



The Scottish Parliament
Pàrlamaid na h-Alba

EUROPEAN AND EXTERNAL RELATIONS COMMITTEE

AGENDA

5th Meeting, 2016 (Session 4)

Thursday 3 March 2016

The Committee will meet at 9.15 am in the Robert Burns Room (CR1).

1. **Decision on taking business in private:** The Committee will decide whether its consideration of the annual report and legacy report should be taken in private at future meetings.
2. **Dutch Ambassador:** The Committee will take evidence from—

Simon J H Smits, Ambassador Extraordinary and Plenipotentiary of the Kingdom of the Netherlands (to the Court of St. James);

Ceta Noland, Counsellor EU and Economic Affairs, Embassy of the Kingdom of the Netherlands.
3. **Human Rights:** The Committee will take evidence from—

Alex Neil, Cabinet Secretary for Social Justice, Communities and Pensioners' Rights, and Duncan Isles, Head of Human Rights, Scottish Government.
4. **Human Rights (in private):** The Committee will review the evidence heard for this inquiry.

Katy Orr
Clerk to the European and External Relations Committee
Room Tower 1 T3.60
The Scottish Parliament
Edinburgh
Tel: 0131 348 5234
Email: Katy.Orr@scottish.parliament.uk

The papers for this meeting are as follows—

Agenda item 2

SPICe Committee briefing

EU/S4/16/5/1

PRIVATE PAPER

EU/S4/16/5/2 (P)

Agenda item 3

PRIVATE PAPER

EU/S4/16/5/3 (P)



5th Meeting, 2016 (Session 4), Thursday 3 March 2016

NETHERLANDS PRESIDENCY OF THE COUNCIL OF THE EUROPEAN UNION

Context

On 1 January 2016, the Netherlands took over the Presidency of the Council of the European Union. The Netherlands Presidency is the first of the new trio of presidencies, with Slovakia and Malta to follow. The [Trio's priorities](#) for the Council of the European Union over the next 18 months are growth, jobs, freedom, security, justice, energy union and a stronger EU in the world¹.

The United Kingdom will begin a new trio of presidencies in July 2017.

The Presidency has two main tasks²: Firstly, the Presidency chairs meetings of the different Council configurations (with the exception of the Foreign Affairs Council) and the Council's preparatory bodies, which include permanent committees such as the Permanent Representatives Committee (Coreper), and working parties and committees dealing with very specific subjects. The Presidency also organises various formal and informal meetings in Brussels and in the country of the rotating presidency.

The Presidency is also responsible for representing the Council in relations with the other EU institutions, particularly with the Commission and the European Parliament. Its role is to try and reach agreement on legislative files through trilogues, informal negotiation meetings and Conciliation Committee meetings.

The Priorities of the Netherlands Presidency

Ahead of the Presidency, the Netherlands Government had planned a focussed agenda for its Presidency³. This approach was illustrated by the Netherlands Government which suggested the Netherlands Presidency would focus on three themes; these were a union focussed on essentials, a union focussed on growth and jobs and a union that connects with citizens.⁴

¹ <http://english.eu2016.nl/latest/news/2015/12/30/council-sets-its-work-programme-for-the-next-18-months>

² <http://www.consilium.europa.eu/en/council-eu/presidency-council-eu/>

³ http://www.europeanfutures.ed.ac.uk/article-2301?dm_i=2MQP,JE2I,527XL8,19D0J,1

⁴ <https://www.government.nl/topics/european-union/contents/the-netherlands-to-hold-presidency-of-the-eu-in-2016>

However, events in the six months leading up to the Presidency have presented the Netherlands Government with new challenges. The refugee crisis has provided the European Union with questions to answer about how refugees arriving in the EU are treated and homed across all the Member States. The terrorist attacks in Paris have also presented the Presidency with challenges in relation both to security and also to the principle of free movement across the Schengen area. In addition, the Eurozone crisis continues and discussions over EU reform ahead of the UK's in/out referendum provide the Presidency with a busy schedule.

