ANNUAL REPORT ON THE ACTIVITIES OF THE EUROPEAN UNION 2014
At the heart of Europe

The European Union is part of Belgians’ everyday life in a number of ways.

A number of European institutions, for instance the European Commission (which has its headquarters in the Berlaymont Building) and the European Council (housed in the Justus Lipsius Building), employing thousands of European civil servants, are based in Brussels – which is therefore often called ‘the capital of Europe’.

Brussels regularly hosts European Council meetings and summits, as well as plenary sessions of the European Parliament and meetings of European parliamentary committees.

Belgium has always worked to widen and deepen European integration, and Belgian politicians have played a crucial role in the development of the European Union.

All of this means that Europe is very close to Belgians’ hearts.

Belgium was one of the six founding members of what is now the European Union.
INTRODUCTION

The year 2014 introduced several substantial changes for the European Union. In May, European citizens exercised their voting rights in the elections for the European Parliament and, for the first time, the President of the European Commission, Jean-Claude Juncker, was appointed on the basis of these elections. After public hearings and a vote by the European Parliament in October, the new Commission commenced its activities as of 1 November. The Commission has a new structure of Vice-Presidents and will focus on the 10 political priorities previously set for the Parliament by President Juncker. The former Italian Minister of Foreign Affairs, Federica Mogherini, was appointed as High Representative for Foreign Affairs and Security Policy and as Vice-President of the European Commission. On 1 December, the former Polish Prime Minister Donald Tusk took on the role of President of the European Council; this is the first time that the President of the Council has hailed from a Member State that joined in 2004. The institutional transition was thus finalised. Everything was kept on the right track thanks to the Greek (first semester) and Italian (second semester) Presidencies of the Council of the EU.

In terms of content, the parameters for the new European term were set out in the "Strategic agenda for the Union in times of change". This agenda was passed by the European Council of June 2014 (in Ypres), and sets out the thematic priorities for the coming years. The so-called "Post-Stockholm" agenda for EU policy regarding justice and internal affairs was also adopted in mid-2014.

2014 was also a year of progress. A period of cautious economic recovery seems to have begun even though unemployment, primarily among young people, remains (too) high and inflation remains (too) low. Tackling high youth unemployment remains a priority, for example through the Youth Guarantee and the Youth Employment Initiative (YEI). The appropriate degree of attention will also be paid to the increase in employment mobility, the fight against undeclared work, non-discrimination and the further integration of labour markets.

Budget consolidation remains the order of the day for many Member States. Belgium succeeded in correcting its excessive budget shortfall.

Immediately after its initiation, the new Commission launched its investment package which should attract a total of EUR 315 billion in new investments, via guarantees and leveraging.

The European Central Bank acquired significant additional powers with respect to supervision of the European banks. The more liberal reflection process in relation to extending the Economic and Monetary Union were also continued. The Eurozone retains its appeal: Latvia joined the Eurozone at the beginning of 2014. Lithuania then followed on 1 January 2015 and became the 19th Member State to adopt the Euro as its currency.

In 2014, the fight against tax avoidance and evasion was also accelerated on both a global and European level.

2014 was also the year during which the EU confirmed its leading role in relation to climate and energy. The commitment by the EU to reduce emissions of greenhouse gases...
gases by at least 40% by 2030 provides an important boost to the global climate conference that is taking place in Paris at the end of December 2015 (COP21).

The EU’s trade agenda also saw progress, both in a multilateral sense within the World Trade Organisation and in a bilateral context. The negotiations with the United States (the TTIP - Transatlantic Trade and Investment Partnership) progressed and regularly created something of a stir.

For the European Union, 2014 was full of challenges when it comes to external relations. The developments in and around the Ukraine and, linked to this, relations with Russia and the Eastern neighbours of the EU remained in the spotlight for the entire year. The embargo that was implemented by Russia at the beginning of August on the import of agricultural and nutritional products from the EU hit the Belgian fruit and vegetable sector particularly hard. The Ebola epidemic also demanded a resolute policy response. Events in the Middle East, particularly in Syria and Iraq, were also high on the agenda.

With respect to expansion, Albania was awarded the status of candidate Member State, negotiations were started with Serbia and a series of new negotiation chapters were opened with Montenegro.

In terms of development policy, the focus of the EU in 2014 was on the preparation of the post-2015 agenda. New universal objectives must be set for sustainable development and the diversification of development financing. Joint programming and the further integration of the collaboration between the EU and the Member States are important focal points herein.

Europe must also, of course, communicate effectively. In 2014 the Council, the European Parliament and the Commission set out common communication priorities for the sixth time. For 2014, the economic recovery, the European Year of Citizens and the European elections took centre stage.

Finally, it must also be noted that the former Directorates “CFSP – Common Foreign and Security Policy” and “External Action” were combined within one umbrella Directorate within the Federal Public Service Foreign Affairs. The coherence and effectiveness of the Belgian follow-up of this policy can thus be further strengthened.

This activity report provides a summary of the institutions' primary activities. For a more comprehensive overview, the report from the institutions themselves (europa.eu/generalreport - click on the weblink: http://europa.eu/publications/reports-booklets/general-report/index_en.htm) could provide a useful starting point. Enjoy reading!

