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OUTCOME OF THE COUNCIL MEETING

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General Affairs

Luxembourg, 21 April 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>).
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ITEMS DEBATED

Migration

The presidency informed the Council of the discussions of foreign and interior ministers on migration issues at a joint meeting convened by the High Representative for Foreign Affairs and Security Policy and the presidency on 20 April 2015.

Ministers welcomed the increased determination to act on migration, in particular in regard to three main areas: reinforcing the fight against people smuggling, strengthening EU action to save lives at sea, and reinforcing cooperation with third countries.

Ministers considered that this discussion constituted a good basis for the Special European Council called by President Donald Tusk on migratory pressures in the Mediterranean on 23 April 2015.

Better law making

Ministers discussed the Council's priorities in the future interinstitutional agreement on better law making. On the basis of the discussion the presidency will outline the Council's key interests and priorities in a letter to Commission First Vice-President Timmermans. The Commission's proposal for a new interinstitutional agreement is expected on 19 May.

The current interinstitutional agreement on better law making dates from December 2003. It establishes general principles for cooperation between the Council, the European Parliament and the Commission, in particular during the legislative process. Its purpose is to improve the drafting and implementation of EU law.

Any other business

EU accession of Bulgaria and Romania

The Council marked the 10th anniversary of the signing of the accession treaty with Bulgaria and Romania.

Economic and Monetary Union

The Italian, Greek and Dutch delegations called for a discussion by the General Affairs Council on the Four Presidents' Report on the Economic and Monetary Union (EMU), ahead of its publication in June 2015. The EMU report is to be drafted under the responsibility of the President of the European Council, Donald Tusk, the President of the euro group, Jeroen Dijsselbloem, the President of the Commission, Jean-Claude Juncker, and the President of the European Central Bank, Mario Draghi.

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Fight against terrorism

Over lunch, ministers discussed the state of play of the implementation of the statement on the fight against terrorism made by the heads of state or government in February 2015. The discussion focused on radicalisation and safeguarding fundamental values. Ministers took stock of progress made and shared best practices and information on initiatives.

OTHER ITEMS APPROVED

GENERAL AFFAIRS

Appointment of new Secretary-General of the Council

The Council appointed Mr Jeppe Tranholm-Mikkelsen as the next Secretary-General of the Council for the period from 1 July 2015 to 30 June 2020. This follows an agreement reached at the European Council of 19 March 2015.

Mr Tranholm-Mikkelsen will take over from Uwe Corsepius who has been the Council's Secretary-General since 1 July 2010.

For details, see [press release](#).

Increase of pre-financing for the EU's youth employment initiative

The Council agreed a general approach on a draft regulation increasing pre-financing under the youth employment initiative (YEI). This should allow member states to quickly roll out measures for youth employment.

For details, see [press release](#).

Stabilisation and Association Agreement with Bosnia and Herzegovina

The Council adopted on 21 April a decision concluding the Stabilisation and Association Agreement (SAA) with Bosnia and Herzegovina (BiH).

For details, see [press release](#).

Former Yugoslav Republic of Macedonia

The Council adopted the following conclusions on the former Yugoslav Republic of Macedonia:

- "1 Recalling the EU commitment under the Thessaloniki Agenda, the 16 December 2014 Council Conclusions and the Candidate Status of the former Yugoslav Republic of Macedonia, the Council expresses its grave concern regarding the deteriorating situation in the country, in particular in the area of rule of law, fundamental rights and freedom of media, which are core democratic values at the heart of the EU and its enlargement policy. In the interest of the citizens, democracy, rule of law and political stability, the Council urges political leaders to rapidly address those concerns.
2. The Council urges all sides to assume their respective responsibilities and take immediate measures towards a sustainable solution, constructively engage to restart political dialogue and restore trust in the institutions by adequate political steps. All allegations should be investigated by the relevant authorities, including those allegations of potential wrongdoing being made public, with full regard for due process, the principle of independence and the presumption of innocence.
3. The Council welcomes the facilitation by Members of the European Parliament of talks between the main government and opposition parties and calls on all sides to show restraint and to focus on finding solutions to the ongoing political crisis as soon as possible.
4. Reaffirming the continued EU engagement, including through regular reporting by the Commission and the EEAS on the situation in the country and on the country's European integration progress, and in line with its 16 December 2014 Conclusions, the Council remains seized of the matter and will revert to the issue in the next months."

