

State of the European Union 2015 – Presidency Edition

Part I – Prologue

INTRODUCTION

The European Union is being severely put to the test. It is facing a huge influx of people who have fled war and oppression. On the eastern borders, geopolitics appears to be making a comeback, and within the EU itself, the threat of fragmentation looms. Terrorists are attacking our way of life, in an attempt to spread fear and sow divisions in our societies. There are no quick and easy ways to resolve these issues. As the next holder of the EU Council Presidency, it is incumbent on the Netherlands to help the EU find common solutions in these turbulent times. Unity and resolve are needed at all levels. The effective combination of European and national measures will form an important basis for those solutions.

On the eve of the first Dutch EU Presidency in 12 years, the government would like to look ahead with you at the challenges facing the European Union. What problems and dilemmas will we encounter, what is the context in which we will be operating, and what will be the position, role and focus of the Netherlands? This is therefore a special edition of the State of the Union, specifically highlighting the coming six months. After all, as holder of the Presidency, our relationship with the institutions and the other member states will be different from usual. The EU will look specifically to the Netherlands as an honest arbiter with a keen eye for Europe's collective interests. The government has been working with you towards this role for some time now, and therefore the present document does not stand in isolation. It should be viewed in conjunction with and in addition to the State of the European Union which was sent to the House on 23 February 2015, as well as the successive letters to the House on the preparations for the EU Presidency, in particular that of 28 January 2015. The EU-related interests the government has been focusing on since it took office will not change significantly in the coming period, but the context will be different. The government will continue pursuing its existing ambitions in the run-up to and during the EU Presidency, in a manner in keeping with the rotating Presidency role.

This State of the European Union comprises two parts. The first part discusses the context in which the Netherlands will hold the EU Presidency and analyses the key challenges facing the Union. It reflects on the basic principles of the Dutch Presidency, which have been discussed in previous letters to the House: focusing on the essentials, creating innovative growth and jobs, and making connections. It also highlights the demands the Presidency will place on the Netherlands. The second part gives an overview of the key issues at play in the various Council configurations over the coming period. The government will discuss in more detail the specific focus and activities of the Dutch EU Presidency. The customary government assessment of the Commission Work Programme for the coming year, which the Commission presented on 27 October, is also included in the second part.

FIRST KEY STEPS HAVE BEEN TAKEN TOWARDS UNITY AND EFFECTIVENESS

Today's challenges require effective decision-making and broadly supported solutions. In many cases they require a range of interconnected measures, in both the short and the long term. This is by no means an easy task, but when the EU member states join forces and show the collective political will to rise above individual interests, the Union can be highly effective. That effectiveness is not a thing of the distant past. In recent years, too, the member states and the institutions have proven capable – under the pressure of various crises and in a wide range of policy areas – of setting the necessary changes in motion from within. Together we have taken on formidable challenges and charted a course that focuses more on the essentials and the foundations of the Union.

An initial example is the Strategic Agenda, which the European Council adopted in June 2014. The purpose of the Agenda was for the Council to flesh out and give clear direction to the principle of a Union that focuses on the essentials: taking action at national level where possible, and at European level where necessary. The document contains the member states' key common priorities for the coming years – nothing more and nothing less. The Commission's Political Guidelines, which are closely related to the Strategic Agenda, set out closer cooperation between the institutions and embed

the EU's priorities and principles firmly in the heart of European governance. The Commission has subsequently set to work with great drive, using these new and renewed principles as its guide. By extension, the EU member states and institutions have shown that they want to halt the existing tendency towards overly rigid legislation. The Commission is taking steps towards better EU regulation in various areas. There is a sharper focus on the areas where the EU genuinely adds value, and more attention is being paid to reducing the regulatory burden and achieving policy goals more efficiently. This is essential in order to ensure public support, as well as implementation of and compliance with European agreements. Applied correctly, this approach will also help ensure law-making processes run smoothly and soundly, while at national level giving member states sufficient policy freedom and economic room to manoeuvre.

Another example of European unity and effectiveness lies in the economic and financial realm. The EU has weathered a deep crisis and emerged stronger. Flaws in the EU's Economic and Monetary Union (EMU) have been addressed or are in the process of being remedied. Important steps have also been taken to organise the eurozone and the Union at large in such a way that the agreements made are observed, while at the same time innovative growth is stimulated. The introduction of the Banking Union, for example, helps further strengthen the EMU and the single market, by promoting a more level playing field for European banks and reducing cross-border systemic risks and the threat of contagion. In addition, this summer a substantial programme of reforms was agreed with Greece, following intensive European cooperation. This prevented a possible Greek exit from the euro and preserved unity and stability in the eurozone. The priority for the Netherlands is for Greece to comply with the agreements it has signed up to. To that end, the new aid package is supported by strict measures aimed at putting Greece's public finances in order, fostering stability in the financial sector and making structural economic reforms. The government has confidence in the way ahead, but will of course closely monitor compliance with and implementation of the agreements made with Greece. Another important development in the realm of finance and the economy is the establishment of the European Fund for Strategic Investments (EFSI), created to stimulate growth. Funds have already been allocated to a first set of projects.

These are just a few examples of the EU's new focal points. They signal the beginning of a shift in EU governance, which the Netherlands has significantly boosted with its national subsidiarity exercise, the subsequent seminar it held in the winter of 2014 and its continued call to focus on the essentials, achieve a better balance between the institutions, and work to connect the EU's members and institutions with each other and the European people.

During the Dutch Presidency, the government wants to help the EU continue along this path. The institutional and other developments outlined above not only show that the EU is able to bring about change from within, but they also offer the Union ways of dealing more effectively with other, equally complex challenges.

NEED FOR EUROPEAN COOPERATION, SOLIDARITY AND RESPONSIBILITY

Several of the challenges facing the EU demand common solutions. The arc of instability around the European Union is severely affecting the world around us, and the effects are increasingly being felt within the Union's borders too. Member states are struggling to cope with the large numbers of people seeking safety or better economic circumstances. The migration crisis also requires us to redefine our cooperation with key partners, including Turkey and African transit countries and countries of origin. Terrorist threats and attacks both in the EU, like those in Paris and Brussels, and in neighbouring countries, such as the attack in Ankara, put pressure on our societies. To the east, Russia is challenging the security system and feelings are running high.

In response, there have been calls to batten down the hatches, to literally close the borders or even pursue an 'illiberal democracy'. However, it is more important than ever at times like these to keep a calm head, acknowledge legitimate concerns and work with all the member states to plot a common course so as to tackle problems effectively and allow Europe to function better.

External and internal security are inextricably linked, as the recent attacks in Paris made painfully clear. The same goes for the way we guarantee that security. The EU was founded on the fundamental values of freedom, democracy, the rule of law, equality and solidarity. Certainly from that point of view, it is unacceptable that people fleeing war or oppression are forced to put their lives – and their

children's lives – in the hands of people smugglers. The influx of refugees crossing the external borders and travelling on into the Union is putting the EU's free-movement-of-persons principle under pressure and demands a reappraisal of the Dublin system. This is all the more vital given that member states are not all affected in the same way and have different views on avoiding the negative effects of these refugee flows. The rapidly unfolding developments in the migration crisis will demand a great deal of attention from the Dutch Presidency. The package of measures formulated over the past few months – addressing matters such as the redistribution of asylum seekers and refugees and an effective return policy – will need to be fleshed out and implemented. At the same time, decisive action is needed to develop an integrated medium-term vision. The agreements made with Turkey as part of the EU-Turkey action plan and the results of the Valletta Summit held with various African countries will provide a basis. Results are also needed when it comes to external border control and the functioning of the Dublin system and the Schengen area.

Success is not a foregone conclusion in any of these matters. Various centrifugal forces, fuelled by a lack of mutual trust, have a tendency to hinder the search for concrete, coherent solutions. The euro crisis revealed a dichotomy between member states firmly in favour of reforms and those less so, and the current refugee crisis also highlights contrasting interests and attitudes. All of this has led to increased friction among member states. Opinions differ on how to interpret our fundamental common values. Meanwhile, a heated debate is ongoing in the United Kingdom on the pros and cons of EU membership. In his letter of 10 November 2015, UK Prime Minister David Cameron set out in general terms his country's wishes for EU reform. More details are expected to be available in the near future. The effect this will have on the Dutch Presidency is as yet difficult to predict. It depends partly on the outcome of the consultations and on the timing of the referendum – the first ever to be held on whether a member state should leave the Union. The date will not be set until after the consultations, which will be held primarily under the auspices of the President of the European Council. The government considers it of strategic importance for the UK to remain a member of the EU. This requires a constructive dialogue leading to an outcome that will ultimately benefit all member states and the EU as a whole. With more than 500 million citizens and over 25 million businesses¹ dependent on good governance, our Union stands or falls with legal certainty and equality under the law. The crisis atmosphere within the EU must not be allowed to encourage a 'divide and conquer' policy on the part of external parties.

The above-mentioned challenges demonstrate the need to put European cooperation before unilateral action. In this connected world, EU member states cannot afford to be inward-looking. At the same time, this places demands on the way Europe functions, in line with the Netherlands' aims of focusing on the essentials and improving the functioning of the institutions.

BASIC PRINCIPLES AND FOCAL POINTS FOR THE PRESIDENCY

This Union of 28 member states is not perfect, but it provides essential tools with which to tackle the challenges of today. Against that background, the government is determined to continue focusing on strengthening the EU and improving its functioning. The following three basic principles will be key during the Presidency: a Union that focuses on the essentials, a Union that creates innovative growth and jobs, and a Union that connects with society.