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DGE
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I. The Union’s institutional framework

New mandate, new dynamic

After the European elections on 25 May 2014, those elected to the European Parliament began a new term with the German Martin Schulz as President.

The results of the elections also led to different power relations between the European political parties. Luxembourg’s Jean-Claude Juncker thus took up the presidency of the Commission. It was the first time that the European political parties had been able to nominate their candidate for the presidency of the Commission; the Lisbon Treaty stipulates, however, that when choosing the candidate for presidency of the Commission the results of the elections must be taken into account.

There was also a changing of the guard in other European institutions in 2014. Herman Van Rompuy, as President of the European Council, handed the baton to the former Prime Minister of Poland, Donald Tusk. The Italian Federica Mogherini has now taken up the position of High Representative for Foreign Affairs and Security Policy.

In June 2014, the European Council set out the headlines of its strategic agenda for the coming years: growth, competitiveness and jobs; a forward-thinking energy and climate policy; a space for rights and freedoms and an effective, collective European role on the world stage.

The President of the European Commission, Jean-Claude Juncker, reviewed the working methods and structure of the Commission on the basis of a sector-based approach. Every activity area has now been allocated to one of the Vice-Presidents. The President also set out 10 priorities on which the Commission will focus during this term.

With reference to advisory bodies, it must be noted that in 2014 the Committee for the regions modified the number of members in order to fall within the boundaries set by the Lisbon Treaty.

Approval of the proposal for a regulation concerning the European political parties and the European political foundations

In October, the Council approved a regulation concerning the status and financing of European political parties and European political foundations. This proposal was submitted pursuant to the European Commission's desire to help form a "European public space". A transition period of several years will be required, however, for the full implementation of the regulation. Belgium has a particular interest in this new status as the legal form of most of the European political parties follows Belgian law. Belgium will have to amend a few points of its legislation with respect to non-profit associations in order to bring it in line with the regulation on European political parties.

1 A new boost for jobs, growth and investment; a connective digital internal market, a resilient energy-union and a future-focussed climate change policy, a deeper and fairer internal market with a strengthened industrial basis, a deeper and fairer EMU, a reasonable and balanced free trade agreement with the US, a mutually trusted region for (human) rights; working towards a new migration policy, a powerful performance on the world stage, a Union of democratic change.

2 The maximum number of members is set at 350. There are no changes for the Belgian delegation. It still comprises 12 members.
Accession of the European Union to the European Convention for the Protection of Human Rights

The accession of the European Union (EU) to the European Convention for the Protection of Human Rights (ECHR) is set forth in article 6 of the Convention. Negotiators reached an agreement in April 2013. The European Court of Justice (ECJ) established in December 2014 that the draft agreement does not correspond to Union legislation in a number of areas. The European Union is considering the way in which the recommendations can be fulfilled.

Fundamental rights: protecting the rule of law

In March 2014, the Commission adopted the communication on "a new EU framework to strengthen the rule of law". This framework must enable a rapid response to situations in which there is a clear threat of a serious (and systematic) breach of democracy and the rule of law within an EU Member State. This communication forms a supplement to the mechanism of art. 7 TFEU, which is considered extremely far-reaching.

Under its Italian Presidency, the Council also adopted conclusions which provide for an annual debate between Member States in the General Affairs Council regarding respect for the rule of law. Belgium, in its role as President of the Council of Europe, has insisted on ensuring complementarity with the work of existing mechanisms and institutions.

II. Economic and Financial Affairs, Employment and Social Affairs, Regional Policy

Towards a genuine banking union

In 2014, important steps were taken towards the realisation of an effective banking union. In essence, the ratio of this banking union involves cutting the ties between banks that encounter difficulties and government finance by, among other things, offering the option of direct recapitalisation via the European Stability Mechanism (ESM).

The Single Supervisory Mechanism for Banks has been in force since November. The European Central Bank (ECB) now exercises direct supervision over the largest "systemic" banks. National supervisory bodies will remain in place for other banks.

In March, agreement was also reached regarding a Single Resolution Mechanism for the Banking Union. This concerns a supplement to the Single Supervisory Mechanism. This mechanism ensures that the necessary decisions can be made quickly and efficiently with respect to any banks that encounter serious difficulties. The resolution costs will then be financed with the assistance of a Common resolution fund, funded by contributions from the banking sector. Together with the application of the "bail-in" principle regarding bank restructuring, this will ensure that losses are borne, in the first instance, by the shareholders and creditors. The intention is to ensure that the lowest possible costs are borne by taxpayers.

The deposit guarantee directive was also passed. This protects savers in all EU Member States, up to a level of EUR 100,000, in the event of their bank going bankrupt.
**Stability and Growth pact, European Semester**

Belgium has succeeded in correcting its excessive budget deficit for the first time since 2009. This progress means that Belgium will be again assessed under the preventative arm of the Stability and Growth Pact rather than under the corrective arm. Simultaneously, the Commission has indicated that further efforts are required in order to fulfil the budgetary targets.