The Presidency's priorities have largely remained intact from those proposed by the Netherlands government, with the addition of "migration and international security" as a new priority. The Netherlands four Presidency priorities are⁵:

- Migration and international security
- Sound finances and a robust eurozone
- Europe as an innovator and job creator
- Forward-looking climate and energy policy

More information on each of the Netherlands Presidency's four priorities is provided below.

Migration and international security

To address the refugee crisis, the Netherlands Presidency has suggested that:

"There needs to be better reception of refugees in the local region and in Europe. The member states also need to divide the burden more fairly and look for ways to better manage the flow of migrants.

This can only be achieved if the member states take joint action and also focus on the causes of this crisis. The EU can engage with the world around it in a proactive, united manner provided its Common Foreign and Security Policy supports EU-wide solutions."

The Netherlands Presidency is also likely to try to make progress on measures such as securing the European Union's external borders and begin working towards a common border, asylum and migration policy⁶.

Sound finances and a robust Eurozone

The Netherlands Presidency is committed to sound European finances and a robust eurozone. The Presidency is committed to working with Member States who have made economic reforms to improve public finances. According to the Presidency:

"It is important to continue this work, ensuring modern economies with healthy public finances. The agreements that have been made within the European Monetary Union must be observed, so that we can keep working towards a strong eurozone for governments, companies and citizens alike."

⁵ <http://english.eu2016.nl/eu-presidency/input-and-priorities>

⁶ <http://english.eu2016.nl/binaries/eu2016-en/documents/publications/2016/01/07/programme-of-the-netherlands-presidency-of-the-council-of-the-nationaal-programma-engels.pdf>

Also in this area, the Netherlands Presidency has also indicated it wishes to start a debate on a new and reformed multiannual budget, “aimed at potential reforms to the European budget and effective use of EU resources, looking ahead to the period after 2020”⁷. Negotiations on the multiannual budget may include discussions on the UK rebate.

Europe as an innovator and job creator

The Europe 2020 objectives of jobs and growth are encapsulated in the Presidency objective to continue the recovery in the European economy. According to the Presidency:

“Now that the European economy is picking up, the Council, the Commission and the European Parliament have a shared responsibility to maintain the upward trend. Therefore, the top priority will continue to be promoting a Union focused on structural growth and jobs through innovation.”

Work under this objective will include making progress on the Digital Single Market Strategy and the Single Market Strategy for goods and services, supporting businesses to allow them to innovate and create jobs and also work with the European Commission to conclude trade agreements such as the Transatlantic Trade and Investment Partnership (TTIP)⁸.

Forward-looking climate and energy policy

Alongside its commitment to boosting the European economy, the Netherlands Presidency has also committed “to a coherent approach to issues concerning the climate, the environment and sustainability” in pursuit of sustainable growth. According to the Presidency:

“this requires a ‘circular’ economy, which entails the wise use and re-use of natural resources and raw materials, including waste.”

The Netherlands Presidency is also committed to ensuring the European Union achieves the UN’s Sustainable Development Goals, and making further progress on achieving a European Energy Union and a forward-looking climate policy.

Better Regulation and Subsidiarity

In addition to the Presidency’s identified priorities, the Netherlands Government has also suggested the principle of subsidiarity and only involving the EU where appropriate will be a key part of its Presidency programme. According to the Netherlands Presidency website:

“The Netherlands wants the European Union to focus on what matters to Europe’s citizens and businesses. The priorities are prosperity, freedom and security. It does not want the EU to deal with issues that the member states can organise perfectly well themselves. Examples include health care, education, pensions and taxation.”⁹

⁷ <http://english.eu2016.nl/binaries/eu2016-en/documents/publications/2016/01/07/programme-of-the-netherlands-presidency-of-the-council-of-the-nationaal-programma-engels.pdf>

⁸ <http://english.eu2016.nl/binaries/eu2016-en/documents/publications/2016/01/07/programme-of-the-netherlands-presidency-of-the-council-of-the-nationaal-programma-engels.pdf>

⁹ <http://english.eu2016.nl/eu-presidency/input-and-priorities>

The Netherlands Presidency has committed to implementing the Interinstitutional Agreement (IIA) on Better Regulation¹⁰. According to the Presidency programme:

