ANNUAL REPORT ON THE ACTIVITIES OF THE EUROPEAN UNION 2015
ANNUAL REPORT ON THE ACTIVITIES OF THE EUROPEAN UNION FOR THE ATTENTION OF THE LEGISLATIVE CHAMBERS, PURSUANT TO ARTICLE 2 OF THE ACT OF 2 DECEMBER 1957 ON THE ADOPTION OF THE EEC TREATY

PREAMBLE

In 2015 the European Union had to face a number of consecutive crises. The attacks on the French satirical weekly *Charlie Hebdo* on 7 January confronted the European Union with its own internal vulnerability. The informal European Council of 12 February approved lines of action to strengthen the fight against terrorism by the Union and its Member States. On 13 November, the European Union was once again shocked by *new bloodshed and attacks* in Paris. As a result, activities focused on a further strengthening of the information exchange via the Schengen information system and the relevant databases (including Europol). In the European Parliament, sufficient political will was finally gathered to create a European register of airline passenger name records (PNR) in order to prevent, trace, investigate and monitor terrorist offences and serious criminality. Deactivation of weapons, legislation on the control and acquisition of firearms and the financing of terrorism will be prioritised.

Spring was marked by the *ups and downs in Greece*, with major questions being asked about the further Greek membership of the Economic and Monetary Union (EMU). The Greek government, led by Alexis Tsipras, was on a collision course with the Eurogroup with respect to the conditions linked to additional financial support for the Greek banks. In July, an additional support package for Greece was finally released and the exit of Greece from the Eurozone (*Grexit*) was avoided at the last moment.

The summer was the start of an *unprecedented influx of migrants*, largely made up of refugees from Syria and Iraq fleeing the long-lasting conflicts. The pressure on the outlying Member States was overwhelming. The Dublin system, which places responsibility for processing asylum applications on the first country of arrival, was no longer being strictly applied. Member States responded by taking up different positions. European leaders invested a great deal of political capital in trying to formulate a joint answer. In the absence of a *ready-made solution*, a European strategy remained vital. A decision to relocate one hundred and twenty thousand asylum seekers in exchange for a proper reception of asylum seekers by Greece and Italy was voted by a quallified majority in September. Simultaneously, the emphasis was firmly placed on the effective return of migrants who were not entitled to international protection. The implementation of these relocation decisions and the so-called hotspot concept (centres in Italy and Greece for the registration, identification and reception of migrants) was hampered by a discussion about ‘solidarity versus responsibility’. Implementation did not fulfil expectations and the problem remains acute. The pressure on destination countries increases the threat of the Schengen system disintegrating.

At the same time, there is a growing realisation that an *integrated management system for the outer borders* is vital in order to better protect the outer edges of the Union. On 15 December, the European Commission put forward an ambitious package of proposals which included a far-reaching and therefore not unchallenged proposal to create a European Border and Coast Guard (including a transfer of sovereignty) by strengthening the mandate of the European Agency for the Management of Operational Cooperation at the External Borders of the Member States of the European Union (Frontex). The Schengen Borders Code will also be amended to enable systematic checks on everyone (including EU citizens) at the outer borders.

Much attention was also paid to *collaboration with countries of origin and transit countries* in order to stem the flow of refugees. In November a summit meeting was held with African Heads of State and Government, in Valletta. A joint action plan was drawn up with *Turkey* in order to improve the reception of Syrian refugees in Turkey and to assist Ankara in its fight against illegal immigration. Turkey promised to fully implement the return agreement and in return the EU will support the country with 3 billion euros over two years. The successful implementation of the action plan must contribute towards the quicker finalisation of the step-by-step plan for visa liberalisation. This also led to renewed focus on the dialogue with Turkey in relation to accession negotiations, without affecting the agreements made on conditionality and the negotiation framework.

As a result of the challenges outlined above, in particular the Euro crisis and the migration issue, the focus throughout the year was centred on *crisis management*. This translated into an unprecedented number of extraordinary meetings of *European Heads of State and Government*. 
The crisis eroded public confidence in the European project. This was made clear by the electoral success of political parties with a Euro-critical discourse; in Denmark a referendum on the conversion of its opt-out in Justice and Home Affairs matters ended in victory for opponents to more European integration.

Against this backdrop, at the end of the year, a debate began on new arrangements for the United Kingdom within a reformed European Union. After his electoral victory in May, the British Prime Minister David Cameron focused on getting the debate started with a view to holding the in/out referendum he had promised with respect to the European Union in 2016. On 10 November, he sent a letter detailing British formal claims to the President of the European Council, Donald Tusk. On 7 December, following initial consultations, President Tusk announced that 'good progress' had been made, but acknowledged the fact that there were still substantial political differences of opinion, particularly in relation to 'benefits' and 'free movement'. An initial discussion at the European Council took place in December. Concrete decisions were postponed until 2016.

These challenges did not, however, prevent the European Union from making significant progress in 2015. The European Fund for Strategic Investments (EFSI) was definitively launched and is an important milestone for European growth and employment policy, as outlined in the Juncker plan.

At the end of June, the report from the five Presidents by Commission President Jean-Claude Juncker, in close collaboration with the President of the European Council Donald Tusk, Eurogroup President Jeroen Dijsselbloem, the Governor of the European Central Bank, Mario Draghi, and European Parliament President Martin Schulz, outlined a plan to further develop the Economic and Monetary Union (EMU). A strengthening of the EMU is required in order to ensure its proper functioning and to prepare the Member States for the changes that go hand-in-hand with global challenges. In the first phase (up to 30 June 2017), EU institutions and Member States of the Eurozone will have to build upon existing instruments and make use of existing Treaties as much as possible. At the end of October, the Commission proposed an initial package of measures with a new approach for the European Semester, via a reinforced democratic dialogue and improved economic governance, among others. At the end of November, a proposal for a European deposit insurance scheme (EDIS) was submitted as the third pillar of the banking union, alongside the community oversight mechanism and the community Single Resolution Mechanism.