Focusing on the essentials means the European Union must concentrate on what is important to its citizens and businesses. Specifically this means seeking solutions to the major challenges of our time, as outlined in the European Council's Strategic Agenda. During its Presidency, the Netherlands will endeavour to keep the Council on course in implementing the Agenda. Within this framework the government will focus on the following policy priorities: Europe as an innovator and job creator; a comprehensive approach to migration and international security; sound and future-proof European finances and a robust eurozone; forward-looking policy on climate and energy.

Under the pressure of the crisis, the EU has lost sight of the first of those priorities, its *role as an innovator and creator of jobs in Europe*. Its key strength in that respect is the single market, which is the largest in the world and – as the driving force behind European cooperation – unites the member

¹ <http://appsso.eurostat.ec.europa.eu/nui/show.do>.

states. Now that Europe's economy is picking up, it is the collective responsibility of the Council and its members, the Commission and the European Parliament to maintain that upward trend. Creating structural, innovative growth and jobs therefore remains a top priority in the Union.

That means implementing existing agreements in *all* member states, stimulating innovative entrepreneurship, strengthening new services and sectors with high potential, jointly investing in research and concluding future-proof, balanced trade agreements with third countries. Fleshing out the Digital Single Market Strategy and the Single Market Strategy for goods and services into specific proposals is important in promoting innovation in all sectors of the economy. Businesses must be given room to innovate and create jobs. Synergy can be achieved in the areas of knowledge and innovation by investing jointly, at EU level, in international cooperation and competition. This will lead to innovative growth, jobs, and solutions to societal challenges. Lastly, modern, high-quality education in the member states is indispensable for a strong economy, as it helps provide people with the necessary skills for the future.

At the same time, the European Union must proceed at full speed with modernising, simplifying and – where possible – reducing legislation so that EU laws really work for citizens and businesses. Unnecessarily complicated rules must be simplified, the administrative burden reduced, and the impact of legislation assessed to ensure it does not hamper innovation. Innovative growth and jobs also means *good* jobs. Free movement of goods and services must be viewed in conjunction with free movement of workers: economic freedoms must not be abused, and sham employment arrangements that allow employers to save money to the detriment of their employees must be stopped. Better protection for posted workers will enhance the fundamental freedom of free movement of workers within the Union.

The second priority is particularly relevant at the moment. Extra focus is needed on the *comprehensive approach to migration and international security*, in view of the fundamental changes over the past five years in the EU's immediate vicinity. The increased influx of people seeking a safe haven makes it abundantly clear that a common border, asylum and migration policy is needed. Member states have a collective responsibility to use their capabilities to help reduce the human suffering caused by war and poverty, and to manage migration flows more effectively. In its letter of 8 September, the government set out a long-term perspective and plans for the interim, to deal with the refugee crisis.² The migration crisis has revealed various shortcomings in the European area of freedom, security and justice that require action. The current priority is to improve the initial reception of refugees in Europe and in the region, and share the burden more fairly. If sound agreements on safe reception are reached with third countries and resettlement is a realistic option, refugees can be refused asylum on safe third country grounds under current international and EU law.

We must certainly also focus our attention on the causes of this crisis. The EU cannot afford to shy away from this. With a Common Foreign and Security Policy (CFSP) that supports EU-level solutions, the Union can approach the outside world actively and with one voice. In order to tackle this crisis effectively, the Union needs an integrated approach that provides solutions to problems within the EU and beyond its borders. In the run-up to the Dutch EU Presidency and certainly during it, the government is keen to contribute to the rapid elaboration and implementation of the Commission's package of proposals on migration, and to the swift conclusion of the strategic review of the CFSP.

The third priority concerns the government's focus on *sound European finances and a robust eurozone*. After a deep crisis, recovery has now set in. Structural reforms and sound budget policy are bearing fruit and many member states are gradually finding their way to economic recovery and rising employment. This growth is bolstered by the improved global conditions, including low oil prices and the boosting of investment through measures such as the EFSI. Nevertheless, stagnating growth in emerging markets such as China and Brazil poses a risk to this positive trend. Putting member states back on the road to structural economic growth and maintaining stability in the EMU will require continued attention. The EU member states must therefore press ahead with structural reforms and coordinated economic policy. In this way we can guarantee healthy budgets in modern economies. Agreements made within the EMU must be complied with, so that we can work towards a strong

² Letter to the House of Representatives concerning European asylum issues, 8 September 2015 – ref. 682347.

eurozone for public authorities, businesses and citizens alike. The importance the government attaches to sound European finances also extends to the European Multiannual Financial Framework. The government therefore aims to use the Dutch Presidency to start a debate on a new and reformed Multiannual Financial Framework.

As a fourth priority, during its Presidency the Netherlands will emphasise the close cohesion among the issues of climate change, the environment and sustainability. Economic goals and the responsible use of natural resources and energy can be brought together in a *future-proof model for sustainable growth*. The EU can boost this approach by stimulating innovative sectors that contribute to a transition to a circular economy that makes sustainable use of natural resources. This ties in with the Commission's intention to present a proposal in 2016 for achieving the Sustainable Development Goals (SDGs) within the EU and beyond. That proposal concerns both the economic and social aspects of sustainable growth, as well as the environmental dimension, and will be discussed in various Council configurations. As part of this fourth priority, the Netherlands will press hard for the establishment of a European Energy Union: strengthening the energy supply, creating an internal energy market, making the EU less energy-dependent, boosting research and innovation in the area of renewable energy, and setting out a future-proof climate policy. The results of the 21st Conference of the Parties (COP21) to the United Nations Framework Convention on Climate Change (UNFCCC), being held in Paris in early December, will form an important framework for these efforts.

In the light of the challenges and tensions described above, it is crucial to focus on *making connections* during the Dutch Presidency. First of all, that entails making connections between member states, because mutual solidarity forms the basis of European cooperation. Solidarity cuts both ways and goes hand in hand with collective responsibility. If member states have financial problems, as in the case of Greece, the EU stands ready to provide loans in exchange for necessary reforms. When Russia annexed Crimea, leading to the destabilisation of eastern Ukraine, the EU stood ready to impose severe sanctions. Even when times are tough, member states must collectively take responsibility. In this way we can stand up for each other and be stronger together. We need solidarity and collective responsibility to deal with the consequences of these developments and tackle the root causes.

Another important connection, however, is that between the European Union and its citizens. Many people in Europe's capitals and households are critical of the EU, but many also realise that no European country can face today's challenges alone. In Europe we are stronger together, and ultimately there is more that unites us than divides us. That goes for our trade, our environment, our climate, our energy and, not least, our peace, security and prosperity. Discontent regarding the 28 member states' inability to solve problems jointly leads to Euroscepticism. Finding the optimum combination of strong European cooperation and maximum freedom for states to create their own policies is a balancing act. The EU must ensure that it is sufficiently decisive, but also recognise and acknowledge the approaches adopted by its citizens.

Finally, making connections also requires a focus on the role of local and regional authorities and on democratic legitimisation at the various tiers of government. Partly in that light, the government will continue its efforts to further strengthen the role of national parliaments in the EU and looks forward to working with the House, the public, civil society organisations and other public authorities during the Dutch Presidency.

The steps outlined above, aimed at a Union that focuses on the essentials and works towards integrated solutions, will be crucial to finding a dynamic response to the crises and challenges described above. We need an effective and decisive EU if we are to reach agreement on subjects that are sensitive issues in the member states (for instance on a permanent redistribution mechanism for asylum seekers) and find long-term solutions with partners outside the Union. The Presidency has a crucial task to perform in this respect, by facilitating the process and calling for unity.

THE DUTCH PRESIDENCY: FOSTERING UNITY AND RESOLVE

The Treaty of Lisbon changed the nature of the rotating Presidency. There is now a greater emphasis on moving ongoing legislative processes forward. A good EU Presidency is a reliable and effective mediator that forges compromises between the 28 member states and between the Council and the

other institutions. The Presidency must therefore be able to work smoothly with the permanent presidents of the European Council, the Commission, the European Parliament and, where relevant, the Eurogroup.

It is important to note in this connection that over the past few years the European Parliament has made active use of – and given further shape to – the position of co-legislator it was granted by the Treaty of Lisbon. In the run-up to and during the Dutch EU Presidency in 2016, the government will specifically intensify its relations with the European Parliament, in order to achieve lasting, systematic, strategic cooperation with a player that is crucial to the EU's democratic legitimacy. At the same time, the government will closely monitor the institutional balance and the role of national parliaments. In the end, a Presidency's success is determined largely by how efficiently it can move legislative processes forward, whether it can facilitate agreements and the extent to which it can unite other players and connect with citizens, particularly at a time when fragmentary forces are at work.

Complex legislative processes often take a great deal of time and therefore span several Presidencies. That means that a number of proposals the Netherlands would be keen to move forward from a national point of view will not come up in time to complete the entire decision-making process. Nonetheless, progress can still be made in these areas. When an important issue is placed on the agenda, resulting in a constructive dialogue, the adoption of Council conclusions, or a breakthrough in a complex, deadlocked issue, the Presidency plays an essential role.

Sometimes the full extent of a Presidency's contribution only becomes apparent in hindsight. We must bear this in mind during the Presidency and be prepared to act where there is room to manoeuvre. By placing a specific subject on the agenda of an informal Council, facilitating consultations or organising a conference to kick-start a discussion that will play out over the longer term, the Presidency can highlight issues it considers especially relevant. The Netherlands can take this opportunity to outline areas for future action. In this respect it is important to bear in mind that the strength of the Presidency also lies in making choices and speaking with one voice.

The Presidency comes with limitations, too. It is difficult to propagate purely national views while having to play the role of honest broker that is required of the Presidency. The Presidency must avoid being perceived as biased. When it comes to issues that may be sensitive only to the Netherlands, this undeniably requires a difficult balancing act. In other areas, like-minded member states will have to be more active in taking the lead.

