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# ESTONIAN PRESIDENCY OF THE COUNCIL OF THE EU

**Priorities for July to December 2017**

A Weber Shandwick Guide

29 June 2017



# FOREWORD

## BY MATTI MAASIKAS

### DEPUTY MINISTER FOR EU AFFAIRS

From 1 July 2017, Estonia will be taking over the rotating Presidency of the Council of the European Union for the first time. This is a unique opportunity which we undertake with a great sense of responsibility.

We are confident that a determined EU united in respecting common values can resolve the challenges and make the most of all the opportunities ahead of us today. For this reason, the Presidency will focus on the issues which we believe are integral to creating a brighter future for the European Union: an open and innovative European economy, a safe and secure Europe, digital Europe and the free movement of data, and an inclusive and sustainable Europe.

Over the next six months, we will focus on creating an attractive and innovative European business environment that is transparent and simple. We want to make it easier to start a business and to do business in Europe by taking advantage of e-solutions. We are also initiating and continuing negotiations on free trade agreements.

The safety and security of European citizens relies on the EU acting as one

both inside and outside of its external borders. On the one hand, we need to enhance cooperation within the EU by utilising modern communication and information technologies and moving forward with reforming the Common European Asylum System. On the other hand, we must also strive to become a stronger and more credible ally in our neighbourhood and on the global stage.

Estonia would like to keep the ambitious Eastern Partnership as a focus of the EU. To bring the Eastern partners closer to the EU, we support reforms they carry out to ensure security and to develop democracy and an efficient economic environment. Many events involving the Eastern partners will be taking place during the Estonian Presidency of the Council of the EU.

It will not come as a surprise that building a digital Europe is an important priority for the Presidency; we hope that it will become an integral part of Europe. We want to improve the lives of citizens, businesses and governments, which is why we have included e-solutions and digital innovation in almost every aspect of our Presiden-

cy programme. We aim to implement the Commission's Digital Single Market strategy and advance discussions on the future of e-governance and the free movement of data.

Inclusivity and sustainability are at the heart of the Presidency. We want to ensure that every citizen, including future generations, can enjoy all the benefits of living in a Europe that is peaceful, progressive and prosperous. We will focus on creating equal opportunities for the development of skills, high-quality education, employment and access to services. We will move forward with initiatives to create a more environmentally friendly society, such as the implementation of the Paris Agreement and continuing the work on the energy efficiency directives.

We believe that there is strength in diversity. However, we also believe that there is plenty of common ground for Europe to come together to make the most of every opportunity and to improve the lives of every European citizen.

We look forward to working towards this goal over the next six months.





# INTRODUCTION

**Europe appears to be emerging from one of its most tumultuous periods in decades with fewer bruises than most imagined. The much-feared and predicted domino effect of Brexit saw just one EU nation trip over their shoe laces as The Netherlands and France artfully sidestepped the rise of populism in their national elections.**

The light wave of positivity and renewed confidence couldn't come at a better time for Estonia, which 13 years after joining the EU, assumes the six-month rotating Presidency of the Council of the European Union for the first time.

Starting July 1, Tallinn will draw inspiration from the goals outlined in the Rome Declaration of 25 March 2017 and has committed to a new, better Union. Through its motto "unity through balance," the Estonian presidency has recognised some of the recent complaints about the EU and will focus on consensus building to achieve its political ambitions.

Estonia is the first of a new Trio of Presidencies, together with Bulgaria and Austria, that complete the Juncker Commission's term. It has the important task of laying the path towards the common goals of job creation, boosting growth and better security.

Tallinn will prepare the political landscape for 2019's European elections, which is no small feat given the host of legislative issues it will oversee in the Council. Many of the Commission's proposals have landed or are on course to enter crucial Council negotiations and Estonia, with its reputation as "the most advanced digital society in the world," will be expected to push through the digital single market agenda, which contains some of the Commission's most contentious files.

It's therefore no coincidence that grand plans for digital innovation and e-solutions feature prominently throughout the tiny nation's Presidency programme and the focus falls on:

- 1. An open and innovative European economy;**
- 2. A safe and secure Europe;**
- 3. Digital Europe and the free movement of data;**
- 4. Inclusive and sustainable Europe.**

