

1 July 2013

The Lithuanian Presidency of the EU Council

1 July – 31 December 2013

The last night before the exams

Busy agenda for first time Presidency

Lithuania, a rather recent EU Member having joined the EU in 2004, has a fully packed programme for a short and challenging first time Presidency mandate.

Punctuated by summer and winter holidays and much affected by the intra-institutional changes next year, there is high pressure on the Lithuanians to finalise as much work as possible on a vast array of different policy areas before the EU is forced to slowdown for the EU elections and Commission changes in 2014.

Remembering how students usually spend the last night before the exams the next day provides a good idea of the coming six months lying ahead for the Lithuanians.

Above all, the Lithuanian Presidency will strive for three goals, the first being a credible, growing and open Europe. To realise this objective, developing the Banking Union and progressing on financial market reforms will be important from a Presidency perspective, as well as addressing tax evasion in order to restore citizens' confidence.

In this perspective, finalising the legal framework on the EU budget for 2014-2020 and reaching an agreement on the EU budget for next year will also be among the top priorities of the Presidency.

For the second objective, reinforcement of the Single Market policy as well as the effective implementation of the Compact for Growth and Jobs is foreseen by the incoming Presidency.

The completion of the internal energy market by 2014 is also an affair close to the Lithuanians' collective hearts given their national interest in fostering EU cooperation in the energy sector and reducing dependency on Russia.



Official logo of the Lithuanian Presidency: The blue EU circle as a symbol of unity linked by the garland of the Lithuanian

The Lithuanian Presidency's credo: "Work on files that are feasible, so that results will be achievable."

Closer integration is the third objective, and the Lithuanians have made it clear that they are seeking to revive the Eastern European Partnership policy in order to resume the dialogue, in particular with Ukraine, but also with other countries such as Moldova and Georgia.

Yet the Lithuanians are not expected to reinvent the wheel. On the contrary, they will build their work on the legacy of the Irish Presidency, with a view to pass the baton onto Greece in January 2013.

In six months it remains to be seen whether Lithuania will have managed to steer negotiations efficiently and achieve robust compromises in the various policy sectors where it will be responsible for managing discussions, uniting the diverging voices from Member States, and steering them towards a common denominator.



Source: Wojsyl

Transport policy: Full steam ahead

Although the Presidency aims to deal with all transport mode sectors, prioritisation remains the Presidency's motto, and its agenda provides for a clear indication where progress can be expected.

Rail transport

Lithuania will give priority to working out the technical aspects of the **fourth railway package**, as a general approach on the interoperability of the railway system

has now been agreed. Therefore Lithuania intends to achieve an agreement within the Council on the railway safety Directive in December. Deputy Minister for Transport Arijandas Sliupas considers the objective to be a "reasonable outcome to aim for".

Air Transport

The highly controversial **Airports Package** will not rank among the Presidencies' priorities, while even the launch of negotiations on the issue under this Presidency seems unlikely.

Instead, Lithuania will focus on reaching a general agreement by December on the **Air Passenger Rights** proposal. Fully implementing functional airspace blocks adds to the passenger rights' priority and is reflected in the Presidency's intention to adopt a progress report on the future direction of the **Single European Sky 2+**. Despite having set a tangible objective on the Air Passenger Rights file, progress remains dependent on Member States' willingness to cooperate, and strong criticism and opposing opinions are likely to come to the fore – not least from the European Parliament.

Road Transport

Creating an EU-wide interoperable **eCall system** will be an absolute priority for the Lithuanian Presidency on the road transport agenda, building on the recent legislative proposals. As a second focus, Lithuania will aim to reach an agreement on the debate on **alternative fuels** infrastructure.

Maritime Transport

The **ports package** will be strongly pushed by the Presidency, yet Lithuania's main priority is to aim for progress in negotiations on funding for the action of the European Maritime Safety Agency to tackle marine pollution, financial transparency of ports, and market access to port services.

Multi-modal Transport

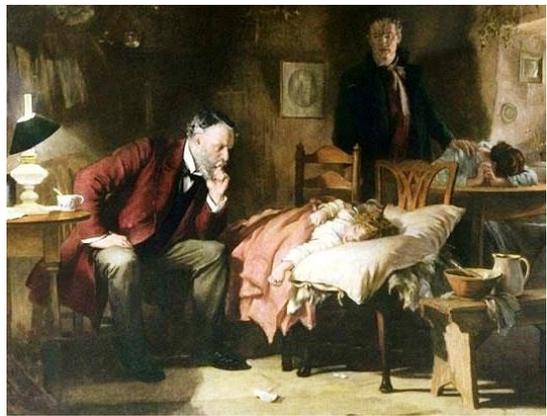
In view of finalising negotiations on the EU's long term budget – the Multi-Financial Framework – the Presidency has the green light to progress on improving the European network of roads, maritime routes, and air infrastructures, namely the Trans-European Transport Network (TEN-T) and the Connecting Europe Facility.