In addition to all this, a Presidency's success is also determined by the degree of vigour with which it acts in unexpected crisis situations. Every Presidency has its share of these occurrences: the earthquake in Haiti, the situation in Greece and the terrorist attacks in Paris to name but a few recent examples. The major challenges facing Europe and the uncertainty they entail, as well as any new issues that may arise in the coming period, will require a significant degree of flexibility.

Finally, the importance of good practical organisation with regard to the Presidency must not be underestimated. Efficient logistics, correct procedures and the impression the Netherlands makes on the many visiting politicians, officials and policy experts will also be of decisive importance. The government has opted for a central location and an efficient but hospitable Presidency, in keeping with Dutch tradition.

CLOSE

The Netherlands is faced with a formidable challenge – that much is clear. The upcoming EU Presidency will be different from previous Dutch presidencies, but the Netherlands has valuable experience in this field. As a country with a long-standing tradition of consultation and coalition-building, as a state with a major stake in European cooperation and as a medium-sized player on the European stage, we are in a good position to take on this important task.

Playing a key role in the process will ultimately give the Netherlands more influence. After all, besides its own positions on various issues, the Netherlands' interests also lie in maintaining a fair and effective Europe, characterised by collective responsibility, solidarity and decisiveness. The six months in which the Netherlands holds the Presidency will give us an opportunity to work towards a Union that focuses on the essentials, creates growth and jobs through innovation, and connects with society.

Events in the recent past have shown that the Union – the European Commission, the European Parliament and the member states as members of the Council – is able to take the necessary steps to tackle major issues. For the upcoming Presidency, the Netherlands' experience and unifying strength as a bridge-builder put us in an excellent position to keep the European Union on course. Staying on course together is essential: peace, security, prosperity and democracy are achievements that are often taken for granted. An effective European Union – focusing on the essentials, on innovative growth and jobs and on making connections – is the best instrument to safeguard those achievements for our continent.

Part II – Overview of themes and activities

Part I provided a sketch of the context, the challenges, the government's priorities and the role of the Presidency. Part II of the State of the European Union will consider in more detail the European Commission's plans, as set out in its 2016 Work Programme, the government's assessment of those plans, and the specific ways in which the Netherlands can use its Presidency to contribute to them, both within and outside the various Council configurations.

The recently published Commission Work Programme 2016 translates the plans outlined for the coming period into concrete activities. A significant part of that period falls within the term of the Dutch Presidency. The government welcomes the fact that, like last year, this Work Programme – with 23 new initiatives, 27 REFIT proposals and 28 proposed repeals – focuses on the essentials and is clearly based on the European Council's Strategic Agenda and the Commission's Political Guidelines. These documents serve as a guiding light for the EU as envisaged by the Netherlands: a Union that focuses on the essentials, uses innovation to create growth and jobs, and connects with the European people. The Netherlands will actively address these areas in the various Council configurations. In the overview below, the government will discuss the elements of the Work Programme it considers most important. This assessment is geared in part to the Dutch parliament's annual consideration of EU priorities.

General Affairs Council (GAC)

In accordance with the Council Conclusions of December 2014, the General Affairs Council will hold a second dialogue to promote and safeguard the rule of law. The Netherlands, which co-initiated this dialogue, will work to ensure an open dialogue that helps foster a new culture in which possible shortcomings in member states can be identified in good time. In Strasbourg, in the first half of 2016, the Netherlands will organise a seminar on fundamental rights and the rule of law in today's world. The goal is for the member states, EU institutions, the Council of Europe and civil society organisations to join together to find ways to talk to each other about current trends and developments in this area. During the Slovak Presidency in the second half of 2016 the dialogue will be evaluated to identify what improvements are necessary and feasible. In this connection the government will include the motion submitted by MPs Marit Maij and Alexander Pechtold on the systematic assessment of member states, coupled with a mechanism for imposing sanctions.³ It is first important, not least with a view to the considerable sensitivities that still exist in this area, to apply the existing instruments with due care, and work step by step towards strengthening the rule of law within the EU. Finally, an essential element of ensuring respect for the rule of law is the protection of fundamental rights as laid down in the EU Charter of Fundamental Rights. The Netherlands will devote specific attention to this during its Presidency by holding a seminar on the Charter's application in member states' legislative and policy processes.

The Netherlands will also use its position as chair of the General Affairs Council to steer discussions at an early stage on the new Multiannual Financial Framework (MFF), aimed at potential reforms to the European budget and effective use of EU resources.⁴ The current MFF runs from 2014 to 2020, and there is very limited scope for interim amendments. During its Council Presidency the Netherlands will therefore look ahead to the period *after* 2020. On 28 January 2016, the Netherlands will hold a conference to launch discussions about the new Framework. It will examine the MFF's set-up and financing, the degree of flexibility desired, and the negotiating process itself. The discussion will continue at ministerial level at the informal GAC in April. The aim of the conference held during the Dutch Presidency is to conduct an initial open exploration of potential reforms without the pressure of concurrent negotiations.

³ Motion submitted by Marit Maij and Alexander Pechtold, 34 166 no. 5: on promoting fundamental democratic values.

⁴ In accordance with motions submitted by Bas van 't Wout 34 166 no. 3, and Sjoerd Sjoerdsma, 34 166 no. 13, in respect of the State of the European Union 2015.

As announced in the Commission Work Programme, later in 2016 the Commission will present a mid-term review of the MFF,⁵ and its outcome will provide the first input for the next MFF. The review will be considered during the Slovak Presidency. It will address how to target funding on EU-wide priorities and 'look for ways to further orient the EU budget towards results'. The government expects that several member states will wish to discuss attaching further conditions to the provision of EU funds, for example by aligning more closely with country-specific recommendations in the European Semester. Both aims tie in with the motion submitted by MP Bas van 't Wout.⁶ In the context of the mid-term review, the Commission will also look for ways to simplify the rules (REFIT) e.g. for the European Structural and Investment Funds (ESIF) and the Common Agricultural Policy (CAP), and will explore the scope for further simplification under Horizon 2020 funding.

The Netherlands will also use its Presidency to start a dialogue within the GAC on better governance, partly in the framework of article 197 of the Treaty on the Functioning of the European Union (TFEU) on administrative cooperation. Through this dialogue the Netherlands aims to foster practical ways of improving the quality of public administration in the member states, with a view to effective implementation of EU law and policy.

Sound legislation and transparent decision-making are absolute conditions for ensuring that the European Union enjoys public support. The Better Regulation agenda mentioned above will help improve the quality of the regulatory framework, benefiting the EU's business community, investment climate and democratic legitimacy, while providing adequate protection for citizens, employees, public health and the environment.

The Luxembourg Presidency is expected to conclude the negotiations on the Interinstitutional Agreement (IIA) on Better Regulation before the end of 2015. During its Presidency, the Netherlands will press for active implementation of the measures agreed in the IIA, including key provisions on annual programming. The IIA's conclusion and implementation will give expression to the agenda the Dutch government has been promoting ever since it entered office: a Union that focuses on the essentials and achieves the right balance between its institutions.

Partly in the framework of the Better Regulation initiative, the Netherlands will work with the European Commission, the other EU institutions, the member states and European cities on the EU Urban Agenda. The Agenda's aim is to align EU policy with urban practices more effectively, so that cities can contribute more to maximising the potential for jobs and growth in Europe. During the Dutch Presidency, these efforts will culminate in the conclusion of the Pact of Amsterdam. With regard to EU cohesion policy, the Netherlands will place several specific issues on the agenda, including simplification, evaluation of the results of the Partnership Agreements, and the Operational Programmes for the 2014-2020 period. In this connection the Netherlands will also discuss the development of the Smart Specialisation Strategy. This strategy for innovation is about focusing on a specific region's strong points and innovative potential. This is a key component of a modern cohesion policy aimed at specific and measurable results.⁷

The Netherlands will work to foster greater and active transparency in European decision-making. Therefore the government awaits the transparency register⁸ announced in the Commission Work Programme with interest. The Netherlands will also work, within the limited scope afforded by the Presidency, to promote the same transparency in decision-making within the Council in particular. The transparency strategy drawn up jointly by the Netherlands, Denmark, Estonia, Finland, Slovenia and Sweden will drive these efforts.⁹ This strategy is aimed largely at practical ways of enhancing transparency. One example is the development of a 'one-stop shop' online portal where visitors can follow the progress of EU decision-making.

⁵ Commission Work Programme 2016, Annex I, initiative 4, 'Review of the Multiannual Financial Framework (MFF) 2014-2020'.

⁶ Motion by Bas van 't Wout, 34 166 no. 3.

⁷ Parliamentary Papers [21 501-08, nr. 472](#).

⁸ Commission Work Programme 2016, Annex I, initiative 23, 'Proposal for an Inter-Institutional Agreement on a mandatory Transparency Register'.

⁹ Parliamentary Papers 21501-02-1512.

As described in its letter to parliament of 1 July 2015 on decentralised agencies,¹⁰ the government believes it is important to move forward on implementing the Common Approach. In accordance with the motion submitted by MP Bas van 't Wout,¹¹ the government will continue to push for progress in this area, both during the Presidency and beyond. The government intends to discuss the annual progress report on the Common Approach at Council level, after it is released in spring 2016. As part of the government's efforts to promote a well-functioning EU we will also examine whether the Common Approach is taking us in the right direction as regards fostering the efficiency, accountability and coherence of the EU agencies.

Two bills introduced by one or more MEPs are currently being discussed in the European Parliament: a proposal concerning the detailed provisions governing the exercise of the European Parliament's right of inquiry (adopted by the EP in 2012) and a proposal for a modification of the Act concerning the election of the members of the European Parliament. Following adoption by the EP they must be approved by the Council and in the latter case approved by the national parliaments of the member states in accordance with constitutional procedures. There may be discussion of these proposals during the Dutch Presidency. In addition, the government looks forward to possible further steps by the Commission with respect to enhancing the European Citizens' Initiative. As noted in the previous State of the European Union, the government will strive to improve this instrument. Finally, the Netherlands also awaits the report on EU citizenship, expected in 2016, with interest.