In its Annual Growth Survey, which was published in November, the Commission argued for a more integrated approach, based on 3 cornerstones: 1. a coordinated boost to investment: with the launch of its European Investment package, it is clear that this is the top priority of the new Commission; 2. a renewed commitment to structural reforms; 3. pursuing growth-friendly fiscal responsibility.

**Taxation**

An agreement was reached in the Council regarding a review of the existing savings directive. On the grounds of this directive, information will be automatically exchanged between national tax departments about cross-border interest payments to natural persons within the EU. This Directive's field of application will be expanded so that it covers new financial products too.

In addition, the European Council agreed in December that efforts with respect to tackling tax avoidance and aggressive fiscal planning should be intensified. A proposal regarding the automatic exchange of information regarding fiscal rulings in the EU will be submitted in 2015.

In the context of strengthened collaboration among 11 Member States (including Belgium), further deliberations took place about the implementation of a financial transaction tax.

**Annual budget 2015**

In December 2014, after weeks of difficult negotiations, the Council and the European Parliament reached an agreement regarding the Union's budget for 2015.

The budget that was approved encompasses payment appropriations amounting to a total of EUR 141.2 billion and commitment appropriations totalling EUR 145.4 billion.

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**Commitment appropriations**

**Payment appropriations**

*Source: European Commission*
The payment appropriations for activities such as research, innovation and training have been increased by over 38%, which equates to EUR 4.4 billion, compared to the budget approved last year by the EU for 2014.

During these tricky negotiations, Belgium was a self-appointed champion of a balanced budget that would guarantee functioning programmes and also take account of the needs of the Union and the concerns of specific Member States who wish to maintain a balance in their own budgets.

**Employment and Social Affairs**

**Youth employment**

On 10 March, the Council passed a recommendation on a quality framework for internships. After the Youth Guarantee and the European Alliance for Apprenticeships, this was the final instrument in the youth employment package. Work placements must be useful in a practical sense and also offer good employment terms.

The follow-up to the Youth Guarantee and the Youth Employment Initiative (YEI) also received attention. Among other things, building bridges between education and the labour market was highlighted in this context.

**Employment mobility**

Agreement was reached at Council level regarding the European Platform against Undeclared Work. This platform aims to exchange best practices, develop collective instruments and encourage cross-border cooperation against undeclared work and sham self-employment.

Agreement was also reached within the Council on the European Network of Employment Services (EURES), access for employees to mobility services and the further integration of labour markets. EURES must expand to become a comprehensive EU instrument for both placement and recruiting.

**Non-discrimination**

Insufficient progress was made with regard to harmonisation of maternity leave. The Commission will therefore, in all likelihood, withdraw its proposal and, over the course of 2015, put forward a more general proposal with respect to parental leave.

Also, in terms of gender balance in boards of directors, the Council was unsuccessful and could not reach agreement. Belgium, with its national legislation, is one of the pioneers in this area.

Finally, further work has taken place on a new Equal Treatment Directive, without distinction on the basis of religion, beliefs, disabilities, age or sexual orientation. The field of application concerns situations outside the world of work.

**Regional policy**

Under the Italian Presidency, for the first time since December 2011, a General Affairs Council in Cohesion policy format was organised. Many Member States, including Belgium, emphasised the importance of such meetings at a political level and would like this practice to be continued. In concrete terms, a new macro-regional strategy was approved, with reference to the region of the Adriatic and
Ionian Sea (particularly EU members Croatia, Slovenia, Italy and Greece, and non-Member States Albania, Bosnia-Herzegovina, Montenegro and Serbia).

III. Justice and Home Affairs (JHA)

Post-Stockholm programme

The European Council of 26-27 June 2014 approved the strategic guidelines for legislative and operational planning with respect to Freedom, Security and Law. According to the guidelines, a coherent policy must be implemented in relation to asylum, immigration, borders, policing and judicial collaboration. Priority will be given to the consistent conversion and the practical implementation and consolidation of existing legal instruments and policy measures. These guidelines, which come into force on 1 January 2015, are the successor to the programmes from Tampere, The Hague and Stockholm.

The British opt-out

Pursuant to art. 10 of Protocol 36 of the Lisbon Treaty, the United Kingdom (UK) has the right to no longer take part (block-opt-out) in the pre-Lisbon instruments regarding police and judicial criminal cooperation. The UK decided to implement this right in July 2013. The second phase of the process allows the UK to choose which instruments it would like to use (opt-back-in). Over the course of 2014, the UK drew up a list of 35 instruments. The Commission (for the 29 non-Schengen instruments) and the Member States (for the 6 Schengen instruments) had to assess this request. They had to work towards UK participation that is as comprehensive as possible while taking account of the criteria of practical applicability and coherence. After extensive negotiations, the Council agreed to the British list in November 2014.

Asylum and migration

The pressure resulting from migration in the EU has reached unprecedented levels, with over 278,000 "illegal border crossings" (almost triple the figure of 2013), more than 200,000 of which came via the central Mediterranean, often with fatal consequences. Even the Member States that are not located on the outer borders encountered the following: 2014 was a record year for asylum requests in the EU, with over 600,000 applications. Alongside the Action Plan drawn up by the Task Force for the Mediterranean (TFM) in December 2013, in October the JHA Council adopted conclusions on the better management of the migration flows. The Frontex operation Triton was shaped in collaboration with many of the Member States (including Belgium). The dialogue and cooperation with Northern and Eastern Africa was also given a boost (Khartoum process). Moreover, improved coherence between the EU's internal and external migration policy was also sought.

