

**Date and Time:** Monday 30 September 2024 23:55:00 CEST

**Job Number:** 234828889

**Documents (100)**

1. [*Saudi Arabia works to meet rising water and energy demand*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-740K-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

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2. [*Brunei ’s fisheries sector aims big*](https://advance.lexis.com/api/document?id=urn:contentItem:5S2R-VM51-F17J-S0PK-00000-00&idtype=PID&context=1516831)

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3. [*Berkeley Energia announces interim financial report for half year ended December 31, 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5RWF-J0C1-DYG0-704M-00000-00&idtype=PID&context=1516831)

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4. [*-Focus provides update on Bayovar 12 test work and product marketing*](https://advance.lexis.com/api/document?id=urn:contentItem:5RFG-PBS1-F0K1-N4T5-00000-00&idtype=PID&context=1516831)

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5. [*Famous Cegielski plant fixes trains for local operator The owner of the trains is Polski Tabor Szynowy ( Polish Rolling Stock), a company owned by the Industrial Development Agency.*](https://advance.lexis.com/api/document?id=urn:contentItem:64RF-TNT1-JCG5-H1M0-00000-00&idtype=PID&context=1516831)

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6. [*Union State of Russia and Belarus Supreme State Council meeting*](https://advance.lexis.com/api/document?id=urn:contentItem:5NXV-4FM1-JDVR-02SC-00000-00&idtype=PID&context=1516831)

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7. [*- Boehringer Ingelheim supports collaboration and knowledge sharing in the livestock industry*](https://advance.lexis.com/api/document?id=urn:contentItem:5SCX-HXT1-JD3Y-Y4S9-00000-00&idtype=PID&context=1516831)

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8. [*Mozambique on course as 100% Better Cotton country*](https://advance.lexis.com/api/document?id=urn:contentItem:5R6S-PTS1-JDNW-4201-00000-00&idtype=PID&context=1516831)

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9. [*Myronivsky Hliboproduct (MHP) - Q2 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5S19-DPM1-JD33-J0TJ-00000-00&idtype=PID&context=1516831)

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10. [*Starvest PLC Results for the year ended 30 -4-*](https://advance.lexis.com/api/document?id=urn:contentItem:5PWV-3P51-F0CC-S014-00000-00&idtype=PID&context=1516831)

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11. [*New government initiatives to expand domestic production of Ghana 's fisheries*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-7436-00000-00&idtype=PID&context=1516831)

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12. [*Bunge strengthens edible oil presence with $1bn Loders deal*](https://advance.lexis.com/api/document?id=urn:contentItem:5PG0-FBV1-JCM7-G0XR-00000-00&idtype=PID&context=1516831)

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13. [*Positive developments for Sri Lanka 's agriculture sector despite unfavourable weather*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-753R-00000-00&idtype=PID&context=1516831)

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14. [*The country can have no future without land in Hungarian ownership*](https://advance.lexis.com/api/document?id=urn:contentItem:5R7H-H731-F00C-61V9-00000-00&idtype=PID&context=1516831)

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15. [*Chocolate giants are moving away from Fairtrade labelling Food and drink manufacturers look to set their own criteria when it comes to ethically sourcedproducts*](https://advance.lexis.com/api/document?id=urn:contentItem:5PD7-N371-JCJY-G320-00000-00&idtype=PID&context=1516831)

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16. [*New Seasonal Prediction System SEAS5 Brings Better El Niño Forecasts*](https://advance.lexis.com/api/document?id=urn:contentItem:5PXG-19H1-JB72-13PB-00000-00&idtype=PID&context=1516831)

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17. [*2018 Could be a Breakout Year for Cannabis Companies NetworkNewsWire Editorial Coverage*](https://advance.lexis.com/api/document?id=urn:contentItem:5RCP-6R71-JB72-11GK-00000-00&idtype=PID&context=1516831)

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18. [*Draft policy asks for a climate Act in Bhutan*](https://advance.lexis.com/api/document?id=urn:contentItem:5S2R-VM81-F17J-S50T-00000-00&idtype=PID&context=1516831)

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19. [*Myronivsky Hliboproduct (MHP) - Q4 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5PHR-42H1-JD33-J3W3-00000-00&idtype=PID&context=1516831)

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20. [*Washington: Federal Government Continues Response To Hurricane Harvey*](https://advance.lexis.com/api/document?id=urn:contentItem:5PDW-MHC1-F0YC-N1GW-00000-00&idtype=PID&context=1516831)

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21. [*Washington: Federal Government Continues Response to Hurricane Harvey:*](https://advance.lexis.com/api/document?id=urn:contentItem:5PDW-MHC1-F0YC-N1FG-00000-00&idtype=PID&context=1516831)

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22. [*BRIEF NEWS BULLETIN NO. 10141*](https://advance.lexis.com/api/document?id=urn:contentItem:5P4S-TGS1-F12K-R1H0-00000-00&idtype=PID&context=1516831)

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23. [*Register of Commission documents:building an ambitious EU industrial strategy as a strategic priority for growth, employment and innovation in Europe Document date: 2017-07-03 P8\_RC(2017)0440 Joint motions for resolutions*](https://advance.lexis.com/api/document?id=urn:contentItem:5PBB-4221-JDG9-Y1B1-00000-00&idtype=PID&context=1516831)

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24. [*Rabobank posts EUR 1,516 million net profit in first half of 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5P8D-2B01-JD3Y-Y4WP-00000-00&idtype=PID&context=1516831)

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25. [*Register of Commission documents: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions A Europe that protects: Clean air for all Document date: 2018-05-17 COM\_COM(2018)0330 COM documents*](https://advance.lexis.com/api/document?id=urn:contentItem:5SG1-SXD1-JDG9-Y362-00000-00&idtype=PID&context=1516831)

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26. [*Myanmar aims for higher yields and inclusive, sustainable expansion of agriculture*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-74VG-00000-00&idtype=PID&context=1516831)

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27. [*Uzbekistan - Q3 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5NX1-HSY1-F0J5-80C0-00000-00&idtype=PID&context=1516831)

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28. [*- Input Capital Corp. Announces FY2017 Q3 Results and Reports Rapid Market Acceptance of Marketing Streams*](https://advance.lexis.com/api/document?id=urn:contentItem:5P87-2X71-F0K1-N38C-00000-00&idtype=PID&context=1516831)

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29. [*- CanniMed Therapeutics Inc. and Up Cannabis Inc. Enter Definitive Supply Agreement for Medical Cannabis*](https://advance.lexis.com/api/document?id=urn:contentItem:5RB3-5611-F0K1-N1VG-00000-00&idtype=PID&context=1516831)

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30. [*Register of Commission documents:Answer to written question E-004079/2017 - Annex 2 Document date: 2017-08-29 P8\_RE(2017)004079(ANN2) Answers to written questions*](https://advance.lexis.com/api/document?id=urn:contentItem:5PPM-3371-JDG9-Y0GF-00000-00&idtype=PID&context=1516831)

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31. [*Speech of Bakytzhan Sagintayev at the investment forum " Kazakhstan Global Investment Roundtable"*](https://advance.lexis.com/api/document?id=urn:contentItem:5R5C-6V01-JDVR-04XD-00000-00&idtype=PID&context=1516831)

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32. [*M and A Navigator: Deal pipeline -7 June*](https://advance.lexis.com/api/document?id=urn:contentItem:5NR9-3WH1-F0K1-N2KB-00000-00&idtype=PID&context=1516831)

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33. [*Top news from Polish politics, economy, business & financial markets - 19:30 BUSINESS & EQUITY MARKET NEWS*](https://advance.lexis.com/api/document?id=urn:contentItem:64R9-6WS1-JCG5-H31H-00000-00&idtype=PID&context=1516831)

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34. [*M and A Navigator: Deal pipeline â(EURO)"7 June*](https://advance.lexis.com/api/document?id=urn:contentItem:5NR9-4271-JD3Y-Y524-00000-00&idtype=PID&context=1516831)

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36. [*BRIEF NEWS BULLETIN NO. 10171*](https://advance.lexis.com/api/document?id=urn:contentItem:5PC5-YFK1-JDKJ-14K1-00000-00&idtype=PID&context=1516831)

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37. [*Soria 's hidden charms SPAIN'S SORIA PROVINCE IS LITTLE-KNOWN EVEN TO MANY SPANIARDS BUT NOW LOCAL BUSINESSES AND GOVERNMENTS ARE TAKING THE INITIATIVE TO RAISE ITS PROFILE TO OUTSIDE INVESTORS. COURTNEY FINGAR REPORTS*](https://advance.lexis.com/api/document?id=urn:contentItem:5S40-95T1-DY9P-N2D4-00000-00&idtype=PID&context=1516831)

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38. [*Council of the European Union: COMMISSION STAFF WORKING DOCUMENT Roma integration indicators scoreboard (2011-2016) Accompanying the document Communication to the European Parliament and the Council Midterm review of the EU framework for national Roma integration strategies ST 11801 2017 ADD 1*](https://advance.lexis.com/api/document?id=urn:contentItem:5PP6-25M1-JDG9-Y3P2-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

**Search Terms:** strategic and interventions or strategic and programs or strategic and plan or strategic and producer or interventions and programs or interventions and plan or interventions and producer or programs and plan or programs and producer or plan and producer

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39. [*Uzbekistan - Q1 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5RBD-7221-JD33-J0F4-00000-00&idtype=PID&context=1516831)

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40. [*Randgold Resources Ld Q2 results and updates -14-*](https://advance.lexis.com/api/document?id=urn:contentItem:5P5J-PMR1-F0CC-S0H1-00000-00&idtype=PID&context=1516831)

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41. [*Register of Commission documents: Annex 4 Viet Nam Trade-Related Assistance (ARISE Plus Viet Nam ) Document date: 2017-07-28 COM-AC\_DR(2017)D051788-02(ANN04) Comitology - Right of scrutiny*](https://advance.lexis.com/api/document?id=urn:contentItem:5PKK-HMD1-F0YC-N3K0-00000-00&idtype=PID&context=1516831)

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42. [*Farm finance firm IFAC set for a Brexit boom AGRI-FOOD ; The agri accountant is expanding to help clients cope with issues, writes Fearghal O'Connor*](https://advance.lexis.com/api/document?id=urn:contentItem:5S59-3FH1-DY9P-N1FS-00000-00&idtype=PID&context=1516831)

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43. [*São Martinho SA – Outperformance To Come After Ethanol Policy Implementation*](https://advance.lexis.com/api/document?id=urn:contentItem:5RB6-81M1-F0J5-84X5-00000-00&idtype=PID&context=1516831)

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44. [*Register of Commission documents: Key Macroeconomic Indicators for Cyprus , Greece , Ireland and Portugal - January 2018 Document date: 2018-01-31 IPOL\_BRI(2017)528757 Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5RK3-P7W1-JDG9-Y14S-00000-00&idtype=PID&context=1516831)

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45. [*Register of Commission documents: Juncker Commission's ten priorities: State of play in early 2018 Document date: 2018-01-26 EPRS\_IDA(2018)614679 In-Depth Analysis*](https://advance.lexis.com/api/document?id=urn:contentItem:5RK3-P7W1-JDG9-Y14R-00000-00&idtype=PID&context=1516831)

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46. [*Despite recent unrest, hardliners maintain sharp edge in Iran*](https://advance.lexis.com/api/document?id=urn:contentItem:5RWV-48Y1-F11P-X4DX-00000-00&idtype=PID&context=1516831)

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47. [*LiDAR Market To Be Driven By Increasing Demand For 3D Images In Several Applications Including Topographical Surveys And Defense Till 2024: Grand View Research, Inc.*](https://advance.lexis.com/api/document?id=urn:contentItem:5RVK-5TC1-JD3Y-Y18H-00000-00&idtype=PID&context=1516831)

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48. [*Council of the European Union: COMMISSION STAFF WORKING DOCUMENT Roma integration indicators scoreboard (2011-2016) Accompanying the document Communication to the European Parliament and the Council Midterm review of the EU framework for national Roma integration strategies ST 11801 2017 ADD 1*](https://advance.lexis.com/api/document?id=urn:contentItem:5PXR-N021-F0YC-N3K7-00000-00&idtype=PID&context=1516831)

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49. [*-Ivanhoe Mines announces results of an independent NI 43-101 preliminary economic assessment for expanded production*](https://advance.lexis.com/api/document?id=urn:contentItem:5R2M-63D1-F0K1-N4NB-00000-00&idtype=PID&context=1516831)

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50. [*Myronivsky Hliboproduct (MHP) - Q3 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5NP8-9XS1-F0J5-82KX-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

51. [*BRIEF NEWS BULLETIN NO. 10265*](https://advance.lexis.com/api/document?id=urn:contentItem:5R3W-R211-F12K-R4G3-00000-00&idtype=PID&context=1516831)

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52. [*- Monsanto and ToolGen Announce Global Licensing Agreement on CRISPR Platform, Underscore the Benefits of Innovation for Farmers*](https://advance.lexis.com/api/document?id=urn:contentItem:5P8N-1CH1-F0K1-N25P-00000-00&idtype=PID&context=1516831)

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53. [*Union State of Russia and Belarus Supreme State Council meeting*](https://advance.lexis.com/api/document?id=urn:contentItem:5NXV-4FM1-JDVR-02RN-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

54. [*Uzbekistan - Q4 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5PK6-XC91-JD33-J15V-00000-00&idtype=PID&context=1516831)

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55. [*Governor's annual address to the Legislative Assembly*](https://advance.lexis.com/api/document?id=urn:contentItem:5SFF-4B91-JDKC-R513-00000-00&idtype=PID&context=1516831)

**Client/Matter:** -None-

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

56. [*Register of Commission documents: Region Annex 2 EU- Bhutan Trade Support Document date: 2017-07-28 COM-AC\_DR(2017)D051788-02(ANN02) Comitology - Right of scrutiny*](https://advance.lexis.com/api/document?id=urn:contentItem:5PKK-HMD1-F0YC-N3JY-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

57. [*Register of Commission documents:Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: The Future of Food and Farming Document date: 2018-05-08 AGRI\_AM(2018)622077 Amendments to draft opinions*](https://advance.lexis.com/api/document?id=urn:contentItem:5SD5-7131-JDG9-Y03R-00000-00&idtype=PID&context=1516831)

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| News | Timeline: 01 jun 2017 tot 01 jun 2018; Locatie: International; Plaats van publicatie: Europe; Taal: English |

58. [*Register of Commission documents: BUDGET AMENDMENTS 2018 Budget Document date: 2017-10-06 ITRE\_AB(2017)609614 Budgetary amendments*](https://advance.lexis.com/api/document?id=urn:contentItem:5R2B-K761-JDG9-Y48S-00000-00&idtype=PID&context=1516831)

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59. [*Myronivsky Hliboproduct (MHP) - Q3 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5NP8-B0V1-JD33-J2NT-00000-00&idtype=PID&context=1516831)

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60. [*- IsDB and AfDB partner to boost agriculture and fight drought in Nigeria , Somalia and Uganda*](https://advance.lexis.com/api/document?id=urn:contentItem:5R1B-BP61-F0K1-N3YR-00000-00&idtype=PID&context=1516831)

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61. [*Putin, State Council discuss industrial development*](https://advance.lexis.com/api/document?id=urn:contentItem:5RJF-N7B1-DYRV-33FS-00000-00&idtype=PID&context=1516831)

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62. [*Register of Commission documents: Annual Action Programme 2017 Part II and 2018 Part I in favour of the Asia region Summary Document date: 2017-07-28 COM-AC\_DR(2017)D051788-02 Comitology - Right of scrutiny*](https://advance.lexis.com/api/document?id=urn:contentItem:5PKK-HMD1-F0YC-N3JX-00000-00&idtype=PID&context=1516831)

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63. [*Pest control in PNG coffee industry a pressing matter*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-73DG-00000-00&idtype=PID&context=1516831)

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64. [*Register of Commission documents: Outermost regions of the EU: A stronger and renewed partnership Document date: 2018-01-19 EPRS\_BRI(2018)614669 Briefing*](https://advance.lexis.com/api/document?id=urn:contentItem:5RJ1-4S11-JDG9-Y1V1-00000-00&idtype=PID&context=1516831)

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65. [*Government likely to have bought 'ghost water' in $78m deal Exclusive: Agency that manages Australia's environmental water did not want to buy unreliable entitlements· $78m government spent on Darling water buyback nearly double its valuation*](https://advance.lexis.com/api/document?id=urn:contentItem:5PTC-FR61-JCJY-G1CM-00000-00&idtype=PID&context=1516831)

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66. [*Myronivsky Hliboproduct (MHP) - Q1 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5R47-2ND1-JD33-J2JH-00000-00&idtype=PID&context=1516831)

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67. [*Washington: HISPANIC HERITAGE MONTH*](https://advance.lexis.com/api/document?id=urn:contentItem:5PPM-3361-JDG9-Y4V4-00000-00&idtype=PID&context=1516831)

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68. [*Nestlé Nigeria - Q1 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5PS4-7J41-F0J5-828B-00000-00&idtype=PID&context=1516831)

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69. [*/OFF HOLD OFF HOLD OFF HOLD -- European Centre for Medium-Range Weather Forecasts/*](https://advance.lexis.com/api/document?id=urn:contentItem:5PXG-NN31-JCSW-K24J-00000-00&idtype=PID&context=1516831)

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70. [*Block Commodities Ltd : Interim Results*](https://advance.lexis.com/api/document?id=urn:contentItem:5S03-T891-JCXB-23CV-00000-00&idtype=PID&context=1516831)

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71. [*BRIEF NEWS BULLETIN NO. 10411*](https://advance.lexis.com/api/document?id=urn:contentItem:5S6C-08Y1-JDKJ-12YR-00000-00&idtype=PID&context=1516831)

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72. [*-Kore Potash DFS Update*](https://advance.lexis.com/api/document?id=urn:contentItem:5NV8-R081-F0K1-N22C-00000-00&idtype=PID&context=1516831)

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73. [*Venture Funding Deals: Four $100m-Plus Rounds, Including Allogene 's $300m*](https://advance.lexis.com/api/document?id=urn:contentItem:5S8G-YN21-F0JS-Y0MF-00000-00&idtype=PID&context=1516831)

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74. [*- Shell to sell its downstream business in Argentina to Raizen*](https://advance.lexis.com/api/document?id=urn:contentItem:5S71-KDR1-F0K1-N2HB-00000-00&idtype=PID&context=1516831)

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75. [*- Monsanto and ToolGen Announce Global Licensing Agreement on CRISPR Platform, Underscore the Benefits of Innovation for Farmers*](https://advance.lexis.com/api/document?id=urn:contentItem:5P8F-26F1-F0K1-N3SV-00000-00&idtype=PID&context=1516831)

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76. [*Register of Commission documents:NOTICE TO MEMBERS Petition No 1211/2016 by Bodo Sebald ( German ) on behalf of the residents of Barnstorf (Lower Saxony), bearing one signature, on the acceptance by the local council of a building application for a wind farm Document date: 2017-07-20 PETI\_CM(2017)605997 Notices to members*](https://advance.lexis.com/api/document?id=urn:contentItem:5PF3-BNG1-F0YC-N4B2-00000-00&idtype=PID&context=1516831)

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77. [*- Berkeley Energia Limited - 2017 Annual Report*](https://advance.lexis.com/api/document?id=urn:contentItem:5PM7-PKK1-F0K1-N4F3-00000-00&idtype=PID&context=1516831)

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78. [*RF Government approves Strategy for Development of Sea Ports in Caspian Sea*](https://advance.lexis.com/api/document?id=urn:contentItem:5PYF-68P1-F03F-D07B-00000-00&idtype=PID&context=1516831)

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79. [*Council of the European Union: Communication on "The Future of Food and Farming" - Draft Council conclusions ST 6660 2018 REV 1*](https://advance.lexis.com/api/document?id=urn:contentItem:5S2R-9JV1-F0YC-N2RC-00000-00&idtype=PID&context=1516831)

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80. [*-Investment Plan for Europe takes hold in Bulgaria EUR 300m of EIB loans, guarantees, equity in 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5RVK-5TC1-JD3Y-Y02N-00000-00&idtype=PID&context=1516831)

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81. [*Development plans to transform and diverfiy the Tobago island economy of Trinidad and Tobago*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-733G-00000-00&idtype=PID&context=1516831)