Foreign Affairs Council (FAC) (including the FACs on Defence, Development and Trade)

Under the Treaty of Lisbon, in the area of external policy the rotating Council Presidency supports the High Representative of the Union for Foreign Affairs and Security Policy, who chairs the Foreign Affairs Council in all its manifestations except Trade. The FAC's agenda is determined to a large extent by current developments. The same is true of the informal FAC and (to a lesser degree) of the councils on Development, Trade and Defence. This means there is only modest scope for the Netherlands to pursue an individual agenda in the FAC.

During its Presidency, the Netherlands will focus its efforts on contributing to a safer, more just and future-proof world. The world's increased connectivity, competition and complexity entail both opportunities and threats for the EU. The Union's strategic context has been changed by globalisation and the growing instability around its borders. In the east, we see geopolitical tensions resulting from the failure to respect the principles of international law and territorial integrity. In the south, conflicts and human rights violations are major factors in the instability affecting the region, and are causing long-term challenges in the area of security, the humanitarian situation and socioeconomic development. The current migration issue is a consequence of this.

Because internal and external challenges are increasingly interwoven, instability outside the EU often entails greater risks inside the EU, to which it will have to find a response. This requires a stronger link between internal and external policy, effective and integrated use of the EU's broad range of instruments, and active diplomatic efforts on the part of the High Representative and the member states. The same goes for the migration crisis, in terms of both addressing the political and economic root causes of migration and finding the right approach to people smuggling and border control. The government also wants to see agreements made on increasing the capacity for reception and protection in the region. Refugees need to be offered future prospects in their own region: opportunities to become self-reliant, for example, until such time as they can return safely and permanently to their country of origin. With this, it becomes possible to deny applications for asylum in Europe on the basis of European law on safe third countries (in accordance with the government's letter to parliament of 8 September 2015 (Parliamentary Papers 19 637, no. 2030), the Justice and Home Affairs Council Conclusions of 8 October 2015 and the European Council Conclusions of 15 October 2015). The government is working to this end at both bilateral and EU level.

¹⁰ Letter to parliament on the situation of the EU agencies, 1 July 2015, Parliamentary Papers 33848-16.

¹¹ Motion by MP Bas van 't Wout c.s. 33 848 no. 19 on evaluating the EU agencies.

The Netherlands attaches particular importance to strengthening the Common Foreign and Security Policy (CFSP), including the Common Security and Defence Policy (CSDP). The EU has a vital interest in effective joint external action and in pursuing a CFSP that enables it to respond effectively to today's considerable security challenges. Promoting human rights worldwide is a further priority for the Netherlands. Particular attention in this regard should be paid to the link between business and human rights, ensuring coherence between internal and external human rights policy, and the implementation of UN Security Council resolution 1325 (on women, peace and security). Finally, the Netherlands firmly believes in taking an integrated approach to complex issues like the migration crisis, terrorism and cyber security. In this connection the Netherlands will also work to improve the EU institutions' working methods when it comes to external policy.

This commitment to EU external policy will help foster the development of a new Global Strategy on Foreign and Security Policy,¹² which is expected to be presented to the European Council in June 2016. Enhanced EU efforts with regard to the security sector are also crucial. As laid down by the Foreign Affairs Council in May 2015, a Strategic Framework for Security Sector Reform (SSR) will be developed by mid-2016.¹³ The Netherlands supports the development of a single integrated European SSR framework and considers it important to share its own knowledge and expertise with the EU to optimise the framework where possible. In 2016 the Netherlands will work with its Presidency successor, Slovakia, to flesh out this dossier further and support the EU on this theme where possible.

Defence

The European Council's Strategic Agenda is aimed at effective joint action in the world. In this respect a stronger Common Security and Defence Policy is in the interest not only of the EU but also of NATO and the individual member states. The Netherlands will therefore endeavour to ensure that the themes of security and defence are firmly embedded in the new Global Strategy on Foreign and Security Policy, the enhanced CSDP and the future of European defence cooperation.

Once the new strategy has been adopted in June 2016, the Netherlands hopes to see High Representative Mogherini translate it into concrete goals and adequate civil and military capabilities. Once finalised (ideally by autumn 2016) these should take the form of an EU defence and security framework.

From the Netherlands' perspective, a central element of that framework is strengthening the CSDP through more structured and far-reaching European defence cooperation. The Netherlands wants to narrow the distance between the various bottom-up EU defence cooperation initiatives and top-down EU security policy. To this end it will continue to table discussion of how to give defence cooperation a more binding character; given the current security situation and geopolitical context, the Netherlands considers the existing arrangements untenable. The Netherlands will seek meetings between defence ministers at least once a year to discuss the progress of defence cooperation, using data provided by the European Defence Agency (EDA) and the EU Military Staff (EUMS). The existing Single Progress Report can serve as a basis for these consultations.

It is encouraging that the Commission Work Programme has identified strengthening the European defence market and industry (European Defence Action Plan) as a Commission-wide priority.¹⁴ An open, transparent and well-functioning defence market, to which SMEs, as well as major players, have access, is a key condition for a stronger CSDP. In the Netherlands' view, specific measures are needed, but any new policy framework must be aligned with the capacity requirements arising from the new Global Strategy. During the Presidency the Netherlands will also support the EDA in the context of research and technology, an area in which the Preparatory Action for CSDP-related Research should offer new opportunities.

¹² Commission Work Programme 2016, Annex 1, initiative 22, 'Commission contribution to the Global Strategy'.

¹³ See also Commission Work Programme 2016, Annex 1, initiative 21, 'Capacity building in the security sector'.

¹⁴ Commission Work Programme 2016, Annex 1, initiative 10, 'European Defence Action Plan'.

Lastly, the Netherlands' efforts will also be geared to speeding up political and other decision-making. More is expected of the Netherlands if we wish to be seen as a dependable security partner both close to home and further afield.

Trade

During the Dutch Presidency the European trade agenda will be dominated by the negotiations on the EU's bilateral free trade agreements (FTAs) with the US (Transatlantic Trade and Investment Partnership; TTIP) and Japan, the follow-up to the 10th Ministerial WTO Conference, and the EU Regulations on trade in conflict minerals and in torture instruments. The Trade and Investment Strategy the Commission published in October 2015, which emphasises transparency and the importance of shared values, will provide a firm basis for the Netherlands' trade priorities.¹⁵ When chairing the Foreign Affairs Council (Trade), the Netherlands will facilitate the Commission's efforts in regard to the FTA negotiations and will work constructively with the European Parliament on concluding the legislative processes currently under way.

The negotiations on the FTA between the EU and the US (TTIP) are a subject of ongoing public scrutiny throughout the European Union. Given the European Council's ambition of concluding the negotiations quickly, the Netherlands will work during its Presidency to move the process forward efficiently, while paying due regard to the public debate surrounding the agreement. It is also possible that the negotiations on the EU-Japan FTA will be finalised during the Dutch Presidency.

In December 2015 the 10th WTO Ministerial Conference will take place in Nairobi. The EU will start translating the agreements made there into specific measures during the Dutch EU Presidency. What is more, the Netherlands wants to be a galvanising force in the post-Nairobi debate on the future and role of the WTO in the multilateral trade system.

It is possible that the Council may yet produce a Council common position this year on the European Commission proposal, published in 2014, aimed at promoting lawful, responsible trade in minerals from conflict and high-risk areas. In addition, the current Luxembourg Presidency is working on the Council position on the amendment of the Regulation concerning trade in torture instruments. The Regulation applies rules to the trade in goods that could be used for the purpose of torture and executions. After the Council positions on these dossiers have been adopted, trilogue talks among the Council, the Commission and the European Parliament will begin under the Dutch Presidency, with a view to concluding the legislative process.

Development cooperation

During its Presidency the Netherlands' efforts in the area of development cooperation will be geared primarily to a few major issues. The first concerns the migration crisis, as described above in the context of the Foreign Affairs Council, where our activities will include preparations for the World Humanitarian Summit, to be held in Istanbul from 23 to 24 May 2016. A second major topic of discussion for the Netherlands is the implementation of the Sustainable Development Goals, adopted earlier this year at the United Nations General Assembly. In 2016 preparations will also be made for the formal start of negotiations on relations with the African, Caribbean and Pacific Group of States ('the ACP countries'). Lastly, the Presidency offers an excellent opportunity to further shape the Dutch 'aid and trade' agenda at EU level. In the framework of the Foreign Affairs Council (Development), migration will be a cross-cutting theme.

The Sustainable Development Goals together form an international agenda for poverty reduction and global development up to 2030. The new agenda ties in closely with the Netherlands' aid and trade agenda, and contains key priorities like poverty reduction and inclusive growth; gender equality; institutions and the rule of law; and climate change, oceans and biodiversity. The Netherlands will work during its Presidency to promote strict monitoring and accountability where the new goals are concerned. It also attaches great importance to policy coherence for development as a means of facilitating the achievement of the 2030 sustainable development agenda.

¹⁵ Commission Work Programme 2016, Annex 1, initiative 16, 'Follow-up to the Trade and Investment Strategy'.