Legal migration. In 2014, important steps were taken with regard to strengthening the legislative framework for legal migration. In February 2014, the directive on the conditions of entry and residence for seasonal workers from 3rd countries were accepted and, in April 2014, the directive on intra-EU transfers of employees from 3rd countries within a company (ICT) were also accepted. In December 2014, an agreement was also reached regarding the directive on students and researchers at Council level.

Visa. On a legislative level, discussions centred on rearranging the visa code. Furthermore, the negotiation mandates for visa exemption agreements with 16 island
states and the United Arab Emirates were also approved. Besides this, a negotiation mandate for a visa facilitation agreement with Tunisia was also approved.

*Smart Borders.* The results of the technical study on the creation of an Entry-Exit System and a Registered Traveller Programme led to a pilot project commencing at the beginning of 2015.

**Police, organised crime, civil protection**

The negotiations regarding a new legal foundation for EUROPOL, in order to bring it in line with the Lisbon Treaty, were continued in 2010.

The Council adopted conclusions in December 2014 in preparation for the review of the European internal security strategy from 2010. This process must be concluded in 2015.

The Council also set out priorities for tackling serious and organised criminality in the coming years: illegal immigration, human trafficking and smuggling, counterfeiting, VAT and excise duty fraud, synthetic drugs, cocaine and heroin smuggling, cybercrime, illicit arms trade and organised property crime.

At the beginning of 2014, the EU Civil Protection Mechanism came into force. The capacity of the Union to tackle emergency and crisis situations, in terms of prevention, preparation and response, was thus strengthened in line with the case made by Belgium.

**Terrorism and foreign fighters**

The phenomenon of foreign fighters was at the top of the agenda over the course of 2014 (attack on the Jewish museum in Brussels, the emergence of Islamic State - IS - and the air offensive targeting its positions). The EU recognised the need for all instruments of judicial and police cooperation to be utilised in the fight against terrorism.

On the instructions of the European Anti-terrorism coordinator, and our fellow countryman, Gilles De Kerchove, the focus lay on a package of 22 priority actions. This concerns, among other things, improving of the image forming and analysis, expanding cooperation and information exchange within the EU, the development of a European PNR (*Passengers Name Record*) system, the engagement of Eurojust, prevention and the development of a “counter-narrative”, collaboration with the internet industry in order to combat online radicalisation and recruitment, collaboration with a number of priority third countries, including strengthening border and airline security.

In the second half of 2014, the Italian Presidency made a huge effort to process the measures that were agreed by the group of most effected Member States - under the leadership of the Belgian Minister of Home Affairs - in a European context. Significant bottlenecks were resolved at the JHA Council of October 2014 regarding areas such as controlling outer borders and the use of the SIS (Schengen Information System).
**Civil law**

The modernisation of the European insolvency procedures progressed, via the improvement of restart options for companies and the rules for winding up a bankruptcy, among other things.

**Criminal law**

The focus over the past year has been on procedural guarantees, e.g. for children that are suspects or defendants in criminal cases or in relation to the presumption of innocence.

The creation of a European Public Prosecutor (EPP) on the basis of article 86 TFEU was further discussed. Increased collaboration may well be unavoidable. Countries including Denmark, the UK and Ireland do not wish to take part. Belgium is the forerunner in the creation of an EPP. The rules regarding the structure and organisation thereof, the procedures for investigation, follow-up, conducting cases and legal checks must be further discussed.

**Data protection**

Negotiations regarding the "protection of personal data" package (proposals for a regulation - general framework and a directive with respect to data in the police and judicial sector and in the context of the criminal case collaboration) have been underway for three years. In 2014 the Council was only able to reach political agreement on a few chapters. The European Council has proposed that the work will be finalised in 2015. In terms of processing the public sector regulation, Belgium has put forward a number of ideas.

The data protection package is increasingly linked to the approval of a European PNR (*passenger name record*[^3]). This would get the debate back on track.

Furthermore, there are other negotiations underway with the US regarding a review of the safe harbour order (whereby American companies can receive personal data from the EU) and the framework agreement “Umbrella” with respect to the exchange of data for the purposes of upholding the law. The European Union wants additional guarantees for the protection of its citizens’ personal data.

IV. **Industry and the Internal market, Research and Innovation, Space, SOLVIT**

**Industry and the Internal market**

The competitive position of industry was a central point in the debates. More specifically, this concerned "main-streaming", which means that issues that could have repercussions for industry are systematically dealt with in the relevant EU policy areas (climate, energy, trade, competitive capacity,...). By 2015, the Commission would like to have outlined a step-by-step plan for industry and to provide support for SMEs. Belgium emphasised, in this context, the importance of smart specialisation and clustering. The target proposed by the Commission, for industry to make up 20% of GDP by 2020, also gave rise to much debate.