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82. [*Council of the European Union: COMMUNICATION FROM THE COMMISSION Nuclear Illustrative Programme presented under Article 40 of the Euratom Treaty - Final (after opinion of EESC) ST 9186 2017 INIT*](https://advance.lexis.com/api/document?id=urn:contentItem:5P52-B031-F0YC-N26G-00000-00&idtype=PID&context=1516831)

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83. [*Ukraine : Kharkiv Region media highlights 31 Mar-6 Apr 18*](https://advance.lexis.com/api/document?id=urn:contentItem:5S5R-94K1-DYRV-302M-00000-00&idtype=PID&context=1516831)

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84. [*Bunge Completes Acquisition of IOI Loders Croklaan*](https://advance.lexis.com/api/document?id=urn:contentItem:5RS7-GRG1-JD3Y-Y3DW-00000-00&idtype=PID&context=1516831)

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85. [*Register of Commission documents: NOTICE TO MEMBERS Petition No 1211/2016 by Bodo Sebald ( German ) on behalf of the residents of Barnstorf (Lower Saxony), bearing one signature, on the acceptance by the local council of a building application for a wind farm Document date: 2017-07-20 PETI\_CM(2017)605997 Notices to members*](https://advance.lexis.com/api/document?id=urn:contentItem:5PJP-B5S1-JDG9-Y4VC-00000-00&idtype=PID&context=1516831)

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86. [*Export outflows and investment inflows set to grow in Sri Lanka*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-7525-00000-00&idtype=PID&context=1516831)

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87. [*Bunge Completes Acquisition of IOI Loders Croklaan*](https://advance.lexis.com/api/document?id=urn:contentItem:5RS7-GRG1-JD3Y-Y36F-00000-00&idtype=PID&context=1516831)

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88. [*Egyptian government works with private sector to revitalise domestic agriculture*](https://advance.lexis.com/api/document?id=urn:contentItem:5WS6-C4X1-DXYV-74H8-00000-00&idtype=PID&context=1516831)

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89. [*BRIEF NEWS BULLETIN NO. 10247*](https://advance.lexis.com/api/document?id=urn:contentItem:5PYC-X6H1-F12K-R2PC-00000-00&idtype=PID&context=1516831)

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90. [*Register of Commission documents: Palestine 2017 AAP-AD2: Commission Implementing Decision on the Annual Action Programme 2017 in favour of Palestine to be financed from the general budget of the Union Document date: 2017-09-27 COM-AC\_DR(2017)D053178-01(ANN01) Comitology - Right of scrutiny*](https://advance.lexis.com/api/document?id=urn:contentItem:5R13-MHW1-JDG9-Y0JN-00000-00&idtype=PID&context=1516831)

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91. [*Velocys PLC Interim results for the 6 months ended 30 June 17*](https://advance.lexis.com/api/document?id=urn:contentItem:5PKR-24P1-JCXB-20FJ-00000-00&idtype=PID&context=1516831)

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92. [*- Bayer to fund three youth led food security projects*](https://advance.lexis.com/api/document?id=urn:contentItem:5PS3-5TJ1-JD3Y-Y0TN-00000-00&idtype=PID&context=1516831)

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93. [*Register of Commission documents: to wind up the debate on the statement by the Commission pursuant to Rule 37(3) of the Rules of Procedure and the Framework Agreement on relations between the European Parliament and the Commission on Parliament’s priorities for the Commission Work Programme 2018 Document date: 2017-06-30 P8\_B(2017)0455 Motions for resolutions/decisions*](https://advance.lexis.com/api/document?id=urn:contentItem:5P80-9SD1-JDG9-Y4SK-00000-00&idtype=PID&context=1516831)

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94. [*Ukraine : Kharkiv Region media highlights 31 Mar-6 Apr 18*](https://advance.lexis.com/api/document?id=urn:contentItem:5S64-BRM1-DYRV-344M-00000-00&idtype=PID&context=1516831)

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95. [*Register of Commission documents:34TH MEETING OF THE EUROPEAN STATISTICAL SYSTEM COMMITTEE (ESSC) 92ND EEA CONFERENCE BUDAPEST, HUNGARY , 22 SEPTEMBER 2017 Document date: 2017-08-18 COM-AC\_DI(2017)A052582-01 Comitology - Documents for information*](https://advance.lexis.com/api/document?id=urn:contentItem:5PPC-1X01-F0YC-N463-00000-00&idtype=PID&context=1516831)

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96. [*The Banker - Transaction Banking Awards 2017*](https://advance.lexis.com/api/document?id=urn:contentItem:5PN8-N3K1-DYX2-T0CS-00000-00&idtype=PID&context=1516831)

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97. [*Washington: CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 2018*](https://advance.lexis.com/api/document?id=urn:contentItem:5PSN-RN71-JDG9-Y4C8-00000-00&idtype=PID&context=1516831)

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98. [*Treasurer faces tax battle after revealing budget focused on next election - as it happened Scott Morrison insists all of tax package needs to be legislated together, including flat tax rate · This live blog is closed. Follow today's live blog for all the Australian federal budget 2018 news, reaction, and analysis*](https://advance.lexis.com/api/document?id=urn:contentItem:5S8J-9X41-JCJY-G03P-00000-00&idtype=PID&context=1516831)

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99. [*BRIEF NEWS BULLETIN NO. 10350*](https://advance.lexis.com/api/document?id=urn:contentItem:5RR6-7G21-JDKJ-10R8-00000-00&idtype=PID&context=1516831)

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100. [*Washington: COUNTERING AMERICA 'S ADVERSARIES THROUGH SANCTIONS ACT*](https://advance.lexis.com/api/document?id=urn:contentItem:5P52-B0B1-JDG9-Y30N-00000-00&idtype=PID&context=1516831)

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# [***Berkeley Energia announces interim financial report for half year ended December 31, 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RWF-J0C1-DYG0-704M-00000-00&context=1516831)

MarketLine NewsWire (Formerly Datamonitor)

March 15, 2018 Thursday 12:00 AM GMT

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**Section:** METALS AND MINING

**Length:** 3011 words

**Highlight:** Berkeley Energia has Provided Interim Financial Report for the Half Year Ended 31 December 2017.

**Body**

REVIEW OF OPERATIONS AND ACTIVITIESOperationsBerkeley is a high impact, clean energy company focused on bringing its wholly owned Salamanca mine into production.This world class uranium project is being developed in an historic mining area about three hours west of Madrid, Spain. Final detailed project reviews are underway as the Company counts down to the commencement of construction at the Salamanca mine.At the same time, production cuts are being announced at some of the world&#39;s largest uranium mines, which are likely to result in a 12% reduction in primary mine production this year.The Salamanca mine, the only major uranium mine to be in construction in the world this year, is scheduled to reach production in 2019 as the market enters the long awaited supply/demand deficit that industry experts have called both fundamental and unavoidable.The project continues to receive strong support among key stakeholders in Spain, reflecting the growing awareness of the benefits the investment will bring to a community that is experiencing some of the highest levels of unemployment in the European Union.Highlights for and subsequent to the half year include:Berkeley Energia completes ***strategic*** investment of up to US$120m with the Oman sovereign wealth fund:Shareholders overwhelmingly voted to approve the ***strategic*** investment and the Company received the initial US$65 million tranche of funding in November 2017 which funds the capital costs for production;Mr Deepankar Panigrahi, Investment Manager in the Private Equity division of the fund has joined the Board as a Non-Executive Director.Construction preparation continues:Following the receipt of funding, the Company is filling key management positions and finalising capital and operating costs;As part of its commitment to develop the project in partnership with Spanish engineering excellence, Sanchez y Lago, one of Spain&#39;s major construction companies and contract mining firms has been selected as the preferred mining contractor.Strong support from key stakeholders:AENOR, the Spanish Association for Standardisation and Certification, recently re-awarded the Company certificates in Sustainable Mining and Environmental Excellence;As part of its commitment to reduce unemployment in the region, the majority of new staff required for the first phase of construction activity will be recruited from the local villages of Retortillo and VillavieUranium market:Cameco&#39;s recently announced suspension of operations at its low cost McArthur River mine, along with cuts announced by Areva and Kazatomprom, is expected to remove 17 million pounds U3O8 from the market this year (12 million pounds attributable to Cameco alone), representing 12% of primary mine supply;The Company has 2.75 million pounds of U3O8 under contract for the first six years, with a further 1.25 million pounds of optional volume, at an average price above US$42, compared with a spot price of US$21 per pound;The Company will continue to progressively build its offtake book and has granted the Oman sovereign wealth fund the right to match any future long term offtake transactions.Exploration:Exploration focused on identifying additional targets with similar characteristics to Zona 7 continued during the period;Over 2,200 samples were collected during the first phase of the geochemical sampling ***programme*** and twelve potential uranium targets have been identified using a combination of Ionic Leach analysis and other methods.Berkeley Energia completed ***strategic*** investment of up to US$120m with Oman sovereign wealth fundDuring the half year, shareholders overwhelmingly voted to approve the ***strategic*** investment agreement with the Oman sovereign wealth fund (&#39;SGRF&#39;).All Conditions Precedent were met and the Company received the initial US$65 million tranche of funding in November 2017.The investment comprises an interest-free and unsecured convertible loan note of US$65 million which can be converted into ordinary shares at 50 pence per share upon commissioning of the mine, as well as an options package exercisable at an average price of 85 pence per share contributing an additional US$55 million if exercised.With funding in place, Berkeley takes final steps to prepare for full constructionThe Company is now focused on awarding major contracts, filling key management positions and conducting detailed reviews focused on ensuring that the very best capital and operating costs are achieved.The competitive quotes received which have driven capital and operating costs down have in some cases been offset by the appreciation of the Euro and higher than expected indirect costs.In addition to the selection of contractors, the Company is making key appointments to the owner&#39;s team having recently appointed Mr Sergio Arenas as Plant Manager.

Mr Arenas has over a decade of international operating experience.Berkeley Energia awarded the Corporate Development Award at the London Mines and Money Awards DinnerThe progress made at the Salamanca mine over the past year was recognised when Berkeley Energia was awarded the London Mines and Money Corporate Development Award in December 2017.The Company was selected from a group of finalists that included Rio Tinto, Ivanhoe Mines and Endeavour Mining.The award recognized the Company&#39;s efforts in permitting, financing and commencing development of the only major uranium mine in the world today, located in the heart of the European Union, at a time when prices are at twelve-year lows.Employment and trainingThe project is located in an area that has suffered badly from intergenerational unemployment and rural desertification.To date, the Company has received over 7,000 job applications just from residents of the Salamanca region, 400 of those come from villages surrounding the project and of those, over 110 from Villavieja alone.The University of Salamanca has estimated that for this type of business there will be a multiplier factor of 5.1 indirect jobs for every direct job created, resulting in over 2,500 direct and indirect jobs being created as a consequence of the Company&#39;s investment in the area.To date, over 120 locals have attended courses organised by the Company and 25% of residents from the local area have applied for jobs. The Company currently has a work force of nearly 70 people and over a quarter of these have been recruited from towns in the immediate vicinity.Training ***programmes***, which have been historically well attended and oversubscribed, will continue to run throughout the year ensuring that sufficient people from the local communities have the specialist skills required for jobs created during the construction and mining phases.As part of its commitment to reduce unemployment in the region, the majority of new staff required to carry out upcoming work ***programmes*** will be recruited from the local villages of Retortillo and Villavieja.Commitment to the communityThe Company has invested more than ~70 million developing the project over the past decade and ***plans*** to invest an additional 250 million over the life of the project.The Company has signed Cooperation Agreements with the highly supportive local municipalities, demonstrating its commitment to fostering positive relationships with these communities.To date, through these agreements, the Company has provided Wifi networks for local villages, built play areas for children, repaired sewage water plants, upgraded sports facilities, and sponsored various sporting events and local festivals.Following consultations with the residents of the local community a number of infrastructure improvements to neighbouring villages have been identified, which the Company is looking to progress in the coming months.The Company has worked tirelessly over the past decade to develop positive and mutually beneficial relationships with the local communities and will continue to do so as construction ramps up.Committed to the highest environmental standardsThe Salamanca mine is being developed to the highest international standards and the Company&#39;s commitment to the environment remains a priority. It holds certificates in Sustainable Mining and Environmental Excellence which were awarded by AENOR, an independent Spanish government agency. The Company was re-awarded both certificates in November 2017 following a week long consultation process with the agency.The mine has been designed according to the very latest thinking on sustainable mining. The extraction and treatment areas will be continuously rehabilitated as operations progress and with minimum disturbance during operations. Once operations are complete, all areas utilised by the Company will be fully restored to an increased ***agricultural*** value.As part of the Environmental Licence and the Environmental Measures ***Plan*** over 30,000 young oak trees will be planted over an area of 75 to 100 hectares.The first 20,000 of these will be planted in the nearby municipality of Vitigudino over an area of more than 500 hectares currently used by cattle farmers, despite its deteriorating ecological value.Offtake ***programme*** and notable increase in public tender activityThe Company currently has 2.75 million pounds of U3O8 concentrate under long term contracts over the first six years of production. Potential exists to increase annual contracted volumes further as well as extend the contracts by a total of 1.25 million poundsThe Company has maintained its preference to combine fixed and market related pricing across its contracts in order to secure positive margins in the early years of production whilst ensuring the Company remains exposed to potentially higher prices in the future.Across the portfolio, the average fixed price per pound of contracted and optional volumes is above US$42 per pound. This compares favourably with the current spot price of around US$21 per pound.The investment agreement signed with the Oman sovereign wealth fund grants the fund the right to matchfuture long term uranium offtake transactions. This right to match is subject to an annual cap (on a rolling 12-month basis) which cannot exceed the greater of 1 million pounds of U3O8 concentrate per annum or 20% of annual production.With the financing agreement signed, the Company intends to increase its offtake activity this year once full construction of the mine is underway, and will participate in public and private offtake opportunities with global utilities, reporting regularly on progress.The Company&#39;s view is that the recent production cuts by Tier 1 ***producers***, Cameco and KazAtomProm, could be a turning point in the uranium market. Cameco&#39;s suspension of production, the latest in a long line of production cuts, brings the total volume of uranium removed from the market in 2018 to 17 million pounds, about 12% of primary mine supply.The Salamanca mine is scheduled to reach production as the market enters a supply/demand deficit that industry experts have called both fundamental and unavoidable. US utilities looking to re-contract will be competing with Chinese and Japanese reactor demand, which may lead to higher spot and term contract prices.Exploration ***programme*** expanded targeting Zona 7 style depositsA major soil sampling ***programme*** was completed during the period focusing on identifying additional targets with similar characteristics to the Zona 7 and Retortillo deposits.Over 2,200 samples were collected across 46km2 area in both Salamanca I and Salamanca II and analysed using Ionic Leach which allows for very high levels of detection of uranium and other economic minerals.The process involved developing a fingerprint of the Zona 7 discovery (where a low radiometric anomaly existed) and the Retortillo deposit and looking for repetitions of these unique signatures in other areas of interest and then matching these with co-incident radon and geochemical anomalies and finally placing them in a geological and structural setting.The first phase of the survey of the Salamanca I area defined nine uranium anomalies, which have been divided into four high and five lower priority areas that have a combination of elevated uranium levels along with supporting multi-element signatures.The survey of the Salamanca II area defined three anomalous areas for uranium, divided into two high priority areas and one lower priority area, all of which have a combination of elevated uranium levels and supporting multi-element signatures.These twelve uranium anomalous areas are currently being followed up to generate high priority drill targets.Permitting updateThere is strong support for the Salamanca mine throughout all levels of government. To date, the Company has received more than 110 favourable reports and permits for the development of the mine.The Urbanism Commission of Salamanca gave an Express Resolution for the granting of the Authorisation of Exceptional Land Use.With the Mining Licence, Environmental Licence and the Authorization of Exceptional Land Use the next major approval is the Construction Authorization by the Ministry of Industry, Energy and Tourism for the treatment plant as a radioactive facility.Approvals for the Zona 7 deposit are progressing well, the Exploitation ***Plan***, the Reclamation and Closure ***Plan***, the Environmental Impact Assessment and the Initial Authorization are complete and have all now been submitted to the relevant authorities. The final approval is expected during 2019 as previously announced.CorporateAppointment of SGRF Nominee DirectorMr Deepankar Panigrahi, Investment Manager in the Private Equity division ofSGRF joined the Board as a Non-Executive Director on 30 November 2017.Mr Panigrahi has extensive experience across a variety of sectors and geographies covering all stages of the private equity process, including post investment management. Mr Panigrahi holds an Undergraduate and Master&#39;s degree in Economics with Distinction and Honours from the University of Michigan followed by an MBA from Cambridge University.Results of OperationsThe net loss of the Consolidated Entity for the half year ended 31 December 2017 was $40,714,000 (31 December 2016: $6,509,000). Significant items contributing to the current half year loss and the substantial differences from the previous half year include to the following:Exploration and evaluation expenses of $7,817,000 (31 December 2016: $4,440,000), which is attributable to the Group&#39;s accounting policy of expensing exploration and evaluation expenditure incurred subsequent to the acquisition of the rights to explore and up to the successful completion of definitive feasibility studies for each separate area of interest;Business development expenses of $1,087,000 (31 December 2016: $1,128,000), which includes the Group&#39;s investor relations activities including but not limited to public relations costs, marketing and digital marketing, broker fees, travel costs, conference fees, business development consultant fees and stock exchange admission fees;Non-cash share based payments expense of $267,000 (31 December 2016: $513,000) was recognised in respect of incentive securities granted to directors, employees and key consultants. The Company&#39;s policy is to expense the incentive securities over the vesting period (which for Performance Rights is generally the life of the security). The decrease in this expense is a direct result of less incentive securities on issue at 31 December 2017 compared to 31 December 2016;Non-cash fair value movements of $24,868,000 (31 December 2016: nil) of the convertible note and unlisted options issued to SGRF (&#39;SGRF Options&#39;). These financial liabilities increase in size as the share price of the Company increase. With the share price increasing by over 22% since agreeing to issue the convertible note and SGRF Options to the end of the half year, the size of the fair value loss attributable to the financial liabilities has increased materially. As the convertible note and SGRF Options convert into shares, the liabilities will be reclassified to equity and will require no cash settlement by the Company.Commercially, the intentions of both SGRF and the Company prior to completing the convertible note transaction was to enter into an equity type deal. The Company has however complied with the accounting standards and accounted for the convertible note as a financial liability.Under the ASX Listing Rules, the convertible note and SGRF options are defined as equity securities.Due to the conversion terms of the convertible note leading to the issuance of a variable number of ordinary shares in the Company in return for conversion of the convertible note, the Company is required under the accounting standards to account for the convertible note as a current financial liability at fair value through profit and loss, despite the Company having no obligation to extinguish the convertible note using its cash and cash equivalents.The Group also incurred one off costs to issue the convertible note and associated securities of $2,697,000 (31 December 2016: nil).Financial PositionAt 31 December 2017, the Group is in an extremely strong financial position with cash reserves of $105,375,000.The Group had net assets of $8,234,000 at 31 December 2017 (30 June 2017: $48,467,000), a decrease of 67% compared with 30 June 2017. This decrease is consistent and largely attributable to the recognition of the non-cash financial liabilities at fair value through profit and loss (the convertible note and SGRF Options).SIGNIFICANT EVENTS AFTER THE REPORTING PERIODAt the date of this report there were no significant events occurring after balance date requiring disclosure.ROUNDINGThe amounts contained in the half-year financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors&#39; Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

**Load-Date:** March 29, 2018

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[***Washington: Federal Government Continues Response to Hurricane Harvey:***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PDW-MHC1-F0YC-N1FG-00000-00&context=1516831)

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**Body**

Washington: Federal Emergency Management Agency has issued the following news release:

The U.S Department of Homeland Security’s Federal Emergency Management Agency (FEMA) and its federal partners continue to mobilize personnel and resources to support state, local and tribal efforts throughout Texas and Louisiana. More than 21,000 federal staff are deployed in support of Tropical Storm Harvey response.