The expiry, in 2020, of the Cotonou Agreement is a logical moment for the EU and the ACP countries (which now number 79 countries in Africa, the Caribbean and the Pacific Ocean) to reappraise their relations. It provides an opportunity to seek out a model of cooperation which, in its form and substance, is best suited to a modern, equal and effective partnership between the EU and the ACP countries, and properly reflects the wide-ranging political, economic and development-related changes that have taken place over the past decade. In 2015 the EU began preparing for the formal start of negotiations in 2018, and these efforts will continue during the Dutch Presidency. The Commission is expected to issue a Communication in the second half of 2016 on a new policy framework for the EU's relations with the ACP countries and regions.¹⁶ During its Presidency the Netherlands will press for an open discussion that includes a focus on seeking concrete alternatives. To this end, the Netherlands will call for a thorough internal evaluation of the 'Cotonou acquis' and will urge that the ACP countries be included in the debate at an early stage. The EU-ACP Ministerial Meeting and the Joint Parliamentary Assembly, which are scheduled during the Presidency, could play an important role in this regard.

Finally, the Netherlands will endeavour during its Presidency to further shape the aid and trade agenda at EU level. The EU's broad range of instruments in the sphere of trade policy and development cooperation means it can make a major impact as a global player. For this reason the Netherlands will ensure that the informal FACs on Trade and Development will be scheduled consecutively and feature a combined session for both trade and development ministers. For the Netherlands, key agenda items will be international corporate social responsibility and enhancing the sustainability of global value chains. The conference which the Netherlands is holding at the end of 2015 will provide valuable input for this debate.

Competitiveness Council

Single market

The economic potential of a well-functioning single market is enormous. The economic benefits of a better functioning single market could amount to over €651 billion a year, or 5% of European GDP,¹⁷ making the single market the EU's most valuable asset and one of the main instruments to propel Europe's economy forward.

Due to its open economy, strong services sector and state-of-the-art digital infrastructure, the Netherlands has a lot to gain from the further completion of the single market. For the Union as a whole, too, boosting confidence in the digital economy and promoting innovation across the entire economy are essential drivers of robust economic growth. The government therefore looks forward to seeing concrete proposals based on the Digital Single Market strategy¹⁸ presented in May 2015 to enable businesses and individual citizens to derive maximum benefit from advances in the digital sphere. For the Netherlands, the main themes in this area include cross-border e-commerce, modernising copyright, simplifying VAT,¹⁹ reviewing the telecoms regulatory framework and fostering the free flow of data. The government will aim to make rapid progress on the Digital Single Market strategy during the Dutch Presidency and awaits the proposals with interest.

The Netherlands will also pursue national and European measures to remove the remaining barriers for services in order to strengthen the single market. This includes more ambitious implementation of the Services Directive and following up on the country-specific recommendations on the single market made in the framework of the European Semester. The Netherlands therefore welcomes the Single Market Strategy on goods and services presented on 28 October 2015.²⁰ It ties in with Netherlands' wish to see a comprehensive single market strategy encompassing improved implementation and

¹⁶ Commission Work Programme 2016, Annex 1, initiative 20, 'Post-Cotonou Framework'.

¹⁷ *The Cost of Non-Europe in the Single Market – 'Cecchini Revisited'*, European Parliamentary Research Service, September 2014.

¹⁸ Commission Work Programme 2016, Annex I, initiative 6, 'Digital Single Market'.

¹⁹ Commission Work Programme 2016, Annex I, initiative 11, 'Action Plan on VAT'.

²⁰ Commission Work Programme 2016, Annex I, initiative 9, 'Follow-up to the Single Market Strategy'.

enforcement of existing legislation (especially the Services Directive), a clear focus on the service sectors with high economic potential (such as construction, business services and retail) and strengthening of the principle of mutual recognition (particularly in the service sectors mentioned). The government aims to address the Strategy in the Competitiveness Council during the Dutch Presidency, so that the Council can give political direction to the development of the main initiatives announced and provide input for the European Council. It is important that the legislative and other proposals announced in the Strategy are published without delay.

Research

Making Europe more innovative will be the central theme of the Competitiveness Council's work on research during the Dutch Presidency. This emphasis ties in with the Commission's strategic agenda, which is focused on a Union of jobs, growth and competitiveness, and with the government's priority relating to the EU's role as innovator and engine of job creation in Europe. The informal meeting of ministers will focus on creating the right conditions for, and the importance of investment in, research and innovation.

The results of the evaluation of the Seventh Framework Programme for Research and Technological Development will enable the Council to emphasise the positive impact of investment in the future. However, investment alone is not enough. The right conditions for research and innovation must also be in place in order to address social challenges and generate economic growth and jobs. For Europe to have the best research and business climate, legislation must be research- and innovation-friendly. This also ties in with the Commission's ambition, as expressed in its 2016 Work Programme, to improve Europe's investment and innovation climate and simplify access to European research funding from the Horizon 2020 programme. The impact of investment on science and society can be magnified by improving the dissemination of and access to scientific knowledge (i.e. by practising open science and promoting open access), making the results of publicly funded research publicly available.

Space

The Commission's Work Programme includes a commitment to a Space Strategy for Europe.²¹ The Netherlands supports this aim, but does not envisage that it will figure as such during the Dutch Presidency. However, in anticipation of steps to take this initiative forward, the Netherlands wishes to include space-related issues on the Council agenda. These could include improving the uptake of satellite data.

Better Regulation/REFIT

The Netherlands welcomes the prominence given to better regulation in the Commission's Work Programme. Improving regulation is an ongoing process, and therefore requires continuous attention. The Better Regulation agenda is intended to bring about better EU laws and thereby avoid unnecessary regulatory pressure, and to do so in a transparent manner. It is a vital part of efforts to stimulate structural economic growth and further develop the single market. Better Regulation will be high on the agenda in the Competitiveness Council during the Dutch Presidency. Special attention will be paid to sectoral reduction targets and the importance of future-proof European legislation (i.e. drafted in such a way that it does not present obstacles to new technological developments, innovation or the exploitation of economic opportunities).

The Regulatory Fitness and Performance Programme (REFIT) is part of the Better Regulation agenda. REFIT is applicable to European legislation that imposes an unnecessary regulatory burden and can be improved. According to its Work Programme, the Commission plans to scrutinise a substantial package of existing legislation next year. In Annex II to the Work Programme, the Commission indicates which new initiatives contain legislation that will be reviewed under the REFIT programme, e.g. 'energy efficiency for buildings' in the Energy Union Package. Additionally, Annex II lists 27 proposed REFIT initiatives, e.g. concerning the directives on wild birds and natural habitats, REACH (the Regulation on chemicals), fuel quality, environmental reporting and various maritime rules. The initiative on REACH concerns changes stemming from the 2013 evaluation to simplify the authorisation procedure and to

²¹ Commission Work Programme 2016, Annex I, initiative 13, 'A Space Strategy for Europe'.

ensure that costs that businesses charge each other are fair and transparent. Both proposals are intended to ease the burden on SMEs in particular. They complement national initiatives to reduce the burden of implementing REACH, and the Netherlands therefore welcomes this development. As part of the expected revision of the directive on port reception facilities for ship-generated waste and cargo residues, the Netherlands would like to see a focus on making further progress towards a level European playing field. Besides the proposals being examined under the REFIT programme, in Annex IV the Commission presents a list of 20 pending proposals that will be withdrawn or modified, such as proposals in the area of statistics on transport and inland waterways, because of a lack of sufficient progress. Finally, Annex V contains a list of existing legislation that the Commission is considering repealing because it is no longer applicable or de facto no longer in force.

Ecofin and the Eurogroup

Creating optimal conditions for lasting economic growth and prosperity in the Union and a shock-resistant eurozone will remain crucial in 2016. The Economic and Monetary Union (EMU) is in fundamentally better shape than before the crisis, but it can and should be strengthened further. In this regard the Netherlands will focus on making the best possible use of the current EMU framework,²² with particular emphasis on reforms and fiscal consolidation, deepening the single market, and promoting better governance in member states.

Prosperity and resistance to shocks

The Five Presidents' Report offers pointers for the development of the EMU. On 21 October 2015, the Commission published a communication on steps towards completing the EMU which deals with, among other things, the European Semester and economic governance. The Commission also presented additional documents that tie in with parts of that communication, including a communication on consistent external representation of the euro area in international fora and a proposal for unified representation of the euro area in the International Monetary Fund (IMF). In addition, the Commission published a recommendation for a Council recommendation on the establishment of national competitiveness boards and a decision establishing an advisory European Fiscal Board.²³ The proposals will be considered by the relevant Council configurations.

The government supports the envisaged aim of further strengthening the European Semester. During the Dutch Presidency, debates on member states' performance and implementation of recommendations will be included on Council agendas. An explicit opportunity to share best practices will also be provided. This initiative can help bring about a stronger European Semester and is consistent with the Netherlands' general aim of strengthening the implementation of country-specific recommendations and promoting structural reforms and better governance in the member states. The idea of paying more attention to the implementation of reforms can count on broad support among EU member states.

In addition, the Netherlands wishes to extend the existing practice whereby the Eurogroup regularly conducts theme-based discussions on areas of reform for the eurozone, partly on the basis of the recommendations for the eurozone made in the context of the European Semester. If the outcomes of these discussions are included in the national part of the Semester, the challenges facing the entire euro area can ultimately be better reflected in national policy. However, the government is not in favour of according a central role to the 'fiscal stance', which concerns the aggregate budgetary situation of euro countries at euro area level, within the Semester. This would entail adding a goal to the European fiscal framework, whereas the Netherlands wishes to maintain a clear focus on compliance with the Stability and Growth Pact (SGP) by individual member states. The government

²² In accordance with the parliamentary motion tabled by MP Segers et al. (21 501-20, no. 988) on measures to implement the Stability and Growth Pact and the European Semester.

²³ The entire package of measures as presented on 21 October 2016 can be viewed at <http://ec.europa.eu/priorities/economic-monetary-union/>.

will assess any proposals for external representation in other international financial institutions on their merits.