[^3]: System of data registration regarding the route of airline passengers.
The role of the Competitiveness Council, including the EU 2020 strategy, was also discussed. A High-Level Working Group (COMPCRO) with a permanent president and its own working programme was created in order to investigate all of the issues relating to competitiveness.

The Juncker Commission intends to improve and simplify European regulations. First Vice-President Timmermans is taking responsibility for this. The Commission's working programme 2015 encompasses 23 new initiatives and the withdrawal of 80 existing proposals. The REFIT programme ("Regulatory Fitness") focuses on targeted and effective regulations. The ultimate goal is not weakening legislation but making it more results-focussed.

The sweeping reforms of the state aid rules were finalised by the Commission in 2014. This encompasses the approval of the general group exemption regulation as well as a number of guidelines, including some in the areas of environmental protection and energy.

No in-principle agreement was reached in 2014 concerning the implementation of a statute on the European Foundation.

Only limited progress was made in relation to intellectual property (including brand systems, commercial secrets). The preparations for the European single patent were advanced but the first European single patent will not be delivered until 2016 at the earliest.

In the matter of package holidays, the Council approved a general approach in December.

With respect to gambling, the Commission approved a recommendation regarding protecting consumers and minors. Belgium went to the Court of Justice in an endeavour to have this recommendation declared invalid. To this end, arguments of a judicial nature and regarding regulations were raised.

**Research and Innovation**

The European Research Area must be finalised by the middle of 2015, with the aim of creating a genuine internal knowledge market. Priorities include championing doctoral research, the transparent recruitment and mobility of researchers, the transfer of knowledge and free access to scientific publications and e-infrastructure.

The approval of the "Investment and innovation" package signalled the start of a new generation of public/private, and public/private partnerships with respect to research and innovation.

The target for 2020 - an expenditure level for research and innovation of 3% of GDP - may not be adjusted in the context of the review of the EU2020 strategy.

**Space**

The relationship between the EU and the European Space Agency (ESA) took centre stage in the debates. Belgium argued that the ESA should be reshaped into an EU Agency in the long-term. Furthermore, an agreement was reached over the creation of a European system for protecting satellite and space infrastructure.
SOLVIT

The SOLVIT network is an initiative from the European Commission with the aim of resolving the concrete problems of citizens and companies in an informal, pragmatic and rapid manner. Complaints can only be moved onto mediation if they meet a number of criteria: the problem must be a cross-border issue; it must be attributable to an erroneous application of European internal market rules by a public administration; an informal resolution must be a viable option.

There is a SOLVIT centre in every EU Member State. In 2014 the SOLVIT network processed 2,369 dossiers with a resolution rate of 84%. The Belgian SOLVIT centre processed 166 dossiers in 2014. Problems in relation to social security take first place in this context. The registration of vehicles and recognition of professional qualifications and exams are also recurring issues. The quality of the services provided and raising the visibility of the SOLVIT centre in Belgium were the most important focus areas in 2014. It is worth noting, however, that even though the resolution rate is very high (92%), the average period for processing a dossier is gradually increasing.

V. Transport, Telecommunications, Climate and Energy

Transport

With respect to railway transport, the Commission submitted a 4th railway package with a technical and a political component. The discussions about the technical component were finalised in the Council in June and involved, among other things, collaboration between the national regulatory railway bodies and the European Railway Agency. In this context, Belgium places huge importance on passenger safety. This agreement has cleared the way for discussions on the political component under Italian presidency in the second semester. The primary bottlenecks are the liberalisation of national passenger transport and the management of the railway companies.

With regard to air transport and, more specifically, proposals regarding the Single European Sky II+, topics that were dealt with included the future of the FABS (functional airspace blocks which involves Belgium collaborating with the Netherlands, Luxembourg, Germany and France), the role of the air traffic control bodies (such as Belgocontrol) and the corresponding advantages for the consumer, the airlines and the competitiveness of the air transport. Once these topics had been examined
thoroughly for a year and a half, the Transport Council approved a general approach in December.

**Telecommunications and Digital agenda**

The work regarding telecommunications mainly involved two dossiers: the package regarding the European internal market for electronic communication (the "Kroes" package) and the guideline regarding a high security level for electronic networks (NIS).

The Kroes package aims to set up a European internal market for electronic communication and encompasses a number of measures, including the "EU authorisation", maximum harmonisation of consumer protection measures, the definition of the neutrality principle and the scrapping of roaming rates for incoming calls.

The design of the NIS guideline aims to achieve a high degree of electronic security via minimum harmonisation, on the basis of 3 cornerstones: strengthening national capacity, collaborating on a European level and reinforcing the security culture in Member States. The Council achieved a general approach in this regard.

**Climate and Energy**

On the basis of proposals from the Commission, the European Council of October 2014 achieved agreement on a policy framework for climate (primarily) and energy for 2030, with the following objectives:

- a reduction of at least 40% in greenhouse gas emissions by 2030 compared to 1990. In addition, the EU is prepared to consider a higher target level if international partners also deliver their share of global effort in order to reduce emissions;
- a binding target of at least 27% renewable energy within the EU (compared to 2005);
- an indicative target within the EU of at least 27% in relation to energy efficiency, with a review clause that permits the target being raised to 30%.
- At least 15% of electricity and gas interconnections in 2030. Belgium already has 17% interconnections and can increase to almost 30% if all planned projects are completed.