To contact Grayling's transport team, please contact EU.Transport@grayling.com

Healthcare & pharmaceuticals policy: A difficult prognosis

Legislative files: a race against the clock

As regards legislative items, the incoming Presidency hopes to significantly advance, if not agree, on four key dossiers: the **Clinical Trials Regulation**; the **Medical Devices Directive**; the **Transparency Directive** and the **Revision of the Regulation establishing the fees payable to the European Medicines Agency** (yet to be published).



The Lithuanian Presidency will also focus its efforts on progressing on the much contested revision of the **Tobacco Directive**. Yet the European Parliament's influence will likely play a significant role and will constrain the Lithuanians' ability to conclude Council discussions on the issue before the end of December.

Whilst there is a clear desire in the Parliament to conclude these dossiers before MEPs start campaigning for their re-election from February 2014, these topics are highly controversial, and as such it remains to be seen whether the Presidency will manage to reach agreement, not only within the Council but also with the Parliament.

Healthcare sustainability as a key aspect of "soft law"

As regards non-legislative files, the Lithuanian Presidency is aiming to issue Council Conclusions on the reflection process on **Modern, Responsive and Sustainable Health Systems** and on **Chronic Diseases**. This will be the conclusion of a process which has been ongoing for almost three years and which will help tackle some of the most pressing issues faced by healthcare systems.

Finally, the impact of the economic recession on people's health, eHealth, and the EU's engagement with the World Health Organization (WHO) will also remain high on the agenda during the Lithuanian Presidency.

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Agriculture & food: Restoring consumer confidence

In the wake of recent high profile food fraud scandals, in particular the horsemeat scandal which shook Europe at the beginning of the year, Lithuania will be taking over the helm of the EU at a time when consumer confidence in the food industry is at an all-time low.

Agri-food chain

In this context, one of the Lithuanian Presidency's key dossiers to negotiate will be the Commission's proposal for an **Animal and Plant Health Package**, which aims to strengthen the enforcement of health and safety standards for the entire agro-food chain and includes a specific proposal for a Regulation on Official Controls. Tackling food fraud will be a key priority for Lithuania, who must now restore consumer confidence in the food chain, in the internal market, and in European policy-making itself.

Food labelling

Discussions on mandatory **country of origin labelling**, one of the many follow up activities from the recently revised Food Information to Consumers Regulation, will also be topping the agenda this Autumn. However, it will be critical that policy-makers and key opinion formers do not confuse such consumer-oriented labelling initiatives with other measures to tackle true food fraud.

Nutrition & health

The Lithuanian Presidency will also be dealing with the Review of the 2007 **EU Obesity Strategy** and any possible legislative initiatives that could follow in the field of **advertising and marketing to children**, and depending on the success of the three EU institutions this week on reaching an agreement on the reform of the Common Agricultural Policy, Lithuania may also need to tie up loose ends on the dossier, although this is likely to be 'low hanging fruit' and should be resolved quickly.

Sustainability

With the upcoming publication of a Communication on Sustainable Food, discussions on the need to introduce an EU food and beverage eco-label will return to the EU agenda, and discussions around reducing food waste - one of the key targets in the Roadmap to Resource Efficiency - will be key.

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Climate, energy and environment: A cluttered agenda

The Lithuanian Presidency does not lack ambition when it comes to its climate, energy and environment policies.

Energy

The Lithuanian Presidency has very clearly indicated that energy policy will be one of its main priorities, the most important issues being the creation of a common **European energy market** and **energy security**. The Lithuanians have emphasised the need to agree on common energy goals at the highest political level.



Furthermore, Lithuania is awaiting the Commission's Communication on **shale gas** to launch the process of undoubtedly lengthy and difficult discussions ahead.

Climate

The **2030 climate and energy framework** will be an essential dossier in light of the EU's pursuit of binding energy and climate targets.

Lithuania has confirmed that it is determined to move ahead with this file, underlining the importance of proper implementation and market surveillance mechanisms in order to complement binding climate targets.