The government shares the Commission's ambition to strengthen the EMU's external representation in the IMF. It also shares the Commission's view that the eurozone's external representation will be strengthened by unified representation in the IMF, with one EMU seat on the Executive Board and one EMU seat on the International Monetary and Financial Committee (IMFC). It is in the interests of a currency union like the eurozone to work closely with an institution like the IMF. However, the Netherlands has a number of reservations about how the Commission intends to achieve this goal. The government sees the advantages of stepping up coordination between euro area countries, but at the same time considers it important to maintain cooperation with EU member states as a whole. It is also unclear whether it will prove feasible to create a single EMU seat because of the various legal, policy-related and practical implications this would entail. The government does not support the proposal to gradually rearrange the current seats among which EMU countries are distributed as part of the transition towards a single eurozone seat. The government attaches great importance to the Netherlands' relationship with the EU member states and third countries represented in the Dutch-Belgian constituency.

The Commission also proposed a Council Recommendation on the establishment of National Competitiveness Boards within the Euro Area. In the government's view, objectively calculating the financial impact of reforms yields realistic assumptions about the effects of policy on economic growth and employment. However, the Commission's proposal for the establishment of competitiveness boards differs in certain respects from the set-up envisaged by the government, based on the Netherlands Bureau for Economic Policy Analysis (CPB). The structure proposed by the Commission is more geared to unilateral advice and judgments.

The Netherlands supports steps towards a more transparent Stability and Growth Pact, and also favours making the Pact simpler. The detailed development of these proposals will be crucial and must result in stronger fiscal rules. The Netherlands does not however consider it necessary to set up a new European body in the form of a European Fiscal Board to strengthen transparency, as advocated in the Commission's proposal.

In the context of the Five Presidents' Report, no decisions with long-term implications are foreseen in the coming period. Next year the Commission will launch a broad consultation and in mid-2016 an expert group will be set up to explore the legal, economic and political conditions for the long-term proposals contained in the Five Presidents' Report. The Netherlands has, as is known, reservations about the direction of some of the ideas in the report about the EMU's long-term development.

As part of the completion of the Banking Union, a proposal on a European deposit reinsurance scheme will be presented before the end of 2015. This can be seen as a first step towards a full-fledged European Deposit Guarantee Scheme (DGS).²⁴ The Netherlands has argued since the inception of the Banking Union that a European DGS must be the final step in the process because it entails the pooling of risks at European level. It must be preceded by further harmonisation of banking regulations (single rulebook), and the Banking Union must first have adequately proved its worth.

On 30 September the Commission presented its Action Plan on Building a Capital Markets Union. The Capital Markets Union supplements the third pillar of the Investment Plan for Europe and is intended to provide a stimulus to Europe's capital markets so they function more effectively for the real economy. The Action Plan includes two regulations on securitisations, on which the Luxembourg Presidency is seeking speedy agreement in the Council. A proposal to revise the Prospectus Directive is expected later this year.

A number of other important issues will require attention during the Dutch Presidency. Agreement has already been reached in the Council on the Commission's proposal on bank structural reform, which is intended to help address the problem of banks that are 'too big to fail' and deals with the question of how far banks should separate their high-risk trading activities from ordinary utility banking activities

²⁴ Commission Work Programme 2016, Annex I, initiative 15, 'European Deposit Insurance'.

(like providing loans). Trilogue negotiations will therefore begin as soon as the European Parliament has determined its position. In addition, the Commission is expected to put forward a legislative proposal at the start of 2016 for a framework for the recovery and resolution of central counterparties (CCPs). Trilogue negotiations on the revision of the European directive on institutions for occupational retirement provision (IORP) are also expected to start during the Dutch Presidency.

Tax

On 17 June 2015 the Commission presented an action plan to reform the corporate tax system in the EU.²⁵ It includes a series of initiatives designed to end tax avoidance, ensure the sustainability of revenues and strengthen the internal market for business. The Dutch Presidency will prioritise action against tax evasion and tax avoidance, in line with the motion tabled by Marit Maij MP. The Netherlands seeks to play a leading role in increasing transparency in efforts to tackle corporate tax avoidance, based on the package of measures agreed as part of the OECD's Base Erosion and Profit Shifting (BEPS) project in October this year. In this connection an agreement was recently reached by the member states on the exchange of information on tax rulings. Furthermore, the conversion of OECD BEPS measures into European legislation will start during the Dutch Presidency.²⁶ The Netherlands will await legislative proposals from the Commission on this point. The Dutch Presidency will also see further discussion on the inclusion of a minimum effective taxation clause in the Interest and Royalties Directive.²⁷

In the context of the digital single market, in 2016 the Commission will publish an action plan for an efficient and fraud-proof VAT regime, including a proposal on VAT rates and e-commerce. It will also present a communication on a definitive VAT system. The Netherlands will address this matter during its Presidency, if the timing of the plan's publication permits.

The question of a Financial Transaction Tax (FTT) may be discussed again during the Dutch Presidency if the leading group of eleven member states that have opted for closer cooperation in this area present a proposal for a directive. The Netherlands did not join this leading group because the previous proposal, which primarily taxed pension funds, did not satisfy the relevant conditions laid down in the coalition agreement.

EU budget

In the run-up to the Dutch Presidency, the Netherlands is preparing proposals to simplify and improve the EU budget system.²⁸ This system is often perceived as being opaque, unclear and in some respects needlessly complex. The Netherlands therefore seeks to endow it with greater transparency, predictability and consistency. The focus will be on finding practical solutions that can be achieved within the framework of existing legislation. In addition to the Commission's recent proposals,²⁹ the Netherlands will for example work to harmonise the updating of data sources and accelerate the lifting of reservations placed on elements of member states' GNI data. The Netherlands will also seek a clear EU budget calendar setting out predetermined steps in the budget process to be carried out at predetermined times during the year. The Netherlands will look to work with like-minded member states, to generate support for our plans, and with the Commission, so that concrete follow-up action can be taken.

In 2016 the High Level Working Group on Own Resources (HLGOR) will present its final report. This will be preceded by an interparliamentary conference bringing together the European Parliament and national parliaments, scheduled for June, to be organised by the HLGOR. The consideration of the final report will therefore fall under the Slovak Presidency.

²⁵ A Fair and Efficient Corporate Tax System in the European Union: 5 Key Areas for Action, COM (2015) 302 final of 17 June 2015; see government assessment of 6 July 2015 (Parliamentary Papers 21501-07, no. 1281).

²⁶ In a follow-up to COM (2015) 302, the Commission announced this in initiative 12 on a Corporate Tax Package, in Annex I to its Work Programme.

²⁷ As mentioned on p.11 of the above-mentioned Action Plan COM (2015), 302 final.

²⁸ Letter to parliament 2015Z19560, Eighth additional EU budget for 2015 (20 October 2015).

²⁹ Letter to parliament 2015Z19433, BNC file for making available the own resources (16 October 2015).

Finally, the discharge procedure for the 2014 EU budget will take place during the Dutch Presidency. In January and February the Council will agree its recommendation on discharge to the European Parliament, which will in turn take a decision later in the spring on granting discharge to the European Commission. In recent years the Netherlands, together with the United Kingdom and Sweden, has voted against the Council's recommendation on discharge in order to express its dissatisfaction at the fact that, because of high error rates and only partially effective financial management, the European Court of Auditors has not given positive statement of assurance on EU spending for 20 years. During its Presidency the Netherlands will ensure that the discharge process runs as smoothly as possible.

Justice and Home Affairs Council

A Europe without internal borders needs common solutions in the area of justice, police cooperation, asylum and migration. The government remains fully committed to the goal of a European area of freedom, security and justice, where all European citizens can count on their rights being respected both offline and online and their security safeguarded. At the same time the government also aims to strengthen the free flow of data in the Union and to enable better use to be made of the digital single market, in order to drive innovation and growth. These efforts should of course go hand in hand with powerful data protection and balanced and effective contract law for the benefit of both businesses and consumers. Such guarantees are essential in order to maximise the benefits of European cooperation for our citizens and promote a reliable business climate within the single market. The government also looks forward to the publication of the proposal on online purchases, which is an action point in the Digital Single Market Strategy.

The current European migration problem affects each member state in its own way and demands a decisive European solution. The government is pursuing a joint European response. It must put an end to people smuggling and the loss of life from drowning and suffocation, enable us to fulfil our duty to protect refugees, and address the problem in a manner that is sustainable for Europe. During the Presidency the government will endeavour to take forward and help implement the European Agenda on Migration presented in May this year and the Commission's additional proposals as announced in its Work Programme for 2016. The Netherlands is looking to take steps resulting in a fair distribution of asylum seekers upon first arrival and the processing of applications for asylum, and the further improvement of the security of Europe's external borders. In addition, in the medium term, migrants' prospects in the regions in which they are initially received must be improved, in order to break the existing model of high-risk onward travel.

The Netherlands aims to address the various challenges arising in this area by means of an integrated European approach. The successful implementation of the recent decisions on the relocation of 160,000 asylum seekers, the effective functioning of hotspots, and steps to foster operational cooperation between member states, are therefore particularly important in the government's view. The legislative proposals on a relocation mechanism and a European list of safe countries of origin will also feature prominently during the Presidency. In recent months several measures have been agreed in relation to the external dimension, such as the action plans on people smuggling and return. The government keenly awaits the presentation of the Commission's border management package in December, which is expected to include a stronger mandate for Frontex.³⁰ The Commission also announced measures in its Work Programme to improve migration management concerning resettlement, a revision of the Dublin system and legal migration.³¹

In the light of the complex security threats currently facing Europe, the implementation of the EU Internal Security Strategy 2015-2020 is also of key importance. A coordinated European response is required in view of the transnational nature of cyber crime and cyber security issues, terrorism, organised crime and human trafficking. This applies equally to preventive action on radicalisation. Working on the basis of existing instruments, the government will focus specifically on fostering effective operational cooperation and further improvements to the exchange of information, while maintaining data protection safeguards. The government also sees a link with the Strategic Review in

³⁰ Commission Work Programme 2016, Annex I, initiative 19, 'Border Management Package'.