This agreement provides an important impetus to the global climate conference at the end of December 2015 in Paris (COP21).

It must be further elaborated within the EU, for example via the reform of the ETS system. In this context, particular attention must be paid to the risk of carbon leakage and industrial competitiveness. In terms of sharing the effort required among Member States in the non ETS sectors (buildings, transport, SMEs,...), Belgium obtained a reference to the importance of the cost efficiency criterion. Belgium is working towards an approach that demonstrates ambition but also encompasses a sense of reality and a fair distribution of efforts.
VI. Agriculture and Fisheries

Agriculture

Under the Greek Presidency an agreement was reached in the first reading regarding the review of the regulation on sales promotion of agricultural products. The review of the regulation regarding organic agriculture, which was proposed in March 2014, and which is very important for Belgium was assessed to be favourable in a progress report in December. The work in relation to the harmonisation of the regulation on the provision of fruit, vegetables and milk at school progressed. Repeated debates focussed on the future of the milk sector after the expiry of the quota system in 2015.

Animals, plants and food

The working groups examined and discussed the proposals from the so-called 5-pack. The regulation regarding expenditure was approved and a progress report was presented in relation to the four other proposals: animal health, plant health, growing materials and official checks.

During the Greek Presidency, much attention was paid to the ban on the import of pigs in Russia as a result of the so-called epidemic of African swine fever (4 cases diagnosed among wild boar in Lithuania and Poland).

Fisheries

An agreement was reached on the European Maritime and Fisheries Fund. The support to the fishing industry and aquaculture is very important for Belgium; EUR 42 million were received from this fund. In October, the Commission drew up a long-term plan for fish varieties in the Baltic Sea. This plan is setting a precedent and Belgium is closely following the horizontal aspects that could impact upon its interests in future plans, particularly with regard to the North Sea. The landing obligation has been in force for certain fishery branches since 1 January 2015. In December an agreement was reached on determining the catch options (fish quota) for 2015 in the North Sea. Belgium is directly involved with this regulation, particularly with respect to sole, the quota for which was dramatically reduced in the Eastern Channel (-28%).

Russian embargo

On 7 August, Russia implemented an embargo against the import of agricultural products and nutritional products from the EU, among other locations. Belgium was hit particularly hard by this measures, principally in terms of the fruit and vegetable sector (pears). On an EU level, measures were taken in order to limit the offer of the most affected products: financing for perishable fruit and vegetables that were taken off the market, private storage and government subsidies for dairy products and a strengthening of the support for sales promotion. Belgium is trying to strengthen existing markets, tap into alternative markets and eliminate trade barriers, particularly of a phyto-sanitary nature, via a Task Force.
VII. Common Trade Policy

Doha Development Agenda (DDA)

After the approval of the Bali package in December 2013, further negotiations were conducted in 2014 in order to complete the Doha Development Agenda. The aim is to achieve political agreement regarding the completion of the DDA by the 10th Ministerial Conference of the WTO that is taking place in December 2015 in Nairobi.

Bilateral and regional free trade agreements

The main aim of the trading policy is to encourage growth and employment opportunities. Bilateral agreements often encompass a broader range of areas (liberalisation of industrial and agricultural products, liberalisation of services, rules, sustainable development, the environment, intellectual property rights and access to government contracts). This is not a feasible option with respect to the Doha round.

The EU is conducting negotiations with many partners regarding free trading agreements. In 2014, further negotiations were carried out with the United States (TTIP), Japan, Vietnam and the ACS countries.

In addition, there was a follow-up to the plurilateral negotiations, with one eye on an agreement regarding the trade in services, and a start was made on deliberations on the liberalisation of trade in green goods.

European investment policy

Since the implementation of the Lisbon Treaty, foreign direct investments have become part of the exclusive authority of the EU. As a result of this, the European Commission is now negotiating on the investment section of the free trade agreements between the EU and third countries. However, the EU is now also negotiating on stand-alone investment agreements. The negotiations on an EU-China investment agreement progressed in 2014. Negotiations regarding an investment agreement were also started with Myanmar.

In 2014, a regulation came into force that contextualised the financial responsibilities for arbitration disputes between investors and states (ISDS or Investor State Dispute Settlement). The EU is currently negotiating on investment protection and ISDS within several agreements, including TTIP.

In addition, efforts continued with respect to developing the new European investment policy. The EU is working towards improvements in the existing investment protection and ISDS system. The EU free trading agreements with Canada and Singapore guarantee a balance between state law and regulations on the one hand, and protection of the investors, on the other. Transparency clauses must also combat the possible abuse of the ISDS system and assure the independence and impartiality of the arbitrators.

VIII. External Relations of the European Union and CFSP

External Relations of the European Union

For the European Union, 2014 was a challenging year in terms of maintaining external relations. Developments in and around Ukraine and the corresponding
relationships with Russia and the EU's eastern neighbours, as well as events in the Middle-East (Syria and Iraq in particular), remained under the spotlights of the EU and the Member States throughout the year. Neighbourliness also remained a top priority during the past year within the policy of European external relations.