While the Presidency aims to present the results of a public consultation in mid-September, it hopes that the Commission proposal on the 2030 climate and energy framework will be issued before the end of this year in order to kick-start discussions among the Member States.

Environment

A high priority on the environment policy agenda will be the **review of the Regulation on Fluorinated Gases**, which the Lithuanians view as "a tool for fighting climate change".

More generally, Lithuania believes it necessary to consider the issue of mainstreaming climate goals across economic sectors, such as energy, industry, transport, and agriculture, and it has announced it will pay substantial attention to the preparations for the Warsaw Climate Change Conference to be held in November.

Among the wide range of other pending environmental dossiers, the Lithuanians are intending to focus on the **Environmental Impact Assessment Directive**, as well as the implementation of the **Biological Diversity Strategy**, and, depending on progress in the European Parliament, the **European Union Emission Trading System**.

Finally, with Germany having successfully delayed agreement on the CO2 emissions limits for passenger cars – Chancellor Merkel even had to intervene to put pressure on the preceding Irish Presidency - this unenviable baton will be passed onto Lithuania.

To contact Grayling's energy team, please contact EU.Energy@grayling.com



Conclusion: Happy to be out of the limelight

Countries who take over the Presidency in the second half of the year always complain that they have drawn the short straw.

Sandwiched between the Summer holidays and the Christmas break, these Presidencies like to point out that

they only have a three month window – September to end November – to make realistic progress on the dossiers.

Lithuania's task is made even harder given the need to finalise what is on the table before the EU elections in May next year – in practice, this means the legislative slowdown will kick in from March.

For a first-time Presidency and a small country, this is no easy task. Such countries are often eager to succeed during their time in the EU limelight, but there is a danger that Lithuania could be overwhelmed, both in terms of the sheer number of dossiers and the political struggles within the Council.

Indeed, Presidency or no, there is no doubt who still calls the shots. If turning the EU around is akin to turning round an oil tanker, then Chancellor Merkel is very much on the bridge, steering the EU through troubled waters.

Moreover, with Lithuania not a member of the Eurozone, it will not be able to influence the engine-room of fiscal and monetary integration which is still largely driven by France and Germany and remains the headline issue for the Eurozone at least, if not the EU as a whole.

In past times it used to be said that “all eyes are on the Presidency” - not anymore. With the new roles for President Van Rompuy and Commissioner Ashton, and the Eurozone taking centre stage, rotating Presidencies are now reduced to that of policy mandarins, digging into details and marrying the interests of the divergent Member States. Important, undoubtedly. But headline-grabbing? Absolutely not.

Maybe this suits Lithuania just fine.

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Lithuania Key Facts

Full name: Republic of Lithuania

Population: 3.3 million (UN, 2011)

Capital: Vilnius

Area: 65,300 sq km (25,212 sq miles)

Languages: Lithuanian (official), Russian, Polish, Belarusian

Monetary unit: 1 Lithuanian litas = 100 centas

Main exports: Textiles, clothing, fertilisers, industrial machinery

GNI per capita: US \$11,390 (World Bank, 2010)

Internet domain: .lt

International dialling code: +370

Key Political Figures

President Dalia Grybauskaitė

- Formerly Vice-Minister of Foreign Affairs and Minister of Finance
- European Commissioner for Financial Programming and the Budget from 2004 to 2009.
- Often referred to as the "Iron Lady" or the "Steel Magnolia"
- Assumed presidential duties on 12 July 2009



Prime Minister **Algirdas Butkevičius**

- Formerly Minister of Finance from 2004 to 2005 and Minister of Transport and Communications from 2006 to 2008.
- Led the **Social Democratic Party of Lithuania** since 2009
- Appointed as Prime Minister on 7 December 2012.



Lithuanian Ministers

- Vytenis Povilas Andriukaitis (Minister of Health)
- Dailis Alfonsas Barakauskas (Minister of the Interior)
- Juozas Bernatoniš (Minister of Justice)
- Šarūnas Birutis (Minister of Culture)
- Evaldas Gustas (Minister of Economy)
- Vigilijus Jukna (Minister of Agriculture)
- Linas Antanas Linkevičius (Minister of Foreign Affairs)
- Valentinas Mazuronis (Minister of Environment)
- Jaroslav Neverovič (Minister of Energy)
- Juozas Olekas (Minister of National Defence)
- Algimanta Pabedinskienė (Minister of Social Security and Labour)
- Dainius Pavalkis (Minister of Education and Science)
- Rimantas Sinkevičius (Minister of Transport and Communications)
- Rimantas Šadžius (Minister of Finance)

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