority (IANA) transition to the multi-stakeholder community and the upcoming Internet Governance Forum meeting, which will be held on 6-9 December in Mexico.

[Commission information on developments on internet governance](#)

### **– *Incoming presidency's work programme in the field of telecommunications***

The incoming Maltese presidency presented its [telecommunications work programme](#) for the first half of 2017.

## **ENERGY**

### **Security of gas supply**

The Council held a policy debate on the proposal for a revised regulation concerning measures to safeguard the **security of gas supply** ([6225/16](#) + [ADD 1](#) + [ADD 2](#) + [ADD 3](#)).

The general purpose of the regulation is to build a cost-effective and efficient EU regional framework that would minimise the impact of a potential gas disruption and therefore increase security of supply across the EU. Enhanced regional cooperation and coordination are important tools for creating more solidarity and trust between member states and for strengthening the internal energy market.

Three key issues remained open: **regional cooperation, exchange of information on commercial gas contracts and solidarity**.

Ministers were invited to choose between two options for each of these topics ([14874/16](#)).

- regional cooperation: cooperation to be based either on flexibility within the structure of the core regions or on the analysis of risks
- exchange of information on commercial gas contracts: extent of the information to be provided to the national competent authorities and to the Commission
- solidarity: level of details to be defined in the text of the regulation concerning the modalities for solidarity and compensation

The Commission recalled that the stress tests carried out in 2014 showed that there are some member states particularly vulnerable to gas disruptions and that the original purpose of the regulation was precisely to address these issues, improving cross-border measures between member-states.

Commissioner Cañete emphasised that solidarity is one of the main principles on which the EU is built, but the goal is not to have EU-wide harmonisation; solidarity must also be operational.

Therefore, the solution should come first from market based measures and adequate compensation must be provided.

The Council agreed that:

- **regional cooperation** would be based on risk-based groups of member states identified on the basis of the main transnational risks for the EU's gas supply. Groups of member states together with relevant risks will be specified in the regulation, taking into account the result of a preliminary ENTSO-G assessment. Member states will conduct national risk assessments as well as common risk assessments with other member states, according to the relevant risk.
- **exchange of information on commercial gas contracts** relevant for security of supply will take account of the need to ensure that the administrative burden remains proportionate and that the confidentiality of commercially sensitive information is preserved. Long-term gas contracts which provide 40 % or more of annual natural gas consumption in the member state concerned will be notified to the competent authority.

The competent authority and the Commission will also be able to request relevant information (except on price) concerning other gas contracts even if they do not fulfil the 40% threshold.

- **solidarity**, together with general principles including on compensation, will be defined in the text of the regulation, allowing member states to take account of their specific national situation. Solidarity is a last resort mechanism after all the emergency measures have been exhausted.

On the basis of the political guidance provided by Council and the Presidency conclusions ([15273/16](#)), the Energy Working Party will examine the text. Depending on the outcome of that work, the current or upcoming Presidency will ask for mandate to the Committee of Permanent Representatives. This will allow the incoming Maltese presidency to start negotiations with the European Parliament with a view to a final agreement on the regulation before the end of the first semester 2017.

## Energy Union package

The Council heard a presentation from the Commission on its Clean Energy package, which aims to translate the EU's 2030 climate and energy targets into concrete action.

It includes two proposals on **energy efficiency**, three on **electricity market design**, one on **renewables** and one on **energy governance**. The package also contains several Commission regulations on eco-design, as well as several communications and reports.

The two proposals relating to energy efficiency and renewables respond to the 2030 targets of at least 27% for renewable energies (binding at EU level) and the indicative target of at least 27% for energy efficiency set by the October 2014 European Council, to be revised by 2020. The Commission proposes to boost this latter target from 27% to 30%, and to make it binding.

The electricity market design proposals aim to enable the transition to a low-carbon economy by addressing factors such as increasing inflows of intermittent renewables, subsidy schemes, network access rights, storage solutions, the interplay with other energy generation (notably gas) or regional cooperation.

The governance proposal seeks to establish a control mechanism that will ensure that the 2030 targets for renewable energies and energy efficiency will be met, bearing in mind that the European Council specified that these targets would not be translated into nationally binding targets.

The control mechanism will essentially consist of member states' National Plans for 2030 (also including a 2050 perspective), combined with biannual reporting to the Commission by member states using key indicators and templates. This reporting exercise should replace all existing reporting obligations in EU energy legislation.