“The Netherlands Presidency will table the implementation of the measures agreed in the IIA, including key provisions on annual programming, in the General Affairs Council. This means the provisions of the IIA will need to be developed and applied, both within the Council itself and in its work with the Commission and the European Parliament.”¹¹

The Netherlands Government’s Report on the State of the Union

The Netherlands Government makes an annual report to the Netherlands Parliament outlining the “State of the European Union”. This year’s letter, delivered in December 2015 was a “Presidency Special”. In the letter Bert Koenders, the Foreign Minister outlined the challenges facing the Netherlands Presidency of the EU. According to the Netherlands EU Presidency website:

“In his State of the European Union letter to parliament, Mr Koenders said it is important to keep a calm head and continue to work together. ‘The EU was founded on the fundamental values of freedom, democracy, the rule of law, equality and solidarity. People fleeing war or oppression should not be forced to put their lives in the hands of people smugglers,’ he said. At the same time, the free movement of persons is under pressure. The economies of the member states have not yet fully recovered from the financial and economic crisis, and the rising employment rates and economic upturn are still only modest. So creating sustainable growth, innovation and jobs remains a top priority in the Union...

...More focus is needed on the comprehensive approach to migration and international security. According to the government, member states have a collective responsibility to use their capabilities to help reduce the human suffering caused by war and poverty. However, the migration crisis has revealed various shortcomings in the European area of freedom, security and justice that require action. ‘The EU cannot afford to shy away from this. The crisis requires a common approach, to ensure the rapid elaboration and implementation of the European Commission’s package of proposals on migration. The first steps have been taken, but we must follow up on them quickly,’ said Mr Koenders.

This involves addressing the political and economic root causes of migration, finding the right approach to people smuggling and border control, improving reception and protection in the region and providing future prospects for refugees so they can return to their country of origin.

The government also wants the EU to focus on the essentials, and concentrate on what is important to its citizens and businesses. It has therefore identified the following policy priorities: a comprehensive approach to migration and international

¹⁰ The better law-making agreement aims to improve the way the EU legislates and to ensure that EU legislation better serves citizens and businesses. One of the main aims of the better law-making agreement, also known as 'better regulation' or 'smart regulation', is to ensure that EU policies and laws achieve their objectives at minimum cost and administrative burden. It is a way of working to ensure that political decisions are prepared in an open, transparent manner, informed by the best available evidence and backed by the comprehensive involvement of stakeholders. Better regulation covers the whole policy cycle.

¹¹ <http://english.eu2016.nl/binaries/eu2016-en/documents/publications/2016/01/07/programme-of-the-netherlands-presidency-of-the-council-of-the-nationaal-programma-engels.pdf>

security; Europe as an innovator and job creator; sound and future-proof European finances and a robust eurozone; and a forward-looking policy on climate and energy.

‘This Union of 28 member states is not perfect, but it provides essential tools with which to tackle the challenges of today,’ said Mr Koenders. ‘Over the next six months, the Netherlands will foster unity and resolve, to ensure the European Union can help alleviate people’s concerns.’¹²

Evidence to the European Parliament

At the start of January 2016, Netherlands Government Ministers presented the [priorities of the Netherlands Presidency](#) to the Committees of the European Parliament¹³. A summary of the key points made at each Committee is provided below.

Environment

- The Netherlands Presidency will lead a discussion of the December Paris Climate Agreement and implementation will begin with the publication of a follow-up roadmap, to be drafted by the European Commission. This will be discussed at the March Environment Council.
- The Emissions Trading Scheme (ETS) reform should be on the agenda for the June Environment Council and will hopefully be finalised by the end of the Presidency.
- In relation to the “circular economy” package, the Presidency vowed to give a head start to the new proposal on waste, so it can be concluded as soon as possible.

Health

- The Netherlands Health Minister argued that the extensive use of antibiotics presented the risk of undoing a century of medical progress as a result of the increasing number of resistance cases. In response, the Presidency will propose setting up a “One Health” network that will “enable intensive cooperation between the human and veterinary sector, and be a platform for member states to update and assist each other”.
- Access to affordable medicines will also be a priority for the Presidency.