An important highlight for European decision-making was also reaching a compromise about a new interinstitutional agreement on better regulation between the three institutions: Council, Commission and European Parliament. The agreement covers issues such as interinstitutional consultations prior to the establishment of annual priorities and reviews the processes for implementation of European legislation by means of delegated legal processes among other things, in order to strengthen uniform application across the Union.

In 2015 a great deal of attention was also paid to establishing the Belgian position on the energy union, which was launched by the European Council in March. The establishment of an energy union is closely linked to international negotiations on climate policy but also aims at the effective implementation of the acquis regarding European energy policy. With the intended reduction of energy-related dependence on fossil fuels, it also encompasses an important geo-strategic dimension.

In the run-up to and also during the climate conference in Paris, the European Union succeeded in transcending internal objections and contributing to the success of the conference with a unanimous and ambitious position.

The terrorism and migration issues took centre stage in 2015 in terms of the Union's foreign policy, with particular attention being paid to the European Neighbourhood Policy, both with regard to its Eastern and Southern aspects. In June, the second summit of the EU and the Community of Latin-American and Caribbean States took place in Brussels, followed by an EU-Mexico summit. In November, the ‘Asia Europe Meeting’ (ASEM) was held in Luxembourg. Bilateral summits were also held with Japan, China and South Korea.

In the area of trade, negotiations continued with the United States on a Trans-Atlantic Free Trade and Investment Treaty (TTIP) and with Japan on a Free Trade Agreement. A Free Trade Agreement was reached with Vietnam; its part regarding investments is still under discussion. There were also important discussions within the EU on a new approach to investment protection and on dispute settlement between investors and States. These procedures are already used as a basis for the TTIP.

During the tenth Ministerial Conference of the World Trade Organisation in December in Nairobi, the one hundred and sixty-two countries reached agreement on the rapid elimination of export subsidies for developed countries, in the agricultural section of the Doha development round. The Nairobi package also
contained further measures to benefit the least developed countries (LDC), including the application of trade preferences for LDC services and service providers.

In 2015 the Directorate-General Coordination and European Affairs (DGE) was responsible for the general follow-up and coordination of the transposition of European legislation by the competent authorities in our country. In general, there was a slight decline in the transposition of directives by Member States. Belgian transposition figures evolved in a similar fashion. In the scoreboard of 10 December 2015, Belgium breached the European permitted norm of 1 percent, with its score of 1.1 percent. SOLVIT Belgium (which is part of the DGE) handled one hundred and forty-nine cases in 2015. Seventy-one cases concerned problems faced by Belgian citizens or companies in another Member State; the other seventy-eight cases dealt with complaints against a Belgian government service. Compared to 2014, the number of cases against Belgium decreased by 12 percent.

In 2015 a great deal of attention was also paid to communication about Europe with citizens. The Union approved new communication priorities for 2015-2016. In collaboration with the twelve Europe Direct information centres in Belgium, and under the motto 'Our Europe: yesterday, today and tomorrow', Europe Day was celebrated in twenty-four secondary schools on 9 May. For the first time, there was also an interactive exchange between five hundred and fifty-eight youngsters from twenty-three schools and the Minister of European Affairs, Deputy Prime Minister Reynders, under the heading 'Europe: let's talk about it together.' The DGE also developed a brand new app on Europe, 'Putting the European Union on the map'. This game tests the knowledge of youngsters about the European Union and was launched as an educational tool prior to the start of the school year in 2015-2016.

This report briefly outlines the main activities of the Union in 2015. For a more comprehensive overview, the reports from the institutions themselves provide a useful starting point.

I hope you will enjoy it!

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DGE
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I. The Union’s institutional framework

**British membership of the European Union**

After his election victory in May 2015, the British Prime Minister pressed for initiating the debate about new arrangements for the United Kingdom within a reformed European Union.

Prime Minister Cameron was eager to organise the in/out referendum he had promised on British membership of the EU in 2016. On 10 November, he sent a letter detailing British formal claims to the President of the European Council, Donald Tusk. As a result, a bilateral consultation round was organised between the individual Member States and the European institutions in order to draft an initial response and comments.

On 7 December, President of the European Council Tusk briefly set out his findings in a letter. He reported on the one hand, that 'good progress' had been made, but on the other, acknowledged the fact that there were still substantial political differences of opinion, particularly in relation to 'benefits' and 'free movement'. An initial discussion by the European Council took place in December. Concrete decisions were postponed until 2016.

Belgium would like to take a constructive position within this debate. The United Kingdom is an important partner and everybody's interests are served by the UK remaining within the Union. Any solution must also be in line with the founding principles of the Union and should not in any way affect the capacity of the Union to continue with the integration process, with respect to the Economic and Monetary Union.

**Interinstitutional agreement on 'better regulation'**

In May 2015, the European Commission submitted a proposal for a new interinstitutional agreement (IIA) on 'better regulation'. This initiative was partly the result of the joint efforts undertaken by the Commission, the Council of the European Union and the European Parliament to improve the Union’s legislative framework. After months of negotiations, the three institutions reached an agreement, which was approved by the General Affairs Council of December and the College of Commissioners and sanctioned by the Conference of Presidents of the European Parliament. However, the text still has to be submitted to the plenary meeting for approval in 2016.

The agreement provides for interinstitutional deliberations to be held prior to the establishment of the annual priorities and the planning of the Commission’s legislative activities. The intention is to improve the quality of legislation by making better use of impact studies, holding discussions with stakeholders and the improved evaluation of existing legislation. The agreement also reviews the processes for implementation of the legislation, by means of delegated legal processes among other things, in order to strengthen uniform application across the Union.
II. Economic and Financial Affairs, Employment and Social Affairs

II.1 The Economic and Monetary Union

Report from the five Presidents

In 2015 activities were undertaken to deepen the Economic and Monetary Union (EMU) on the basis of the report from the five Presidents, which was published on 22 June. The report focuses on the realisation of four thematic unions: a financial union for establishing an integrated financial framework, a budgeting union and an economic union via budgetary frameworks and a coordinated economic policy, and finally a political union supported by strengthened democratic legitimacy.