While rescue efforts continue in many areas, recovery efforts are beginning for many communities. As of August 31, 2017:

    More than 33,800 people sought refuge in more than 240 Red Cross and partner shelters in Texas. Six shelters are also open in Louisiana serving another 450 people.     Many areas are inaccessible. Federal, state and local search and rescue teams continue to reach those in stranded areas.     U.S Coast Guard and the Texas National Guard are transporting supplies and volunteers where they are needed most.     Approximately 53,000 pounds of medical equipment and supplies have been deployed to affected areas

The top priority remains protecting lives and the safety of those in affected areas. The following commodities have been provided by FEMA to the states of Texas and Louisiana for distribution by local communities.

    Texas         More than 1,900,000 meals;         More than 1,960,000 million liters of water;         More than 4,700 blankets; and         More than 1,400 cots     Louisiana:         More than 416,000 meals;         More than 414,000 liters of water

A Federal Disaster Recovery Coordinator (FDRC) is being appointed to help with long-term ***planning*** and recovery.  The FDRC oversees an assessment of impacted communities and helps to develop a recovery support strategy. That strategy helps these hard-hit communities gain easier access to federal funding, bridge gaps in assistance, and establish goals for recovery that are measurable, achievable and affordable.

FEMA has received more than 364,000 registrations for assistance, the largest registration after any single event. More than 103,000 of your neighbors have already been approved for $66.4 million in assistance with FEMA and we want to help you.

The FEMA mobile app (in English and Spanish) provides disaster recovery tips and residents and business owners are able to register for assistance through the FEMA mobile app or [*www.disasterassistance.gov*](http://www.disasterassistance.gov)

The U.S Small Business Administration (SBA) has received 2,118 disaster loan applications primarily for homes. The SBA has fielded 5,221 calls and completed 451 property damage inspections.

Short-term housing assistance and other immediate funding is available to survivors who register.  Survivors whose homes are uninhabitable or inaccessible may have access to short-term lodging at eligible hotels. FEMA can also provide up to two months of expedited rental assistance to those eligible. When survivors register, they will also receive information on other resources in their area, including available services from other federal agencies.

For survivors who have suffered damage and have federal flood insurance, FEMA’s National Flood Insurance ***Program*** is issuing advance payments of up to $5,000 for building and contents damages prior to an adjuster’s inspection to help get funds into the hands of survivors as soon as possible.  If a policyholder has photos and receipts of out-of-pocket expenses, they may receive an advance payment of up to $10,000. As of 2:30 pm EDT on Thursday, August 31, over 51,000 claims have been submitted in Texas.

To help people affected by this disaster, FEMA has created a webpage with resources and additional information for People with Disabilities and Others with Access & Functional Needs. Information is available in the following languages: Arabic, Chinese, Korean, Spanish, Tagalog, Urdu, and Vietnamese.

More than 3,500 FEMA employees are working in support of Tropical Storm Harvey response.

Other Ongoing Federal Efforts:

The American Red Cross (Red Cross) has more than 2,000 disaster workers are on the ground, and hundreds more are enroute, including a group of highly-skilled volunteers from the Mexican Red Cross who will help support shelters, distribute aid, and connect with Spanish speaking disaster survivors inform them about support available.  Red Cross estimates that it has shelter supplies in the area for nearly 70,000 people. Red Cross is expanding its feeding operation with trailer of kitchen supplies on the ground to support eight kitchens, each able to ***produce*** 10,000 meals a day. To date, more than 250,000 meals and snacks have been served.  Red Cross continues to deliver blood and platelets to partnering hospital in flood affected areas.

The DHS Office of Civil Rights and Civil Liberties (CRCL) and FEMA have developed guidance for impacted states, localities, and other federal recipients on how to effectively communicate with the whole community and carry out their disaster-related activities in a non-discriminatory manner. The guidance is available at:  [*https://www.dhs.gov/publication/tips-effectively-communicating-protected-populations-during-preparedness-response-and*](https://www.dhs.gov/publication/tips-effectively-communicating-protected-populations-during-preparedness-response-and).

The Corporation for National and Community Service (CNCS) deployed more than 450 AmeriCorps members to the region to support American Red Cross shelter and feeding operations, and FEMA’s disaster damage assessments and logistics. AmeriCorps members are also working to stand up a Volunteer Reception Center. Additional requests for AmeriCorps disaster response teams are in development. These teams are trained to provide expert manpower for shelter operations, debris removal, and volunteer and donations management.

The Environmental Protection Agency (EPA) has released a statement on the explosion at an Arkema facility in Crosby, Texas. EPA field personnel are in Unified Command coordinating seven teams identifying and evaluating potential hazards posed by orphaned containers. The teams will determine actions needed to stabilize or remove items.

The Department of Health and Human Services (HHS) has provided care to more than 500 patients through the Federal Medical Station established in Houston's George R. Brown Convention Center and two urgent care sites in nearby cities.  In addition, HHS has more than 1,000 personnel on the ground in Texas and Louisiana. Declared public health emergencies remain in effect for Texas and Louisiana to allow health care facilities to provide care unimpeded.

The DHS National Protection and ***Programs*** Directorate (NPPD) is helping facilitate access to communications and other critical infrastructure as recovery efforts begin. Of note, NPPD is supporting critical emergency communications through multiple avenues: Emergency responders placed 1,599 Government Emergency Telecommunication Service (GETS) calls on Tuesday, August 29, 2017. NPPD has posted a US-CERT alert on Potential Hurricane Harvey Phishing Scams attempting to take advantage of efforts to provide humanitarian assistance to hurricane survivors. Deployed NPPD workers are helping to maintain or establish coordination with owners and operators of priority facilities to determine their facility status.

The U.S Small Business Administration (SBA) announced that as of Aug. 31, the SBA will offer an automatic 12-month deferment of principal and interest payments for SBA-serviced business loan and disaster loans that are in “regular servicing” status for residents and businesses in the declared counties.

The U.S Army Corps of Engineers (USACE) is working in partnership to support the local, state, and federal response to Hurricane Harvey.  USACE has more than 150 personnel engaged and operating in coordination with county, state, and FEMA partners.  USACE is focused on flood mitigation and reservoir operations, temporary emergency power, debris technical assistance, navigation restoration, and infrastructure assessments.

The U.S Coast Guard (USCG) is working with the National Oceanic and Atmospheric Administration (NOAA) Office of Coast Survey and the USACE to conduct a survey of navigational aids in the greater Houston Metro Area. In addition, the Coast Guard captain of the port is opening certain ports and waterways in Brownsville (no restrictions) and in Corpus Christi (with restrictions).  Mariners are advised that although some channel surveys have been conducted, the Coast Guard has not completed channel surveys in all inlets, harbors, and channels to confirm safe transit.

The Department of Defense (DoD) Defense Logistics Agency (DLA) is providing more than 645,000 gallons of fuel in several locations. The DoD active-duty military personnel have rescued/assisted more than 1,200 people to date. USNORTHCOM deployed 73 helicopters, three C-130s, and eight para-rescue teams for search and rescue and evacuation. Approximately 6,300 active-duty military personnel are deployed to the affected area. DoD has stood up three additional Incident Support Bases (ISB) at Fort Hood, Joint Base San Antonio, and Naval Air Station Joint Reserve Base Fort-Worth to support forward distribution of supplies and equipment to the affected area.

The Federal Communications Commission (FCC) continues to monitor the status of communications networks, and is coordinating with providers and government partners on communications status and restoration in the affected areas. Visit [*www.fcc.gov/harvey*](http://www.fcc.gov/harvey) for a daily communications status report for areas impacted by this storm as well as additional resources, including tips for communicating during an emergency.

The Federal Trade Commission (FTC) has information for people who want to help Hurricane Harvey survivors, and for those who are dealing with and recovering from, the storm’s long-term effects.  The FTC warns consumers to be cautious of charity scams, and to do research to ensure that your donation will go to a reputable organization that will use the donation as promised. For survivors, the FTC provides a few points to consider in a personal disaster recovery ***plan***.

The Department of ***Agriculture*** (USDA) is providing assistance through their Supplemental Nutrition Assistance ***Program*** (SNAP) and waiving some regulations to make food more accessible, especially to school children and seniors. In addition, the USDA approved the state of Texas to designate schools not directly impacted by the Hurricane to serve as disaster organizations and shelters so that USDA foods can be used for congregate feeding, providing critical food assistance to those in need. USDA foods include a variety of canned, fresh, frozen, and dry products which include fruits, vegetables, meats, and whole grains.

The U.S Department of Education has activated its emergency response contact center in response to the devastating impacts of Hurricane Harvey.  The Department’s K-12 and Higher Education stakeholders who are seeking informational resources should contact the Department toll free at 1-844-348-4082 or by email at [*HarveyRelief@ed.gov*](mailto:HarveyRelief@ed.gov)

The U.S Food and Drug Administration (FDA) is advising people that food, medicine, and medical devices should be thrown out if they have come in contact with flood water or stored improperly during a power outage. The FDA is also identifying regulated facilities affected by the storm to assess any risk.

The Department of Energy’s (DOE) Secretary of Energy has authorized the ***Strategic*** Petroleum Reserve (SPR) to negotiate and execute two emergency exchange agreements with the Phillips 66 Lake Charles Refinery. This decision will authorize a total of 400,000 barrels of sweet crude oil and 600,000 barrels of sour crude oil to be drawn down from SPR’s West Hackberry site and delivered via pipeline to the Phillips 66 refinery. DOE continues to provide situation reports at [*https://www.energy.gov/oe/downloads/hurricane-harvey-situation-reports-august-2017*](https://www.energy.gov/oe/downloads/hurricane-harvey-situation-reports-august-2017) and has added a page to report gas price gouging:   [*https://www.energy.gov/hurricane-harvey-report-gas-price-gouging*](https://www.energy.gov/hurricane-harvey-report-gas-price-gouging).

The Internal Revenue Service (IRS) issued a warning about possible fake charity scams emerging due to Hurricane Harvey and encourages taxpayers to seek out recognized charitable groups for their donations. Visit [*www.irs.gov*](http://www.irs.gov) for additional information about tax relief in disaster situations.

The National Guard Bureau (NGB) is working aggressively to assist and coordinate maximum support for the affected states. The National Guard is also aggressively assisting with response efforts, including evacuation and search/rescue efforts.  Video of 106th Rescue Wing, NYANG is available at: [*https://www.dvidshub.net/video/546792/106th-rescue-wing-new-york-air-national-guards-hurricane-harvey-rescue-b-roll*](https://www.dvidshub.net/video/546792/106th-rescue-wing-new-york-air-national-guards-hurricane-harvey-rescue-b-roll).

The U.S Social Security Administration is coordinating with the U.S Postal Service (USPS) for 46 alternative pick up points in the impacted areas around Houston where individuals can pick up benefit checks. A press release identifies the pick-up points by zip code of where individuals can go. For beneficiaries with Direct Express cards, Comerica will be waiving fees for all cardholders impacted by Harvey, even if they have been evacuated to another area out of danger.

The U.S Citizenship and Immigration Services (USCIS) has emailed the options available to USCIS customers affected by natural disasters and other extreme situations.  This information is available on the USCIS Special Situations web page at [*https://www.uscis.gov/humanitarian/special-situations*](https://www.uscis.gov/humanitarian/special-situations) and details how natural events can affect USCIS applications, petitions, or immigration status.  The USCIS recommends that volunteers print this web page and include in any information packets they are handing out to those affected by Hurricane Harvey. For information about USCIS office closures, visit   [*www.uscis.gov*](http://www.uscis.gov) or call their National Customer Service Center line at 1-800-375-5283 for further information or assistance with rescheduling appointments.

The U.S Department of Interior has more than 100 employees deployed to support the state of Texas through eight FEMA mission assignments. United States Geological Survey (USGS) employees from Texas, Arkansas, Louisiana, Mississippi, and Oklahoma have been deployed in 17 crews to repair the large number of damaged gages and take high water measurements. The USGS is facilitating the International Charter activation, including cataloging of multiple space-based imagery products.

In addition, DOI agencies, including the National Park Service, US Fish and Wildlife Service, and USGS are supporting FEMA Search and Rescue Task Forces by locating and providing dozens of shallow water boats – 90 boats in total – and are prepared to fill additional resource needs as identified. Ten Unmanned Aircraft System (UAS) pilots from these agencies, the Bureau of Land Management, and the Office of Aviation Services are guiding drones to locate people in need of help and survey damage.

The Bureau of Safety and Environmental Enforcement Hurricane Response Team continues  to monitor Gulf of Mexico oil and gas activities and issue daily public updates on the oil and gas production that has been shut-in as a result of the storm. The agency is beginning to inspect platforms being brought back on-line to ensure safety requirements.

The U.S Office of Personnel Management (OPM) has approved a special solicitation of Federal employees at the workplace to support the victims of Hurricane Harvey.  This special solicitation, which ends September 29, 2017, will allow Federal employees and military personnel to assist the disaster relief efforts with cash or check donations outside the normal Combined Federal Campaign.   Additional information can be found at:  [*https://www.opm.gov/news/releases/2017/08/opm-approves-special-solicitation-to-support-harvey-victims/*](https://www.opm.gov/news/releases/2017/08/opm-approves-special-solicitation-to-support-harvey-victims/).

The U.S Postal Service (USPS) provided additional information on how customers displaced by Hurricane Harvey can retrieve Treasury checks they receive, via U.S Mail.  This includes checks from the Social Security Administration, Veterans Administration (VA) checks, and checks from the Office of Personnel Management (OPM) and the Railroad Retirement Board.

USA.gov and GobiernoUSA.gov continues to support federal agency messaging efforts on our home pages and we’re compiling federal agency updates and messaging on rapidly growing Hurricane Harvey pages found at [*https://www.usa.gov/hurricane-harvey*](https://www.usa.gov/hurricane-harvey) and   [*https://gobierno.usa.gov/huracan-harvey*](https://gobierno.usa.gov/huracan-harvey). They continue to use social media to promote life safety messages, and are beginning to push recovery information, information on how to help survivors, and applying for FEMA disaster relief jobs.

**Load-Date:** September 7, 2017

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[***2018 Could be a Breakout Year for Cannabis Companies; NetworkNewsWire Editorial Coverage***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RCP-6R71-JB72-11GK-00000-00&context=1516831)

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**Body**

Entering a new year is exciting, especially when the future holds the promise of expanding marketplaces and business opportunities. From growers and processors to the essential support services and an increasing number of retailers, cannabis companies are looking at 2018 as a breakout year for unprecedented growth. California's launch of legal marijuana for adult recreational use kicked off January 1, and Canada is set to follow the same path in July 2018. An article in Newsweek reveals at least 12 states are poised to consider legalizing some form of marijuana in 2018 ([*http://nnw.fm/1ETMq*](http://nnw.fm/1ETMq)), marking the latest in a quick volley of changes being implemented by lawmakers and the public as more than 60 percent of Americans say they support legalization for adults (   [*http://nnw.fm/pFa4w*](http://nnw.fm/pFa4w)). Companies nimble enough to take advantage of these promising changes includeDOJA Cannabis Company Ltd.(CSE: DOJA) (OTC: DJACF)(DJACF Profile), Growlife, Inc.(OTC: PHOT), United Cannabis Corp.(OTC: CNAB), Cannabis Wheaton Income Corp.(TSX-V: CBW) (OTC: CBWTF) andSupreme Cannabis Company, Inc.(TSX-V: FIRE) (OTC: SPRWF).

Acquisitions, deal-making, and expansion ***plans*** are on the minds of many in the cannabis sector as 2018 enters the world. A new Viridian Cannabis Deal Tracker report states the amount of financing raised in 2017 to support the coming cannabis boom is a staggering $2 billion in Canada alone, according to an article in the Financial Post ([*http://nnw.fm/Lxo1J*](http://nnw.fm/Lxo1J)).

"While the medical market is expected to continue to grow over the next several years, the size of the coming adult-use market is expected to far exceed that of the medical side," said Harrison Phillips, Vice-president at Viridian, told the Financial Post. "Companies have been raising significant amounts of capital, primarily to increase capacity to satisfy the coming surge in expected demand."

ForDOJA Cannabis Company Ltd. (CSE: DOJA) (OTC: DJACF), 2017 was full of progress and the development of several successful ventures that will help the company gain a secure foothold in the recreational cannabis market in the new year. DOJA CEO Trent Kitsch in the company's 3rd Quarter 2017 report ([*http://nnw.fm/Uv2Dv*](http://nnw.fm/Uv2Dv)) praised the company's team effort to make 2017 a banner year, stating, "I am very proud of our team's year-to-date accomplishments. We have reached a number of milestones in less time and for less investment than originally budgeted."

DOJA is a premium cannabis lifestyle brand featuring the highest quality handcrafted strains in Canada. DOJA's wholly owned subsidiary, Northern Lights Marijuana Company, is a Health Canada licensed cannabis ***producer*** located in Kelowna within the heart of British Columbia's picturesque Okanagan Valley. The company recently harvested and cured its first batches of premium handcrafted cannabis flower, requested a pre-sales license inspection from Health Canada, and began construction of the FUTURE LAB's 22,580-square-foot state-of-the-art extraction facility and lab that can support greatly increased production capacity - all impressive milestones for a company committed to establishing itself as Canada's leading lifestyle cannabis brand ([*http://nnw.fm/qXT1m*](http://nnw.fm/qXT1m)).

"We know that iconic brands are backed by iconic products, so our attention has been placed firmly on the art of growing, trimming and curing to ensure the quality and consistency of our handcrafted cannabis flower," Kitsch said. "Looking to the future there are a number of initiatives that we ***plan*** on executing that will further differentiate the DOJA brand and create value for our shareholders."

Underpinning that statement, DOJA on December 21 revealed its binding letter of intent with Tokyo Smoke to acquire all of its issued and outstanding shares[*http://nnw.fm/9ON1k*](http://nnw.fm/9ON1k)). The proposed merger will create a unique cannabis company - to be named Hiku Brands Company Ltd. - that combines a retail-focused cannabis company with DOJA's specialty cannabis flower production facilities. The company also announced a ***strategic*** equity investment of approximately $10 million into the newly-combined company by Aphria Inc. The combination of cannabis production, retail footprint and a portfolio of cannabis brands is expected to provide the newly formed company the opportunity to realize the significant value of complete vertical integration.

In October the company announced its ***plan*** to expand its production capacity with the build-out of its new, much larger growing facility.

"The Acquisition is a game changer for DOJA, it allows us to expand our production capacity by almost 8 times, diversity our strain production, integrate a world class extraction lab and leverage the economies of scale that come from a larger growing space," Kitsch said in a news release ([*http://nnw.fm/rWR4Q*](http://nnw.fm/rWR4Q))."Our strategy has always been to reach 5,000 kg of cannabis production per year by the end of 2018, with the addition of FUTURE LAB we project we will reach our goal in less time and for less capital investment than previously budgeted. The FUTURE LAB has 325 feet of highway frontage which will be utilized to promote DOJA's cannabis lifestyle brand to the 1.9 million-plus visitors to the Okanagan each year and the 40,000 commuters that drive past the facility each day."

Expanding DOJA's cultivation capacity and scale provides a near-term supply source for dried cannabis flower that is grown, trimmed and cured in a premium fashion at a price per gram that is within the company's control - ensuring DOJA remains competitive on a national level. DOJA's FUTURE LAB state-of the-art extraction lab will drive innovation in the cannabis concentrates and edibles sector, which company officials expect will overtake cannabis whole flower sales in the future.

Closing out 2017, the company recently finalized a previously announced bought deal private placement of convertible debenture units, raising $17.25 million to be used for capital projects and general corporate purposes ([*http://nnw.fm/WcBi8*](http://nnw.fm/WcBi8)) as it continues its pattern of growth.

Growing healthy and productive cannabis isn't done without a great deal of help from Mother Nature and a host of specialty support services. As a nationally recognized cultivation brand for the cannabis industry,Growlife(OTC: PHOT) provides world-class hydroponic equipment, lighting, nutrients, media, and other cultivation supplies to commercial and urban operations. Based in the state of Washington, GrowLife has added an all-in-one home cultivation system called "GrowLife Cube Pro" to its product offerings. The company is introducing the product as a way to service the exploding recreational cannabis markets in California and other states where adults will be permitted to cultivate up to six plants per adult under local law ([*http://nnw.fm/B33cS*](http://nnw.fm/B33cS)).