³¹ Commission Work Programme 2016, Annex I, initiative 18, 'Better Migration Management'.

view of the inherent link between internal security threats and developments beyond Europe's borders.

Under the Luxembourg Presidency, the Justice and Home Affairs Council reached agreement on the implementation of the European security strategy. The Netherlands will take this forward in 2016. The Netherlands also looks forward with interest to the proposal to amend the framework decision on terrorism, improved rules on firearms and a proposal on combating fraud and counterfeiting on non-cash means of payment.³² Combating fraud, which often has a transnational component, is a priority for the Dutch government. Combating fraud involving means of payment, in whatever form, is a key concern. The government awaits the Commission's proposal with interest and will study it carefully. Financial investigation is an effective instrument in the fight against fraud and will be a priority for the Dutch Presidency.

Finally, the Netherlands will seek to advance a number of ongoing legislative dossiers that are the subject of negotiations in the Council and the trilogue. These relate to the regulation and directive on data protection, the EU's accession to the Convention for the Protection of Human Rights and Fundamental Freedoms, and procedural safeguards for suspects.

Agriculture and Fisheries Council

Agriculture and fisheries are vital to the Dutch and European economies and to global food security. As the second largest agricultural exporter in the world, whose largest market is the EU, the Netherlands attaches great importance to a level playing field and close alignment between legislation and current practice. This applies to the Common Agricultural Policy (CAP) and its associated market and pricing policy as well as veterinary and phytosanitary policy. The world also faces the challenge of having to feed at least nine billion people by 2050. Solutions may be sought in climate-smart agriculture and reducing food waste throughout the production and supply chain, both in Europe and beyond. The Netherlands is well placed to contribute to this process due to our considerable agricultural expertise, innovative private sector and international reputation.

During the Presidency the Netherlands wishes to hold an exchange of views on member states' experience with the most recent CAP reform with a view to the future of the CAP after 2020. The Netherlands would also invite the Commission to take action in the shorter term to simplify the CAP, alleviating unnecessary regulatory burden on farmers. Current market conditions in a number of sectors, including dairy and pig farming, are cause for concern and will have our constant attention.

During the Presidency the Netherlands will also address the tackling of antimicrobial resistance. In this regard, the government is calling for a One Health approach, with closer cooperation between health and agriculture ministers. The Minister for Agriculture and the Minister of Health, Welfare and Sport will organise a ministerial conference on this issue.

The Dutch Presidency will also address the imbalance between patent law and plant breeders' rights, which is impeding open access to genetic sources. Such access is vital to plant breeding.

With regard to fisheries legislation, the Netherlands aims to achieve more in-depth sustainability as agreed in the framework of the new Common Fisheries Policy. Priority should be given to concluding agreements on multiannual plans for sustainable fish stock management and expanding the landing obligation to prevent food waste. These issues, too, must be seen in both the European and the wider global context: clean oceans are essential for global food security. The Netherlands therefore wishes to take steps in the areas of Blue Growth and food security during its Presidency.

Finally, there will probably be discussion of the evaluations of the European Court of Auditors and the European Commission of EU forest policy and EU efforts to tackle the trade in illegally harvested timber. Based on this, the Netherlands will strive for a more effective, coherent approach that will also strengthen efforts to halt deforestation.

³² Commission Work Programme 2016, Annex I, initiative 17, 'Implementation of a European Agenda on Security'.

Environment Council

The Dutch Presidency will address issues relating to climate change, the environment and sustainability in an integral manner. The Netherlands thus wishes to ensure that measures in these policy areas reinforce each other where possible and that both economic objectives and wise use of resources and energy are incorporated in a future-proof model for sustainable growth. The Netherlands sees the Commission's proposed initiative 'Next steps for a sustainable European future',³³ which will ensure Europe's economic growth and social and environmental sustainability beyond the 2020 timeframe, as a key initiative in this regard. As chair of the Environment Council and in other settings, the Netherlands will seek to encourage thinking at EU level on the implementation of the 2030 sustainable development agenda.

The preparations for the UN climate summit (COP21) in Paris at the end of this year have been a major recurring theme in the Environment Council in 2015. The international community is committed to reaching a new global climate agreement in Paris in order to limit global warming to 2 degrees Celsius compared to pre-industrial levels. The EU advocates a legally binding agreement in which every country will contribute according to its ability to climate-neutral and climate-resilient growth. A new international climate agreement in Paris will be an important step towards that goal. The outcome of COP21 and its further elaboration will be key issues throughout the Dutch Presidency and the rest of 2016. The European Council plans to further discuss the outcome of COP21 and the implementation of the European climate and energy package up to 2030.

In July, negotiations started on the Commission proposal to revise the EU emissions trading system (ETS). In the second half of 2016 the Commission is expected to propose new national targets for further CO₂ emission reduction in non-ETS sectors (effort sharing decision).³⁴ As chair of the Environment Council, the Netherlands will strive for concrete progress in these negotiations, with a view to implementing the European contribution to global climate change efforts (minimum 40% reduction in 2030 compared to 1990 levels) in EU policy and legislation.

However, sustainable growth involves more than CO₂ reduction alone: our economy must not only become climate-neutral, but circular. A circular economy is based on wise use of resources and obtaining raw materials from waste, through reuse or recycling. It is a way of achieving economic growth that does not deplete our natural capital or involve major dependence on natural resources, and that prevents mountains of waste. An EU-wide movement towards a circular economy could create new opportunities for innovation, growth and jobs, boosting Europe's competitive position. The Commission's new Circular Economy Package,³⁵ due to be published at the end of 2015, will be a major issue during the Dutch Presidency. The package is expected to comprise a four-year plan of action containing several Commission proposals and initiatives to achieve a circular economy, including a proposal to revise EU waste legislation.

In the context of better regulation the Netherlands will also strive to improve and simplify EU environmental legislation, in particular by promoting the British-Dutch-German 'Make It Work' initiative. In this initiative, a coalition of member states and the Commission aims to identify opportunities for improving the implementation, consistency and coherence of the EU environmental acquis so that it will be better able to deal with future challenges. Work is being done with the Commission to revise and modernise reporting obligations. To this end, the Commission announced in its 2016 Work Programme that it will publish a communication, setting out a strategy and ambitions for monitoring and reporting obligations in environmental policy. The Commission also intends to perform a fitness check of all the reporting obligations in EU environmental law.³⁶ In elaborating 'Make It Work' the Netherlands will focus attention on alternatives alongside legislation for steering developments, taking as its example the Dutch Green Deal approach.

³³ Commission Work Programme 2016, Annex I, initiative 5, 'Next steps for a sustainable European future'.

³⁴ Commission Work Programme 2016, Annex I, initiative 7, 'Energy Union Package'.

³⁵ Commission Work Programme 2016, Annex I, initiative 3, 'Circular Economy Package'.

³⁶ Commission Work Programme 2016, Annex II, initiative 9, 'Environmental Reporting Initiative'.

Other important issues to be addressed by the Dutch Presidency include the amendment of the NEC Directive on the reduction of national emissions of certain atmospheric pollutants,³⁷ the Fitness Check of the Birds and Habitats Directives,³⁸ and preparations for the next session of the Assembly of the International Civil Aviation Organization (ICAO), which will discuss a global emissions trading scheme for aviation after the summer of 2016.

The theme of the joint informal meeting of environment and transport ministers on 14 and 15 April 2016 will be innovative technology and policy for smart and green transport solutions. Besides the joint meeting, the environment and transport ministers will also meet separately. The environment ministers' meeting will explore how innovation could be stimulated in order to achieve CO₂ emission savings of 60% in the EU by 2050. Their findings could contribute to the transition to zero-emission transport, revised CO₂ standards for vehicles after 2020 and post-2020 policy on transport fuels, including biofuels.

Education, Youth, Culture and Sport Council

In the area of education the Netherlands will align its efforts with the Strategic Agenda, which gives priority to employability and the development of knowledge and skills, with Europe 2020 and with the priorities for European cooperation in the field of education and training over the next five years, to be updated by the EYCS Council under the Luxembourg Presidency on 23 November 2015.

The European Commission announced a new Skills Agenda³⁹ in its 2016 Work Programme, which will be discussed by this Council. The new agenda will promote investment in skills development so that workers will be better equipped to deal with the changing labour market and society. It will also address the mutual recognition of qualifications, which will support vocational training and higher education and help realise the full potential of digital jobs. In this regard, reference can be made to the Netherlands' response to a previous consultation on the European area of skills and qualifications.⁴⁰ The match between education and the labour market, and modernising and promoting excellence in higher and vocational education, are also key themes for the Netherlands. An important objective in this regard will be an active exchange between member states of effective policies at national level.

With regard to culture, media and the creative industries the Dutch Presidency will strive for a debate and Council conclusions on the infrastructure and platforms required for European digital heritage (such as Europeana, the digital repository of European cultural and academic institutions). The Netherlands welcomes the Commission's plan, in the framework of the Digital Single Market Strategy, to review the Audiovisual and Media Services Directive in 2016⁴¹ (possibly before the end of the Dutch Presidency) and will strive to move the debate forward. Promoting the circulation of European audiovisual productions will be spotlighted.

Furthermore, the Netherlands is considering encouraging debate during its Presidency on the role of education in the reception and integration of migrants and the role of education and youth work in combating youth radicalisation. This will be coordinated with the conclusions of the Luxembourg Presidency, current developments and any Commission initiatives. Discussion of the contribution of youth work is in line with the Commission's priorities concerning young people's inclusion and participation in society. The Netherlands will also raise the issue of social participation by young people with mental disorders. It is important to discuss this issue not only with sector stakeholders, but to take a broader perspective that also encompasses the interests of public health.