A number of reform rounds preceded these activities, the first of which was a package of reforms proposed by the European Commission in October 2015. The package comprised the further rationalisation of the European Semester, the harmonisation of the external representation of the Eurozone and a deepening of the banking union. The EMU should be completed by 2025.

a. Towards a real banking union

The most important aim of the banking union is to eliminate the link between struggling banks and government finances. In 2015 Member States reached an agreement about the financing of the European Stability Mechanism, which may prove of vital importance in the event of new difficulties arising within the EU. A proposal for a regulation regarding a European deposit insurance scheme for banks was also submitted at the Economic and Financial Affairs Council (Ecofin), which will be examined by a working group from January 2016. Finally, the Ecofin Council approved the general approach regarding the structural bank reform.

b. Saving Greece

2015 was also the year of a third financial aid plan for Greece, which was fleshed out in an agreement signed by the Commission. In December 2015 a second payment was made to implement this third aid plan. In return, Greece must work on structural reforms with strict targets and stringent terms, which serve as conditions for the later allocation of funds, as well as any rearrangement of Greek debts and subsequent support from the International Monetary Fund.

With respect to this dossier, the Belgian Technical Cooperation (BTC) was praised for the technical support projects that the agency conducted on behalf of the Greek administrations, as part of the recovery plan.

II.2 The Juncker package

In November 2014, President Juncker launched an Investment plan with three pillars: the creation of a European Fund for Strategic Investments (EFSI), which has 315 billion euros to spend on guaranteeing concrete projects on tapping into more public or private investment, the creation of the European portal for investment projects in order to raise awareness of projects that need investment and to highlight these to potential investors and, finally, the improvement of the current investment climate by removing regulatory or administrative barriers. The latter pillar took shape
with a proposal for a Capital Market Union (CMU). The aim of the CMU was to provide easier access for companies to various sources of finance and remove the barriers to cross-border investment.

Belgium obtained an EFSI guarantee for two infrastructure and innovation projects. Moreover, several finance agreements were concluded for five projects supporting SMEs.

III.2 Stability and Growth Pact and European Semester

The Ecofin Council approved a general approach regarding flexibility in the Stability and Growth Pact (SGP). In terms of the European Semester, the focus will remain on a three-fold aim: investment, structural reforms and budgetary accountability. In this context, it must also be reported that the Commission has adopted specific recommendations for the Eurozone for the first time and according to a fixed, planned schedule.

IV.2 Tax system

There have been developments with regard to corporation tax on three fronts: the agreement with regard to rulings, the conclusions of the Ecofin Council on the BEPS project launched by the OECD (Base Erosion and Profit Shifting) and a proposal for a Commission Directive on the Common Consolidated Corporate Tax Base (CCCTB). In addition, the Member States are continuing the debate, via close consultation, on the proposal for a directive regarding a tax on financial transactions.

V.2 Budgeting

At the end of November 2015, after weeks of intense negotiations, the Council and the European Parliament reached an agreement regarding the Union's budget for 2016. The budget provides for a total of 155 billion euros in commitments and 143.89 billion euros in payments. The budget offers the Union the resources to respond to current needs and challenges. For example, over 4 billion euros in commitments has been made available for supporting Member States and third countries in their approach to the migration and refugee crisis. The budget for 2016 also provides much more resources for tackling crime and protection against terrorist attacks. The resources for internal security will be increased by 64 % compared to 2015 for commitments and 46.7 % for payments.

Furthermore, there is an increase in resources for research and other measures that should stimulate growth; this equates to 8.3% more commitment credits and 10.8% more payment credits compared to 2015. The EU budget for 2016 also supports farmers with extraordinary measures that amount to 698 million euros, which are intended to alleviate the impact of the Russian embargo on certain agricultural products and address the difficulties in the dairy and pork sectors. During these negotiations, Belgium was a self-appointed champion of a balanced budget that takes account of the needs of the Union and the concerns of specific Member States who wish to maintain a balance in their own budgets.
VI.2 Employment and Social Affairs

Employment

The Council approved recommendations regarding the engagement of long-term unemployed in the labour market. The primary aim is to increase the reintegration percentage of the long-term unemployed. Belgium has provided a substantial contribution to the formulation of recommendations in the form of a series of amendments that have been accepted by the Council.

Employment mobility

Belgium has actively collaborated in informal ministerial deliberations that have been held by like-minded Member States with a view to reforming the Directive on the secondment of employees, announced by the Commission for the beginning of 2016. On 30 June 2015, Belgium also lifted the restrictive measures for Croatian employees. These employees now have access to the Belgian labour market, in the same way as citizens of other EU Member States.

Social affairs

We note a general consensus about the fact that the EMU must have a social dimension. From now on, economic analyses by the Commission will therefore also include social indicators. In this context, the Eurozone ministers that are responsible for social affairs, held an informal meeting on 5 October 2015. Finally, the Council adopted recommendations regarding social governance for an inclusive Europe. The aim is to strengthen the social dimension of the European Semester and to take this into account in the policymaking process and the structural reforms of the Union's social and employment goals.

Equality and non-discrimination

Several Member States continue to struggle with the proposal for a directive on the male/female ratio within listed companies, in the sense that they would prefer a less binding instrument. Belgium has now fulfilled the minimum requirements in the present text. Moreover, a new version of the New strategy for Gender Equality is expected after 2015. The Commission's engagement will expand in this context. Various items will be covered, proposed by many Member States, including Belgium, and continuing on from the work of the Employment, Social Policy, Health and Consumer Affairs Council of December 2015.
III. Justice and Home Affairs (JHA)

Migration

More than 1.5 million people illegally crossed EU borders in 2015, mainly from Syria and the surrounding countries, fleeing from the ongoing violence of war. In Belgium in 2015, the Immigration Office received 35,476\(^1\) asylum applications, over twice the number of 2014. The increase was particularly notable in the second half of the year. Most of the asylum seekers come from conflict areas such as Iraq, Syria and Afghanistan. The pressure on Member States was overwhelming in the outlying Schengen countries. The Dublin system, which places responsibility for processing the asylum application on the first country of arrival, was not correctly applied. It quickly became clear that only a European solution could offer an adequate response.