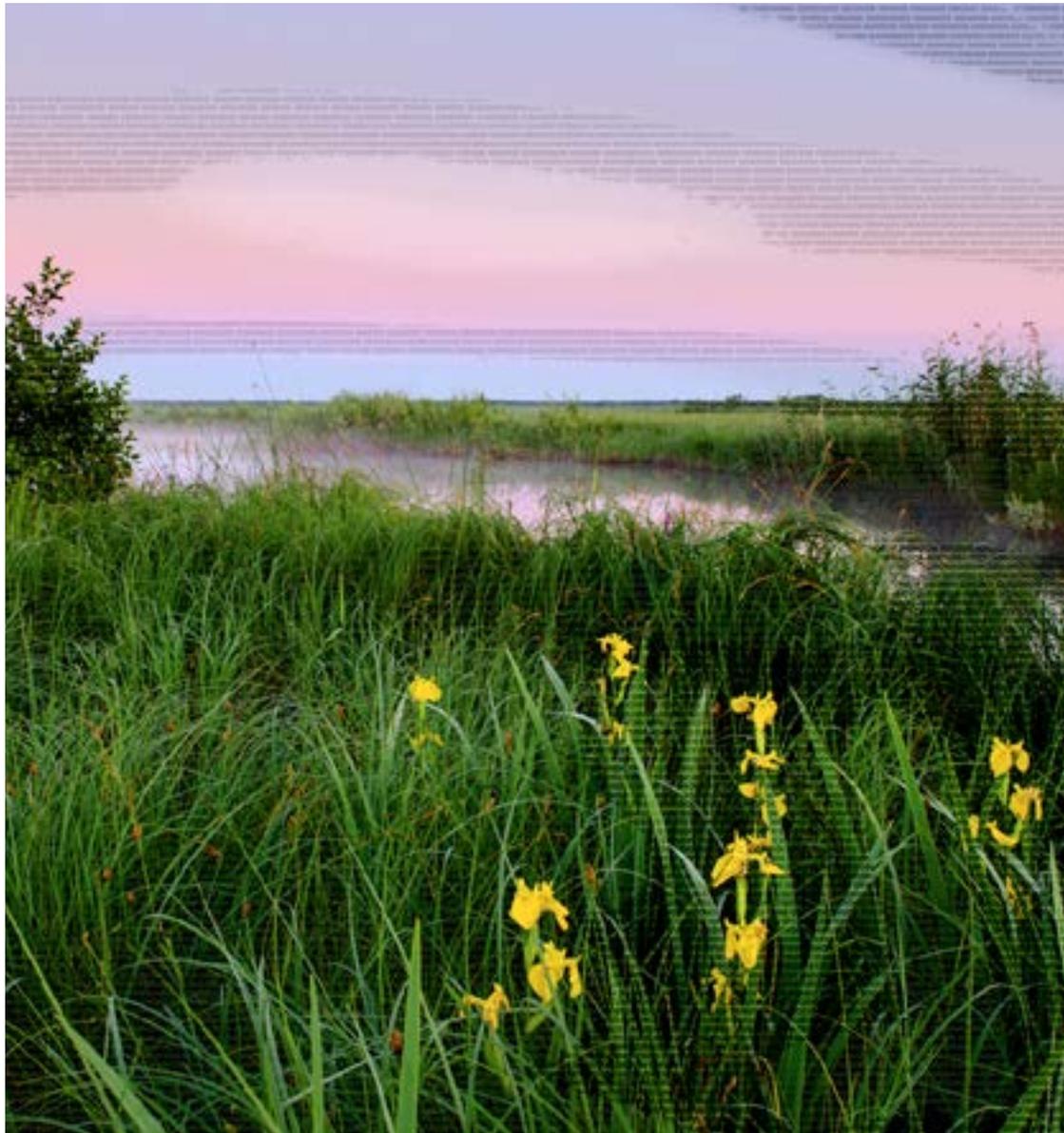


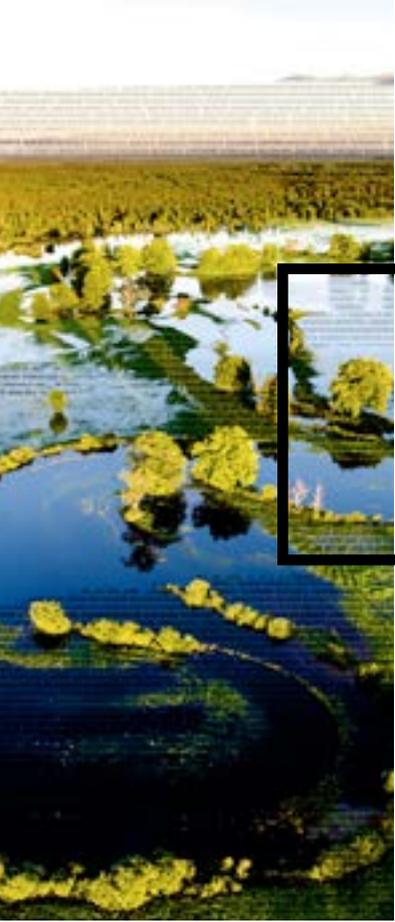
Aligning its priorities with technology is a smart, if obvious, move. Data and privacy issues continue to plague policymakers. Platforms have grown at such an enormous rate that they and politicians struggle to handle the legal ramifications their innovations create. The EU's telecommunications infrastructure requires billions of euros of investment to keep its transport, health, digital, energy and labour markets competitive.

Yet, turmoil loves to keep the EU company. Estonia's efforts to advance its policy priorities could be overshadowed by bitter developments in Brexit negotiations, a shock twist in the German elections, a return of the migration crisis or the further entrenchment of terrorism.

Despite its small stature the Baltic nation is dynamic – it first trialled e-government 17 years ago – so it has the nimbleness to steer Member States' toward consensus and strengthening Europe's position on the global stage.

We are honoured to present this guide of our detailed analysis of the Estonian Presidency's priorities across different policy areas.