ENLARGEMENT

Relations with Iceland

The Council agreed on a reply by the Minister for Foreign Affairs of Latvia to the Minister for Foreign Affairs of Iceland. The Council, taking note of the Icelandic position, will consider certain further practical adjustments to the EU Council working procedures.

COHESION POLICY**EU support to SMEs - Conclusions on report of European Court of Auditors**

The Council adopted the following conclusions on the European Court of Auditors' special report entitled "Has the European regional development fund support to SMEs in the area of e-commerce been effective?" ([7292/15](#)):

"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 that support to e-commerce projects contributed to increasing the availability of business services online, however, it also concluded that shortcomings in the monitoring made it impossible to assess to what extent it contributed to the achievement of the EU and Member States' ICT strategies as well as SMEs' development objectives.
- (2) NOTES that the audit focused on the support provided by the ERDF during the 2007-2013 programming period and covered five OPs from four Member States, including an on-the-spot examination of 30 projects that had been operational for at least 2 years and a study visit to a region implementing the so-called "ICT voucher scheme". The total ERDF budget for ICT-uptake by SMEs for the 2007-2013 programming period, which includes e-commerce investments, amounts to around EUR 3 billion, i.e. 11 % of the support targeted directly at SMEs and 21 % of that targeted at ICT. Audited OPs altogether accounted for EUR 1,6 billion (51 %) of the ERDF budget set aside for ICT-uptake by SMEs.
- (3) RECALLS that since 2000 the Commission has drawn up several strategies for developing the information society in the EU: it launched the eEurope initiative and the European Information Society 2010 Strategy (i2010 Strategy) within the framework of the Lisbon strategy, in 2010 it launched the Digital Agenda for Europe (DAE), which constitutes one of the seven flagship initiatives of the current Europe 2020 strategy targeting growth and jobs, and in January 2012 the Commission adopted the Communication on e-commerce and online services with the aim of doubling the volume of e-commerce in the EU by 2015.

- (4) TAKES NOTE of the Court's findings that:
- 4.1. All OPs audited were in line with relevant regional or national information and communication technologies (ICT) strategies;
 - 4.2. All OPs audited included e-commerce measures and associated targets and indicators;
 - 4.3. In most cases SMEs implemented the ICT projects smoothly and project outputs were generally in line with the related application;
 - 4.4. Mostly projects were carried out within budget and without major delays. Where budget overruns occurred, the amounts involved were small and did not affect the amount of public co-financing. All project delays had been notified to and approved by the managing authority;
 - 4.5. Almost no enterprise experienced major technical problems during or after implementation; the IT applications developed were operational and worked without interruption;
 - 4.6. Many SMEs stated that they had benefited from the implementation of their project through increased turnover, an increase in the number of customers, an increase in the percentage of online sales, and/or job creation.
- (5) TAKES NOTE that:
- 5.1. According to Commission's estimate as of November 2013, 57% of the budget for ICT-uptake by SMEs was allocated to selected projects and thus showed low absorption rate when compared to all structural funds;
 - 5.2. Managing Authorities were not focusing sufficiently on ICT project results at both selection and monitoring stages, thus over half of the projects examined were not asked to report on any result-oriented targets;

5.3. Combination of a lack of demanding criteria and comparative selection of applications and the absence of comprehensive business information in project applications have resulted, in over one-third of the audited cases, in the co-funding of projects that offered low or no value for money;

5.4. The selection procedures were sometimes too lengthy.

(6) CONSIDERS that e-commerce technologies enhance economic growth, contribute positively to developing of the single market and of speeding up European integration. This is of particular importance in the case of SMEs, which needs for ICT investments have to be addressed appropriately.

(7) TAKES NOTE of the overall conclusion by the Court and in particular that the Court calls upon:

7.1. The Commission to ensure that it obtains consistent and reliable information from the Member States on the OPs' progress, not only in financial but also in performance terms (relevant result indicators and target values). Thereby, it is important for the Commission and Member States to design a monitoring system in such a way that progress towards all target values set can be measured in a timely way and allowing for comparison over time. Although standardisation is possible with output indicators, results indicators are tailor-made and mirror the objective pursued.