Since the beginning of the crisis, the Commission has taken several initiatives and published the European Agenda for Migration in 2015. This contained both measures for the short term (setting up hot spots, relocation, resettlement, support to so-called 'front-line' states) and for the longer term (tackling illegal migration, improved border management, collective asylum policy, legal migration). In May, September and December, three implementation packages were proposed. They are far-reaching but even if the decisions are approved, it will be extremely difficult to implement them. In an internal context, a distribution code was approved to relocate an initial 40,000 and then another 120,000 refugees in the EU, from Italy and Greece to other EU Member States. It was also agreed that these two countries must make rapid progress in terms of setting up 'hot spots' where the incoming migrants are received and registered with a view to possible relocation in the EU or return to their country of origin. Both the implementation of relocation and the creation of 'hot spots' have been significantly delayed. As a result of increasing pressure from migration, various destination countries or transit countries have decided to temporarily reinstate internal borders, subsequently putting pressure on the Schengen system. In December 2015, the European Commission took the initiative to more effectively police Schengen's outer borders by means of the European Border and Coast Guard.

The external dimension of the migration problem was discussed during international meetings on the Western Balkan route in October 2015 and the migration summit with African partners in Valletta in November 2015. An action plan that focuses on stemming the flow to the European Union and also provides an initial financial support package of 3 billion euros, was agreed with Turkey.

During this migration crisis, Belgium has continuously opted for a European solution. Our country made a commitment to relocation and has earmarked 10 million euros for a follow-up to Valletta, but also advocates a more efficient return policy and improved management of the outlying borders.

\(^1\) Figures from the Immigration Office
Terrorism

Following the attacks on the offices of Charlie Hebdo in January in Paris, the Heads of State and Government approved a Statement on the general EU approach to tackling terrorism and radicalisation, on 12 February 2015. The Statement contains measures that are grouped into three chapters, i.e. ensuring the safety of citizens, preventing radicalisation and safeguarding values, and cooperating with our international partners. The leaders agreed to tackle terrorist threats more forcefully, with full consideration of human rights and the rule of law. Over the past year, efforts have been made at a European level to effectively implement this Statement. Measures have been taken to prevent radicalisation, improve the identification of terrorists, monitor their movements and strengthen police/judicial cooperation, specifically in terms of the exchange of information. There will also be greater cooperation with third countries.

In May, the Commission proposed its European Agenda on Security. The updated Internal Security Strategy 2015-2020 offers a coordinated response for supporting Member States in their efforts to guarantee security (‘EU shared agenda’). Even though security is primarily a national matter, a coordinating role for the European Union is vital.

In November, the European Union was once again shocked by new bloodshed and attacks in Paris. The Council decided that the implementation of measures in all areas covered by the Statement of 12 February should be accelerated. Work also continued on a further strengthening of the information exchange via the Schengen information system (SIS II) and the relevant databases (including Europol). At the end of 2015, in the European Parliament, an agreement was reached about creating a European register of airline passenger name records (PNR) in order to prevent, trace, investigate and monitor terrorist offences and serious criminality. An implementing decree was drafted with respect to the deactivation of weapons, and the Commission drew up a proposal for a directive regarding controls on the acquisition and possession of firearms. The Commission also drew up a proposal to amend article 7.2 of the Schengen Borders Code, which states that from now on the identity/nationality and the validity and authenticity of the travel documents of anyone arriving in or departing from the Schengen zone (via air, sea or land) must be systematically checked.

The Belgian government published a series of 12 measures against radicalism and terrorism. After the attacks on 13 November in Paris, these were further substantiated. On a European level, Belgium placed the emphasis on greater and improved European cooperation between the police and intelligence services, Eurojust and Europol, stronger border controls and the improved use of the Schengen Information System (SIS).

Data protection

Negotiations between the Council and the European Parliament about the protection of personal data package (regulation - general framework and directive for protecting data in the police and judicial sector) were completed in December 2015 after 3 years. Belgium is satisfied with the updated framework that aims to refine the prerequisites for processing personal data, particularly within the digital economy, while offering a high level of protection for the individual.
IV. Internal Market, Industry, Research, Transposition – Solvit – EU Pilot

IV.1 Internal Market, Industry, Research

One of the most important achievements under the Luxembourg presidency is the 'Better Regulation' package that was discussed by the General Affairs Council (the three institutions finalised an interinstitutional agreement in December) but also in the Competitiveness Council (COMPET). For Belgium, this was an opportunity to once again focus on the importance it places on clear, simple and good quality regulation. Impact analyses, discussion and evaluation did not, however, lead to the depoliticisation of the legislative process due to excessively strict preconditions being imposed. That said, the subsidiarity principle must apply to both sides: creating greater European integration and taking more decisions at a level that, if necessary, is as close as possible to European citizens. Belgium is also cooperating in the programme for healthy regulation (REFIT) as long as this does not give rise to any deregulation that is detrimental to the effective functioning of the internal market.

At the start of the year, important conclusions were adopted on the internal market. In response to a question from the European Council of March 2014, the Luxembourg presidency strengthened the role of the Competitiveness Council by means of an innovative exercise – the so-called 'competitiveness check-up' – that has already proved its value in other policy areas of the European Union (climate, trade, social affairs, etc).

In autumn, due to a request by the United Kingdom, an Extraordinary Competitiveness Council was convened to discuss the crisis in the European steel industry; a series of measures were adopted with respect to improving competitiveness in this sector and more generally in industries with high energy consumption.

In October, a package on the internal market of goods and services was announced. This covers, among other things, a collaborative economy, follow-ups to the services directive and measures to prevent discrimination with respect to consumers and entrepreneurs. Harmonisation and mutual recognition are proposed as suitable instruments for alleviating the burden and guaranteeing the legal certainty of businesses.

The Commission also proposed a package on the digital internal market, which deals with the modernisation of copyright and reforming the rights of online consumers. In the context of the digital sector, the debate centred on the role of platforms.

In the past few months, the select committee for the European patent organisation has been focusing on renewal fees (the 'true top 4' formula preferred by Belgium, was finally adopted) and the distribution code between the Member States. In the autumn, Italy officially signed up to the strengthened collaboration.