## FINANCIAL SERVICES AND TAXATION

Boosting investment, a stable banking sector and a more transparent fiscal policy will be the principles guiding the work of the Presidency on EU financial services and capital markets policies. Estonia will continue to build on the Maltese Presidency's work concerning the Banking Prudential package that the Commission tabled in November last year, and to move forward on the **Council Conclusions on the Banking Union** that have guided Member States' work since June 2016. Linked to the banking Risk Reduction Package, which both the Parliament and Council agreed to fast-track as far as provisions on introducing International Financial Reporting Standard 9 ("IFRS 9") are concerned, the Estonians will continue negotiating at Council working party level the proposal for a **Regulation on European Deposit Insurance Scheme (EDIS)**.

With regard to the Capital Markets Union (CMU), the Estonian Presidency will take stock of the Commission's midterm review Communication on the CMU Action Plan. We expect references to Fintech and Sustainable Finance to feature prominently in final Council Conclusions. Related to this, work on upcoming legislation setting an **EU personal pension products framework**, **new rules for third party effects of transactions in securities and claims** and the **review proposals of the European system of financial supervision** will continue. The incoming Presidency will also initiate discussions in Council on the Commission's two sets of proposed amendments to the **European Market Infrastructure Regulation (EMIR)**, which include the highly-politicised issue on how to deal with clearing of euro-denominated derivative transactions, in light of the Brexit vote and the loss of London as the EU's main financial centre.

This Presidency will also begin policy discussions in Council on the **White Paper on the deepening of the Economic and Monetary Union**, and the Commission's **Consumer Financial Services Action Plan** released in March.

On investment and capital markets, triologue negotiations between the Commission, the Parliament and Council will continue until the summer break on the **European External Investment Plan (EEIP)**, as well as on the **Regulation extending the European Fund for Strategic Investments (EFSI2)** up to 2020.

Finally, on corporate taxation and anti-tax avoidance measures, the incoming Presidency will continue to chair discussions in Council on the Commission's proposals for a **common corporate tax base (CCTB)**, and an upcoming **Recommendation for an**

### RELEVANT DATES

**11 July**

ECOFIN Council

**24 July**

ECOFIN Council (Budget)

**15-16 September**

Eurogroup meeting and informal ECOFIN Council in Tallinn

**9-10 October**

Eurogroup meeting and ECOFIN Council in Luxembourg

**6-7 November**

Eurogroup meeting and ECOFIN meeting

**17 November**

ECOFIN Council (Budget)

**4-5 December**

Eurogroup meeting and ECOFIN Council



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**EU list of non-compliant tax jurisdictions** expected in autumn. On VAT, besides the **eCommerce package** currently under discussion, the Estonians will kick off work on the different upcoming initiatives announced in the VAT Package, presented by the Commission last spring.

On tax transparency, Estonia announced that it would be initiating discussions in Council on the Commission's recent proposal for **new transparency rules for tax planning intermediaries in the field of taxation and cross-border arrangements** and will take the baton from the Maltese in handling the complex negotiations with Parliament and the Commission on public **country-by-country tax reporting for multinationals**. The Parliament is yet to finalise its negotiating stance on this dossier, and discussions in Council are at a standstill due to delegations disagreeing on the proposal's legal basis. Finally, three-way talks with the Parliament and the Council will also continue on the **review of the EU anti-money laundering Directive**, where the Estonians will work hard to reach a compromise deal with the Parliament. The latter is insisting on strengthening transparency requirements for trusts and fund owners, a proposal with which Member States currently disagree.





# ENERGY

## RELEVANT DATES

### 19 September

High-Level Energy Conference  
“Europe’s Future Electricity  
Market” in Tallinn

### 19-20 September

Informal TTE Energy Council  
meeting

### 24 October

Energy Council (poss.)

### 18 December

Energy Council

Given the political capital invested in last year’s Clean Energy Package, (a piece central to the Commission’s flagship Energy Union), it is clear that energy policy will feature prominently in Council debates over the course of the next six months.

While the Maltese Presidency first sparked the discussion and initiated debates on more than 17 legislative and policy initiatives included in the Commission’s Package – with a clear focus on the Energy Efficiency Directive – the Estonian Presidency is charged with progressing many of the remaining dossiers in order to fully roll out the Energy Union.

Alongside energy efficiency, the Presidency’s first priority proposes to **reform the internal electricity market**: the Presidency wants to ensure that Europe’s energy system is smarter, cleaner and more cost-efficient. The Maltese Presidency’s discussions on these files dug deep into the detail of the text, so Tallinn’s task is to drag the talks closer to an internal Council agreement. In that vein, the Informal Energy Council due to take place from 19-20 September will feature a high-level discussion on Europe’s Electricity Market.

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The Council will also strive to reach a solid position on other initiatives, such as the review of the **legislative framework for renewables** or the new structure for **energy and climate governance**.

The Parliament is expected to have a firm stance on all these initiatives this year, giving Estonia the responsibility of setting a strong Council position, but one that reflects the October 2014 mandate. Then the path will be set for the Bulgarian Presidency to tackle the negotiations.

In line with its “unity through balance” motto, **external relations and their impact on energy** will be highly relevant during the Estonian Presidency. As such it can be expected that much of the dialogue will focus on the need to reduce **dependence on Russian energy imports** and to realise a common EU energy policy and energy market.



# DIGITAL ECONOMY AND SOCIETY

As one of the most advanced digital economies in the world, it is no surprise that Estonia is tasked with anchoring crucial reforms through complex and potentially bitter digital negotiations with Member States.