³⁷ Commission Work Programme 2016, Annex III, proposal 5, 'Reduction of national emissions'.

³⁸ Commission Work Programme 2016, Annex II, initiative 6, 'EU Nature Legislation'.

³⁹ Commission Work Programme 2016, Annex I, initiative 1, 'New Skills Agenda for Europe'.

⁴⁰ Letter to the House of Representatives from the Minister of Education, Culture and Science, Parliamentary Papers, 2013-2014 session, 22 112, no. 1828.

⁴¹ Commission Work Programme 2016, Annex I, initiative 6, 'Implementation of the Digital Single Market Strategy'.

The Netherlands will put integrity of sport on the agenda, based on the EU Work Plan for Sport 2014-2017. The focus will be on preparing and organising major international sports events, in particular how this can be done with positive social, economic and sustainable returns that will generate public support. The Netherlands will liaise closely with the sport sector.

As is customary, the Dutch Presidency will include a cultural programme that will highlight Dutch culture in the broadest sense. Various activities have been planned in Amsterdam, Brussels and at Dutch embassies in EU member states.

Transport, Telecommunications and Energy Council

In 2014 the European Commission presented a framework strategy for a European Energy Union.⁴² In March 2015, with the Netherlands' support, Council conclusions were adopted on the Energy Union including guidelines for further elaboration. The Union is based on five pillars, i.e. improving security of energy supply, improving the internal energy market, moderating demand by raising energy efficiency, reducing carbon emissions and promoting research and innovation in the area of energy. The aims of the Energy Union are to ensure a more affordable energy supply, reduce the EU's energy dependence, and establish a future-proof climate policy. The Commission has proposed⁴³ revising the Energy Labelling Directive with a view to implementing the Energy Union. The strategy will be elaborated further in the coming months. For instance, next year key proposals will be put forward on redesigning the electricity market in order to enhance the flexibility of the energy system, the coordination of supply security policy, the integration of sustainable energy in the market, and regional cooperation. The Commission will also publish proposals to strengthen security of supply in Europe. The Netherlands is pleased that the Commission is pursuing implementation of the Energy Union strategy with such vigour, and will itself strive for progress on the above-mentioned proposals during its Presidency. The Netherlands will focus especially on the redesign of the electricity market and regional cooperation – both essential building blocks for the Energy Union.

The main transport issues will be the Fourth Railway Package and the anticipated Aviation Package. It is expected that negotiations with the European Parliament on the proposals under the market pillar of the Fourth Railway Package will be concluded under the Dutch Presidency. The Netherlands will facilitate discussion of the Aviation Package, which is due in December, at the Aviation Summit on 20 and 21 January 2016. The Package is expected to include proposals on revising the EASA regulation, drones and mandates for negotiating air transport agreements with, for instance, the Gulf States. If a solution can be found for Gibraltar, the Netherlands will be able to put the issues of SES2+ and air passenger rights on the agenda, perhaps even rounding them off during its Presidency. Finally, the Netherlands will strive for the successful conclusion of negotiations on the proposed regulation on market access to port services. The Netherlands looks forward to the Commission's initiatives on reducing the transport sector's dependency on oil (decarbonisation), more efficient use of infrastructure and strengthening enforcement of social laws. A critical position will be taken on initiatives concerning road pricing and the liberalisation of road transport.

The theme of the transport part of the joint ministerial meeting of environment and transport ministers on 14 and 15 April 2016 will be connected, automatic and autonomous driving. In this regard, the Netherlands hopes to make progress towards European harmonisation in the area of intelligent transport systems (ITS) and self-driving vehicles.

The digital single market is the most important issue to be discussed by the Telecommunications Council, in particular the revision of the regulatory framework for telecom companies. A modern regulatory framework will strengthen competition, competitiveness and investment in the sector. Other issues to be discussed include internet governance (which for the Netherlands means promoting a free and open internet), the review of the wholesale market for roaming and the use of the 700 MHz spectrum band.

⁴² Commission Work Programme 2016, Annex I, initiative 7, 'Energy Union Package'.

⁴³ COM(2015) 341, Proposal for a Regulation of the European Parliament and of the Council setting a framework for energy efficiency labelling and repealing Directive 2010/30/EU.

The Netherlands endorses the objectives of the proposed Network and Information Security Directive.⁴⁴ The Dutch Presidency will work to either conclude negotiations on the proposal or implement the adopted legislation. In addition, the Netherlands will strive to conclude talks on the Directive concerning accessibility of government websites during its Presidency. Finally, the Netherlands looks forward to the eGovernment action plan announced in the Digital Single Market Strategy. No legislative proposals are foreseen for postal services, nor will the Netherlands actively encourage this.⁴⁵

Employment, Social Policy, Health and Consumer Affairs Council

The Netherlands considers a level playing field to be the guiding principle for the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO). It is important to combat social dumping, sham employment arrangements and unfair competition on employment conditions. Employees should be able to work in good conditions for a fair wage, based on equal pay for equal work. Better protection of mobile workers strengthens the fundamental freedom of movement for workers within the Union. The Netherlands therefore sets great store by the labour mobility package⁴⁶ to be presented by the Commission shortly. According to the Commission Work Programme, the package will comprise a communication on cross-border labour mobility as well as a proposal for a targeted revision of the Posting of Workers Directive, and the revision of regulations on social security coordination. The aim of this last revision will be to combat abuses through better enforcement.

It is interesting to note that the Commission has announced a targeted *revision* of the Posting of Workers Directive, as until now it had spoken of performing a targeted evaluation of that directive. The government considers this a positive development. Furthermore, the Commission emphasises that social dumping and the threat of a 'brain drain' must be avoided by ensuring equal pay for equal work at the same place. The government shares this view and considers that a revision of the Posting of Workers Directive will be necessary to achieve it.

The Presidency of the Council provides the Netherlands with an opportunity to combat work-related cancer by expanding workers' protection against a wider range of carcinogens. This will involve amending the Carcinogens Directive. The Dutch Presidency will also encourage member states to share knowledge on poverty reduction.

Under the motto 'a new start for working parents' the Commission Work Programme announced a new package of measures aimed at improving the work-life balance of working parents.⁴⁷ The package also contains measures to promote women's participation in the job market. The ability to combine work with caring responsibilities is key to a well-functioning labour market. The government therefore values the Commission's coherent approach to these themes. Any legislative measures proposed by the Commission in this field will be assessed on their own merits and against the principles of subsidiarity and proportionality. The government considers that EU legislation should offer sufficient flexibility for member states to adapt it to their domestic situation. It is relevant in this regard that the Commission was unable to obtain enough support for its earlier proposal to reinforce the Maternity Leave Directive. The Commission should take this into account when drafting new proposals.

In addition the Commission has announced in its Work Programme that it will publish a pillar of social rights.⁴⁸ This initiative will aim to close gaps in existing legislation and identify common principles and reference benchmarks, which in the long term will lead to greater convergence of member states' performance in the areas of social affairs and employment. The details of the initiative are unclear at this time, and the government awaits these with interest. Any measures proposed by the Commission

⁴⁴ Commission Work Programme 2016, Annex III, proposal 4, 'Network and Information Security'.

⁴⁵ In response to the undertaking given by the Minister of Economic Affairs to Bart de Liefde MP during the debate on the Postal Services Act.

⁴⁶ Commission Work Programme 2016, Annex I, initiative 8, 'Labour Mobility Package'.

⁴⁷ Commission Work Programme 2016, Annex I, initiative 2, 'A new start for working parents'.

⁴⁸ Commission Work Programme 2016, Annex I, initiative 14, 'Pillar of social rights'.

in this field will be assessed on their own merits and against the principles of subsidiarity and proportionality.

Finally, with regard to social policy, it is striking that, while the Commission has not announced a new gender equality strategy, it has stated its intention to continue its practical work in this area. The Netherlands will support these activities, based on the work of the EU missions to the UN.

The Netherlands will also continue ongoing discussions on, for instance, the Directive on gender equality in other settings than the workplace and the Directive aimed at improving the gender balance in the boardrooms of listed companies. The New Skills Agenda for Europe will also be presented to this Council.⁴⁹

In the area of public health, the EU plays an important role in the market access of pharmaceuticals and medical devices. The Dutch Presidency will examine the question how new innovations could reach patients faster at a socially acceptable cost. The Presidency will also strive to reach agreement with the European Parliament on the two regulations concerning medical devices and in-vitro diagnostic medical devices. The government urges health and agriculture ministers to collaborate more closely in fighting antimicrobial resistance and would like to see member states and the Commission hold each other to account with regard to objectives and results. The Netherlands therefore supports the Commission's ambition to address this challenge⁵⁰ and will put the subject on the Council agenda during the Dutch Presidency.

The Netherlands supports the Commission's efforts to strengthen voluntary cooperation and financing by the member states in the area of health technology assessment (HTA). However, the nature of the preparatory activities mentioned by the Commission is not sufficiently clear to the Netherlands, other than making available funds for EUnetHTA activities from Joint Action 3.

In addition, the Netherlands appreciates the European Commission's work on endocrine disrupters. The government considers it important to address the risks that these chemicals pose to humans, animals and the environment. There has been a delay in developing criteria for identifying these substances. The Dutch Presidency will aim to prevent further delay.

Finally, the Netherlands will strive to achieve a stronger common approach to improving the quality of foodstuffs at EU level. The Presidency will organise a conference to this end and put the issue on the agenda of the informal Council meeting. A level European playing field for food producers will promote the development of innovative, healthy foods and make it easier for consumers to make healthy choices.

⁴⁹ Commission Work Programme 2016, Annex I, initiative 1, 'New Skills Agenda for Europe'.

⁵⁰ Commission Work Programme 2016, p. 5.