With regard to the research sector, a roadmap for the European Research Area (ERA) for 2015-2020 was approved. In 2015, the priority themes within the ERA were reforming the consultation structure, the integrity of research and gender equality.
IV.2 Transposition – Solvit - EU Pilot

The efficient application of EU law, via the prompt and accurate transposition of European directives, is vital for the European Union in order to achieve its Treaty objectives. In Belgium, each governmental body is responsible for the transposition of the European directives within its spheres of competence. The general follow-up and coordination of the transposition process of the different governmental bodies falls within the administrative responsibility of the DGE of the Federal Public Service Foreign Affairs.

Transposition results: unfavourable evolution

In general, there has been a slight decline in the transposition of directives by Member States. Belgium developed in line with this trend: a transposition backlog of 0.8% (or 9 late directives) on 10 May 2015 gave the country a lower score than in November 2014, when Belgium had a transposition backlog of just 0.7%. When the scoreboard was closed on 10 December 2015, Belgium had achieved a score of 1.1% (twelve late directives). As a result, the permitted European norm of 1% was breached. Belgium must also transpose one directive that has a backlog of over two years. The European Commission operates a zero-tolerance policy in this regard.

SOLVIT

In 2015 SOLVIT Belgium handled 149 cases compared to 147 in 2014. A notable trend is the shift from so-called Lead to Home cases. SOLVIT Belgium handled seventy-one cases as Home (these are cases where Belgian citizens/companies face problems in another Member State), this is an increase of 20% compared to 2014. In contrast, there was a reduction in the number of complaints against Belgium (so-called Lead dossiers); there were seventy-eight cases, a reduction of 12% compared to 2014. This trend can be explained by the promotion of SOLVIT among Belgian citizens and businesses, on the one hand (including participation in the Salon Entreprendre and the cooperation agreement with the Pensions Ombudsman), and the resolution of a number of structural issues in Belgium (registration of motor vehicles for students) on the other.

Fifty-eight of the Lead cases were resolved, seven were unresolved and thirteen are still open. The cases tended to concern complaints relating to the free movement of citizens and businesses (36%), social security (20%) and the recognition of professional qualifications and certificates (15%). The resolution level for SOLVIT Belgium is 90%. The average processing time for Lead cases by SOLVIT Belgium decreased from seventy-two days in 2014 to an average of fifty-two days, whereas the European Commission applies seventy days as the maximum term.

Of the Home dossiers, where Belgian citizens and companies encountered problems in another Member State, 2015 cases primarily concerned the areas of social security (26%), the recognition of professional qualifications and certificates (19%), registration of vehicles and driving licences (15%) and taxes and customs (15%).
EU PILOT

If the European Commission considers EU law has either been transposed or is currently executed incorrectly, the Member State will be asked to correct this via the EU Pilot system, an informal and confidential online information exchange system. A Member State will then be given ten weeks to respond to the European Commission’s demand. In 2015 Belgium respected this term, as did the majority of the other Member States.

In 2015, a total of thirty-one EU Pilot case files were opened by the European Commission regarding Belgium. Twenty-five of them are still ongoing, three case files were concluded positively and three were concluded negatively; a violation procedure has already been started for one of these.

Action taken in 2015

Since January 2015, the DGE of the Federal Public Service Foreign Affairs has been responsible for coordinating the transposition of European directives and EU Pilot case files. In this context, the negotiator and legislator are brought in contact with each other. During the coordination meetings within the DGE, the feasibility of the transposition deadline must be discussed and awareness must be raised among the different transposition actors.

V. Transport, Telecommunications, Climate and Energy (TTE)

Transport

The work of the Transport, Telecommunications and Energy Council, Transport component, also focused this year on the fourth railway package which encompasses both a technical and political component. Once discussions on the technical component were finalised in June 2014, it took another year to pave the way for the agreement (general approach) which was reached by the Council in October 2015. The most problematic areas of the two topics (the liberalisation/privatisation of domestic passenger travel and the management of the railway companies) were linked to the balance between the two texts, the maintenance (or not) of integrated structures and the capacity to guarantee fair competition, the consequences for smaller or national networks and the direct permits for public service contracts.

In the context of air transport, an agreement in relation to regulating passenger rights transpired to be unattainable. At the end of 2015, a new air transport package was submitted in order to improve the competitiveness of air transport and the airlines. This is to be achieved by means of an increased emphasis on the international dimension and competition from external partners. Finally, the working group for Transport also focused, as a result of the attack on the Thalys train, on the issue of improving railway security, on the insistence of various Member States, including Belgium.

Telecommunications

In terms of the Telecommunications component, the Commission submitted proposals in May 2015 regarding the digital agenda, with the following three priorities:

- making online goods and services more accessible for consumers and companies in the European Union;
- creating a favourable climate for the development of advanced digital networks and drawing up the preconditions for fair competition;
- Maximising the growth potential of the digital economy.

The legislative preparations for this package (particularly copyright, portability of online content services, digital contracts) will be tackled from 2016.

The Telecommunications Council was also able to conclude a number of ongoing issues from the previous legislative term, which are politically sensitive (abolition of roaming charges) and/or extremely technical. As a result, definitions regarding the European internal market for electronic communication were approved ('EU authorisation', a maximum harmonisation of measures for protecting the consumer, the definition of the neutrality principle, the abolition of roaming charges) and, at the end of 2015, an agreement regarding the directive on a high common level of Network and Information Security (NIS) was reached.

**Climate and Energy**

The European Climate Agenda for 2015 was dominated by preparations for the climate conference in Paris (COP21). Initially, the EU and Member States developed an ambitious contribution referred to as the Intended Nationally Determined Contribution (INDC). An agreement on climate financing was then reached. The efforts contributed to the creation of a successful global climate agreement on 12 December.

In line with the conclusions of the European Council of October 2014 and on the basis of a Commission communication, the Environment Council approved the contribution from the EU and the Member States. The European INDC included an emissions reduction of at least 40 percent by 2030. The EU’s main aim was to achieve a new global, all-encompassing and legally binding climate agreement, accompanied by a system that allows ambitions to be raised every five years and a robust mechanism regarding following up on commitments.