Denver-basedUnited Cannabis(OTCQB: CNAB) is constructing a state-of-the-art industrial hemp processing plant that will include extraction, purification, testing and processing equipment, as well as packaging, fulfillment and secure storage capabilities, according to a news release ([*http://nnw.fm/klBB1*](http://nnw.fm/klBB1)). The company, which provides consulting services, proprietary products and licenses its intellectual property to businesses in the cannabis industry, is branching out to provide contract manufacturing to farmers working under the 2014 Federal Farm Bill and Colorado's Department of ***Agriculture***'s Industrial Hemp ***Program***. Farmers in the ***program*** will be able to convert harvested industrial hemp plants into a range of products, from simple extracts to capsules to sublingual drops, and have them packaged for resale, the company states in the press release.

Cannabis Wheaton Income(TSX-V: CBW) (OTCQB: CBWTF) is also advancing its footprint in the cannabis sector by entering into a letter of intent with FV Pharma Inc. Under the agreement, Cannabis Wheaton will develop all aspects of FV's cannabis cultivation facility in mutually agreed staged phases, creating the largest indoor cannabis cultivation and processing facility in the world. A joint press release states ([*http://nnw.fm/l6wmD*](http://nnw.fm/l6wmD)). The FV facility, located one hour east of Toronto, Canada, is an existing 620,000 square feet of building space once used by KRAFT® as a food manufacturing facility.

Another Canadian company committed to becoming a leading cultivator and distributor of specialized cannabis isSupreme Cannabis Company(TSX-V: FIRE) (OTC: SPRWF), which recently changed its name from Supreme Pharmaceuticals Inc. The company's 7ACRES subsidiary is a federally licensed ***producer*** of medical cannabis with a 342,000-square-foot hybrid greenhouse facility in Kincardine, Ontario. The recent purchase of six acres adjacent to this facility is expected to ***produce*** high-quality "California-Style" cannabis for the premium product segment once construction of an indoor cultivation facility is completed, the company stated in a news release ([*http://nnw.fm/Y9Ira*](http://nnw.fm/Y9Ira)).

2018 may certainly turn out to be a rollercoaster for the cannabis industry, with more participants than ever punching a ticket to ride. But there are ample opportunities for growth in various sectors of a global industry that Grand View Research, Inc. expects will reach $55.8 billion by 2025 ([*http://nnw.fm/LuR6w*](http://nnw.fm/LuR6w)). Other industries such as marketing, software, packaging, energy, banking, blockchain technology and biotechnology are also taking notice and seeing opportunities in the burgeoning field as marijuana continues its transformation from a hidden, underworld product to a massive economic force.

For more information on DOJA Cannabis Company, visitDOJA Cannabis Company Ltd. (CSE: DOJA) (OTC: DJACF)

For a more in-depth look intoDOJA Cannabis(CSE: DOJA) (OTC: DJACF), view the full report onMicrosmallcap.com.

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Corporate Communications Contact:

NetworkNewsWire (NNW)

New York

+1-212-418-1217 Office

[*Editor@NetworkNewsWire.com*](mailto:Editor@NetworkNewsWire.com)

Media Contact:

FN Media Group, LLC

[*NNW@FinancialNewsMedia.com*](mailto:NNW@FinancialNewsMedia.com)

+1(954)345-0611

[*http://www.NetworkNewsWire.com*](http://www.NetworkNewsWire.com)

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[***Washington: Federal Government Continues Response To Hurricane Harvey***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PDW-MHC1-F0YC-N1GW-00000-00&context=1516831)

Impact News Service

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**Body**

Washington: Department of Homeland Security has issued the following news release:

The U.S Department of Homeland Security’s Federal Emergency Management Agency (FEMA) and its federal partners continue to mobilize personnel and resources to support state, local and tribal efforts throughout Texas and Louisiana. More than 21,000 federal staff are deployed in support of Tropical Storm Harvey response.

While rescue efforts continue in many areas, recovery efforts are beginning for many communities. As of August 31, 2017:

    More than 33,800 people sought refuge in more than 240 Red Cross and partner shelters in Texas. Six shelters are also open in Louisiana serving another 450 people.     Many areas are inaccessible. Federal, state and local search and rescue teams continue to reach those in stranded areas.     U.S Coast Guard and the Texas National Guard are transporting supplies and volunteers where they are needed most.     Approximately 53,000 pounds of medical equipment and supplies have been deployed to affected areas

The top priority remains protecting lives and the safety of those in affected areas. The following commodities have been provided by FEMA to the states of Texas and Louisiana for distribution by local communities.

    Texas         More than 1,900,000 meals;         More than 1,960,000 million liters of water;         More than 4,700 blankets; and         More than 1,400 cots     Louisiana:         More than 416,000 meals;         More than 414,000 liters of water

A Federal Disaster Recovery Coordinator (FDRC) is being appointed to help with long-term ***planning*** and recovery. The FDRC oversees an assessment of impacted communities and helps to develop a recovery support strategy. That strategy helps these hard-hit communities gain easier access to federal funding, bridge gaps in assistance, and establish goals for recovery that are measurable, achievable and affordable.

FEMA has received more than 364,000 registrations for assistance, the largest registration after any single event. More than 103,000 of your neighbors have already been approved for $66.4 million in assistance with FEMA and we want to help you.

The FEMA mobile app (in English and Spanish) provides disaster recovery tips and residents and business owners are able to register for assistance through the FEMA mobile app or [*www.disasterassistance.gov*](http://www.disasterassistance.gov)

The U.S Small Business Administration (SBA) has received 2,118 disaster loan applications primarily for homes. The SBA has fielded 5,221 calls and completed 451 property damage inspections.

Short-term housing assistance and other immediate funding is available to survivors who register. Survivors whose homes are uninhabitable or inaccessible may have access to short-term lodging at eligible hotels. FEMA can also provide up to two months of expedited rental assistance to those eligible. When survivors register, they will also receive information on other resources in their area, including available services from other federal agencies.

For survivors who have suffered damage and have federal flood insurance, FEMA’s National Flood Insurance ***Program*** is issuing advance payments of up to $5,000 for building and contents damages prior to an adjuster’s inspection to help get funds into the hands of survivors as soon as possible. If a policyholder has photos and receipts of out-of-pocket expenses, they may receive an advance payment of up to $10,000. As of 2:30 pm EDT on Thursday, August 31, over 51,000 claims have been submitted in Texas.

To help people affected by this disaster, FEMA has created a webpage with resources and additional information for People with Disabilities and Others with Access & Functional Needs. Information is available in the following languages: Arabic, Chinese, Korean, Spanish, Tagalog, Urdu, and Vietnamese.

More than 3,500 FEMA employees are working in support of Tropical Storm Harvey response. Other Ongoing Federal Efforts:

The American Red Cross (Red Cross) has more than 2,000 disaster workers are on the ground, and hundreds more are enroute, including a group of highly-skilled volunteers from the Mexican Red Cross who will help support shelters, distribute aid, and connect with Spanish speaking disaster survivors inform them about support available. Red Cross estimates that it has shelter supplies in the area for nearly 70,000 people. Red Cross is expanding its feeding operation with trailer of kitchen supplies on the ground to support eight kitchens, each able to ***produce*** 10,000 meals a day. To date, more than 250,000 meals and snacks have been served. Red Cross continues to deliver blood and platelets to partnering hospital in flood affected areas.

The DHS Office of Civil Rights and Civil Liberties (CRCL) and FEMA have developed guidance for impacted states, localities, and other federal recipients on how to effectively communicate with the whole community and carry out their disaster-related activities in a non-discriminatory manner. The guidance is available at: [*https://www.DHS.gov/publication/tips-effectively-communicating-protected-populations-during-preparedness-response-and*](https://www.dhs.gov/publication/tips-effectively-communicating-protected-populations-during-preparedness-response-and).

The Corporation for National and Community Service (CNCS) deployed more than 450 AmeriCorps members to the region to support American Red Cross shelter and feeding operations, and FEMA’s disaster damage assessments and logistics. AmeriCorps members are also working to stand up a Volunteer Reception Center. Additional requests for AmeriCorps disaster response teams are in development. These teams are trained to provide expert manpower for shelter operations, debris removal, and volunteer and donations management.

The Environmental Protection Agency (EPA) has released a statement on the explosion at an Arkema facility in Crosby, Texas. EPA field personnel are in Unified Command coordinating seven teams identifying and evaluating potential hazards posed by orphaned containers. The teams will determine actions needed to stabilize or remove items.

The Department of Health and Human Services (HHS) has provided care to more than 500 patients through the Federal Medical Station established in Houston's George R. Brown Convention Center and two urgent care sites in nearby cities. In addition, HHS has more than 1,000 personnel on the ground in Texas and Louisiana. Declared public health emergencies remain in effect for Texas and Louisiana to allow health care facilities to provide care unimpeded.

The DHS National Protection and ***Programs*** Directorate (NPPD) is helping facilitate access to communications and other critical infrastructure as recovery efforts begin. Of note, NPPD is supporting critical emergency communications through multiple avenues: Emergency responders placed 1,599 Government Emergency Telecommunication Service (GETS) calls on Tuesday, August 29, 2017. NPPD has posted a US-CERT alert on Potential Hurricane Harvey Phishing Scams attempting to take advantage of efforts to provide humanitarian assistance to hurricane survivors. Deployed NPPD workers are helping to maintain or establish coordination with owners and operators of priority facilities to determine their facility status.

The U.S Small Business Administration (SBA) announced that as of Aug. 31, the SBA will offer an automatic 12-month deferment of principal and interest payments for SBA-serviced business loan and disaster loans that are in “regular servicing” status for residents and businesses in the declared counties.

The U.S Army Corps of Engineers (USACE) is working in partnership to support the local, state, and federal response to Hurricane Harvey. USACE has more than 150 personnel engaged and operating in coordination with county, state, and FEMA partners. USACE is focused on flood mitigation and reservoir operations, temporary emergency power, debris technical assistance, navigation restoration, and infrastructure assessments.

The U.S Coast Guard (USCG) is working with the National Oceanic and Atmospheric Administration (NOAA) Office of Coast Survey and the USACE to conduct a survey of navigational aids in the greater Houston Metro Area. In addition, the Coast Guard captain of the port is opening certain ports and waterways in Brownsville (no restrictions) and in Corpus Christi (with restrictions). Mariners are advised that although some channel surveys have been conducted, the Coast Guard has not completed channel surveys in all inlets, harbors, and channels to confirm safe transit.

The Department of Defense (DoD) Defense Logistics Agency (DLA) is providing more than 645,000 gallons of fuel in several locations. The DoD active-duty military personnel have rescued/assisted more than 1,200 people to date. USNORTHCOM deployed 73 helicopters, three C-130s, and eight para-rescue teams for search and rescue and evacuation. Approximately 6,300 active-duty military personnel are deployed to the affected area. DoD has stood up three additional Incident Support Bases (ISB) at Fort Hood, Joint Base San Antonio, and Naval Air Station Joint Reserve Base Fort-Worth to support forward distribution of supplies and equipment to the affected area.

The Federal Communications Commission (FCC) continues to monitor the status of communications networks, and is coordinating with providers and government partners on communications status and restoration in the affected areas. Visit [*www.fcc.gov/harvey*](http://www.fcc.gov/harvey) for a daily communications status report for areas impacted by this storm as well as additional resources, including tips for communicating during an emergency.

The Federal Trade Commission (FTC) has information for people who want to help Hurricane Harvey survivors, and for those who are dealing with and recovering from, the storm’s long-term effects. The FTC warns consumers to be cautious of charity scams, and to do research to ensure that your donation will go to a reputable organization that will use the donation as promised. For survivors, the FTC provides a few points to consider in a personal disaster recovery ***plan***.

The Department of ***Agriculture*** (USDA) is providing assistance through their Supplemental Nutrition Assistance ***Program*** (SNAP) and waiving some regulations to make food more accessible, especially to school children and seniors. In addition, the USDA approved the state of Texas to designate schools not directly impacted by the Hurricane to serve as disaster organizations and shelters so that USDA foods can be used for congregate feeding, providing critical food assistance to those in need. USDA foods include a variety of canned, fresh, frozen, and dry products which include fruits, vegetables, meats, and whole grains.

The U.S Department of Education has activated its emergency response contact center in response to the devastating impacts of Hurricane Harvey. The Department’s K-12 and Higher Education stakeholders who are seeking informational resources should contact the Department toll free at 1-844-348-4082 or by email at [*HarveyRelief@ed.gov*](mailto:HarveyRelief@ed.gov)

The U.S Food and Drug Administration (FDA) is advising people that food, medicine, and medical devices should be thrown out if they have come in contact with flood water or stored improperly during a power outage. The FDA is also identifying regulated facilities affected by the storm to assess any risk.

The Department of Energy’s (DOE) Secretary of Energy has authorized the ***Strategic*** Petroleum Reserve (SPR) to negotiate and execute two emergency exchange agreements with the Phillips 66 Lake Charles Refinery. This decision will authorize a total of 400,000 barrels of sweet crude oil and 600,000 barrels of sour crude oil to be drawn down from SPR’s West Hackberry site and delivered via pipeline to the Phillips 66 refinery. DOE continues to provide situation reports at [*https://www.energy.gov/oe/downloads/hurricane-harvey-situation-reports-august-2017*](https://www.energy.gov/oe/downloads/hurricane-harvey-situation-reports-august-2017) and has added a page to report gas price gouging:   [*https://www.energy.gov/hurricane-harvey-report-gas-price-gouging*](https://www.energy.gov/hurricane-harvey-report-gas-price-gouging).

The Internal Revenue Service (IRS) issued a warning about possible fake charity scams emerging due to Hurricane Harvey and encourages taxpayers to seek out recognized charitable groups for their donations. Visit [*www.irs.gov*](http://www.irs.gov) for additional information about tax relief in disaster situations.

The National Guard Bureau (NGB) is working aggressively to assist and coordinate maximum support for the affected states. The National Guard is also aggressively assisting with response efforts, including evacuation and search/rescue efforts. Video of 106th Rescue Wing, NYANG is available at: [*https://www.dvidshub.net/video/546792/106th-rescue-wing-new-york-air-national-guards-hurricane-harvey-rescue-b-roll*](https://www.dvidshub.net/video/546792/106th-rescue-wing-new-york-air-national-guards-hurricane-harvey-rescue-b-roll).

The U.S Social Security Administration is coordinating with the U.S Postal Service (USPS) for 46 alternative pick up points in the impacted areas around Houston where individuals can pick up benefit checks. A press release identifies the pick-up points by zip code of where individuals can go. For beneficiaries with Direct Express cards, Comerica will be waiving fees for all cardholders impacted by Harvey, even if they have been evacuated to another area out of danger.

The U.S Citizenship and Immigration Services (USCIS) has emailed the options available to USCIS customers affected by natural disasters and other extreme situations. This information is available on the USCIS Special Situations web page at [*https://www.uscis.gov/humanitarian/special-situations*](https://www.uscis.gov/humanitarian/special-situations) and details how natural events can affect USCIS applications, petitions, or immigration status. The USCIS recommends that volunteers print this web page and include in any information packets they are handing out to those affected by Hurricane Harvey. For information about USCIS office closures, visit   [*www.uscis.gov*](http://www.uscis.gov) or call their National Customer Service Center line at 1-800-375-5283 for further information or assistance with rescheduling appointments.

The U.S Department of Interior has more than 100 employees deployed to support the state of Texas through eight FEMA mission assignments. United States Geological Survey (USGS) employees from Texas, Arkansas, Louisiana, Mississippi, and Oklahoma have been deployed in 17 crews to repair the large number of damaged gages and take high water measurements. The USGS is facilitating the International Charter activation, including cataloging of multiple space-based imagery products.

In addition, DOI agencies, including the National Park Service, US Fish and Wildlife Service, and USGS are supporting FEMA Search and Rescue Task Forces by locating and providing dozens of shallow water boats – 90 boats in total – and are prepared to fill additional resource needs as identified. Ten Unmanned Aircraft System (UAS) pilots from these agencies, the Bureau of Land Management, and the Office of Aviation Services are guiding drones to locate people in need of help and survey damage.

The Bureau of Safety and Environmental Enforcement Hurricane Response Team continues to monitor Gulf of Mexico oil and gas activities and issue daily public updates on the oil and gas production that has been shut-in as a result of the storm. The agency is beginning to inspect platforms being brought back on-line to ensure safety requirements.

The U.S Office of Personnel Management (OPM) has approved a special solicitation of Federal employees at the workplace to support the victims of Hurricane Harvey. This special solicitation, which ends September 29, 2017, will allow Federal employees and military personnel to assist the disaster relief efforts with cash or check donations outside the normal Combined Federal Campaign. Additional information can be found at: [*https://www.opm.gov/news/releases/2017/08/opm-approves-special-solicitation-to-support-harvey-victims/*](https://www.opm.gov/news/releases/2017/08/opm-approves-special-solicitation-to-support-harvey-victims/).

The U.S Postal Service (USPS) provided additional information on how customers displaced by Hurricane Harvey can retrieve Treasury checks they receive, via U.S Mail. This includes checks from the Social Security Administration, Veterans Administration (VA) checks, and checks from the Office of Personnel Management (OPM) and the Railroad Retirement Board.

USA.gov and GobiernoUSA.gov continues to support federal agency messaging efforts on our home pages and we’re compiling federal agency updates and messaging on rapidly growing Hurricane Harvey pages found at [*https://www.usa.gov/hurricane-harvey*](https://www.usa.gov/hurricane-harvey) and   [*https://gobierno.usa.gov/huracan-harvey*](https://gobierno.usa.gov/huracan-harvey). They continue to use social media to promote life safety messages, and are beginning to push recovery information, information on how to help survivors, and applying for FEMA disaster relief jobs.

**Load-Date:** September 7, 2017

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[***Saudi Arabia works to meet rising water and energy demand***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-740K-00000-00&context=1516831)

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**Body**

These are crucial times for Saudi Arabia's power and water sectors as both move through a process of major reform. Privatisation is at a more advanced stage in water than in power, but the next few years should see substantial change in both markets, providing significant opportunities for investors.

Projects that use a wider range of energy sources are also in the ***planning*** and development stages, while efficiency in distribution and usage is being strongly promoted, alongside a further reduction in subsidies through reorganisation of the electricity tariff system.

Meanwhile, major desalination projects are under way, along with the roll out of new sewage and waste-water treatment plants, reservoirs, leakage reduction measures, transmission networks and groundwater conservation schemes. The Kingdom has set itself some ambitious short- and long-term goals for both sectors, with a shift towards a more market-oriented approach a key objective of the reforms.

**Water**

Saudi Arabia has historically relied on underground sources and reservoirs for its water, as it possesses no permanent running surface water and on average only experiences around 100 mm of rainfall a year. A system of wells and irrigation channels known as *falaj* supplied farms and settlements in the past, with the mining of fossil subsurface water accelerating as the country developed. Centre pivot irrigation, which uses water pumped from an underground aquifer, has since become more widespread.

Population and economic growth, however, have long outstripped the capacity of these ancient resources to meet demand. Thus, Saudi Arabia turned to desalination plants as early as the mid-1950s, and today the Kingdom has the largest number of these facilities of any country in the world, with 30 plants together responsible for 18% of global desalinated water output. Since 1965 they have been under the jurisdiction of the Saline Water Conversion Corporation (SWCC), which was initially under the mandate of the Ministry of ***Agriculture*** but became an independent entity in 1974. The SWCC is responsible for a proportion of power generation in the country as well as the distribution of desalinated water to various regions across the Kingdom.

Saudi Arabia's desalination plants use a wide range of technologies. Multi-stage flash (MSF) processes account for 64% of desalination capacity, reverse osmosis for 20% and multi-effect distillation 16%.

**Growing Demand**

Factors such as a rapidly expanding population, changing household habits in water usage, and higher demand from industry and services have resulted in the country's water consumption ranking as one of the highest in the world at more than 300 litres per person per day.

Until 1994 domestic water was provided free of charge to Saudi households, with costs remaining comparatively low thereafter. A cut in subsidies introduced at the end of 2015 changed this, however, bringing about an increase in consumer prices.

Historically, the supply of water has been the responsibility of the state, with the Ministry of Water and Electricity (MoWE), divided into regional water directorates, the overall sector authority until May 2016. The MoWE was then broken up and water authority transferred to the new Ministry of Environment, Water and ***Agriculture*** (MEWA), while responsibility for the electricity sector was passed to the Ministry of Energy, Industry and Mineral Resources (MEIMR). MEWA consists of the Directorate of Water Affairs and the Directorate of Water Services, both of which have a broad range of responsibilities, from the management of non-renewable and renewable underground water, to the organisation and management of reused and treated wastewater.