The new European Structural and Investment Funds regulatory framework for the period 2014-2020 has put a stronger emphasis on result orientation, therefore Member States in their OPs are asked to clearly identify common and programme specific output indicators (with target values), and result indicators that will measure the progress towards the change sought through investment (with baselines and target values). Detailed information on the progress of OP implementation will be shared with the Commission on an annual basis (from 2016 onwards) allowing tracking over time;

7.2. Member States to put in place the selection criteria and procedures which will ensure the selection of projects that maximize added value among applicants in terms of fostering e-commerce development in SMEs and achieving the DAE targets while, at the same time, ensuring such procedures are appropriate to their targeted beneficiaries in terms of the time and administrative work required;

According to the new European Structural and Investment Funds regulatory framework for the period 2014-2020, principles "for the selection of operations" and "operations" and "output indicators", including the "quantified target value" have to be duly embedded in OPs and addressed, as appropriate and in line with the regulatory framework, through ex ante conditionalities and action plans. The type of selection principles and detailed selection criteria (including incentives for crossborder dimensions in projects) will however depend on the specific objective and context of the investment.

- 7.3. Member States' managing authorities to put management tools in place, as appropriate and in line with the regulatory framework, for the purpose of monitoring the impact of the grant on the business development of the SME supported.

The new European Structural and Investment Funds regulatory framework for the period 2014-2020 requires result indicators in the OPs at the priority axis level and output indicators at operations level during the programming period; it also foresees explicit requirements for the necessary checks and controls ensuring that the data entered into the monitoring systems are reliable and consistent.

- (8) WELCOMES the variety of instruments (including ICT voucher scheme) that are available for promoting smart use of ICT that contributes to regional development through accelerating SMEs growth, improving their competitiveness, reducing overhead costs and cutting time that is needed to process operations conducted online.
- (9) CONSIDERS that the Court's recommendations are properly addressed by the new European Structural and Investment regulatory framework for the period 2014-2020, however CALLS on Member States and the Commission to build on lessons learned from experiences of investments in e-commerce and ICT technologies from the programming period 2007-2013;
- (10) CALLS upon the Commission, within the existing legal framework, to strengthen the monitoring and information gathering systems in such a way that it becomes possible to assess the effectiveness of programmes and projects put forward by beneficiaries of support given, while keeping the administrative burden as minimal as possible, and using simple and measurable indicators, in accordance with the cost-benefit principle;

- (11) CALLS upon the Member States to ensure that Managing Authorities put in place management tools, in line with the existing legal framework, that will enable assessing and reporting on the projects' impact in general and, given this report, in particular the impact on business development of supported SMEs."

Delegated act on EU cohesion policy

The Council decided not to object a Commission regulation updating the references made in regulation 480/2014 to regulation 508/2014 on the European fisheries and maritime fund ([7288/15](#)).

The regulation is a delegated act pursuant to article 290 of the Treaty on the Functioning of the EU. This means that now that the Council has given its consent, the act can enter into force, unless the European Parliament objects to it.

Regulation 480/2014 lays down common provisions on the European regional development fund, the European social fund, the cohesion fund, the European agricultural fund for rural development and the European maritime and fisheries fund. These five European structural and investment funds finance the EU cohesion policy support.

ECONOMIC AND FINANCIAL AFFAIRS

Reinsurance - Negotiations with the United States

The Council adopted a decision authorising the Commission to start negotiations with the United States on reinsurance.

The Council also adopted directives for the negotiation of the agreement.

The Commission will negotiate on behalf of the EU, in consultation with a Council committee. The agreement will be concluded by the Council with the consent of the European Parliament

BUDGETS

Revision of multiannual financial framework - draft amending budget no 2 for 2015

The Council adopted a regulation amending the regulation laying down the EU's multiannual financial framework for the period 2014-2020. The objective of the amending regulation is to ensure that certain EU budgetary commitments not used in 2014 are still available in the years 2015-2017 to support investment to stimulate growth and create jobs.

The Council also adopted its position accepting draft amending budget no 2 for 2015 which incorporates commitments of €16.5 billion unused in 2014 into the 2015 EU budget.

For details, see [press release](#).

TRADE POLICY

Imports from the United States: Customs duties

The Council decided not to object to a Commission regulation amending regulation 673/2005 establishing additional customs duties on imports of certain products originating in the United States.

This amends Annex I of regulation 673/2005.

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.

CUSTOMS UNION

Rules of origin - Turkey

The Council adopted decisions with a view to replacing protocols on rules of origin in agreements with Turkey to take account of the application of preferential rules of origin laid down in the [Regional Convention on pan-Euro-Mediterranean preferential rules of origin](#), following the entry into force of the Convention ([6985/15](#) and [6986/15](#)).

The Convention, which aims to replace the protocols on rules of origin currently in force among the countries of the pan-Euro-Mediterranean area with a single legal act, was signed by the EU and by Turkey in 2011.