On an institutional level, the former Italian Minister of Foreign Affairs, Federica MOGHERINI, was appointed as High Representative for Foreign Affairs and Security Policy and as Vice-President of the European Commission on 1 November 2014. She thus succeeds Catherine ASHTON who shall remain active as the EU representative for negotiations about the Iranian nuclear programme. 2014 also signified the start of the implementation of the New Multiannual Financial Framework 2014-2020. In March 2014, the various regulations with respect to the instruments of Rubric IV (external performance) were accepted.

With respect to **expansion**, the new Commission President Jean-Claude JUNCKER noted on the occasion of his appointment that the new Commission (2014-2019) would not allow any new countries to join the European Union. The discussions that are currently ongoing will be continued. The Austrian Johannes HAHN became the new Commissioner for Neighbourhood Policy and Enlargement Negotiations. Nine new negotiation chapters will be opened with Montenegro over the course of 2014. At the beginning of 2014, entry discussions were started with Serbia and, in June 2014, Albania was awarded the status of candidate Member State. The Stabilisation and Association agreement with Kosovo was signed in July 2014. In 2014, no new chapters were opened with Turkey and the Council was also unable to find a consensus with respect to the opening of negotiations with the Former Yugoslav Republic of Macedonia. The total block in the situation in Bosnia-Herzegovina, with respect to the entry process to the EU, led to the EU trying to develop a new approach to this country, without affecting the foundation of conditionality.

In December 2014, the Council approved a mandate for negotiations for one or more Association agreements with the **European micro-states** Andorra, San Marino and Monaco. The consequences of and follow-up to the "popular initiative" (referendum) on 9 February 2014 in Switzerland regarding the issues with immigration put bilateral relations with the EU under particular pressure, specifically with respect to the Free Movement of Persons.

Transatlantic relations were given a significant boost as a result of the organisation of a Summit with the United States of America and another with Canada. A Framework agreement was signed with the latter country. The EU also held a Summit with Brazil and Japan, 2 strategic partners of the Union, and led bi-regional summits with Africa (4th EU-Africa Summit, Brussels, 3-4 April 2014) and Asia (10th Asia Europe Meeting – ASEM, Milan, 16-17 October 2014). Relations with ASEAN also intensified substantially, particularly during the 20th EU-ASEAN meeting of the Ministers of Foreign Affairs (Brussels, 23 July 2014). Progress was made with respect to framework agreements with Australia and New Zealand. In October 2014, negotiations about a strengthened Partnership and Cooperation Agreement with Kazakhstan were finalised. Although a Summit with China did not go ahead in 2014, the Chinese President did visit the European institutions for the very first time on 31 March 2014.

The Ebola crisis, which broke out in Guinea in 2013, was on the agenda all year. On 23 October 2014 the Commissioner for Humanitarian Aid Christos STYLIANIDES was appointed as European Ebola coordinator. The European Union will spend over EUR 1 billion on fighting Ebola.
The 39th session of the EU-ACP Ministerial Council took place in Nairobi (Kenya). Contrary to some expectations, the Joint Council led to important concrete results. A collective statement regarding the post-2015 framework and support for the development of the private sector was thus accepted. A decision was also made to bring the "Centre pour le Développement des Entreprises" (CDE) to a conclusion by the end of 2016.

Finally, it must be noted that within the Federal Public Service Foreign Affairs, the former Directorates “CFSP” and “External Action” were unified into one Directorate that is responsible for all of the EU's external policy. The coherence and effectiveness of the Belgian follow-up of this policy can thus be further strengthened.

In 2014, this new "External Relations" Directorate organised two stages, in the context of supporting candidate Member States and countries of the European Neighbourhood, for Moldavian and Serbian diplomats and civil servants.

The European Union’s Development Cooperation

Despite the further budget restrictions, the EU's collective ODA (Official Development Assistance) increased from EUR 55.3 billion in 2012 to EUR 56.5 billion in 2014, and thus remained at 0.43% of gross national income (GNI) of the EU. The EU retained its position as largest ODA donor in the world by once again taking responsibility for over half the total ODA for developing countries.

In 2014, the focus lay on the run-up to international negotiations within the United Nations (UN) regarding a post 2015 development framework. It is the intention that the EU takes a united stand within the UN in order to reach an ambitious agreement on the issue of sustainable development objectives.

In 2014, the Commission published a communication regarding the private sector. In May 2014, the Commission proposed a rights-based approach in the development co-operation. The intention is to be more aware of improving human rights when setting up cooperation projects.

With the approval of the new multi-annual financial framework for 2014-2020, including the 11th European Development Fund, the EU laid the foundation of the new support programme over the course of 2014. From April 2014, various national indicative programmes (NIP) were approved. The intention is to end up with more "collective programming" between the EU and Member States. All of this comes back to the fact that parties are striving towards collective analysis and a synchronisation of the programming in order to finally end up with a genuine task distribution between the EU and Member States. Belgium would like to do all it can in relation to this process.