**Drive To Privatise**

MEWA also established a Privatisation and Investment Directorate to drive the eventual objective of privatising water services throughout the Kingdom. This came after a series of ***strategic*** decisions by the Saudi authorities, stretching back to 1997, to bring water utilities under private sector control, leaving the state with a purely regulatory role. To this end, in 2001 the government established the Electricity and Cogeneration Regulatory Authority (ECRA), to oversee the provision of power and desalinated water.

**IWPPS**

This was followed in 2002 with the establishment of the framework for private sector participation through build-own-operate and build-own-operate-transfer schemes, laying the groundwork for the development of independent water and power projects (IWPPs). The first IWPP, undertaken in 2007 just outside Jeddah, was the Shuaibah III power and desalination plant, while the 2700-MW-capacity Marafiq complex in Jubail, built in 2008, is now the world's largest IWPP. These IWPPs sell their water and power to the main buyer, the Water and Electricity Company (WEC), which then sells water on to the SWCC and electricity to Saudi Electricity Company (SEC).

In 2005 water sector privatisation was initiated by royal decree, while MoWE's five-year ***Strategic*** Transformation ***Plan*** - which aimed to encourage more private sector participation - was unveiled.

In 2008 royal approval was granted for the privatisation of the SWCC, with the National Water Company (NWC) - a fully state-owned, joint-stock company - established in the same year to provide drinking water and wastewater services. The NWC takes water from the SWCC and sells it on to consumers. In recent years it has done this for the largest cities - Riyadh, Jeddah, Makkah and Taif - in partnership with foreign operators. These include public-private partnerships with France's Veolia, Suez Group and Saur Group, as well as Saudi Arabia's Al Zamil. MEWA is still the direct provider in some rural areas.

**Desalination Targets**

Private sector engagement is also being sought in desalination, with MEWA aiming for private operators to increase their share of desalinated water production from 16% to 52% as part of the National Transformation ***Programme*** (NTP) 2020. The NTP was published in 2016 with the aim of helping to fulfil the aim of the country's longerterm development ***plan***, Vision 2030, part of which looks to promote the optimal use of water resources, and increase desalinated and treated water output through ***strategic*** partners.

In 2016 the SWCC announced that it had ***plans*** to invest around $80bn by 2025 to boost desalinated water production to 8.5m cu metres per day from its current capacity of 3.6m cu metres.

One of the developments currently being pursued by the SWCC is the third phase of the $1.37bn Yanbu plant, a reverse osmosis seawater desalination plant, which will supply 550,000 cu metres of water per day to the city of Medina, along with 2500 MW of power once the plant is in operation. Another major project is Jeddah IV, which will add a further 400,000 cu metres per day to the city's water supply. According to MEWA, the SWCC will only be a distributor, while the WEC will remain the principal buyer and it is likely that ECRA will have its regulatory powers extended over downstream as well as upstream processes.

Downstream, the first stage of the strategy involves clustering regional companies into five or six entities, though the NWC will continue the single leadership structure for the downstream too. The firm has invested $6.7bn in more than 300 projects in water infrastructure development and treatment in Makkah, Jeddah, Riyadh and Taif in recent years.

**Treatment**

MEWA has increased its investment in sewerage, initiating some 75 new schemes in 2015 alone. In 2016 it followed these actions up by awarding contracts for a number of sewerage projects, which were valued at $142.4m in total. These investments have also provided a boost to water production, with treated sewage effluent (TSE) becoming more widely available for use in non-potable applications. The NWC set up a TSE business unit to commercially market the product, achieving remarkable success before being spun off as a separate unit in 2012. Contracts to supply TSE on a long-term basis to outfits including SEC, Saudi Tabreed and Bariq Mining were signed before the unit became a separate entity.

TSE and grey water - non-toilet wastewater from homes and office buildings - may have more uses, too. For example, the NTP states that the proportion of water used in ***agriculture*** relative to the amount of water available from renewable sources is 416%. In line with the Kingdom's developmental goals established in Vision 2030, the NTP aims to reduce this to 191% by 2020, while increasing the proportion of renewable water used in ***agriculture*** from 13% to 35%.

The NTP has set some other important targets for the privatisation of the water sector. These include boosting the percentage of desalinated water ***produced*** by ***strategic*** partners from 16% to 52%, and raising its contribution to the country's total output of treated water from 0% to 20%. The NTP also targets expanding the NWC's coverage from 42% of cities with water and sewerage services to 70%.

**Electricity**

As with water, the regulator for electricity is ECRA. The sector is also moving towards privatisation, with ECRA launching an Electricity Industry Restructuring ***Plan*** in 2009. This involves the unbundling of SEC, creating an open generation and distribution market, establishing a transmission company and a parallel market where large consumers can buy power from the ***producer*** of their choice. Although slow to start, progress has been made, with the creation of the National Grid in 2012, and a memorandum of understanding signed between ECRA and SEC in 2013 outlining both parties' commitments and actions that will be taken as part of the restructuring.

The NTP also includes a series of key performance indicators for electricity. These target several areas in efficiency, coverage and also guidelines regarding sector presence of ***strategic***, private sector partners.

Alongside broader market reforms, in December 2017 ECRA announced a reorganisation of its electricity tariff system for low-consumption residential and commercial customers. Coming into effect on January 1, 2018, the system is an attempt to gradually raise electricity prices, with the lowest residential category being increased from 5 halalas ($0.01) to 18 halalas ($0.05) per KWh. The savings will be used to support low- and middle-income families through the Citizen's Account welfare ***programme***, the authority said in a press release. The measures are, in part, a move to bring national electricity tariffs in line with international standards, in accordance with the Kingdom's Fiscal Balance ***Programme*** 2020, but will not affect tariffs for the industrial sector, in order not to impact the pursuit of non-oil growth.

The MEIMR's goals under the medium-term development ***plan*** include raising fuel efficiency in electricity production from 33% to 40% and increasing the share of total electricity output generated by private partners from 27% to 100%. In other words, a radical change in the energy mix and in generation capacity are part of the proposed restructuring. In terms of transmission and distribution, the objectives include reducing the annual number of outages that last more than five minutes from 6.36 to three, lowering the average duration of an outage from 262 minutes to 120 minutes, boosting the reserve generation capacity from 10% to 12% and increasing overall grid coverage from 99% to 99.5%.

**Challenges**

As is the case with water, the electricity sector faces challenges in terms of demographics and economic growth, with demand rising fast, and in recent years energy consumption has grown rapidly. Oil and gas have traditionally been the main energy sources used in electricity generation, with Saudi Arabia one of the few countries still burning oil to generate a significant proportion of its power.

According to the "BP Statistical Review of World Energy 2017", the country generated 330.5 TWh of electricity in 2016, up from 328.1 TWh in 2015. Growth in output over the previous 10 years had averaged 6.4% per year, which was below nominal GDP growth over the period between 2006 and 2016, but considerably higher than real GDP growth. While electricity demand continues to rise faster than either, the 2017 summer peak was lower than that of 2016, suggesting consumers may be curbing usage in anticipation of forthcoming tariff changes.

Looking ahead, forecasts also vary, with Business Monitor International anticipating demand doubling by 2030, and BP reporting yearly growth of 5.1% from 2005 until 2015. This represents both a major challenge and a clear opportunity for investors.

The largest organisation in the field currently is SEC, which was formed in 2000 after a merger of several regional companies and the General Electricity Corporation. Since then SEC has undergone periodic restructurings, creating National Grid - a spin-off transmission company - in 2012. In 2014 Energy Trading and New Ventures, another subsidiary, was created to handle SEC's commercial relations with electrical power ***producers*** and customers, and will have a key role in establishing links with the ***strategic*** partners mentioned in the NTP.

**Capacities**

In 2016 SEC had a total generation capacity of some 74.3 GW and sold 287,692 GWh, slightly up from the 285,674 GWh it sold in 2015, registering a compound annual growth rate (CAGR) in sales of 5.5% in the 2011-16 period.

Approximately 50% of GW sold in 2016 went to residential customers, 16% went to commercial consumers, 16% to industrial, 14% to the government and 4% to others. The company had 8.5m customers in 2016, up from 8.1m the year before, giving it a five-year CAGR of 6.3% in number of customers. SEC also managed to boost its installed capacity in 2016 by 9.4%, adding a further 4.7 GW.

This additional capacity was spread across the company's four geographical zones - Central, Eastern, Western and Southern. The Central Zone contains Power Plant 10 and Power Plant 12. Power Plant 10 benefitted from the addition of seven steam generation units, a total added capacity of 806 MW, while Power Plant 12 had two steam generation units installed, adding 682 MW in total.

The Eastern Zone saw the addition of two 77-MW gas generation units at the Al Qurayyat Power Plant, and one 70-MW gas generation unit at the Rafha Power Plant, while the Western Zone had four 72-MW steam generation units at the South Jeddah plant and two 20-MW mobile gas generation units at the Tabouk 2 plant. Lastly, with a total added capacity of 93 MW, four gas generation mobile units were added to the Southern Zone's Jazan Power Plant.

In addition to SEC, both the SWCC and Saudi Aramco ***produce*** electricity. The SWCC's MSF desalination plants are dual purpose, with the electricity generated being used in part to power the desalination process, with the surplus exported to SEC. Likewise, Saudi Aramco generates power for and from its own facilities, while selling surplus to the grid. Moreover, two co-generation plants operated by IWPPs ***produce*** electricity. These are the Jubail Water and Electricity Company's 2.9-GW-capacity plant, and the Shuaibah Water and Electricity Company's 1.2-GW facility.

Under the Kingdom's strategy to boost private sector involvement in generation, there are a number of independent power station projects that are either currently being developed or have recently been completed. Beginning commercial operations in 2016, the 3927-MW Qurayyah-1 plant was the largest of its kind in the world when launched. Others include the natural gas, combined-cycle 2060-MW Rabigh-2 in Makkah; the 1505-MW Al Fadhili Plant, a joint venture (JV) with Saudi Aramco, which is expected to be completed in 2019; and the 3800-MW Jazan Plant Project, another JV with Saudi Aramco.

National Grid's 110-380-KV transmission network reached 65,186 km in 2015, while at the distribution end the year saw 502,000 new SEC customers as 150 new communities were supplied with electricity. The transmission network has been regularly expanded over the years, with 5161 km of overhead networks and ground cables being added in 2016, along with 65 new transmission substations.

**Meeting Demand**

With demand for electricity expanding at a rapid rate, the Kingdom needs to add around 4 GW of generation capacity per year to match recent growth. At the same time, using fuel oil for so much of its power generation has been expensive, even during periods of lower oil prices, and means that Saudi Arabia is using up non-renewable resources at home that could be generating export income. In order to curb domestic energy consumption, on January 1, 2018 the MEIMR implemented fuel price increases, which saw Octane 91 fuel rising from SR0.75 ($0.20) per litre to SR1.37 ($0.37) per litre - an 82% increase - and Octane 95 from SR0.90 ($0.24) to SR2.04 ($0.54), up 126%, with diesel prices for transport unaffected. In recent times there have also been moves to widen the energy mix to include solar (see analysis) and potentially nuclear power, while new, more fuel-efficient systems have been put in place at existing power stations and are a requirement in the construction of new facilities. Meanwhile, a major campaign to manage demand has begun, ranging from smart grid applications to encouraging people to conserve and value energy.

On the generation side, Saudi Arabia has been pursuing a nuclear strategy for some years. In 2010 the King Abdullah City for Atomic and Renewable Energy (KACARE) was established to lead the Kingdom's nuclear ***programme*** development. In January 2016 KACARE signed an agreement with China Nuclear Engineering Corporation to build a high-temperature reactor in Saudi Arabia, signing a further cooperation agreement in March 2017. That month also saw the Saudi Geological Survey sign an exploration agreement with the China National Nuclear Corporation to explore nine potential uranium-bearing sites around the Kingdom over the following two years. Saudi Arabia has also signed feasibility study agreements with other nuclear ***producers***, such as South Korea.

**Efficiency**

SEC has been upgrading its stations for some years, with the aim of increasing efficiency. Many began operations more than 25 years ago, so moves are being made to convert open-cycle stations to combined-cycle, which should boost plant efficiency from 33% to over 45%. In 2016 SEC ***produced*** 24.6% of its total power via the combined-cycle method, up from just 8.3% in 2010.

The establishment of the Saudi Energy Efficiency Centre in 2010 is also boosting efficiencies at the consumer level. In 2012 it began working on the Saudi Energy Efficiency ***Programme*** (SEEP) focusing on industry, transportation and buildings - the sectors responsible for some 90% of energy consumption. Under the SEEP, 12 teams and 84 initiatives have since been launched, with the aim of developing and implementing new standards in electrical motors, and ***producing*** new fuel economy software.

Meanwhile, SEC is also pursuing the objective of achieving 100% smart meter penetration by 2025. "There are opportunities for Saudi-made technologies to compete in niche markets domestically and abroad," Abdullah Alkhorayef, CEO of Alkhorayef Commercial Group, told OBG. "Power solutions for ***agricultural***, residential and industrial customers are in high demand in the region."

**Outlook**

These are busy times for the power and water sectors, with full privatisation on the agenda. While the water industry has advanced further down this road, the year ahead will likely see a greater role for private companies in power too. Meanwhile, efforts to widen the energy mix and manage demand are creating further opportunities, alongside smart metering and other ICT-based systems, hard infrastructure construction, and power and water project financing. Demand for both resources continues to increase, and this is expected to remain the case.

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**End of Document**



[***Council of the European Union: COMMISSION STAFF WORKING DOCUMENT Roma integration indicators scoreboard (2011-2016) Accompanying the document Communication to the European Parliament and the Council Midterm review of the EU framework for national Roma integration strategies ST 11801 2017 ADD 1***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PP6-25M1-JDG9-Y3P2-00000-00&context=1516831)

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**Body**

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 11801/17 PL/mz DG B 1C EN Council of the European Union Brussels, 31 August 2017 (OR. en) 11801/17 SOC 557 ANTIDISCRIM 37 POLGEN 113 JAI 747 EDUC 328 FREMP 90 COHOM 98 FSTR 58 FC 66 REGIO 84 COVER NOTE From: Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director date of receipt: 30 August 2017 To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union No. Cion doc.: COM(2017) 458 final Subject: COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL Midterm review of the EU framework for national Roma integration strategies Delegations will find attached document COM(2017) 458 final. Encl.: COM(2017) 458 final EN EN EUROPEAN COMMISSION Brussels, 30.8.2017 COM(2017) 458 final COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL Midterm review of the EU framework for national Roma integration strategies {SWD(2017) 286 final} 2 This midterm review takes stock of the progress since the launch of the EU framework for national Roma integration strategies (NRISs) in 2011. It is based on data on how the situation of Roma have changed and input from national authorities, civil society and other partners. The review confirms the added value of the framework, the relevance of EU Roma integration goals and the continued need for a combination of targeted and mainstream approaches.