Climate financing was the 'deal-maker or deal-breaker' for the success of COP21. The Ecofin Council of 9 November 2015 reached an agreement on the necessary Council conclusions regarding financing.

Aside from the focus on preparations for COP21, the EU also continued to further shape its internal policy with the implementation of the climate section of the 2030 package. The principal development in this regard was the Commission's proposal to review the European Emissions Trading System (ETS). The aim of this review is to make the system more robust so that it continues to contribute, in a cost-effective manner, towards realising the European climate goals and the breakthrough of innovative and low carbon dioxide technologies. Much attention was also paid to the issue of 'carbon leakage', for the purposes of providing sufficient protection to European industry. Finally, several funds were created to primarily assist new Member States in their transition to modern and low carbon dioxide energy systems.

The Commission's announcement regarding the Energy Union, a concept that was initially proposed by Polish Prime Minster Tusk in February 2014, was received favourably by the European Council in March. The Energy Union rests on five cornerstones and should contribute towards strengthening supply certainty (also external), completing the internal market, increasing energy-efficiency and reducing demand, making the economy carbon dioxide free (link with the climate) and championing research and development. By confirming its long-term vision with
respect to sustainable, affordable and secure energy, the EU must offer investors greater legal certainty. The energy mix remains a national jurisdiction.

This communication is a further elaboration of the agreement that was reached at the European Council of October 2014 on the policy framework for climate (mainly) and energy until 2030. The Commission proposes actions for modifying and supplementing existing legislation: energy-efficiency, capacity mechanisms, convergence of national support for renewable energy (distribution sector), starting a strategy for LNG gas, achieving the interconnection targets, expanding transparency of the agreement with third partner countries for gas, better integrating renewable energy sources in the network, improving the sustainability of transport and reaffirming the global leadership of the EU on climate. The communication emphasised the horizontal aspect of regional collaboration within the EU.

VI. Agriculture and Fisheries, Environment and Public Health

Agriculture

In 2015 the EU and its Member States took part in many events across the globe in relation to agriculture and food issues. Belgium, for example, made an active contribution to the World Expo in Milan, with the theme 'Feeding the Planet, Energy for Life', which took place in October. The highlight of this World Expo was a ministerial forum on food and food security in June, at which Belgium signed the Milan Charter which aims to tackle worldwide hunger and provide access for all to quality food in sufficient quantities.

For the EU, 2015 will be the year in which milk quotas came to an end. The milk quotas were set up in 1984 to resolve the problem of structural over-production of milk within the EU. The system was suspended on 15 April and the switch was made to market-oriented milk production. The milk sector is still, however, facing a serious market crisis. In this context, Belgium reminded the Commission about its request to strengthen the Milk Market Observatory, the reference body that sets the crisis thresholds and decides when market management measures should be taken in order to limit negative consequences for dairy farmers. The pork meat market is also facing severe problems. The measures that were taken by the Commission were inadequate to improve the situation. Not only has production far outstripped demand, the crisis was exacerbated by the Russian embargo on agricultural products from the EU and trade measures that were taken as a result of the African swine fever. During the extraordinary Agriculture Council in September, the Commission announced a financial aid package of 500 million euros to support the agricultural sectors that were affected by the crisis.

Another agenda point was the review of regulations regarding organic agriculture. Belgium objected to the proposal on the table because it signified a decline in Belgium's current requirements and, more specifically, because it would offer an insufficient guarantee to the consumer that organic products do not contain residues from non-permitted products.

In December, the Parliament and the Council reached an agreement on the programme for the provision of fruit and dairy products in schools, despite differences of opinion regarding the judicial basis of these new regulations.
**Fisheries**

The Parliament and the Council achieved a compromise on the long-term management plan for certain fish stocks in the Baltic Sea. Belgium has followed proceedings very closely given that this plan, as the first of its kind, essentially sets a precedent for future long-term plans for the North Sea. At the traditional end-of-year negotiations on fishing quotas in the north-easterly part of the Atlantic Ocean, Belgium was able to obtain additions to the Commission's original proposal.

**Public Health**

The review of existing legislation regarding medical aids aimed to make the sector safer while simultaneously keeping it modern and innovative. Under the Latvian presidency, a general approach regarding the proposal was drawn up and the trialogue began with the European Parliament.

Conclusions were adopted regarding alcohol and the evaluation of the Ebola crisis. The Commission was approached regarding whether it could help launch a European strategy on alcohol. The need for intense European collaboration in the approach to threats to health was clarified. Belgium, the Netherlands and Luxembourg concluded a protocol regarding affordable innovative medicines, with a commitment to working together on the so-called orphan medicines for rare disorders (medicines for which the patent has run out and which are very expensive to manufacture).

**Environment**

With regard to air quality, the National Emission Ceilings (NEC) were high on the agenda. The purpose of the updated directive is for the Member States to apply ceilings for various pollutants by 2020 and 2030. The ceilings should lead to a reduction in premature deaths.

In relation to the EU Biodiversity Strategy 2020, the Commission has made an interim evaluation of the efforts made by Member States in the context of the six proposed targets. The ‘greening’ of the European semester and the integration of the environment within the European semester was covered this year too. The Member States verified whether their national actions had made a sufficient contribution towards the intended targets. In so doing, a transversal approach was applied across the policy domains. Environmentally damaging subsidies were also scrapped and the correct application of environmental law was discussed.

In December 2015, the Commission published its long-awaited circular economy package. This extensive package aims to realise a new economic model, whereby waste is eliminated entirely. The package comprises an action plan and a review of European waste legislation.
VII. European Trade Policy

The tenth ministerial conference (CM10) of the World Trade Organisation (WTO) on the multilateral dimension of trade policy took place from 13 to 19 December 2015. On 19 December, the one hundred and sixty-two Member States of the WTO that gathered in Nairobi, reached a difficult agreement (export subsidies) on part of the agricultural programme from the Doha round, which began in 2001.

Aside from agreements about export competition, this first ministerial conference on the African continent also approved a series of specific measures for the least developed countries (LDC). This concerns the relaxation of rules governing origins and deviation from the enforcement of obligations in relation to services and measures regarding cotton.