There are few better placed than the Baltic state on the edge of the continent to encourage it to embrace the “5<sup>th</sup> freedom” of the EU – the free movement of data. Tallinn will throw its might behind this and other priorities through the **fifty digital events** they have arranged for in the remainder of this year.

Estonia will drive the development of the European data economy with discussions on **data localisation restrictions**, before the Commission’s legislative proposal in autumn. Dealing with emerging data issues, such as the **access to and reuse of non-personal data**, will be one of the greatest challenges for Tallinn as it touches upon most areas of digital policy. The Estonian Presidency expects the Telecoms Council to focus its work on two crucial files. Firstly, it plans to make significant progress on the proposed **ePrivacy Regulation** and share a report on the major advances achieved. Secondly, Estonia will try and reach a general approach on the **European Electronic Communications Code**, which will involve a delicate balancing act between encouraging telcos to invest in networks and governments loosening their grip on spectrum. Any agreement here would be a significant feather in the Presidency’s cap.

The Telecoms Council will also move forward negotiations on reviewing the **powers of BEREC**, the forum of EU national telecom regulators. Estonia will work to ensure Member States embrace a compromise text during its term. As connectivity is vital for the Digital Single Market (DSM) to succeed, Estonia will discuss within the first month of its Presidency what conditions are needed to **deploy 5G**.

Tallinn may have to consider the initiatives introduced in the **DSM mid-term review**, such as reviewing the **EU’s 2013 Cybersecurity Strategy** and the **role of the EU Cybersecurity watchdog, ENISA**. One challenge ahead lies in the question of future security standards for new technologies, like robotics and the Internet of Things.

As Estonia wants to improve access to online goods and services, it will prioritise reaching a deal with the European Parliament on the proposed **Regulation on parcel delivery**. The Presidency will also work through negotiations with the European Parliament on the proposed **directive on the supply of digital content to consumers**. However, there are questions over how the digital contracts package will be divided into physical goods and intangible products like e-books and apps.

## RELEVANT DATES

### 6-7 July

Informal JHA Council in Tallinn

### 17-18 July

Informal COMPET and TTE (Telecoms) Council in Tallinn

### 17 July

DSM Conference on the Free Movement of Data in Tallinn

### 29 September

Digital Summit in Tallinn

### 6 October

EAP Ministerial Meeting on the Digital Economy in Tallinn

### 12-13 October

JHA Council in Luxembourg

### 17 October

COMPET (Internal Market and Industry) Council in Luxembourg



## RELEVANT DATES

### 30 November

COMPET (Internal Market and Industry) Council

### 4 December

TTE (Telecoms) Council

### 7-8 December

JHA Council

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The elephant in the DSM room is **copyright**. The toughest task will be to find a compromise on the Copyright reform amid polarised Member States. There is a desire to deliver reforms in the satellite and cable sector, but the Presidency will likely focus on delivering wins in the review of the **Audiovisual Media Services Directive** to conclude the negotiations and finalise any revisions. Tallinn will also track discussions on **VAT reform for eBooks. Geo-blocking**, which is a pet project for Commission Vice President and former Estonian Prime Minister Andrus Ansip, could land in the new Presidency's lap depending on the outcome of ongoing negotiations under the Maltese Presidency.

Finally, the Estonians will execute the **e-Government Action Plan** and start discussing long-term pan-European e-government services with hopes of a ministerial declaration on the topic in October. The Single Digital Gateway, which promises to tear down national borders when accessing public e-services, is one priority that is close to Tallinn's heart. Having championed e-government services for more than a decade, Estonia is hoping to make progress here by creating online portals for administrative acts such as birth certificates and car registrations.





# ENVIRONMENT

## RELEVANT DATES

**13-14 July**  
Informal Environment Council in  
Tallinn

**13 October**  
Environment Council in  
Luxembourg

**19 December**  
Environment Council

Striking a balance between allowing new technologies to prosper and protecting Europe's natural beauty is crucial to Estonia. Tallinn will spend much of the next six months working towards a more sustainable environment. It is of such importance to Tallinn that their presidency logo reflects how the country will weigh the interests of the environment and industry.

On the policy front, this will be showcased by driving **eco-innovation** towards the circular economy. From early July, ministers will discuss this at the Informal Environmental Council and identify the challenges companies face when entering the market with new, sustainable products. These ministers will also attempt to fix the legislative bottlenecks to developing economically beneficial circular business models. As a result, the Presidency is urging the Council to adopt **conclusions on eco-innovation** in December.

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To help, the Presidency has dubbed October as an 'Innovation Month,' where it will arrange events with experts in Brussels and Tallinn. Eco-innovation is likely to feature prominently during the Council's October meeting in Luxembourg.

The Presidency's flagship event is the "Nature-based Solutions: From Innovation to Common-use" conference on 24-26 October 2017 in Tallinn. Stakeholders, including environmentally aware material science industries, will discuss how nature-based industries connect with science, business, society and politics.

In the meantime, the Presidency will be responsible for reaching the first reading agreement with the European Parliament on the **waste legislative proposals**.

Among other dossiers that will be dealt with by the Estonian Presidency is the **Fertilisers Regulation**. The dialogues with the Parliament, however, could be realistically finalised only by Bulgaria in 2018. This is mainly due to the Parliament being expected to adopt its position by mid-July, and hold a plenary vote in September. At the same time, Member States are believed to be able to strike an agreement by year-end.