The most important improvements prompted by the EU framework include:  the commitment to addressing Roma integration as a priority at European and national levels  structures for cooperation and coordination among Roma inclusion stakeholders  the development, implementation and monitoring of national strategies and integration measures, and  the mobilisation and alignment of legal, policy and funding instruments to fight discrimination and promote Roma inclusion With the development of the necessary structures, the conditions are in place to make a difference in the life of Roma. As regards real change in the situation of Roma between 2011 and 2016, however, it is clear that five years is too short a period to undo centuries of discrimination and deprivation. Progress is visible mainly in the area of education; in particular, the growing participation of Roma children in early childhood education and care points to strong potential for their later development. On the other hand, early school-leaving and poverty risk among Roma, though declining, are still far too high. The growing proportion of young Roma who are not in education, employment or training (NEET) is an alarming signal that translating results in education into employment and other areas requires a more effective fight against discrimination. The review also identifies key priorities for Member States to address and ways to strengthen the EU Framework for NRIS. 1. DEVELOPING THE EU FRAMEWORK In 2011, the situation of Roma,1 Europe’s largest minority (about 10-12 million people), came to the centre of political attention. In the context of the economic crisis, it became clear that tackling economic and social marginalisation and discrimination against Roma is not only a moral duty in line with fundamental EU values, but also, an economic imperative promising long-term benefits for ageing European societies. It was clear that action is needed at both national and EU levels. While Member States are primarily responsible and equipped to change the situation of their Roma communities, the Commission (in line with a call from the European Parliament)2 proposed a new targeted European-level policy instrument: the EU framework for national Roma integration strategies (NRISs).3 1 In line with the terminology of European institutions and international organisations, the term ‘Roma’ is used here to refer to a number of different groups (e.g Roma, Sinti, Kale, Gypsies, Romanichels, Boyash, Ashkali, Egyptians, Yenish, Dom, Lom, Rom, Abdal) and includes travellers, without denying the specificities of these groups. 2 2010/2276(INI). 3 COM(2011) 133. 3 The framework aims to close the gap between Roma and non-Roma in four key areas: education, employment, healthcare and housing. The Commission’s proposal was followed up by Council and European Council conclusions4 marking an unprecedented EU-level commitment to a comprehensive approach to Roma inclusion. Key requirements included: • a commitment by all Member States to developing national strategies • a combination of social inclusion and rights-based approaches, with the fight against discrimination becoming a horizontal requirement across all policy fields • the involvement of regional and local authorities, civil society and Roma in the design, implementation and monitoring of NRIS • adequate and sustainable funding (national budget to be supplemented by EU funds) • monitoring of results, and • mainstreaming Roma inclusion goals in public policies In 2013, the EU Roma framework was strengthened by a Council Recommendation on effective Roma integration measures.5 The Recommendation sharpened the focus on anti-discrimination and extended work on Roma to new horizontal and structural areas. It also introduced, as of 2016, an annual reporting obligation on Member States, contributing to the development of a European system of monitoring. The December 2016 Council conclusions on accelerating the process of Roma integration6 confirmed the Member States’ commitment and called for a midterm review of the EU framework. 2. MOBILISING EUROPEAN LEGAL, POLICY AND FUNDING INSTRUMENTS Since the launch of the EU framework, legal, policy and funding instruments have been mobilised and aligned to promote Roma inclusion. Mainstream EU legislation (the Racial Equality Directive, the Council Framework Decision on combating racism and xenophobia)7 prohibits anti-Roma discrimination, hate speech and hate crime. The European Semester promotes reforms of mainstream policies that are conducive to Roma inclusion. The 2014-2020 European structural and investment funds (ESIFs) include several innovations to link policy priorities with European funding. 4 EUCO 23/11, EPSCO 106665/11. In line with the Council conclusions, all Member States were invited ‘to prepare, update or develop their national Roma inclusion strategies, or integrated sets of policy measures within their broader social inclusion policies’. By 2012, all Member States except Malta had submitted strategies or integrated sets of policy measures. The terms ‘NRIS’ and ‘strategy’ also cover integrated sets of policy measures. 5 OJ C 378 6 14294/16 7 2000/43/EC, 2008/913/JHA 4 2.1 Fighting discrimination Following the adoption of the EU framework, the Commission took a series of measures to fight Roma discrimination. It reinforced its monitoring of Member States’ implementation of anti-discrimination and anti-racism and xenophobia legislation. The Commission continuously monitors Member States’ compliance with the anti-discrimination legislation. There is a particular focus on the fields of education and housing. Cases of systematic discrimination against Roma on grounds of their ethnicity are swiftly investigated. Infringement proceedings concerning discrimination against Roma children in education are ongoing.8 The Commission highlighted that placing Roma children in segregated schools or Roma-only classes with substandard school curricula, and diagnosing them with light mental impairment in disproportionate numbers on the basis of their social disadvantage, are in breach of the Racial Equality Directive. The Commission also monitors Member States’ transposition of the Council Framework Decision on combating racism and xenophobia, and fights racist and xenophobic stereotypes and hate speech and hate crime, including when addressed to Roma. Under this framework the Commission entered dialogue with Member States leading to changes in legislation, established an EU high-level group on combating racism and xenophobia to foster cooperation between relevant actors and reached agreement with the main social media providers on a code of conduct on countering illegal hate speech online. Several important steps have been taken to recognise and fight antigypsyism, as a specific form of racism against Roma and one of the root causes of Roma social exclusion and discrimination: • the 2013 Council Recommendation highlighted the need to fight antigypsyism and encouraged Member States to adopt measures to prevent or compensate for disadvantages suffered by Roma (positive action) • a 2015 European Parliament Resolution9 called on Member States to recognise the Roma holocaust officially and designate a European memorial day • antigypsyism was further discussed at the 2015 European platform for Roma inclusion • European Roma and pro-Roma civil society ***produced*** a reference paper on antigypsyism10 • the 2016 Council conclusions referred to antigypsyism and to the recognition and commemoration of Roma genocide, and • the above mentioned high level group combating racism and xenophobia aims to , prevent and counter, inter alia, antigypsyism The Commission has also worked to tackle multiple discrimination against Roma children and women, as groups exposed to high risks of violence, trafficking in human beings (THB),11 8 CZ, HU, SK 9 2015/2615(RSP). 10 [*www.antigypsyism.eu*](http://www.antigypsyism.eu) 5 exploitation, and underage and forced marriage, and to ensure that they are better protected. Promoting the empowerment of both groups, as well as Roma youth, was at the core of the above-mentioned Council conclusions. 2.2 Promoting inclusive reform through the European Semester Through the European Semester exercise, the Commission steers and monitors Member States’ action in order to make mainstream policies more inclusive of Roma. Since 2012, the five Member States most concerned (i.e with the largest Roma communities and most acute challenges)12 have received country-specific recommendations (CSRs) on Roma inclusion. These increasingly focused on education, calling for systemic measures to promote Roma children’s participation in quality inclusive mainstream education. CSRs steered funding priorities in the 2014-2020 ***programming*** period. 2.3 Mobilising EU funding The EU framework called on Member States to make full use of EU funds for Roma inclusion. In 2007-2013, the funds took a mainstreaming approach to disadvantaged groups/regions, without explicitly targeting Roma, so the precise amounts of funding for Roma inclusion cannot be quantifed. Disadvantaged groups could receive funding from the European Social Fund (ESF) mainly in the area of social inclusion, but also in the areas of employment and education. The amount allocated to the integration of disadvantaged people (including Roma) into employment was around €10 billion. The amount allocated under the European Regional Development Fund (ERDF) for social infrastructure (benefiting Roma among others) was around €17 billion. The ERDF Regulation was amended in 2010 and the Commission issued guidance in 2011 to support integrated housing ***interventions*** for Roma communities. Rural development policy supported the inclusion of marginalised minorities, including Roma. For the 2014-2020 ***programming*** period, the EU framework and the European Semester have ensured that there is a strong linkage between policy and funding priorities. The link between implementation of CSRs and the ESIFs ensures that mainstream policy reforms serve inclusion goals. For example, the Commission asked Member States that received CSRs calling for enhanced Roma participation in education to select the investment priority ‘socio-economic integration of marginalised communities such as Roma’ and to mainstream Roma inclusion under other relevant priorities (most importantly, ‘fighting early school-leaving and promoting equal access to quality early childhood, primary and secondary education’). Inclusive education cannot be achieved by targeted actions alone, but requires reforms of mainstream education. The 2014-2020 rural development ***programmes*** of the Member States most concerned provide support under priority 6 'promoting social inclusion, poverty reduction and economic development in rural areas' which includes measures to address the specific needs of marginalised groups including, but not limited to Roma.13 The Commission also encouraged 11 The EU strategy towards the eradication of trafficking in human beings 2012–2016 (COM(2012) 286 final) led to relevant deliverables, such as a 2015 study on high-risk groups for trafficking in human beings and the Report on the progress made in the fight against trafficking in human beings COM(2016) 267 final and SWD(2016) 159 final. 12 BG, CZ, HU, RO, SK 13 Ibid – Targeting is made during the selection process prioritizing projects addressing problems of marginalised groups in rural areas, mainly under measure 7 'Basic services and village renewal in rural areas' and measure 19 'Community-led local development.' 6 the involvement of NRCPs in the ***planning*** of EU funds, including as members of monitoring committees. For 2014-2020, several new tools have been introduced (in addition to the ‘socio-economic integration of marginalised communities’ investment priority) to improve the effectiveness of the ESIFs as regards social inclusion, including that of Roma: • a new set of requirements to ensure that Member States that allocate EU funds for Roma inclusion, have national ***strategic*** Roma inclusion policy frameworks and meet the pre-conditions for their effective implementation • a more robust partnership principle (as part of a European code of conduct) to guide cooperation with civil society, local authorities and social partners in the ***planning***, implementation and monitoring of EU-funded ***interventions*** • increased earmarked funding for capacity-building for civil society organisations • obligatory minimum allocation ratios for investment in social inclusion • support for the physical, economic and social regeneration of deprived communities that may involve stronger integrated housing measures • territorial and integrated approaches addressing the specific needs of geographical areas most affected by poverty and target groups at highest risk of social exclusion, facilitated by a multi-fund approach • enhanced results-oriented monitoring arrangements (common indicators focusing on outputs and results) and reporting on a Roma-specific investment priority, and • guidance for Member States on the use of EU funds to tackle segregation In June 2016, the Court of Auditors published the results of its audit on EU policy initiatives and financial support for Roma inclusion, concluding that significant progress in setting out EU policy initiatives promoting Roma inclusion had led to clear improvements for the 2014-2020 period. The Court called for additional efforts to ensure that the new tools improved results on the ground. It also made specific recommendations regarding the use of the ESIFs, data collection and monitoring.14 The Commission has mobilised directly managed EU funding to finance projects fostering Roma inclusion and fighting discrimination across Europe: • The Rights, Equality and Citizenship ***Programme*** funds local, national and transnational projects on Roma inclusion and anti-discrimination • The Europe for Citizens ***Programme*** supports projects commemorating the Roma holocaust 14 EN 2016, no. 14 7 • The Employment and Social Innovation (EASI) ***Programme*** promotes social policy innovation aimed at Roma inclusion • Erasmus+ helps develop lifelong learning measures for Roma inclusion • The Public Health ***Programme*** supports initiatives to promote equal access to healthcare, and • The Horizon 2020 research and innovation ***programme*** and the Seventh Research Framework ***Programme*** fund research on social inclusion, education, including research projects on the mobility of Roma to Western Europe and the impact of educational policies on Roma 2.4 European mainstream policy initiatives European mainstream policy initiatives in the fields of education, employment, social and health can help to promote Roma inclusion. The 2011 Council Recommendation on policies to reduce early school-leaving15 recommends the inclusion of targeted measures for the most vulnerable groups, including Roma. As a follow-up to the Paris Declaration16, the Commission stepped up its support for inclusive education. One of the priorities is to foster the education of disadvantaged children and young people, including Roma, by ensuring that education and training systems address their needs. The youth guarantee and youth employment initiatives of 2013 are particularly relevant for Roma. They played a crucial role in helping to get young people back into work or education, but the Commission has acknowledged that more effort must be made to support ‘hard-to-reach’ young people, such as Roma. Key categories of the European pillar of social rights include equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion. The Commission’s initiatives targeting Roma health are taken forward under a range of general and specific policies. The 2014 Roma health report constitutes an important contribution to improving the knowledge base and mechanisms for monitoring and reporting on the health status of the Roma, with a focus on countries with large Roma populations. 17 2.5 Involving all stakeholders at European level If Roma exclusion is to be overcome, all relevant stakeholders must join forces, fulfilling their responsibilities in the light of their mandates, competences and capacities. In order to promote mutual learning, dialogue and cooperation, the Commission has facilitated and financially supported stakeholder dialogue through the European platform for Roma inclusion, the NRCP network and regular consultation meetings with EU umbrella Roma and pro-Roma NGOs and international organisations. Over the years, the participatory approach and cooperation with international organisations have been reinforced. 15 2011/C 191/01 16 17.03.2015, informal meeting of EU education ministers 17 Roma Health Report 2014 8 2.6 Promoting awareness-raising, Roma participation and capacity-building for civil society and local authorities The Commission has stepped up its efforts to promote awareness-raising, Roma participation and empowerment, and capacity-building for civil society and local authorities. Its ‘For Roma, with Roma’ campaign supported targeted communications activities to combat prejudices and discrimination against local Roma populations. The Commission has launched joint ***programmes*** with the Council of Europe: • JUSTROM gives Roma and traveller women greater access to justice • ROMED promotes inclusion by training intercultural mediators • ROMACT builds local authorities’ capacity to develop and implement inclusion measures • ROMACTED promotes good governance and Roma empowerment at local level in Western Balkans and Turkey The Commission has launched a pilot ***programme*** to build capacity among local civil society actors in order to strengthen their involvement in the monitoring of NRISs. In 2016, the Commission and the Slovak Presidency organised a high-level event on Roma youth empowerment, which confirmed the urgent need to empower young Roma and actively involve them in Roma inclusion policy. 3. ASSESSING EFFORTS AND RESULTS IN THE MEMBER STATES The political commitment of Member States, translated into national strategies, was a significant first step towards improving the livelihoods of Roma. National approaches to Roma inclusion vary across Member States according to the size and socio-economic situation of local populations. In its annual reports, the Commission has identified the priorities to be addressed by Member States in order to secure effective implementation. These include setting quantifiable targets, indicators and budget allocations, monitoring the impact of mainstream measures on Roma, cooperation with local authorities and civil society, and the involvement of Roma in all phases of the policy process. Member States have addressed some of these challenges, in particular with respect to their institutional arrangements, stakeholder cooperation, monitoring and funding. However, the impact of their measures on the situation of Roma in education, employment, healthcare and housing remains limited. 3.1 Substantive policy areas The EU framework sets goals to improve Roma access to education, employment, healthcare and housing, and to fight discrimination in these areas. Changes in the situation of Roma (from 2011 to 2016)18 are reviewed below on the basis of Member States’ reports on integration measures, main successes and implementation challenges. 18 Based on the FRA’s 2011 Roma pilot survey and the EU-MIDIS II survey in 2016, see SWD in annex. 9 Measures reported by Member States in the key policy areas and antidiscrimination 3.1.1 Education Education is the main area in which the situation of Roma improved. It is also the most prominent area in Member States’ policy mix for Roma inclusion. There is clear progress in the fight against early school-leaving, with declining rates among Roma in all surveyed Member States (most significant improvements in ES, SK, BG, CZ and RO). This is in line with Member States’ policy focus: a majority of Member States implemented early school-leaving strategies and several met their Europe 2020 target in this area as a result. However, despite the improvements Roma continue to be strongly over-represented among early school-leavers, with rates up to 24 times higher than in the population as a whole. The other clear improvement is in early childhood education and care, where the participation of Roma children grew in most Member States (significant progress in BG, EL, ES, SK and HU, but deterioration in PT and RO). The greater recognition of the importance of early education is reflected in the high number of measures and increased investment in this area, supported by legislative changes such as introducing compulsory kindergarten years (BG, CZ, FI, HU and LT). However, dedicated financial support is required to help the most deprived families with the indirect costs of early childhood education (fees, food, clothing, transport, etc.). Small improvements have been registered in compulsory education, with more than 9 in 10 Roma children covered by compulsory schooling provisions attending education in most Member States (not EL and RO). While education is the area in which the most progress has been made, important systemic challenges remain. Eliminating segregation in education and putting an end to the inappropriate placement of Roma in special needs schools have been highlighted as priorities under the EU framework, the 2013 Council Recommendation, the Racial Equality Directive and the European Semester. There are still trends of persisting, sometimes even growing, segregation, with one to two thirds of Roma children attending schools where most or all 163 58 36 31 72 115 88 57 44 66 Education Employment Healthcare Housing Antidiscrimination Targeted Mainstream 10 children are Roma (SK, HU, BG: 60 % or above; EL, HR, ES, CZ, RO: 29-48 %). 19 This can be explained only partially by residential segregation. Despite the increasing number of Member States investing in measures promoting inclusive teaching and learning methods, active desegregation measures are lacking in several of the countries most concerned and in some cases EU funds have even been used for segregated facilities. Evidence that integrated school settings and mixed classes are mutually beneficial for Roma and non-Roma is still not widely acknowledged. Too little attention is given to other key areas that are indispensable for improving employability, such as second-chance education and skills development in line with labour market needs. Among successes in the area of education, NRCPs mention:  legislative reform  inclusive structures  increasing participation by Roma (especially in early, but also compulsory and vocational, education)  improved multicultural competences  support for Roma students and teachers, and  reaching out to parents Among remaining challenges, they cite:  still-high, though declining, early school-leaving rates  difficulty of promoting effective transition for Roma to upper secondary and tertiary education  language deficiencies, and  discrimination 3.1.2 Employment Improvements in education have not yet been effectively translated into employment. Although Roma employment levels have risen in some Member States (PT and HU), changes elsewhere are smaller or even negative. The NEET rate among young Roma remains alarmingly high and has actually risen in several Member States (51-77 % in ES, HR, BG, SK, RO, CZ and HU, with only PT showing a clear decline). One reason for the lack of progress could be that measures focus on the supply side, i.e employability (through vocational training, lifelong learning, etc.) and do not proportionately address barriers on the demand side, e.g by monitoring and fighting discrimination. Mainstream measures could also target Roma better. 19 EU-MIDIS II (selected findings). 11 The strong employment gap between Roma women and men (widest in EL, RO, PT and HU) 20 is not sufficiently addressed. Avenues to mobilise the private sector and incentivise employers to recruit Roma, who in several Member States represent a significant and growing proportion of the working-age population, should be further explored, e.g through the explicit targeting of Roma under the youth guarantee and social considerations in public procurement. Recently, national employment levels have started to rise in several of the Member States most concerned. Revived economic growth offers a long-awaited opportunity for Roma to (re-)enter the open labour market, provided Member States apply smart policies with effective incentives. Where entry-level wages are extremely low, social benefits not linked to activation measures can constitute an unemployment trap. According to the NRCPs, the single most important success factor is:  targeting Roma through mainstream employment services, e.g via individual support or reaching out through Roma fieldworkers/labour officers Among challenges, the NRCPs refer to:  lack of skills and competences  discrimination  need to impress on employers the importance of diversity management and anti-discrimination, and  better targeting Roma women 3.1.3 Health In the field of health, basic social security coverage remains a challenge, without significant improvement in the countries most concerned, where around half of the Roma population are still without basic medical insurance coverage (BG and RO, but an improvement of over 30 percentage points in EL). This is in spite of measures focusing on removing barriers that prevent Roma from accessing the healthcare system, which often include a lack of civil documentation. The self-perceived health status of Roma has generally improved (with the biggest increases in RO, BG, HU, PT and EL), which points to some success from other health measures, such as those promoting health awareness, access to vaccinations, medical check-ups, pre- and post-natal care and family ***planning***. Improved perceptions of health could also be linked to the declining rate of Roma suffering from hunger on a regular basis in most countries. The civil delivery of services and targeting of Roma women are strongest in the field of health, but health reforms generally fail to target Roma needs explicitly. These findings are confirmed by NRCPs, who mention among successes:  health awareness  promotion of a healthy lifestyle 20 Ibid. 12  focus on prevention  health literacy  Roma health mediators  civil participation, and  cross-sectoral, multi-stakeholder cooperation Challenges raised include:  lack of health coverage and general practitioners in Roma-populated areas  under-use of health services  mental and physical health problems  teenage pregnancies, and  need for more Roma health professionals 3.1.4 Housing In the field of housing, small improvements regarding Roma access to basic amenities can be observed, with the rate of Roma living in households without tap water, toilet, shower or bathroom decreasing in several Member States (especially BG, RO, SK and CZ). Access to electricity supply is also improving slightly, with rates above 90 % in most Member States (not PT and EL). However, in several Member States (CZ, ES, IT and PT), Roma increasingly experience discrimination when it comes to access to housing. In the NRISs, Member States focused on promoting non-discriminatory access to social housing, with some also adopting desegregation measures. However, some of the countries most concerned do not report measures fighting segregation, while others do not address non-discriminatory access to social housing at all. Both areas are of utmost importance for further robust action, potentially financed from EU funds in line with the Commission’s guidance on desegregation. This is especially important in the context of frequent evictions in several Member States. Successes mentioned by NRCPs (which tend to be pre-conditions for future change) include:  housing allocations for marginalised communities under the 2014-2020 ESIF operational ***programmes***  surveys on the housing situation, and  new action ***plans*** or ***strategic*** documents on housing Among challenges, they refer to: 13  the limited availability and low quality of social housing  discrimination in the housing market, and  segregation and ghettoisation Priorities to be addressed by Member States:  Promote effective equal access for Roma to quality inclusive mainstream education through legislation, inclusive reforms of public education, sustainable funding and explicit desegregation measures combined with inclusive teaching and learning methods  Monitor and fight discrimination in the labour market as a pre-requisite for improving Roma employment levels. Develop a comprehensive package of mainstream and targeted measures addressing both the supply and the demand side of the labour market. Tackle the gender gap in employment by explicit measures targeting Roma women  Ensure minimum basic social security coverage as an urgent priority, including by solving civil documentation issues, and improve access to other quality healthcare services. Exploit results in Roma participation in early childhood education and care by improving health services and providing free vaccination and medical check-ups for Roma children and their families  Address spatial segregation with a complex integrated long-term approach. Prevent forced evictions on ethnic grounds and offer alternative housing to evicted families (including through ESIF investments) to avoid homelessness and greater exclusion, and  Introduce safeguards to ensure effective equal access for Roma to mainstream measures and quality services in education, employment, health and housing. Target the specific needs of Roma in the context of public policy reforms 3.2 Use of EU funds In 2014-2020, Member States allocated a total of €42.3 billion in ESIF funding to promote social inclusion and fight poverty and discrimination, enabling actions targeting the socially disadvantaged (including, but not limited to Roma): • €21.2 billion from the ESF, i.e 25.6 % of the total ESF budget – well above the minimum 20 % required under the Regulation • €11.9 billion from the ERDF, and • €9.2 billion from the European ***Agricultural*** Fund for Rural Development (EAFRD) 12 Member States allocated €1.5 billion (i.e 3.5 % of the total allocation for social inclusion) to the priority explicitly targeting Roma. In addition, 11 Member States allocated a total of €447 million to combating discrimination. 14 Investment priority (IP) Member States that selected the IP Financial allocation Socio-economic integration of marginalised communities such as Roma AT, BE,