The ministers, however, were unable to reach a consensus on the further multilateral activities of the WTO after Nairobi, so this topic will be included on the agenda for 2016 in Geneva. This partial success is beneficial in that it has carved out a negotiating role for the WTO, has strengthened the organisation and its credibility can be assured.

Alongside multilateral negotiations, Belgium has also been working towards anticipated, plurilateral negotiations on specific topics such as green goods or information technology.

Belgium is monitoring the EU's bilateral negotiations with various partners very closely, with a view to good complementarity at the various levels of the negotiations. On a political level, with the finalisation of a trade deal with Vietnam in the summer of 2015, the EU once again demonstrated its ability to open up promising markets, and all while negotiations were being concluded on the Trans-Pacific Partnership (TPP).

In the context of the European Commission's negotiations with the United States and Japan, Belgium actively defended its economic interests and worked tirelessly on transparency and championing sustainable development. In Belgium, significant attention is being paid to preparations for the parliamentary ratification of the trading agreements that have already been signed (particularly agreements with partners from eastern Europe, the Andes countries, the custom unions in Africa, Singapore, Canada and, soon, Vietnam). At the end of 2015, the European Union began negotiations with a view to concluding a Free Trade Agreement with the Philippines.

All of the activities relating to the trade policy of the European Union received an extra boost in 2015 by, on the one hand, an announcement by the Commission of a new strategy for its trade policy and, on the other, the approval by the Foreign Affairs/Trade Council of conclusions from its session on 27 November. Belgium is satisfied with the Commission's new emphasis, particularly in relation to greater transparency. Furthermore, our country actively contributed towards the elaboration of the Council's conclusions which are a reflection of the most important political priorities that have been set by the various policy levels involved in Belgium, in line with the ongoing dialogue with economic actors and civil society.
VIII. External European Union relations, Development cooperation and the Common Security and Defence Policy (CSDP)

VIII.1 External relations

The terrorism and migration issues took centre stage in the external relations of the Union in 2015. During the consecutive meetings of the Foreign Affairs Council, both themes came up for discussion on numerous occasions. High Representative (HR) Federica Mogherini aimed to work in a cross-policy manner, resulting in the organisation of a joint session of the Foreign Affairs Council and the Justice and Home Affairs Council on 20 April. This focus on both themes also ensured that the European Union paid particular and ongoing attention to its Neighbourhood Policy, both in an eastern and southern context. In Riga on 21 and 22 May, a new Eastern Partnership Summit took place with eastern neighbours while, under the impetus created by HR Mogherini, two meetings were held involving Ministers of Foreign Affairs in the context of the Union for the Mediterranean (13 April and 26 November). The EU Neighbourhood Policy has remained a top priority over the past year within European external relations, with particular attention paid to developments in Syria, Iraq and Libya, on the one hand, and Ukraine, on the other. The Council also adopted conclusions regarding a review of the European Neighbourhood Policy.

Partly as a result of the migration crisis, the enlargement dossiers finally gained momentum at the end of 2015. The Turkish dossier in all its dimensions was part of this. After the EU-Turkish Summit of 29 November, the enlargement dossier in its entirety, and also with regard to Turkey specifically, moved into a new phase. At the end of 2015, a new negotiation phase opened with Turkey (chapter 17 – Economy and monetary policy), 2 new chapters were opened with Montenegro (14 - Transport and 15 - Energy) and, for the first time, chapters were opened with Serbia (35 - Miscellaneous and 32 - Financial control). No concrete steps were taken with other countries (the Republic of Macedonia, Albania, Bosnia-Herzegovina and Kosovo). A Stabilisation and Association Agreement (SAA) was, however, signed with Kosovo on 27 October.

In the context of expanding the judicial-institutional instrumentarium, the European Union continued negotiations with a view to concluding framework agreements with third countries. Besides the aforementioned SAA with Kosovo, on 21 December the EU signed a strengthened Partnership and Cooperation Agreement with Kazakhstan and framework agreements with New Zealand (27 January), Australia (5 March) and Afghanistan (2 July). On 9 June, the international agreement on the creation of the EU-LAC Foundation was signed.

Notwithstanding the special focus on the European Neighbourhood Policy, HR Mogherini also ensured that ties with the rest of the world were not neglected. Over the past year, the Foreign Affairs Council has exchanged ideas on relationships with Latin-America and Asia. The 2nd EU-CELAC Summit was held with the first region in June in Brussels and then a Summit was held with Mexico. In November, the 'Asia Europe Meeting (ASEM)' took place in Luxembourg, with the Asian region and Ministers from Foreign Affairs. In 2015, there were also bilateral Summits held with Japan, China and South Korea. HR Mogherini furthered this focus in 2015 with a determined political presence demonstrated by travelling to both Latin-America and Asia on several occasions. The African continent was also impacted by the migration problem.
The fortieth session of the EU-ACP Ministerial Council in Brussels on 28 and 29 May resulted in little progress. More important was the fact that the post-2020 Cotonou dossier has now been firmly put on the agenda. HR Mogherini has recruited both the Foreign Affairs Council and its Development Cooperation section to further develop this dossier and the European Commission and the European External Action Service launched a corresponding public consultation.

On an organisational level, High Representative Mogherini has made considerable efforts to simplify the structure of the European External Action Service. Several functions were abolished. In addition, new persons were appointed to a number of high functions in the context of internal movement. The Belgian diplomat Keon Vervaeke became the new Managing Director for Africa.

Within the Federal Public Service Foreign Affairs, Foreign Trade and Development Cooperation, the 'External Relations of the EU' Directorate was further expanded.

In 2015, in the context of supporting candidate Member States and countries of the European Neighbourhood, work placements were organised for Albanian and Ukrainian diplomats and civil servants.

VIII.2 Development cooperation

Three important multilateral conferences, which must be regarded as an ongoing and related series of events, largely determined the agenda. In July 2015, the Financing for Development meeting took place in Addis Abeba and, in September 2015, this was followed by the Summit in New York on the Sustainable Development Goals (SDGs). The Paris international climate conference was held in December 2015 and resulted in a new and binding climate agreement. The EU played a leading role at all three conferences.