# CLIMATE

## RELEVANT DATES

**13-14 July**  
Informal Environment Council in  
Tallinn

**13 October**  
Environment Council in  
Luxembourg

**7-17 November**  
COP23 in Bonn

**19 December**  
Environment Council

Estonia starts its Presidency of the Council of the EU with global climate policy in disarray. The United States' retreat from the Paris Climate Agreement puts greater pressure on the EU to save the rest of the deal. At the same time, the EU is being bold and ramping up the ambitions of its own policies and influencing others to compensate for the loss of one of the world's largest polluters.

This pins greater importance on the **upcoming COP23 on 7-17 November in Bonn, Germany**. The COP23 aims to finalise the parts of the Paris Agreement that are dedicated to the rules of implementation. Tallinn will help shape a negotiating mandate for the Commission, most likely in the form of Conclusions at the Environment Council on 13 October. As always, this will have to consider the European Parliament's position, which will typically arise from an own-initiative report.

Estonia will also deliver on a number of key policy files that showcase the EU's ambition to the rest of the world. Tallinn will wade into delicate negotiations on the **reform of the EU Emissions Trading System (EU ETS)** with on-going triologue negotiations already delayed because of snap elections in Malta, the current Presidency holder, and replacing the Parliament's Rapporteur. Advancing the talks is vital, so the Estonians have reportedly arranged four triologue meetings to do exactly that.

The Presidency also needs to progress on complex discussions around the **proposed Effort Sharing Regulation** and has pledged to adopt a general approach on this within its tenure. The legislation sets national targets to reduce emissions from non-ETS sectors, such as energy, transport, industrial processes, agriculture and waste by 2030. Parliament adopted an ambitious position, while the Council is struggling to find the common ground needed to start negotiations.

Other climate policy dossiers that are set for substantial progress under the Presidency include the **Land Use, Land Use Change and Forestry (LULUCF) proposal**. Tallinn will also work on the **proposal concerning aviation emissions under the EU ETS**. Together, this makes for a busy and complicated agenda with high stakes affecting societies within the EU and beyond.

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# TRANSPORT

The Estonian Presidency will tap into its knowledge of the digital economy to boost the transport sector. This includes organising the **Digital Transport Days** to discuss how to digitalise the sector and better combine different modes of transport. The discoveries from these events will be highlighted in **Council Conclusions on the Digitalisation of Transport**, which the Presidency plans to adopt by the end of its mandate. In addition, a conference on Connecting Europe will prepare the ground for funding cross-border transport connectivity through the next Multi-Annual Financial Framework.

## RELEVANT DATES

**20-21 September**  
Informal TTE Council on  
Transport

**21-22 September**  
“Connecting Europe” Conference  
in Tallinn

**5 December**  
TTE Council on Transport

On **Road transport**, Tallinn will continue reforms of the **EU type-approval and market surveillance framework**. The Council adopted its general approach in May, which allows triologue negotiations to begin under the Estonians. However, it will require a mighty effort from the Presidency to finalise the file this year, as longstanding differences in the Council jar with the more ambitious position the European Parliament adopted following the “Dieselgate” crisis.

Another concern is advancing the Council position on **1<sup>st</sup> Mobility Package** launched in May, which proposes 12 policy and legislative initiatives. Social, sustainable, connected and safe mobility are all under scrutiny. Divisions on finding solutions to perceived social dumping are prominent in the Council. While Western Member States want to improve working conditions for transport workers and to eliminate letterbox companies, Eastern countries want to safeguard their competitiveness in this regard. Another important aspect under the package is the question of introducing distance-based road charging across the EU, which could have far-reaching consequences for the sector. It can be expected that the Estonian Presidency will champion the digitalisation of road tolling and interoperability across the bloc.

The **2<sup>nd</sup> Mobility Package** contains legislation on CO<sub>2</sub> emissions from cars and vans, the revision of the Clean Vehicles Directive and actions on alternative fuels infrastructure. However, it is only expected towards the end of the year, so it will only be of fleeting concern to the Estonians.

Work on **Maritime transport** will focus on promoting the digitalisation of this sector, while Transport Commissioner Violeta Bulc will present a revision of the **Port Reception**



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**Facilities Directive** this year.

On **Air transport**, Estonia will continue triologue negotiations on **Common rules in the field of civil aviation** which, aside from the eponymous proposal title, cover a revised mandate for the European Aviation Safety Agency and safety rules for drones. Tallinn will also push for progress on the revision of **Regulation 868/2004 on protection against subsidisation and unfair pricing practices in air transport**, which is considered by many as inadequate and ineffective. The Commission published its proposal in June and the file will be a priority especially for the larger Member States.





## INTERNATIONAL TRADE

### RELEVANT DATES

**10 November**  
FAC/Trade

**24 November**  
Eastern Partnership Summit in  
Brussels

**11 December**  
FAC/Trade (in the margins of the  
11<sup>th</sup> WTO ministerial conference  
in Buenos Aires)

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In the face of greater U.S. protectionism and dwindling public support for free trade principles at home, the EU is looking to buttress the rules-based multilateral trading system with unlikely bedfellows, such as China. This is the playbook the Estonian Presidency will have to work with to drive alignment between Member States on several crucial trade files.