BG, CZ, ES, FR, EL, HU, IT, PL, RO, SK €1.5 billion The majority of funding (€1.2 billion) is concentrated in BG, CZ, HU and RO. Combating all forms of discrimination and promoting equal opportunity BE, CY, CZ, DE, ES, FR, EL, IE, PL, PT, SK €447 million Other relevant social inclusion priorities are active inclusion, access to affordable, sustainable and high-quality services, and health and social infrastructure. Roma can also be supported under the ‘education’ objective (e.g early childhood education and primary schools) and the ‘employment’ objective (where relevant priorities include access to employment, and social entrepreneurship). Several Member States predominantly rely on EU funds to implement integration measures, without national investments or adequate monitoring and reporting of the impact of ESIF-financed ***interventions***. Priorities to be addressed by Member States:  Ensure sustainable national funding of integration measures  Measure and report the impact of integration measures on Roma school attainment, employment levels, desegregation, access to health, housing and quality services, and  Use 2014-2020 funds to upscale, extend and multiply smaller-scale initiatives that proved successful in 2007-2013 3.3 Fighting discrimination Member States have put in place legal frameworks prohibiting discrimination, hate speech and hate crime, but the enforcement of EU legislation with regard to Roma remains a serious challenge. Overall, the situation has not improved over the years. Discrimination and racism affecting Roma is still present and widespread in all key areas. Hate speech and hate crime continue significantly to affect the Roma community. The lack of progress can be explained by several persisting challenges, including:  lack of political will at national, regional and local levels to ensure non-discrimination and equal treatment  administrative practices that can result in discriminatory practices or segregation  lack of data  under-reporting 15  scarcity of case-law, and  inadequate protection for Roma victims of discrimination and hate crime Despite the lack of progress, some positive developments should be recognised:  the adoption of new legislation and/or essential legislative amendments that have a direct impact on Roma, in particular in the area of education (HR, CZ, EL, HU, RO and SK)  increased cooperation and networking between key actors, such as NRCPs, equality bodies, legal practitioners, civil servants, police, service providers (including teachers), municipalities and members of Roma communities  efforts by national equality bodies to support Roma victims  prevention, awareness-raising, promotion of anti-discrimination standards and activities sensitising people to the situation of the Roma, including possible vulnerability to become victims of trafficking in human beings , promoting best practices in countering hate crime, hate speech and negative stereotypes, and  enforcement of national case-law on discrimination (Although in many Member States, court rulings and decisions recognising anti-Roma discrimination are not properly followed up.) The Commission supports Member States’ efforts in a number of ways, including work to enhance the role of national equality bodies and promote equality data collection. Priorities to be addressed by Member States:  Fully transpose and enforce anti-discrimination and anti-racism legislation and safeguards, e.g by guidance targeting the regional and local levels  Support the development and operation of effective and independent equality bodies, and  Fight antigypsyism by specific measures, addressed to majority society and stakeholders, to counter negative stereotyping and stigmatisation of the Roma community, and support civil society 3.4 Involving all stakeholders at national level Following the Commission’s guidance, Member States started to put in place the structural pre-conditions for the successful implementation of their strategies, including cooperation and coordination with relevant stakeholders. They began investing in internal policy coordination, ***strategic*** ***planning*** and stakeholder dialogue. Within their respective administrative structures, they designated NRCPs to coordinate Roma-related policies. The NRCPs have become increasingly involved in coordination and contribute to policy-making and the use of national and EU funds. Strengthening their human and financial resources would allow them to perform their tasks more effectively. 16 Most Member States established mechanisms to coordinate Roma inclusion efforts. Dialogue structures have improved considerably thanks to EU financial support for the development of national platforms for Roma inclusion. In all, 15 Member States have taken an advantage of this to date and developed national consultation processes convened and managed by NRCPs. However, important obstacles persist, such as a lack of capacity and sustainable funding, insufficiently transparent and inclusive involvement of civil society, and local authorities’ limited administrative capacity to implement sustainable integrated measures. Roma youth could be further encouraged to play an active role in shaping policies that directly impact them. Although the situation of Roma children and women is addressed by mainstream policies in the majority of the Member States, targeted ***interventions*** are also needed. Priorities to be addressed by Member States:  Strengthen NRCPs’ human and financial resources, and enhance their coordination role  Promote capacity-building, sustainable funding and the transparent and inclusive involvement of Roma, civil society and local authorities, and  Empower Roma youth, children and women as active players in the inclusion process 4. STAKEHOLDER ASSESSMENT OF ACHIEVEMENTS AND CHALLENGES The Commission invited European and national NGOs, international organisations, experts and NRCPs to provide their assessment of the key strengths and weaknesses of the EU framework, ways to improve it and priorities for action. Analysis of their contributions reveals a strong consensus on the achievements, challenges and priorities at European and national levels, suggesting that stakeholders appreciate the steps taken so far, but would like to see further reforms/improvements in addressing the challenges. 4.1 Achievements There is broad consensus that the biggest achievement of the EU framework is putting Roma inclusion high on the European and national political agendas, creating political commitment to concrete, large-scale, long-term integrated action. Stakeholders widely believe that annual monitoring and reporting from the Commission, targeted policy guidance for Member States, data collection and the more recent reporting obligation of Member States are all crucial to keeping the issue on the policy agenda and improving knowledge and evidence-based policy-making. The mobilisation of mainstream European legal, policy and funding instruments is another recognised result. Stakeholders attach great importance to the Commission’s commitment to enforcing the prohibition of discrimination and its drive for inclusive reform of mainstream policies (through CSRs under the European Semester). Aligning EU funding with policy priorities in 2014-2020 is considered even more important. The new Roma-specific investment priority, the associated ex ante conditionality and the partnership principle under the European code of conduct receive most recognition. The development of European and national coordination structures, creating spaces for Roma participation and cooperation between stakeholders are recognised. The designation of NRCPs to coordinate the development, cross-sectoral implementation and monitoring of NRISs, and 17 their increasing involvement in ***planning*** the use of the ESIFs and mainstream policies, are appreciated. The creation of the European platform for Roma inclusion in 2009 and the national platforms in 2015, and the role of equality bodies in the fight against discrimination are other strong points mentioned. Finally, there is recognition of the fact that the EU framework has adapted over time to address emerging priorities and gaps. In particular, the growing EU-level recognition of antigypsyism and the Council Recommendation extending the framework to new areas stand out. As regards the specific achievements of the NRISs, NRCPs emphasise progress on the horizontal and structural pre-requisites of implementation:  revising Roma integration strategies  mainstreaming Roma inclusion in other areas  drawing up local action ***plans***  local authorities becoming more active  knowledge development (surveys, guidance, training)  recognition of the Roma minority, language, culture and history  developing coordination structures  Roma participation, and  legislative reform Concrete progress in the situation of Roma is referred to much less frequently. 4.2 Challenges and priorities The most important overarching challenge and priority is the still-limited impact of the EU framework in improving the situation of Roma. This is often linked to external factors, such as the economic crisis or the alarming rise of xenophobia and nationalistic, populist political movements. Other factors highlighted include the lack of local commitment and capacity to implement integration measures and access funding. The perceived challenges underline the enduring importance of the key policy areas. Most stakeholders emphasise education (in particular, early education and desegregation) and housing (in particular, forced evictions and spatial segregation). However, translating improvements in employability into real employment and ensuring access to basic health services are also mentioned. Many civil stakeholders believe that the EU framework would benefit from a greater focus on anti-discrimination, in particular the fight against antigypsyism as a root cause of Roma exclusion. Other challenges and priorities largely overlap with the achievements. Stakeholders refer to declining levels of political commitment, with emerging priorities, such as the refugee crisis, 18 shifting Member States’ attention away from Roma inclusion. As regards reporting by Member States, they call for more transparency, further development and closer involvement of civil society in monitoring, which should also facilitate peer learning. They call for more attention to fighting discrimination, e.g by launching more infringement proceedings and imposing sanctions on non-compliant Member States. Regret is expressed at the fact that the Commission’s Roma-targeted and mainstream policy guidance under the EU framework and Europe 2020 is not enforceable. There are calls to target Roma more explicitly under European and national ***programmes***, such as the youth guarantee and Erasmus+. Many point to possible further improvements in the use of the ESIFs and call for NGOs and local authorities to be given direct access to funds, for better enforcement of ex ante conditionalities, sanctions for failure to uphold the partnership principle, better monitoring (through an increased role for the Commission and Roma themselves) and action to prevent the ineffective use of funds (e.g training ***programmes*** not leading to employment) or their misuse (e.g ESIF ***interventions*** financing segregated settings), including through a transparent complaint mechanism. As regards coordination structures, challenges include NRCPs’ evolving but still-insufficient mandate, capacity and resources, insufficient Roma participation and the need to ensure more transparent and inclusive involvement, capacity-building and access to funding for civil society. Various stakeholders call for continued and more flexible support for national Roma platforms, extending to more Member States and allowing transnational cooperation. There could also be greater coordination between the national and European Roma platforms. As regards the targeting of the EU framework and NRISs, some criticise the focus on marginalised Roma and recommend increasing investment in, and empowerment of, Roma youth, women and children, and paying more attention to the intra-EU mobility of Roma. 5. ROMA INCLUSION IN THE ENLARGEMENT PROCESS The EU framework states that Roma integration goals apply equally to enlargement countries. The Commission included Roma integration as a key priority in its enlargement strategy. Although Roma inclusion has been prioritised in the political agenda in the enlargement region since 2011, there has been limited progress on the ground. Most Roma still suffer from multi-dimensional social exclusion, notably in education, employment, health and housing. The integration difficulties faced by internally displaced Roma following the Balkan wars have not been fully addressed and are now exacerbated in some countries by the need to cope with returnees. In most countries, the lack of civil documentation still gives rise to real problems for some Roma. The Commission’s policy of promoting Roma integration in the enlargement region has involved: • supporting all countries in developing a Roma integration strategy and action ***plan***, and monitoring its implementation • working with each Western Balkan government to organise a biennial Roma integration seminar with public authorities, civil society and international organisations. The implementation of seminar conclusions is monitored annually in the respective Association Agreement subcommittees • putting Roma integration at the heart of the enlargement process by identifying concrete Roma-related targets in key policies such as the visa liberalisation roadmap and the chapter 23 negotiations (judiciary and fundamental rights), and • mobilising EU funding for Roma inclusion (Under the 2007-2013 instrument for pre-accession (IPA I), the Commission allocated substantial funds for Roma inclusion and 19 commissioned an independent evaluation to identify possible improvements for future financing. Under IPA II (2014-2020), it intends to enhance and better target Roma inclusion funding, with improved cooperation with international organisations.) Since 2016, all enlargement countries have NRIS and action ***plans***, and put in place NRCP and national Roma Platform structures. The Commission is fully committed to maintaining support for Roma inclusion stakeholders, with a particular emphasis on the involvement of civil society, cooperation with other donors and improved monitoring tools. 6. CONCLUSIONS This review has confirmed the added value of the EU framework, the relevance of EU Roma integration goals and the continued need for a combination of targeted and mainstream approaches, whereby targeted measures can help to eliminate barriers to effective equal access for Roma to rights and services in mainstream public policies. The consultations with stakeholders confirmed their recognition of, and continued demand for, a European commitment based on an enhanced EU framework. This is equally valid for the enlargement countries. In response to the Council’s call to propose a post-2020 European ***strategic*** approach to Roma inclusion, the Commission will go beyond this review and launch a full in-depth evaluation of the effectiveness, efficiency, coherence, relevance and added value of the EU Framework for NRIS, covering all key elements of the European and national approaches to Roma integration, including the policy, legal and funding instruments that have been aligned and mobilised since the 2011 launch of the EU framework. The evaluation will further explore ways to develop the EU framework and feed into the ***planning*** for targeted and mainstream EU policy, legal and funding instruments post-2020. The results of this stocktaking highlight the following conclusions as priorities for strengthening the implementation of the EU framework: HORIZONTAL AREAS • Reinforce and distinguish the anti-discrimination and antigypsyism focus both under the EU Framework and NRIS • Promote Roma participation and empower Roma children, youth and women Antigypsyism goes beyond the legal notion of discrimination. It can be addressed as a separate thematic area with specific measures, such as awareness-raising, informing about the mutual benefits of Roma inclusion and inter-ethnic community-building. Fighting antigypsyism should include measures to prevent and counter bias-motivated hate crime and hate speech targeting Roma. At the same time, it can also be considered a horizontal priority to be addressed through indicators or by promoting Roma participation in all key policy areas. The civil society monitoring project and Commission-facilitated peer learning between Member States and key stakeholders have the potential further to operationalise action in this area. Fighting antigypsyism and stereotypes by targeting majority society is a pre-condition for generating political will and for the success of any Roma inclusion ***intervention***. In order to ensure close interaction of anti-discrimination and social inclusion approaches, reporting under international human rights mechanisms could more systematically complement the monitoring of discrimination and antigypsyism under the EU framework, through closer 20 cooperation with organisations such as the Council of Europe, the United Nations and the Organisation for Security and Cooperation in Europe. Further work by the EU’s Agency for Fundamental Rights (FRA) on integrating rights-based indicators under the reporting framework and more in-depth analysis of the fight against discrimination and antigypsyism in each area of the framework are welcomed. To promote Roma participation, specific groups that have an active role in driving Roma integration should be empowered further. This includes taking an integrated lifecycle approach in policy ***interventions*** targeting Roma youth, women and children, and improving their participation in all stages of the policy process and decisions affecting them. STRUCTURAL AREAS • Reinforce partnership and support more inclusive coordination structures • Consolidate a transparent system of reporting and monitoring to feed policy learning • Support independent civil society Fora for cooperation at both European and national levels should be maintained and become more transparent and inclusive. More Member States should set up national Roma platforms, with more flexible support and closer links to the European platform. Concrete follow-up to the work of the EU high-level group on combating racism, xenophobia and other forms of intolerance could contribute to better national-level responses to hate speech and hate crime targeting Roma. More transparent national reporting, greater involvement of civil society in reporting and monitoring, and the development of a Roma integration policy learning tool to provide evidence-based policy guidance and support peer learning could enhance political commitment and accountability on Roma integration. Direct EU funding, including under the rights, equality and citizenship ***programme***, could be used more to support local civil society empowerment and capacity-building, improving access to funds, quality of implementation and independent monitoring. KEY POLICY AREAS AND THE USE OF POLICY, LEGAL AND FUNDING INSTRUMENTS • Focus on a limited number of key areas to be addressed by the coordinated use of policy, legal and funding tools for visible results • Ensure more effective use of and better access to EU funds While EU Roma integration goals in the key policy fields of education, employment, health and housing remain relevant, in order to accelerate the improvement of the situation of Roma communities, efforts should focus on a limited number of critical areas and targets, allowing for the combined use and aligned monitoring of targeted and mainstream policy, legal and funding tools. Setting a limited number of specific national quantitative targets with indicators for selected inclusive reforms and major targeted ***interventions*** under each area could help to focus action and achieve a greater impact. 21 A closer alignment of inclusive reforms of the mainstream policies with Roma integration priorities under NRIS and access to ESIF in specific areas, combined with reinforced conditionalities and partnership principle could focus attention and bring visible results.

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**End of Document**



[***Starvest PLC Results for the year ended 30 -4-***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PWV-3P51-F0CC-S014-00000-00&context=1516831)

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**Body**

Oracle Power, previously Oracle Coalfields plc, continued to develop its 529M tonne JORC compliant resource of lignite coal in SE Pakistan. The company remains focused on development of the mine for first production by end 2018 with the intension of supplying a new 660MW mine-mouth power plant.

Work over the last 12 months has seen formal agreement for allocation of water access with the Sindh government to it's almost complete reservoir and pipeline. The Central Power Purchasing Agency of Pakistan has issued a 'Letter of No Objection' for the 660MW power plant and the National Grid has confirmed that power from the project will be accommodated in ***planned*** high voltage transmission lines.

A loan agreement for GBP1m was agreed with Brandon Hill Capital Ltd, allowing Oracle to move forward with negotiations for full funding of the project without equity dilution and a recently announced MOU has been agreed in principle with two Chinese State-owned Enterprises for the full development and funding of the Thar project.

As indicated by its change of name during the year, the Company is also looking at diversification opportunities in the power sector overall.

We expect the Company to continue its path towards mining and power generation during the year and look forward to possible new opportunities being brought on board.

Interests in Base Metals and ***Agricultural*** Products

BMR Group plc ([*www.bmrplc.com*](http://www.bmrplc.com))

BMR's principal project is the historic Kabwe lead/zinc mine in Zambia. The mine closed in the 1990's and BMR intends to process tailings through an acid/brine leach.

The company expects the plant to be commissioned by the end of 2017, after minor delays in some supplies. Once in full production it is expected the plant will ***produce*** 3,100 tonnes of zinc (equivalent to 15,000 tonnes zinc sulphate heptahydrate) and 2,300 tonnes lead sponge per annum. The company hopes to be able to recover vanadium from the tailing as a by-product with 250-300 tonnes per annum anticipated.

The operating costs are currently estimated at US$120/tonne of tailing processed. There is a 5% royalty payment and 30% corporation tax levied. Given the offtake agreement BMR hold with African Compass International, profits are calculated to be at least US$750,000 per month at current prices once in production. Once fully operational the Company ***plans*** two further stages of development. The first in late 2018 and again in 2020 both to increase the plant feed tonnage.

Exploration of the Kashitu area has been ongoing with a view to the potential exploitation of near surface ore which could be processed at the Kabwe facilities. Three distinct surface mineralised zones were delineated through auger soil sampling with zinc associated in upper alluvial material and anomalous silver, up to 16.8g/t, also reported in 10% of the holes.

BMR is continuing discussions with the Zambia Environmental Management Agency regarding its Waelz Kiln Slag with the intention of suppling the material for local road construction as well as ***planning*** a JORC compliant survey for recovery of zinc and vanadium from its Imperial Smelting Furnace Slag.

Away from Africa, BMR has an 80% interest in a tin-tungsten project in Portugal with gold and silver reported in historic workings. Field work highlighted five high-priority areas with vein-style tungsten mineralisation plus possible gold, silver and lithium credits. Future work includes detailed sampling of large mine dumps to establish in-situ grades and detailed mineralogical examination of rock samples as well as a structural survey of the licence to aid future field exploration work.

Once plant commissioning is complete for the Zambia project BMR Group should make strong headway towards increasing production in the next 12 to 18 months.

Salt Lake Potash Limited (   [*www.saltlakepotash.com.au*](http://www.saltlakepotash.com.au))

Salt Lake Potash has concentrated on its Goldfields Salt Lake Project, in Western Australia, over the past year. The company aims to construct a pilot plant, the first salt-lake brine Sulphate of Potash (SOP) production operation in Australia.

A scoping study on the Lake Wells prospect was completed which confirmed the potential of a low-cost SOP by solar evaporation of lake brines for domestic and international fertiliser markets. The study outlined a two-stage development ***plan*** and an all-in capital cost of A$268m for 400,000tpa production.

The company has now completed a surface aquifer exploration ***programme*** and a deeper paleochannel aquifer drill ***programme***. The company has commenced construction of a number of test evaporation ponds of differing design with the aim of developing a model for a cost-effective on-lake evaporation pond. Process development test work is also on-going and the company has commenced work on a pre-feasibility study for Lake Wells and continues to explore the potential of other brine lakes in the area.

Salt Lake potash has made significant progress towards mine development over the past year and we expect this to continue over the next 12 months.

Sunrise Resources plc (   [*www.sunriseresourcesplc.com*](http://www.sunriseresourcesplc.com))

Sunrise Resources holds ground in Nevada (USA), Ireland and Australia with commodities ranging from gold, silver and diamonds through to copper, barite and diatomite. Sunrise Resources' objectives are to generate cash flow from more advanced projects and to add value through mineral discovery by drill testing more speculative exploration targets.

The company is currently focusing on the development of its CS Pozzolan-Perlite project in Nevada USA. Internal concept studies were undertaken which envisage surface mining and a simple production process and low capex and opex costs. Drilling in recent months has confirmed commercial quality perlite and pozzolan present in thick intervals and extensions of the main zone towards a northeast zone. Meetings with domestic customers in the USA were held and cooperative test ***programmes*** are in the ***planning*** stages. The company is moving towards a feasibility study and starting the mine permitting process.

The board are committed to concentrate both management time and expenditure on the CS project and advance it towards production as soon as possible. As a result they are looking to unlock value from their other projects through JVs or other sale arrangements. Any funds released will be used to progress the CS project towards production.

The company's Junction Gold project in Nevada was recently sold to VR Resources, a TSX-V listed company for a modest cash payment and shares in VR Resources, with additional shares allocated should drilling and compliant resource reports be undertaken as well as a net smelter deal in place.

We look forward to continuing news on the development of their CS project as well as ***strategic*** fund generation from their non-core projects in the coming year.

Other investments

The remaining non-core investments are available for sale when the conditions are deemed to be right. These include: Marechale Capital plc (   [*www.marechalecapital.com*](http://www.marechalecapital.com)), and Regency Mines plc (   [*www.regency-mines.com*](http://www.regency-mines.com)). In addition, there are a number of failed or almost failed ventures to which we attribute no value, although we always hope and seek to crystallise value where possible.

***Strategic*** report

Principal activities and business review

Since Bruce Rowan was appointed Chief Executive on 31 January 2002, the Company's principal trading activity was the use of his expertise to identify and, where appropriate, support small company new issues, pre-IPO and on-going fundraising opportunities with a view to realising profit from disposals as the businesses mature in the medium term. The directors expect this to continue in the future under the leadership of Callum Baxter, appointed Chief Executive in September 2015.

The Company's investing policy is stated above. The Company's key performance indicators and developments during the year are given in the Chairman's statement and in the trading portfolio review, all of which form part of the Directors' report.

Finance Review

Over the past 12 months the Company recorded a profit of GBP302,329, equating to a profit of 0.64 pence per share with net cash inflow for the year of GBP422,926. This compares to a profit of GBP81,113 in the previous year that equated to a profit of 0.21 pence per share. The Company's cash deposits stood at GBP432,782 at the period end.

Starvest plc successfully raised GBP162,500 of new equity (net of costs) during the year. These funds will be used to take advantage of the exciting opportunities that we believe exist in the market at this time, whilst maintaining a disciplined approach towards capital allocation.