Foreign Affairs

- In terms of foreign policy priorities during the Presidency, the Netherlands Foreign Minister stated that Ukraine and Russia remain at the top of the EU foreign affairs agenda, along with the enlargement process and stability, particularly in Syria.
- In response to some MEPs concerns about the situation in the southeastern Kurdish region, the Minister stated that a ceasefire is needed adding that Turkey remains a key EU partner and expressed support for a re-energizing the enlargement process with a focus on human rights and freedom of the press.

¹² <http://english.eu2016.nl/latest/news/2015/12/14/koenders-in-presidency-edition-of-the-state-of-the-european-union-we-must-keep-europe-on-course>

¹³ <http://www.europarl.europa.eu/news/en/news-room/20160112IPR09521/Dutch-Presidency-priorities-discussed-in-committee>

Fisheries

- The Netherlands Minister for Agriculture spoke about the need to improve food production to meet the challenge of feeding the world's growing population along with stressing the importance of sustainable fisheries.
- In terms of priorities, the Minister said that the Netherlands Presidency was planning to complete the legislative talks on the multiannual plan for the Baltic Sea and set a timetable as soon as possible for continuing the dialogues on the Deep Sea Regulation.

Constitutional affairs

- The Netherlands Foreign Minister said that the agreement between Parliament, Council and Commission on better law-making, along with improving transparency and European electoral law reform were among the Netherlands Presidency's top priorities.
- On EU electoral law, the Minister said that Council would examine the European Parliament's suggestions for reform.

Agriculture and rural development

- The Netherlands Farm Minister said launching the debate on the post-2020 Common Agricultural Policy (CAP) would be a priority for the Presidency with a focus on responding better to global climate and food security challenges.
- Other priorities include increasing the effectiveness of existing greening measures, simplifying current CAP rules and focusing on SMEs.
- MEPs urged the Presidency to look more closely at major market-related difficulties, such as those in the milk and beef sectors that farmers are facing today.

Legal affairs

- The Netherlands Minister of Security and Justice stated that the Presidency was determined to reach an agreement between the European Parliament and the Council on the shareholders' rights directive.
- On the European Parliament's call for a country-by-country tax reporting requirement, an impact assessment is expected from the Commission in the first quarter of 2016 and the Presidency will then respond to that.
- On proposals to modernize copyright rules, the Presidency will start discussions soon on the new proposal aimed at enhancing the cross-border portability of online content as well as on the draft measures to remove contract-law-related barriers to cross-border online trade.

Regional development

- The Netherlands Agriculture Minister said the Netherlands Presidency priorities included implementation of cohesion policy and an assessment of the achievements to date of the structural funds along with examining the way forward for cohesion policy with a focus on simplifying it.

Civil liberties, justice and home affairs

- The Netherlands Presidency's top justice and home affairs priorities include dealing with the migration and refugee flows, fighting terrorism and radicalization and combatting cybercrime.
- MEPs raised concerns about the situation in Poland and called upon the Council to take firm action to guarantee that the rule of law was respected within the EU. The Presidency said it was following the discussions between the Polish Government and the Commission closely and the General Affairs Council planned to discuss the issue in May.
- When MEPs asked whether the Netherlands Presidency would advocate a “mini-Schengen” in response to the migration crisis, the Deputy Prime Minister warned that even though there was no such proposal, if member states could not agree on a mechanism to share asylum seekers, border controls could be reintroduced.

Employment and social affairs

- The Netherlands Deputy Prime Minister and Minister of Social Affairs and Employment pledged to review the Posting of Workers Directive, which should uphold the principles of the common labour market while also protecting workers' rights.
- He also said he was determined to tackle the issue of "letterbox companies", used to avoid paying taxes and social contributions.
- The Presidency said in the fight against poverty, it would encourage member states to share best practice and develop a comprehensive approach to reducing social exclusion, where programmes for housing, social protection and education should go hand in hand.

Industry, research and energy

- The Netherlands Presidency said it would prioritise the package on security of gas supply and intergovernmental agreements that the Commission was to adopt in February.
- The Netherlands Presidency said it would encourage member states to invest more in research and innovation, through a smart regulatory framework, made attractive to researchers with an "open science with open access" approach.

Iain McIver
SPICe Research