It starts with a general discussion on EU trade policy reform. In a recent Opinion on the **EU-Singapore Free Trade Agreement (FTA)**, the EU Court of Justice ruled that the EU can conclude FTAs without national ratification, as long as they avoid investor-state dispute settlement or portfolio investment. Singapore responded by seeking to split the deal and ratify the chapter on investment separately in a strategy not covered under current trade policy rules. The European Council intends to define the future course in its conclusions on the Commission's 'White Paper on the Future of Europe' in December and the Estonian Presidency may need to recruit allies for such reforms in advance.

Meanwhile, the Commission wants a political agreement this year on negotiations with **Japan, the Mercosur countries, and Mexico**. Although their ratification may not happen before 2018, the Estonians will be involved in developing negotiating mandates ahead of talks with **Australia and New Zealand**. Tallinn will also need to prepare for negotiations on new investment provisions for the FTA with **Chile**. The Council is expected to approve the Commission's proposal in September. Elsewhere, the legal review and translation of the EU-Vietnam FTA should be finalised this year so that Council can have its say. Finally, the Commission intends to ask Council for a mandate this year to start talks on a Multilateral Investment Court.

Throughout these developments EU-China trade relations will remain a prominent topic for discussion. The recent EU-China Summit on June 2<sup>nd</sup> failed to reach agreement on **China's request for Market Economy Status under the WTO**. The Chinese authorities have lambasted the Commission's proposal on changing the so-called anti-dumping calculations, which still has to be agreed in Council and Parliament. The legislative proposal for the overall **reform of EU Trade Defence Instruments** is being negotiated in parallel. Negotiations on the **Bilateral Investment Treaty with China** will probably remain on hold as the EU and China struggle for consensus.





## SOCIAL POLICY AND LABOUR MOBILITY

### RELEVANT DATES

#### 19-21 July

Informal Meeting of Ministers of Employment, Social Affairs, Family and Gender Equality in Tallinn

#### 12-14 September

Future of Work: Making IT e-Easy - Employment, Social Policy, Health and Consumer Affairs Council (EPSCO) in Tallinn

#### 7-8 December

Employment, Social Policy, Health and Consumer Affairs Council (EPSCO)

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An **inclusive and Sustainable Europe** features highly on the Estonian's Presidency agenda and strives to equip Member States with the ability to **reduce Europe's social gaps**.

Firstly, Estonia will focus on promoting equal opportunities and press ahead with the various initiatives under the Commission's **New Skills Agenda**. Creating **bridges between education and labour** will become a goal in its own right.

The intersection between education, labour and the digital age will be pursued. Tallinn will continue to review the **Europass Decision** and support the transparency of skills and qualifications across the EU. Protecting opportunities for persons with disabilities will also be addressed by continuing work on the **Accessibility Act** and pressing for an agreement.

Young Europeans are also important to the Presidency's agenda. Discussions will continue on improving cooperation in **youth work and policy** for next year. Tallinn will also help establish the **European Solidarity Corps** to create opportunities for volunteers to work on projects benefitting communities and people across the EU. Tallinn also plans to start the discussions about a directive on work-life balance for parents and guardians.

The **free movement of persons, workers and services**, alongside their social guarantees, is a priority at a moment when the issue is particularly sensitive. The **modernisation of social security coordination rules** and negotiations on regulating the **posting of workers** will have the Estonian's attention over their tenure.

In addition, the Presidency will actively work on the **EU road transport package** that embraces a number of relevant social aspects.





# HEALTH

In health, Tallinn has identified two priorities: **tackling harmful use of alcohol and advancing digital innovation**. The Presidency will also work on other topics, such as antimicrobial resistance and sustainable responses to HIV and TB.

The Presidency will organise a high-level conference to promote **e-health and the benefits of digital health for all European citizens and the sustainability of health systems**. The meeting will host the signing of the **Tallinn Declaration on a Digital Health Society**. In December, the EU Council Conclusions will be proposed to the health ministers for adoption.

For **tackling the harmful use of alcohol** across Europe, the Presidency will identify the cross-border issues that impact Member States' capabilities to control the harmful use of alcohol. These include cross-border trade and taxation, marketing, labelling as well as research and monitoring. A **Presidency Conference on how to tackle cross-border aspects of harmful use of alcohol policy** will be held in October.

Finally, the Estonian Presidency may be faced with the task of advancing Council discussions on the voluntary mechanisms of pricing cooperation and sustainable health systems.

## RELEVANT DATES

**20-21 July**  
Informal Meeting of Health Ministers in Tallinn

**16-18 October**  
High level Conference on e-Health: Digital Society for Health in Tallinn

**23 November**  
High-level meeting on Antimicrobial Resistance

**8 December**  
EPSCO Council (Health)

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## FOREIGN AFFAIRS

The role of the Council Presidency on foreign affairs is limited. Foreign policy is ultimately a Member State competence and joint decisions are taken at the level of the European Council, rather than the Council of the EU. At the same time, the implementation of the EU Global Strategy on Foreign and Security Policy will involve discussions at Council and working party level. This allows Tallinn to play a role in pushing for Member State alignment in the service of coherent EU external action.