With regard to the "development" aspect, Commissioner Mimica emphasised the three following priorities during the hearing for the European Parliament: 1. the post-2015 framework; 2. the post-Cotonou framework (future of the positions EU-ACS) and the development of the strategic partnership with Africa; 3. the coherence of the development policy.
The Common Security and Defence Policy (CSDP)

Over the course of 2014, the EU was also confronted with many new challenges in relation to security. This resulted not only in the launch of a number of new civil missions and military operations, but also had consequences for existing CSDP missions.

As a result of the crisis in Ukraine, in 2014 the EU decided to launch the EUAM (Assistance Mission) Ukraine. This mission's intention is to support the Ukrainian authorities with the reforms of the civil security sector and must thus contribute towards the recovery of stability in this EU neighbour country.

Also, in the Sahel region, the EU became further involved with the launch of a civil mission in Mali in 2014 (EUCAP Sahel Mali). This mission focuses on training the Malinese civil security services (police, gendarmerie, national guard), and supporting the local authorities in the reformation of their civil security structures. EUCAP Sahel Mali complements the military training mission EUTM Mali and the civil missions in Niger (EUCAP Sahel Niger) which have been operational since 2013. These CSDP missions in Mali also aim to help the Malinese authorities to restore the government's authority across the territory. Instability in the Sahel region has immediate consequences for the EU with respect to illegal migration, terrorism, organised criminality, etc. and this justifies the engagement of the EU via these CSDP missions.

In the same regional context, the border management mission in Libya (EUBAM Libya) has not been able to fulfil its mandate due to the deteriorating political and security situation and, since its evacuation to Tunisia in July 2014, has been reduced in size and put on-hold until the UN-led political dialogue with Libya bears fruit.

In 2014, the EU launched a military operation in the Central African Republic (EUFOR CAR) in order to create a secure environment so that humanitarian aid could be provided to the local population and to support the shift towards a transitional government in this country that is plagued by internal unrest.

The past year was also themed by the further follow-up of council decisions by the European Council of December 2013. In this context, over the course of 2014, an EU maritime security strategy was accepted and an action plan was implemented. In addition, further work took place on the development of a comprehensive approach to crisis management whereby all of the EU's policy instruments are applied effectively and coherently. In this context, the focus was on the further elaboration of the “Train & Equip” initiative and improving the link between internal and external security. In 2014 there were also further follow-ups to improving the development of the military and civil capacities of EU Member States via increased systematic cooperation; the Commission also launched a number of proposals to support the European defence market and industry.

IX. Communicating about Europe

In 2014 the Council, the European Parliament and the Commission set out inter-institutional communication priorities for the sixth time.

The three selected common communication priorities for 2014 were: the economic recovery, the European Year of Citizens and the communication campaign for the European elections in May 2014.

In the context of ever-shrinking budgets, at the beginning of February 2014, a new strategic partnership agreement was signed between the Belgian government and the European Commission. This forms the basis of a new, centralised and indirect management partnership and an annual communication plan.
The *Europe Direct* information centre plays an important role in the regular dissemination of information regarding Europe and will continue to do so for the period 2013-2017. In Belgium there are **12 Europe Directs** (one in every province, Brussels and the German-speaking Community of Belgium).

In 2014, the network was activated in order to organise the “Day of Europe” on 9 May 2014. Deputy Prime Minister Reynders and 21 other speakers (experienced diplomats or employees of the FPS Foreign Affairs) facilitated discussions in 22 secondary schools in Belgium, under the motto “*Our Europe: yesterday, today and tomorrow*”.

**Concrete actions such as these seem to be the best way to involve young people in Europe.** As in 2013, the crisis, Greece and the future of the Euro were the topic of many questions. Other themes which concern young people were also dealt with: free movement of employees, youth unemployment and the Erasmus budget.

The Council and the European Parliament nominated 2015 as the **European Year for Development (EYD2015)**, under the motto "Our world, our dignity, our future". This is the first time a European year has taken a global theme. 2015 will also be a pivotal year. The term for realising the Millennium Development Goals (MDG) is coming to an end. Preparations for a post-2015 development framework are in full swing. This framework must replace the MDGs. According to the latest available "Euro-barometer" on this topic (December 2013), 66% of European citizens believe that tackling poverty in developing countries is one of the most important priorities for the European Union. For more information: europa.eu/eyd2015 and europa.eu/eyd2015/fr/belgium and europa.eu/eyd2015/nl/belgium

**European elections in May 2014**

During the dialogues in 2014, citizens were invited to participate in the debate in the run-up to the European Parliament elections in 2014. These elections were the first since the entry into force of the Lisbon Treaty.

The *European Parliament* launched an awareness & information campaign for the elections on 10 September 2013. The slogan ACT.REACT.IMPACT emphasised that European voters can exert power by means of the ballot, and in this way can contribute to determining the future state of the European Union.
The European Movement-Belgium organised a large-scale awareness campaign for young people between the age of 18 and 26, most of which were able to vote for the first time, about the deployment of the European elections. A series of 12 debates with Belgian European MPs and political representatives were held on European topics. A countdown calendar “Your vote counts!” was also created, focussing on youngsters between the age of 18 and 26. This countdown calendar, of which 15,000 copies were printed, counted down 100 days to the European elections and every day provided an playful and educational message about the Union.

For all information about the European elections:
The DGE Annual report 2014 is an edition of the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation.