Issue 2016/3

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General, Cross-cutting & Institutional Affairs

Arctic policy
The European Commission has published a roadmap signalling its intention to propose a policy initiative on constructive EU engagement in the Arctic. The publication follows a European Parliament resolution of 12 March 2014, calling for the development of a coherent Arctic policy, and May 2014 Council Conclusions calling on the Commission and the External Action Service to "present proposals for the further development of an integrated and coherent EU Arctic policy".

The overall context for a renewed EU approach to Arctic reflects a growing recognition of the role of Arctic regions in climate change (particularly emphasised during the run-up to the COP21 discussions in December 2015 in Paris) and an increasing amount of international attention to the region (with a growing number of states interested in receiving Observer Status in the Arctic Council). It also comes somewhat in the context of a relaxing of more recent tensions between the EU itself and some Arctic Council members due to issues concerning trade in seal products.

With the ambition of aligning European policy on the Arctic with the Commission’s overall priorities for the 2014-2019 period, the development of a renewed Arctic policy is likely to focus on a number of objectives:

- Making the EU's policy towards the Arctic more coherent, and channelling available resources towards the sustainable development of the region for the benefit of the Arctic states, as well as local and indigenous populations.
- Targeting EU action towards more sustainable development in the Arctic
- Engaging Arctic states and other Arctic players in structured dialogue and cooperation
- Focusing and bolstering the EU's research efforts in the Arctic
- Contributing to the protection of Arctic marine and coastal environment
- Contributing to climate adaptation and mitigation strategies for the Arctic region
- Formulating an EU position on emerging issues in the Arctic (such as fisheries)

The policy initiative is likely to take the form of a Joint Communication on the Arctic, issued by both the Commission and the European External Action Service. The Commission feels this would enable it to encourage closer collaboration around Arctic issues, whilst also signalling to internal and external stakeholders that the EU is committed to the Arctic, and remains engaged and ready to take its responsibilities in the region.

Economy, Energy and Enterprise

Renewables
The Council of European Energy Regulators (CEER) has been notified by 13 EU Member States, including the UK, of their intentions to modify renewable energy support schemes in order to align with State Aid rules adopted by the European Commission in 2014. The State Aid rules are expected to support a gradual move to more market-based support for renewable energy, and encourage the steady replacement of feed-in tariffs by feed-in premiums, which expose renewable energy sources to market signals. In a feed-in-premium system, renewable power producers sell their electricity directly on the power market, for which they get the electricity market price and an
additional premium as a support element.

Ocean energy
The Ocean Energy European Research Area Network (OCEAN ERA-NET) – a group of 16 partners (including Scottish Enterprise) from nine EU Member States, collaborating to support research and innovation in the ocean energy sector – has launched a second joint funding call. Open to consortia of companies and universities (single organisations will not be considered), the call will support projects involving research, development and validation of ocean energy technologies, and will offer opportunities to Scottish players in the ocean energy field to pursue collaborative work in this area.

Tax avoidance
The European Commission has published a package on corporate tax avoidance – building on an OECD action plan on the issue. The Anti-Tax Avoidance Package includes proposed legislation outlining six measures that Member States should take against the most common techniques exploited by companies; a proposal to introduce country-by-country reporting of financial data; and two recommendations on bilateral treaties between Member States or third countries. Member State governments will now consider the proposals. The Netherlands Presidency of the Council is optimistic that governments will agree the legislation in the next six months.

Environment, Climate, Rural and Fisheries

Agriculture Council
Agriculture Ministers convened in Brussels 15 February for a meeting of the Agriculture and Fisheries Council. On the agenda were international trade, agricultural research and animal welfare.

On international trade, discussions during the meeting considered the role and position of EU agriculture in the current negotiations to establish bilateral, regional and multilateral trade deals between the EU and other areas of the globe. On the whole, the Member States stressed the importance of facilitating trade between the EU and its partners. However, several ministers highlighted the importance of ensuring the removal of non-tariff barriers as a key part of international negotiations, and noted certain issues – such as the protection of geographical indications, and the high level of EU standards – as defining characteristics of EU agriculture.

Also during the meeting, the European Commission presented the state of play of the development of a long-term EU strategy for agricultural research and innovation. The strategy – which the Commission is expected to publish in April (following a stakeholder conference 26-28 January 2016 in Brussels at which a number of Scottish stakeholders were present) – will primarily serve to guide agricultural-related investment priorities in the latter half of the EU’s Horizon 2020 programme, and will consider how investments made through programmes such as Horizon 2020 can be better-harnessed to achieve three main goals, namely:

- Ensuring food security in the long term
- Addressing the environmental sustainability and resilience of land-based primary production (food and non-food systems)
- Boosting the sustainable growth of rural areas

Ministers held an exchange of views on animal welfare based on a position paper prepared by the German, Swedish, Danish and Netherlands delegations – which calls for an EU platform on animal welfare to be established for stakeholders and competent authorities. Ministers broadly supported the establishment of an EU-platform, and some noted that equal treatment should be ensured for EU and non-EU producers, and that priority should be given to improving the enforcement of existing legislation.

Speaking after the Council, EU Agriculture Commissioner Phil Hogan said that the current slump in dairy and pig meat sectors requires an EU-wide response. Member State governments have been invited to submit proposals for EU-wide measures by 25 February. The Commission will present a proposal based on these ideas at the next Agriculture and Fisheries Council on 14 March.

**Netherlands Presidency – priorities in agriculture and fisheries**

During the Agriculture and Fisheries Council on 15 February, the Netherlands Presidency of the Council also gave a presentation on its work programme in the agriculture and fisheries sectors.

Agricultural policy priorities will include:

- Sharing Member States' experiences on the most recent Common Agricultural Policy (CAP) reform with a view to the future of the CAP after 2020
- Focusing on effective simplification of the reformed CAP and ensuring that the Council is fully involved in the process
- Monitoring market developments, including dairy and pig farming
- Aiming for a political agreement with the European Parliament on organic farming
- Addressing the position of the primary producer in the food production chain in the light of the recently established Taskforce on Agricultural Markets

The priorities for fisheries policy will include:

- Aiming to achieve more sustainability as agreed in the framework of the reformed Common Fisheries Policy (CFP)
- Concluding agreements on multiannual plans for sustainable fish stock management
- Aiming for political agreements on the deep-sea and data collection regulations;
- Establishing a Council position on the sustainable management of external fishing fleets.

Regarding food, veterinary and phytosanitary matters, the Presidency intends to:

- Focus on taking action against antimicrobial resistance, in particular by promoting closer cooperation between the health and agriculture sectors
- Address the imbalance between patent law and plant breeders’ rights
- Discuss possible actions against food losses and food waste
- Consider options for increasing the availability of more sustainable, low-risk plant protection products

On forestry issues the Presidency will discuss the evaluations of the EU's efforts to tackle the trade in illegally harvested timber, conducted by the European Court of Auditors and the European Commission.

**Biodiversity**

On 2 February, the European Parliament adopted a resolution on the mid-term review of the EU 2020 Biodiversity Strategy, calling in particular for better implementation, enforcement, and financing of the Birds and Habitats Directives. The resolution also asks the European Commission not to revise the Nature Directives.

The report, drafted by MEP Mark Demesmaeker (Belgian Conservative) was adopted by a broad majority. Scottish Labour MEP Catherine Stihler spoke in favour of safeguarding the Nature Directives during the debate preceding the vote. The resolution supports the demands of national government ministers. In October 2015, nine national environment ministers wrote to Environment Commissioner Karmenu Vella, calling on him to safeguard the Directives.

**Ocean governance**

The European Commission’s Directorate General for Maritime Affairs (DG MARE) has published summary results of the recently-concluded public consultation on international ocean governance. Respondents pointed to increased pollution, overexploitation, climate change and acidification. Amongst the most salient points are thus the need for better implementation of rules and a need to fill existing legal gaps on exploitation such as creating an international mechanism to establish marine protected areas in the high seas.

Also considered was the regulatory uncertainty concerning emerging activities such as offshore renewable energy, seabed mining and deep-water hydrocarbon exploitation. The summary notes that most respondents acknowledge the EU as a major actor on ocean governance. It may have the potential and the legitimacy to play a significant role in promoting the ratification and effective implementation of existing agreements and improving coordination of international and regional arrangements.

**Environmental technology**

An Edinburgh-based SME has become the first UK-based company to have its product’s performance claims verified under an EU Environmental Technology Verification (ETV) pilot scheme, which has the goal of helping environmental technologies reach the market. Greengage Lighting Ltd. – branded as AgriLamp – has achieved verification of the performance claims of its energy efficient ALIS (AgriLamp Induction System) lighting product support conducive lighting environments for poultry farming.

The verification accredited by the ETV scheme is intended to assist companies working in the water, material, waste, resource and energy sectors in gaining a proof of verification which may
help to secure future investment. The ETV pilot scheme is open for applications from companies looking to accelerate industry uptake of their green technologies. The scheme can support any environmental technology, from waste water treatments to sources of renewable energy. A subsidy of up to 50% of the cost of verification through NPL is available for SMEs.

**Sustainable Agriculture**

Rural Development Programme (RDP) spending in Member States on environmental measures has fallen by €1bn, an analysis by NGOs European Environmental Bureau and BirdLife has claimed. The analysis – presented during a recent event in Brussels – examined 19 RDPs (including England, but not Scotland) and found that 14 of these included decreased spending on environmental measures compared to 2007-2013. 79% of RDPs were considered to have overstated the environmental quality of measures.

Reacting to the study, the Commission's Director-General for Environment, Daniel Calleja Crespo, said that it is important to establish “a common goal for greening, with all stakeholders involved”. He stressed that the Commission is fully committed to greening the CAP, as “this is what has been agreed”. Claudia Olazabal, Director for Natural Capital in DG Environment, said that a change of mindset is required, since biodiversity and habitat restoration is still out of the comfort zone for many in the farming sector. She said that in many Member States the RDPs have been developed without the involvement of environmental authorities, and that this has been a “major handicap”. “The analysis which has been made of the impact on the environment is often very good, but it is as if the measures then have been written by someone else”, Olzabal further noted.

**Rural economy**

On 10 February, the Committee of the Regions (CoR) presented a draft opinion entitled ‘Innovation and Modernisation of the rural economy’. The document outlines a number of problems faced by rural regions – such as physical accessibility, unemployment, insufficient infrastructure and population loss.

Recommendations by the CoR highlight that these problems can only be overcome through integrated policy approaches, and therefore efforts should be made for more differentiated approaches; taking rural interests into account in all EU policy areas and to increase overall financial support for rural development.

**Employment, Skills and Education**

**Undeclared work**

On 2 February the European Parliament voted in favour of legislation establishing a European platform against undeclared work. Undeclared work is defined as any lawful paid activity which is not declared to public authorities. The negative effects of undeclared work are felt by workers in terms of lower rights, business in terms of unfair competition and in governments in terms of lost tax and social security revenue.

The Platform is intended to facilitate cooperation between EU institutions, social partners, and national authorities in combating undeclared work, and will be composed of senior representatives
nominated by all Member States, representatives of EU-level cross-industry social partners (split equally between workers and employer's organisations – albeit with no voting rights) and the European Commission. The platform will meet at last twice a year and specific working groups will be established to deal with different aspects of undeclared work.

The Platform will come into force following formal endorsement from Member State Governments. The Parliament and Member States have already reached informal agreement on the new rules.

**Equal Opportunities**

**Gender equality**

On 3 February the European Parliament adopted a resolution calling on the European Commission to develop a new 2016-2020 strategy for gender equality and women’s rights as soon as possible. The Parliament first called for a new strategy in June 2015, and since then, the Commission has presented an internal staff working document on a "Strategic engagement for gender equality 2016-2019". Some MEPs have seen this as a “downgraded” document, which restricts the duration of proposed action, and lacks concrete benchmarks and a dedicated budget. The resolution also states that the previous EU gender equality strategy (2010-2015) was insufficiently comprehensive, and that a new strategy should provide new impetus and deliver concrete action in line with the international agenda.

**Health and Sport**

**Zika virus**

The European Commission’s DG Research and Innovation has fast-tracked €10 million of funding for urgently needed research on the Zika virus, in response to the upsurge in cases of severe congenital brain malformations across South America and their suspected link to Zika virus infections. Although the exact nature of Commission-funded activity is still in consultation with Member States, it is expected to be officially published on 15 March 2016, and the deadline for submission of proposals is expected to be 28 April 2016.

While the risk in the EU for transmission of Zika virus infections remain extremely low, Carlos Moedas, the EU Commissioner for Research, Science and Innovation stated in a recent speech that European values “demand that we do not leave other countries to deal with such outbreaks alone”. The increase in funding complements existing Horizon 2020 opportunities, which can also support research into Zika (including a €40 million call for research on vaccine development for malaria and neglected infectious diseases, which includes the Zika virus).

**Public health**

EU agency Eurofound (the European Foundation for the Improvement of Living and Working Conditions) has published research which indicates the profound impact the economic crisis has had on public health. Research indicates that public spending on health has stalled in most Member States, and is markedly reduced in eighteen.
The research notes a particular deterioration in mental health spending, confounded by issues such as unemployment and the loss of work-provided health insurance. There have also been associated complications due to increasing inaccessibility of health care because of reduced public transport services.

Eurofound has identified several approaches taken in Member States as an attempt to maintain access to services. Strategies have included placing greater emphasis on primary care, incentivising healthcare providers (via government subsidies) to improve access, and seeking new sources of funding such as placing a tax on less healthy foods as implemented in Denmark and Hungary.

**Justice and Home Affairs**

**Data protection**

Negotiators from the European Commission and the US have reached an agreement on EU to US data transfers, which re-establishes a legal framework for transatlantic data flows. The new ‘Privacy Shield’ includes safeguards on US Government access to data, with binding written assurances on data protection, and a three-step dispute resolution process for EU citizens. The Shield is to be a ‘living mechanism’, subject to annual reviews.

The European Parliament and Member State governments have conferred upon the Commission the power to negotiate and agree a deal. The agreement appears to have garnered enough support in the Parliament to ensure that MEPs will not revoke this authorisation. The College of Commissioners will approve the Privacy Shield after consultation with relevant EU working groups and representatives of the Member States.

**Violence against women**

On 3 February, MEPs debated the issue of sexual harassment and violence against women in public spaces with Regional Policy Commissioner Corina Crețu. MEPs reiterated their call for an EU Directive (to be transposed into national law) on combating violence against women. In February 2014 the European Parliament passed a resolution calling for an EU-wide strategy and Directive on violence against women.

However, in May 2014 the former Commission replied that it did not consider it appropriate to table a legislative proposal on prevention measures to combat violence against women. MEPs also called on Member States to ratify the Istanbul Convention on preventing and combating violence against women. The UK is one of 16 Member States which has not ratified the Convention.
## Upcoming Events and Meetings

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- **March**
  - Environment Council
  - Employment, Social Policy, Health and Consumer Affairs Council
  - European Parliament plenary
  - Economic and Financial Affairs Council
  - Justice and Home Affairs Council
  - Agriculture and Fisheries Council
  - Foreign Affairs Council
  - General Affairs Council
  - European Council Summit

- **April**
  - Agriculture and Fisheries Council
  - European Parliament Plenary
  - Foreign Affairs Council
  - Justice and Home Affairs Council