The Latvian presidency of the Council of the European Union prioritised gender (council conclusions were adopted) and the further expansion of the aforementioned conferences, for which council conclusions and positions were elaborated. The approval of council conclusions regarding the audit report on blending (the combination of loans with grants) was an important issue.

The highlights of 2015 took place during Luxembourg's presidency. The most important achievements concerned (1) the consensus on the EU position in the various conferences, (2) 'Policy Coherence for Development – PCD', (3) the council conclusions on the 'Gender Action Plan', (4) the introduction of the discussion at a council level regarding the post-Cotonou agenda and (5) the follow-up and conclusion of the 2015 European Year for Development.

In response to the refugee crisis, the Commission President, Jean-Claude Juncker, proposed the creation of a new trust fund (EU Trust Fund for stability and addressing root causes of irregular migration and displacement in Africa) in order to strengthen stability in Africa and tackle the deeper causes of illegal migration and internally displaced persons, specifically in the Sahel region and the area around Lake Chad, the Horn of Africa and Northern Africa. The trust fund was formally founded and announced at the Summit of 12 November in Valletta.

The fund totals 1.88 billion euros. This amount is the sum of 1.8 billion in European resources and 81 million contributed by 25 Member States plus Norway and Switzerland. Belgium has already given 60 million Euro via the mandatory contribution to the European Development Fund. In Valletta, Prime Minister Charles Michel also
announced that Belgium would make a voluntary and supplementary contribution of 10 million euros, making Belgium the second largest bilateral donor to this fund after the Netherlands. Forty African countries are directly or indirectly eligible for support from this fund, including thirteen countries from the Belgian governmental cooperation.

For the benefit of Turkey, Belgian and Dutch ministers, responsible for development cooperation also put out a call to Member States of the EU and ECHO to provide more humanitarian aid in the region to where Syrian refugees are fleeing. In 2015, Belgium earmarked 51.6 million euros for this region via the humanitarian aid channel. For 2015, 5.125 billion euros was provided for the Emergency Response Fund Turkey that is managed by the United Nations Office for the Coordination of Humanitarian Affairs (OCHA).

**VIII.3 The Common Security and Defence Policy (CSDP)**

In terms of security, the European Union was confronted with a whole series of new challenges. This resulted in the launch of a new operation but also the start of discussions regarding the re-evaluation or possible mandate change for various existing CSDP missions.

In response to the various crisis situations on the southern flank of the European Union (primarily the Sahel region and Africa) and the corresponding, increasing influx of migrants and the refugee issue, the EU decided to launch operation **EUNAVFOR MED/SOPHIA** in 2015. This mission aims to disrupt the business model of human traffickers in the southern part of the central Mediterranean area.

In order to bring migration developments further under control, in line with the agreement of December 2015 with respect to the future creation of a Libyan government of National Unity, there were also deliberations on the possible revaluation of **EUBAM Libya** that, as a result of the regional security context, has been unable to fulfil its initial mandate regarding border control.

In the extensive Sahel-region, the EU has ongoing commitments: in Mali where **EUCAP Sahel Mali** is responsible for expanding and reforming the Malinese civil security services and structures and via **EUTM Sahel Mali** which is partially responsible for educating and training the Malinese army, and in Niger where they (via **EUCAP Sahel Niger**) supervise capacity improvements with respect to the security services. These CSDP missions in the Sahel region remain focused on offering solutions for crisis situations in the broadest sense of the words (including prevention of side-effects such as terrorism and organised crime). The increasing migration flows from this region led to discussions on possible mandate changes for these missions (and the orientation of the CSDP in general), for the purposes of focusing on this problem.

The eastern flank of the EU also remained firmly in the spotlights. The ongoing crisis in Ukraine meant that the activities of **EUAM Ukraine** were monitored closely. During the strategic review of this mission, which is responsible for strengthening the local civilian security services, decisions were made to ensure that the mission would henceforth be more active in the context of tackling corruption.

Furthermore, the past year was characterised by a review of the **European Security Strategy**, which should be completed by the summer of 2016. 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 main focus was on the development of 'Capacity Building for Security and Development' (CBSD) which should lead to a more coherent European policy nexus between security and development as well as the development of a European strategy for 'Security Sector Reform' (SSR).

Finally, the agenda also included the improvement of the military and civilian capacity of EU Member States via the development of improved systematic and institutional cooperation (including the further development of an EU Centre for Operations). The European Defence Agency launched a number of proposals concentrating on the economic development of the European defence industry.

IX. Presenting Europe

For the period 2015-2016, the European Union approved new common communication priorities, including a focus on the support measures to encourage sustainable growth, innovation, competitiveness and employment; energy and climate change and the role of the EU in the world, whereby the emphasis lies on the contribution towards stability in surrounding countries. 2015 was referred to as the European Year for Development (EYD2015), under the motto 'Our World, our Dignity, our Future'.

In collaboration with the twelve Europe Direct information centres in Belgium (one in every province, in Brussels and in the German-speaking Community), Europe Day was celebrated in twenty-four secondary schools on 9 May under the motto 'Our Europe: yesterday, today and tomorrow'. This was also linked to an educational competition, whereby classes were invited to submit a project on the theme 'Your ideas to ensure youngsters experience the Europe of today and tomorrow MORE EXTENSIVELY and BETTER'.

For the first time, there was also an interactive exchange between five hundred and fifty-eight youngsters from twenty-three schools and the Minister of European Affairs, Deputy Prime Minister Reynders, under the heading 'Europe: let's talk about it together.' This took place on 13 and 17 November in the Egmont Palace in Brussels. Students engaged in dialogue with the minister about Europe, its institutions and the impact of these on day-to-day life. A visual communication tool was also developed with the theme 'Belgium Europe & You'.

![Belgium Europe & You](image)
The DGE also developed a brand new app about Europe: ‘Putting the European Union on the map’, which was launched just before the start of the new school year. This game, available in four languages, tests the knowledge of young people on the twenty-eight Member States of the European Union and the current five candidate Member States who are hoping to join.

Finally, the existing, self-adhesive puzzle ‘Building Europe Together’ was updated as a learning tool for students in primary education. From now on, it will be available free of charge at every Europe Direct information centre.

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