### RELEVANT DATES

#### 7-8 September

Informal meeting of Defence ministers and informal meeting of Foreign Affairs ministers in Gymnich

#### 5 October

Eastern Partnership Ministerial Meeting on the Digital Economy in Tallinn

#### 19-20 October

European Council

#### 13 November

Foreign Affairs Council

#### 16 November

Foreign Affairs Council

#### 24 November

Eastern Partnership Council

#### 14-15 December

European Council

Estonia is the first among the 'Trio' with Bulgaria and Austria to follow up on the EU Global Strategy. The Presidency's motto "unity through balance" suggests it will **prioritise unity to underpin the Union's foreign policy**. This has long been recognised by the Commission in its emphasis on 'speaking with one voice' and has been effectively deployed in relations with Russia and more recently with the U.S. In a rapidly changing geopolitical environment, such unity is a prerequisite for effective EU external action.

A profoundly disruptive development has been the new U.S. Administration's capricious politics around multilateral institutions and the rules-based political and economic order set up after WWII. NATO, the UN Human Rights Council, the WTO and even the EU itself have been at the forefront of this new type of politics. Active undermining of that same order by Russia only adds to the uncertain future. Dealing with the new order that appears to be emerging demands unity.

Estonia, itself bordering Russia and housing NATO's new Cooperative Cyber Defence Centre of Excellence, will undoubtedly seek to ensure alignment within the EU. Estonia will continue to **promote the implementation of the Minsk Protocol** before there can be any policy shift towards Russia. EU broad economic sanctions against Russia over the conflict with Ukraine will most likely be rolled over in the next couple of weeks.



## KEY WS CONTACTS

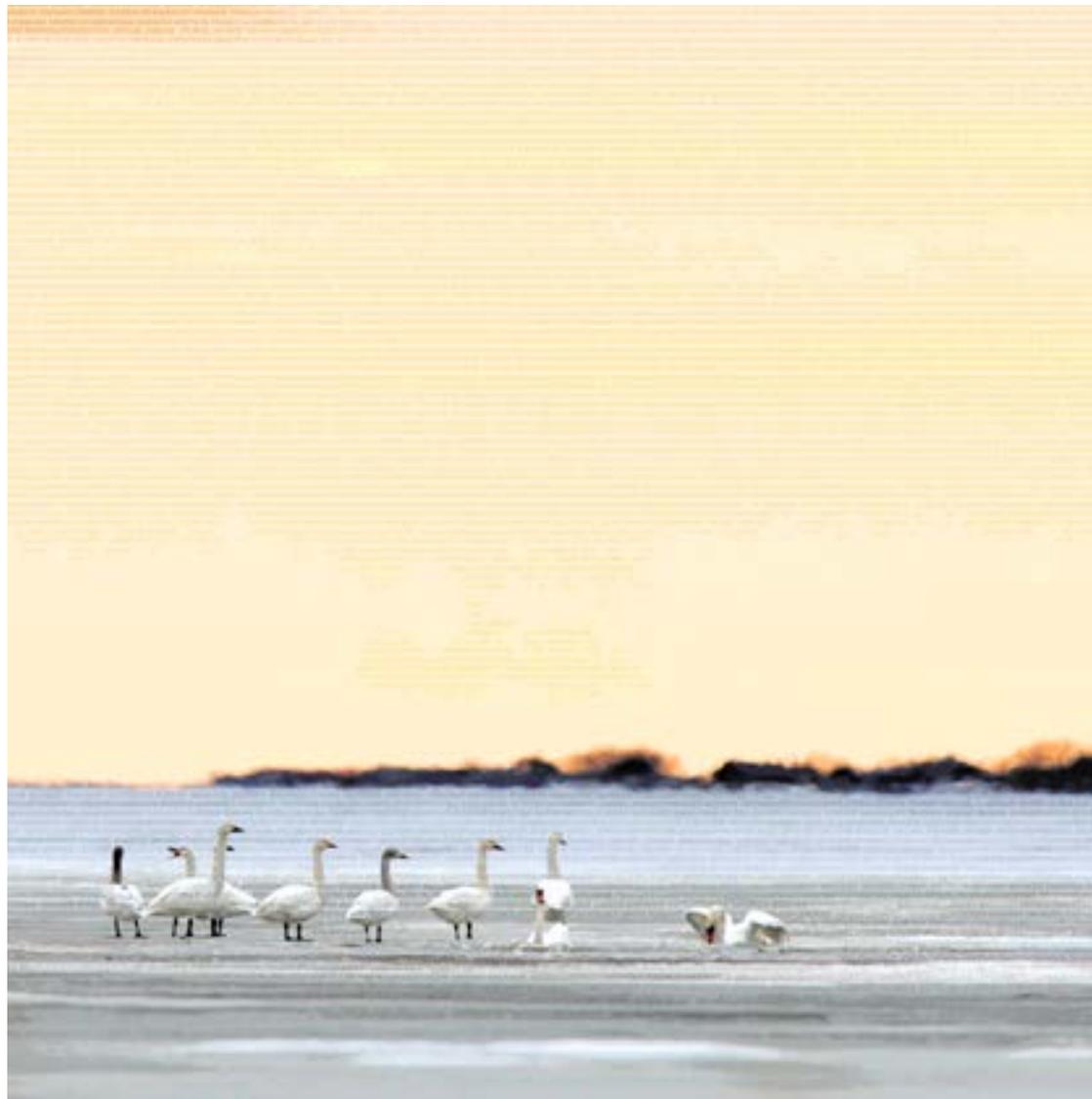
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Tallinn will moreover **prioritise beefing up the Eastern Partnership** with Ukraine, Moldova, Azerbaijan, Armenia, Belarus and Georgia. It will host several meetings, including the Eastern Partnership Summit in Brussels on November 24<sup>th</sup>. Another important point is Estonia's **push for better defence capabilities** across the EU, as well as its **work on migration**. Tallinn aims to promote collaboration between the Central, Eastern and Northern Mediterranean regions. It will also follow the implementation of the EU-Turkey Statement.