Commissioner Šefčovič emphasised that this legislative package will lead to a historic transformation of the energy system in Europe. The proposals aim to boost the clean energy transition by modernising the economy and empowering consumers.

The proposals touch upon all clean energy-related sectors, including research and innovation, skills, buildings, industry, transport, digital and finance, and seek to equip all European citizens and businesses with the means to make the most of the clean energy transition.

The Commission indicated that the governance proposals are based on three main elements

- streamlining reporting obligations, to ensure more efficiency and consistency
- increased transparency and accountability
- establishing national energy and climate plans up until 2030, to be ready by 2019

Commissioner Arias Cañete added that the Commission proposals provide a strong market pull for new technologies, set the right conditions for investors, empower consumers, make energy markets work better and help the EU meet its climate targets.

He particularly stressed the importance of the binding 30% energy efficiency target, as it will reduce dependency on energy imports, create jobs and cut more emissions.

The Commission also stated that clean energies in 2015 attracted a global investment of over €300 billion. By mobilising up to €177 billion of public and private investment per year from 2021, this package could generate an increase in GDP of up to 1% over the next decade and create 900 000 new jobs.

Furthermore, the Commission announced a forthcoming 'smart financing initiative' for the energy efficiency of buildings (which represent 40% of the EU's energy consumption), in cooperation with the European Investment Bank and member states, mobilising around €10 billion.

Both Commissioners called on member states, the incoming Maltese presidency and the European Parliament to do their utmost so that the proposals can be adopted without undue delay.

The presidency recalled that given the size of the legislative package and the fact that it had only been presented recently, it was not possible for ministers to have an in-depth discussion, but an exchange of views on the proposals would be held during the working lunch.

### **External dimension of the EU's energy policy**

Ministers exchanged views on the development of the **external dimension of the EU's energy policy**, following a comprehensive update from the Commission ([13997/16](#)).

A significant number of developments had indeed occurred in the global energy landscape during this period, and had had an important impact on the internal and external dimension of EU energy policy.

Ministers drew attention to the following issues, which they felt were the most important in terms of the future development of the EU's energy policy and of ensuring its energy security:

- the need to have coordinated messages and to speak with one voice in international fora, as happened with the Paris agreement
- the importance of implementing the energy diplomacy action plan
- the need to pursue diversification of routes and sources, including the development of LNG storage

- increased cooperation with OPEC given the increasing volatility of the markets
- Nord Stream2 project concerns (currently awaiting the legal assessment from the Commission)
- the need to stabilise the Russia-Ukraine relationship but also to be active within the Energy Community
- the need to protect European industry against carbon leakage

#### **Any other business**

##### **– *Decision on intergovernmental agreements (IGAs) and regulation on energy labelling***

The Council will take note of information from the presidency on the state of play of two important legislative proposals ([14582/16](#)) on which the Council has reached general approaches. Negotiations with the EP have already started on both proposals.

##### **– Decision on an information exchange mechanism with regard to **intergovernmental agreements and non-binding instruments** between member states and third countries**

The decision aims to correct the shortcomings of the current mechanism in order to enhance the transparency and consistency of the EU's external energy relations and strengthen the EU's negotiating stance vis-à-vis third countries.

The proposal also responds to the European Council conclusions of March 2015 ([EUCO 11/15](#)), which called for all agreements related to the buying of gas from external suppliers to be fully compliant with Union law.

The Council agreed on a general approach in June 2016 ([8945/16](#)). After the vote by the European Parliament's ITRE Committee on 13 October, two trilogues were held, the first on 8 November, and the second on 24 November 2016. Substantial progress was achieved and provisional agreement was reached on a number of topics.

However, some key issues remained open: the definition of 'intergovernmental agreement', the inclusion of non-binding instruments and the scope of *ex ante* assessment of IGAs by the Commission (which the Council preferred to be limited to gas-related IGAs only, leaving IGAs relating to oil and electricity subject to *ex post* assessment).

At the Coreper meeting of 30 November, the presidency obtained a negotiating mandate for the third trilogue which is scheduled for 7 December 2016.

- Regulation on **energy efficiency labelling** ([13917/15](#)), which allows customers to make informed choices with regard to the energy efficiency and consumption of products, thus contributing to the moderation of energy demand.

Three informal trilogues were held under the Slovak presidency in July, September and October 2016. Several technical meetings also took place at expert level. Provisional agreement was reached on most non-core political issues, including scope, definitions, market surveillance and harmonised standards. The presidency also submitted compromise proposals ahead of the third trilogue on the core issues of rescaling and the database.

– ***External relations in the field of energy***

The Council was updated by the Commission on the EU's external relations in the field of energy ([14484/16](#)), in particular regarding:

- the [Energy Community](#)
- the [Energy Charter](#)
- Ukraine
- [Union for the Mediterranean](#)
- Canada
- India
- China

– ***International Energy Agency (IEA)***

The Luxembourg delegation informed the Council of its concerns regarding its financial contribution to the International Energy Agency (IEA) budget.

The IEA was established in 1974 with the aim of assisting countries in coordinating a collective response to major disruptions in the supply of oil. Over the years, the IEA has expanded its activities and provides statistics and analysis in all fields of energy policy. A majority of EU member states are members of the IEA, but the EU as such is not a member.

However, the Commission participates in certain IEA programmes, and makes significant voluntary financial contributions to specific projects.

The IEA is currently conducting a reflection on how to ensure the long-term financial health of the organisation. One of the options being examined is establishing a minimum cap for financing from each of its members. The calculations for this minimum cap may result in a significant increase in the financial contribution of small member states.

However, the reflection process is still ongoing and no definitive decision on financing is set to be taken by the IEA at the meeting of the Governing Board which will take place on 7-8 December 2016.

Several delegations, in particular CZ, EE and SK, shared the Luxembourg delegation's concerns.

The Commission expects that a fair solution will be found in the upcoming IEA meeting.

– ***Work programme of the incoming presidency***

The Council took note of the incoming Maltese presidency's main priorities for the next six months, which will focus on completing legislative work on security of gas supply and energy labelling and taking work forward on the following files:

- energy efficiency
- energy performance of buildings
- electricity market design
- Euro-Mediterranean cooperation

## **OTHER ITEMS APPROVED**

### **TRANSPORT**

#### **Air transport agreement with Armenia**

The Council adopted a mandate that will allow the Commission to start negotiations on a comprehensive air transport agreement with Armenia.

For details, see press release [Air transport agreement with Armenia: Council adopts mandate](#).

### **TRADE / DEVELOPMENT**

#### **EU-Cariforum - special committee on agriculture and fisheries**

The Council adopted a decision on the EU position within the Cariforum-EU trade and development committee with regard to the establishment of a special committee on agriculture and fisheries. The EU agreed to establish the special committee.

[EU position on the establishment of a special committee on agriculture and fisheries](#)

### **DEVELOPMENT**

#### **ACP-EU: Centre for the Development of Enterprise**

The Council approved a decision of the ACP-EU committee of ambassadors giving discharge to the Director of the Centre for the Development of Enterprise in respect of the implementation of the budgets for 2011 and 2012.

The Centre for the Development of Enterprise provides support in the promotion of private sector development in African, Caribbean and Pacific countries and regions.

[Draft Decision of the ACP-EU committee of ambassadors](#)

## **REGIONAL DEVELOPMENT**

### **Standard scales of unit costs to simplify use of the European social fund**

The Council decided not to object to a Commission regulation setting out standard scales of unit costs for reimbursement of expenditure under the European social fund (ESF) in Italy, Slovakia, the Netherlands, Malta, the Czech Republic and Germany ([13965/16](#)).

The use of standard scales of unit costs is aimed at simplifying the life of ESF beneficiaries and reducing the administrative burden.

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.

## **AGRICULTURE**

### **Regulation fixing certain aids and refunds related to the common organisation of the markets in agricultural products**

The Council adopted an amendment to [regulation 1370/2013](#) fixing certain aids and refunds related to the common organisation of the markets in agricultural products ([14148/16](#)).

Implementing a judgment of the Court of Justice of the European Union<sup>1</sup>, the new amended regulation ensures that the Council determines the reference thresholds for agricultural products and the level of the public intervention prices on the basis of Article 43(3) of the Treaty on the Functioning of the European Union (TFEU).

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<sup>1</sup> Judgment of the Court of Justice of 7 September 2016, Germany v Parliament and Council, C-113/14, ECLI:EU:C:2016:635.