## AGRICULTURE

### RELEVANT DATES

#### 17-18 July

Agriculture and Fisheries Council  
(poss.)

#### 3-5 September

Informal meeting of ministers for  
agriculture and fisheries

#### 4-6 October

High Level Conference 'Soil for  
sustainable food production and  
ecosystem services' in Tallinn

#### 9-10 October

Agriculture and Fisheries Council

#### 6-7 November

Agriculture and Fisheries Council

#### 11-12 December

Agriculture and Fisheries Council

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The latest iteration of the Common Agricultural Policy (CAP) reform, the position of agricultural producers in the food supply chain and fighting the spread of antimicrobial resistance (AMR) are all key areas for Tallinn.

Estonia will pick up the Commission's consultation on **CAP modernisation and simplification** after its results are presented in July. The consultation will feed into a Commission Communication expected at the end of this year and will influence an impact assessment of CAP post-2020. The review will address funding issues, simplification of the rules and farmers' resilience to market and production risks. The simplification of the current CAP will be largely done in the context of the **Omnibus Regulation**. As the **agricultural markets** have recently experienced a series of fluctuations, the Estonian Presidency will focus at the September's Informal AGRIFISH Council meeting on risk management in order to give the farmers more efficient tools in the future CAP to cope with crises.

Tallinn will build upon the efforts of previous presidencies to address the spread of antimicrobial resistance (AMR). Here, the Presidency wants real progress in two files – the **Regulation on manufacturing, placing on the market and use of medicated feed and the Regulation on veterinary medicinal products (VMD)**. The Estonian Presidency will steer the VMD file through the Council to reach an agreement this year before tackling the Parliament. Once these talks commence, the inter-institutional negotiations on the medicated feed dossier will start.

The Estonian Presidency will prioritise the sustainability and protection of soils by hosting a conference on **Soils for sustainable food production and ecosystem services** in October.

Other priorities for the Estonian Presidency include agricultural markets and the position of agricultural producers within the supply chain.





# BREXIT

## RELEVANT DATES

**Next Brexit political negotiations (All dates indicative):**

**Second round**  
w/c 17<sup>th</sup> July

**Third round**  
w/c 28<sup>th</sup> August

**Fourth round**  
w/c 18<sup>th</sup> September

**Fifth round**  
w/c 9<sup>th</sup> October

Weeks after the ruling Conservative party surrendered their majority, UK Prime Minister Theresa May has only recently managed to secure a deal with the Irish Democratic Unionist Party in order to have the latter prop up her minority government. All the while Jeremy Corbyn's Labour Party waits in the wing, plotting further gains in its unexpected comeback. If this was not testing enough for the UK's political leaders, there have been several terrorist attacks and a tragic fire in the capital. Meanwhile, across the English Channel in Brussels, Brexit talks formally began.

As such, Brexit has started on shaky ground, with Prime Minister May's agenda for leaving the EU brutally weakened after the election. The UK will be leaving but in what form is anyone's guess.

The first round of political talks in Brussels saw Chief Commission Brexit Negotiator Michel Barnier and Brexit Secretary David Davis begin addressing citizens' rights, the cost of leaving the union and the question of the Irish border. A trade deal, which had been one of the biggest bones of contention for the UK, is off the table for now as the UK caved to the EU's timetable and sequencing.

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This bodes well for the Estonian Presidency, which is on course to steer the Council not only on Brexit, but on the future of the EU. Things appear to be also on course with the EU Council addressing the relocation of the European Medicines Agency and European Banking Authority. These two disputed agencies are the prize for many EU countries following Brexit.

Tallinn must also anticipate the European Parliament's position on Brexit, with MEP Guy Verhofstadt crafting ideas on how the Parliament sees the issues evolving.

As such, it remains to be seen whether the Brexit timetable can be adhered to, and what new approach the UK Government will be taking towards Brexit. Thus far, it has only published its position on citizens' rights. However, Chancellor of the Exchequer Philip Hammond is advocating for "frictionless customs' arrangements" while Brexit Secretary David Davis has now publicly-acknowledged favouring a transitional deal which would last one to two years.



If you would like any further information on these issues please do not hesitate to get in contact with us:

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We would like to warmly thank the Estonian Presidency team for their support and Deputy Minister for EU Affairs Matti Maasikas for contributing to this memo. We wish them a successful Presidency.

You can visit the website of the Estonian Presidency of the Council of the EU at:

<https://www.eu2017.ee>

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