Key risks and uncertainties

This business carries with it a high level of risk and uncertainty, although the rewards can be outstanding. The risk arises from the very nature of early stage mineral exploration where there can be no certainty of outcome. In addition, often there is a lack of liquidity in the Company's trading portfolio, most of which is, or in the case of pre-IPO commitments is expected to be, quoted on AIM or NEX, formerly ISDX, such that the Company may have difficulty in realising the full value in a forced sale. Accordingly, a commitment is only made after thorough research into both the management and the business of the target, both of which are closely monitored thereafter. Furthermore, the Company limits the amount of each commitment, both as to the absolute amount and percentage of the target company.

INCOME STATEMENT

**Load-Date:** November 6, 2017

**End of Document**



[***Council of the European Union: COMMISSION STAFF WORKING DOCUMENT Roma integration indicators scoreboard (2011-2016) Accompanying the document Communication to the European Parliament and the Council Midterm review of the EU framework for national Roma integration strategies ST 11801 2017 ADD 1***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PXR-N021-F0YC-N3K7-00000-00&context=1516831)

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**Body**

Brussels: Council of the European Union has issued the following document:

11801/17 PL/mz DG B 1C EN Council of the European Union Brussels, 31 August 2017 (OR. en) 11801/17 SOC 557 ANTIDISCRIM 37 POLGEN 113 JAI 747 EDUC 328 FREMP 90 COHOM 98 FSTR 58 FC 66 REGIO 84 COVER NOTE From: Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director date of receipt: 30 August 2017 To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union No. Cion doc.: COM(2017) 458 final Subject: COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL Midterm review of the EU framework for national Roma integration strategies Delegations will find attached document COM(2017) 458 final. Encl.: COM(2017) 458 final EN EN EUROPEAN COMMISSION Brussels, 30.8.2017 COM(2017) 458 final COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL Midterm review of the EU framework for national Roma integration strategies {SWD(2017) 286 final} 2 This midterm review takes stock of the progress since the launch of the EU framework for national Roma integration strategies (NRISs) in 2011. It is based on data on how the situation of Roma have changed and input from national authorities, civil society and other partners. The review confirms the added value of the framework, the relevance of EU Roma integration goals and the continued need for a combination of targeted and mainstream approaches.

The most important improvements prompted by the EU framework include:  the commitment to addressing Roma integration as a priority at European and national levels  structures for cooperation and coordination among Roma inclusion stakeholders  the development, implementation and monitoring of national strategies and integration measures, and  the mobilisation and alignment of legal, policy and funding instruments to fight discrimination and promote Roma inclusion With the development of the necessary structures, the conditions are in place to make a difference in the life of Roma. As regards real change in the situation of Roma between 2011 and 2016, however, it is clear that five years is too short a period to undo centuries of discrimination and deprivation. Progress is visible mainly in the area of education; in particular, the growing participation of Roma children in early childhood education and care points to strong potential for their later development. On the other hand, early school-leaving and poverty risk among Roma, though declining, are still far too high. The growing proportion of young Roma who are not in education, employment or training (NEET) is an alarming signal that translating results in education into employment and other areas requires a more effective fight against discrimination. The review also identifies key priorities for Member States to address and ways to strengthen the EU Framework for NRIS. 1. DEVELOPING THE EU FRAMEWORK In 2011, the situation of Roma,1 Europe’s largest minority (about 10-12 million people), came to the centre of political attention. In the context of the economic crisis, it became clear that tackling economic and social marginalisation and discrimination against Roma is not only a moral duty in line with fundamental EU values, but also, an economic imperative promising long-term benefits for ageing European societies. It was clear that action is needed at both national and EU levels. While Member States are primarily responsible and equipped to change the situation of their Roma communities, the Commission (in line with a call from the European Parliament)2 proposed a new targeted European-level policy instrument: the EU framework for national Roma integration strategies (NRISs).3 1 In line with the terminology of European institutions and international organisations, the term ‘Roma’ is used here to refer to a number of different groups (e.g Roma, Sinti, Kale, Gypsies, Romanichels, Boyash, Ashkali, Egyptians, Yenish, Dom, Lom, Rom, Abdal) and includes travellers, without denying the specificities of these groups. 2 2010/2276(INI). 3 COM(2011) 133. 3 The framework aims to close the gap between Roma and non-Roma in four key areas: education, employment, healthcare and housing. The Commission’s proposal was followed up by Council and European Council conclusions4 marking an unprecedented EU-level commitment to a comprehensive approach to Roma inclusion. Key requirements included: • a commitment by all Member States to developing national strategies • a combination of social inclusion and rights-based approaches, with the fight against discrimination becoming a horizontal requirement across all policy fields • the involvement of regional and local authorities, civil society and Roma in the design, implementation and monitoring of NRIS • adequate and sustainable funding (national budget to be supplemented by EU funds) • monitoring of results, and • mainstreaming Roma inclusion goals in public policies In 2013, the EU Roma framework was strengthened by a Council Recommendation on effective Roma integration measures.5 The Recommendation sharpened the focus on anti-discrimination and extended work on Roma to new horizontal and structural areas. It also introduced, as of 2016, an annual reporting obligation on Member States, contributing to the development of a European system of monitoring. The December 2016 Council conclusions on accelerating the process of Roma integration6 confirmed the Member States’ commitment and called for a midterm review of the EU framework. 2. MOBILISING EUROPEAN LEGAL, POLICY AND FUNDING INSTRUMENTS Since the launch of the EU framework, legal, policy and funding instruments have been mobilised and aligned to promote Roma inclusion. Mainstream EU legislation (the Racial Equality Directive, the Council Framework Decision on combating racism and xenophobia)7 prohibits anti-Roma discrimination, hate speech and hate crime. The European Semester promotes reforms of mainstream policies that are conducive to Roma inclusion. The 2014-2020 European structural and investment funds (ESIFs) include several innovations to link policy priorities with European funding. 4 EUCO 23/11, EPSCO 106665/11. In line with the Council conclusions, all Member States were invited ‘to prepare, update or develop their national Roma inclusion strategies, or integrated sets of policy measures within their broader social inclusion policies’. By 2012, all Member States except Malta had submitted strategies or integrated sets of policy measures. The terms ‘NRIS’ and ‘strategy’ also cover integrated sets of policy measures. 5 OJ C 378 6 14294/16 7 2000/43/EC, 2008/913/JHA 4 2.1 Fighting discrimination Following the adoption of the EU framework, the Commission took a series of measures to fight Roma discrimination. It reinforced its monitoring of Member States’ implementation of anti-discrimination and anti-racism and xenophobia legislation. The Commission continuously monitors Member States’ compliance with the anti-discrimination legislation. There is a particular focus on the fields of education and housing. Cases of systematic discrimination against Roma on grounds of their ethnicity are swiftly investigated. Infringement proceedings concerning discrimination against Roma children in education are ongoing.8 The Commission highlighted that placing Roma children in segregated schools or Roma-only classes with substandard school curricula, and diagnosing them with light mental impairment in disproportionate numbers on the basis of their social disadvantage, are in breach of the Racial Equality Directive. The Commission also monitors Member States’ transposition of the Council Framework Decision on combating racism and xenophobia, and fights racist and xenophobic stereotypes and hate speech and hate crime, including when addressed to Roma. Under this framework the Commission entered dialogue with Member States leading to changes in legislation, established an EU high-level group on combating racism and xenophobia to foster cooperation between relevant actors and reached agreement with the main social media providers on a code of conduct on countering illegal hate speech online. Several important steps have been taken to recognise and fight antigypsyism, as a specific form of racism against Roma and one of the root causes of Roma social exclusion and discrimination: • the 2013 Council Recommendation highlighted the need to fight antigypsyism and encouraged Member States to adopt measures to prevent or compensate for disadvantages suffered by Roma (positive action) • a 2015 European Parliament Resolution9 called on Member States to recognise the Roma holocaust officially and designate a European memorial day • antigypsyism was further discussed at the 2015 European platform for Roma inclusion • European Roma and pro-Roma civil society ***produced*** a reference paper on antigypsyism10 • the 2016 Council conclusions referred to antigypsyism and to the recognition and commemoration of Roma genocide, and • the above mentioned high level group combating racism and xenophobia aims to , prevent and counter, inter alia, antigypsyism The Commission has also worked to tackle multiple discrimination against Roma children and women, as groups exposed to high risks of violence, trafficking in human beings (THB),11 8 CZ, HU, SK 9 2015/2615(RSP). 10 [*www.antigypsyism.eu*](http://www.antigypsyism.eu) 5 exploitation, and underage and forced marriage, and to ensure that they are better protected. Promoting the empowerment of both groups, as well as Roma youth, was at the core of the above-mentioned Council conclusions. 2.2 Promoting inclusive reform through the European Semester Through the European Semester exercise, the Commission steers and monitors Member States’ action in order to make mainstream policies more inclusive of Roma. Since 2012, the five Member States most concerned (i.e with the largest Roma communities and most acute challenges)12 have received country-specific recommendations (CSRs) on Roma inclusion. These increasingly focused on education, calling for systemic measures to promote Roma children’s participation in quality inclusive mainstream education. CSRs steered funding priorities in the 2014-2020 ***programming*** period. 2.3 Mobilising EU funding The EU framework called on Member States to make full use of EU funds for Roma inclusion. In 2007-2013, the funds took a mainstreaming approach to disadvantaged groups/regions, without explicitly targeting Roma, so the precise amounts of funding for Roma inclusion cannot be quantifed. Disadvantaged groups could receive funding from the European Social Fund (ESF) mainly in the area of social inclusion, but also in the areas of employment and education. The amount allocated to the integration of disadvantaged people (including Roma) into employment was around €10 billion. The amount allocated under the European Regional Development Fund (ERDF) for social infrastructure (benefiting Roma among others) was around €17 billion. The ERDF Regulation was amended in 2010 and the Commission issued guidance in 2011 to support integrated housing ***interventions*** for Roma communities. Rural development policy supported the inclusion of marginalised minorities, including Roma. For the 2014-2020 ***programming*** period, the EU framework and the European Semester have ensured that there is a strong linkage between policy and funding priorities. The link between implementation of CSRs and the ESIFs ensures that mainstream policy reforms serve inclusion goals. For example, the Commission asked Member States that received CSRs calling for enhanced Roma participation in education to select the investment priority ‘socio-economic integration of marginalised communities such as Roma’ and to mainstream Roma inclusion under other relevant priorities (most importantly, ‘fighting early school-leaving and promoting equal access to quality early childhood, primary and secondary education’). Inclusive education cannot be achieved by targeted actions alone, but requires reforms of mainstream education. The 2014-2020 rural development ***programmes*** of the Member States most concerned provide support under priority 6 'promoting social inclusion, poverty reduction and economic development in rural areas' which includes measures to address the specific needs of marginalised groups including, but not limited to Roma.13 The Commission also encouraged 11 The EU strategy towards the eradication of trafficking in human beings 2012–2016 (COM(2012) 286 final) led to relevant deliverables, such as a 2015 study on high-risk groups for trafficking in human beings and the Report on the progress made in the fight against trafficking in human beings COM(2016) 267 final and SWD(2016) 159 final. 12 BG, CZ, HU, RO, SK 13 Ibid – Targeting is made during the selection process prioritizing projects addressing problems of marginalised groups in rural areas, mainly under measure 7 'Basic services and village renewal in rural areas' and measure 19 'Community-led local development.' 6 the involvement of NRCPs in the ***planning*** of EU funds, including as members of monitoring committees. For 2014-2020, several new tools have been introduced (in addition to the ‘socio-economic integration of marginalised communities’ investment priority) to improve the effectiveness of the ESIFs as regards social inclusion, including that of Roma: • a new set of requirements to ensure that Member States that allocate EU funds for Roma inclusion, have national ***strategic*** Roma inclusion policy frameworks and meet the pre-conditions for their effective implementation • a more robust partnership principle (as part of a European code of conduct) to guide cooperation with civil society, local authorities and social partners in the ***planning***, implementation and monitoring of EU-funded ***interventions*** • increased earmarked funding for capacity-building for civil society organisations • obligatory minimum allocation ratios for investment in social inclusion • support for the physical, economic and social regeneration of deprived communities that may involve stronger integrated housing measures • territorial and integrated approaches addressing the specific needs of geographical areas most affected by poverty and target groups at highest risk of social exclusion, facilitated by a multi-fund approach • enhanced results-oriented monitoring arrangements (common indicators focusing on outputs and results) and reporting on a Roma-specific investment priority, and • guidance for Member States on the use of EU funds to tackle segregation In June 2016, the Court of Auditors published the results of its audit on EU policy initiatives and financial support for Roma inclusion, concluding that significant progress in setting out EU policy initiatives promoting Roma inclusion had led to clear improvements for the 2014-2020 period. The Court called for additional efforts to ensure that the new tools improved results on the ground. It also made specific recommendations regarding the use of the ESIFs, data collection and monitoring.14 The Commission has mobilised directly managed EU funding to finance projects fostering Roma inclusion and fighting discrimination across Europe: • The Rights, Equality and Citizenship ***Programme*** funds local, national and transnational projects on Roma inclusion and anti-discrimination • The Europe for Citizens ***Programme*** supports projects commemorating the Roma holocaust 14 EN 2016, no. 14 7 • The Employment and Social Innovation (EASI) ***Programme*** promotes social policy innovation aimed at Roma inclusion • Erasmus+ helps develop lifelong learning measures for Roma inclusion • The Public Health ***Programme*** supports initiatives to promote equal access to healthcare, and • The Horizon 2020 research and innovation ***programme*** and the Seventh Research Framework ***Programme*** fund research on social inclusion, education, including research projects on the mobility of Roma to Western Europe and the impact of educational policies on Roma 2.4 European mainstream policy initiatives European mainstream policy initiatives in the fields of education, employment, social and health can help to promote Roma inclusion. The 2011 Council Recommendation on policies to reduce early school-leaving15 recommends the inclusion of targeted measures for the most vulnerable groups, including Roma. As a follow-up to the Paris Declaration16, the Commission stepped up its support for inclusive education. One of the priorities is to foster the education of disadvantaged children and young people, including Roma, by ensuring that education and training systems address their needs. The youth guarantee and youth employment initiatives of 2013 are particularly relevant for Roma. They played a crucial role in helping to get young people back into work or education, but the Commission has acknowledged that more effort must be made to support ‘hard-to-reach’ young people, such as Roma. Key categories of the European pillar of social rights include equal opportunities and access to the labour market, fair working conditions, and social protection and inclusion. The Commission’s initiatives targeting Roma health are taken forward under a range of general and specific policies. The 2014 Roma health report constitutes an important contribution to improving the knowledge base and mechanisms for monitoring and reporting on the health status of the Roma, with a focus on countries with large Roma populations. 17 2.5 Involving all stakeholders at European level If Roma exclusion is to be overcome, all relevant stakeholders must join forces, fulfilling their responsibilities in the light of their mandates, competences and capacities. In order to promote mutual learning, dialogue and cooperation, the Commission has facilitated and financially supported stakeholder dialogue through the European platform for Roma inclusion, the NRCP network and regular consultation meetings with EU umbrella Roma and pro-Roma NGOs and international organisations. Over the years, the participatory approach and cooperation with international organisations have been reinforced. 15 2011/C 191/01 16 17.03.2015, informal meeting of EU education ministers 17 Roma Health Report 2014 8 2.6 Promoting awareness-raising, Roma participation and capacity-building for civil society and local authorities The Commission has stepped up its efforts to promote awareness-raising, Roma participation and empowerment, and capacity-building for civil society and local authorities. Its ‘For Roma, with Roma’ campaign supported targeted communications activities to combat prejudices and discrimination against local Roma populations. The Commission has launched joint ***programmes*** with the Council of Europe: • JUSTROM gives Roma and traveller women greater access to justice • ROMED promotes inclusion by training intercultural mediators • ROMACT builds local authorities’ capacity to develop and implement inclusion measures • ROMACTED promotes good governance and Roma empowerment at local level in Western Balkans and Turkey The Commission has launched a pilot ***programme*** to build capacity among local civil society actors in order to strengthen their involvement in the monitoring of NRISs. In 2016, the Commission and the Slovak Presidency organised a high-level event on Roma youth empowerment, which confirmed the urgent need to empower young Roma and actively involve them in Roma inclusion policy. 3. ASSESSING EFFORTS AND RESULTS IN THE MEMBER STATES The political commitment of Member States, translated into national strategies, was a significant first step towards improving the livelihoods of Roma. National approaches to Roma inclusion vary across Member States according to the size and socio-economic situation of local populations. In its annual reports, the Commission has identified the priorities to be addressed by Member States in order to secure effective implementation. These include setting quantifiable targets, indicators and budget allocations, monitoring the impact of mainstream measures on Roma, cooperation with local authorities and civil society, and the involvement of Roma in all phases of the policy process. Member States have addressed some of these challenges, in particular with respect to their institutional arrangements, stakeholder cooperation, monitoring and funding. However, the impact of their measures on the situation of Roma in education, employment, healthcare and housing remains limited. 3.1 Substantive policy areas The EU framework sets goals to improve Roma access to education, employment, healthcare and housing, and to fight discrimination in these areas. Changes in the situation of Roma (from 2011 to 2016)18 are reviewed below on the basis of Member States’ reports on integration measures, main successes and implementation challenges. 18 Based on the FRA’s 2011 Roma pilot survey and the EU-MIDIS II survey in 2016, see SWD in annex. 9 Measures reported by Member States in the key policy areas and antidiscrimination 3.1.1 Education Education is the main area in which the situation of Roma improved. It is also the most prominent area in Member States’ policy mix for Roma inclusion. There is clear progress in the fight against early school-leaving, with declining rates among Roma in all surveyed Member States (most significant improvements in ES, SK, BG, CZ and RO). This is in line with Member States’ policy focus: a majority of Member States implemented early school-leaving strategies and several met their Europe 2020 target in this area as a result. However, despite the improvements Roma continue to be strongly over-represented among early school-leavers, with rates up to 24 times higher than in the population as a whole. The other clear improvement is in early childhood education and care, where the participation of Roma children grew in most Member States (significant progress in BG, EL, ES, SK and HU, but deterioration in PT and RO). The greater recognition of the importance of early education is reflected in the high number of measures and increased investment in this area, supported by legislative changes such as introducing compulsory kindergarten years (BG, CZ, FI, HU and LT). However, dedicated financial support is required to help the most deprived families with the indirect costs of early childhood education (fees, food, clothing, transport, etc.). Small improvements have been registered in compulsory education, with more than 9 in 10 Roma children covered by compulsory schooling provisions attending education in most Member States (not EL and RO). While education is the area in which the most progress has been made, important systemic challenges remain. Eliminating segregation in education and putting an end to the inappropriate placement of Roma in special needs schools have been highlighted as priorities under the EU framework, the 2013 Council Recommendation, the Racial Equality Directive and the European Semester. There are still trends of persisting, sometimes even growing, segregation, with one to two thirds of Roma children attending schools where most or all 163 58 36 31 72 115 88 57 44 66 Education Employment Healthcare Housing Antidiscrimination Targeted Mainstream 10 children are Roma (SK, HU, BG: 60 % or above; EL, HR, ES, CZ, RO: 29-48 %). 19 This can be explained only partially by residential segregation. Despite the increasing number of Member States investing in measures promoting inclusive teaching and learning methods, active desegregation measures are lacking in several of the countries most concerned and in some cases EU funds have even been used for segregated facilities. Evidence that integrated school settings and mixed classes are mutually beneficial for Roma and non-Roma is still not widely acknowledged. Too little attention is given to other key areas that are indispensable for improving employability, such as second-chance education and skills development in line with labour market needs. Among successes in the area of education, NRCPs mention:  legislative reform  inclusive structures  increasing participation by Roma (especially in early, but also compulsory and vocational, education)  improved multicultural competences  support for Roma students and teachers, and  reaching out to parents Among remaining challenges, they cite:  still-high, though declining, early school-leaving rates  difficulty of promoting effective transition for Roma to upper secondary and tertiary education  language deficiencies, and  discrimination 3.1.2 Employment Improvements in education have not yet been effectively translated into employment. Although Roma employment levels have risen in some Member States (PT and HU), changes elsewhere are smaller or even negative. The NEET rate among young Roma remains alarmingly high and has actually risen in several Member States (51-77 % in ES, HR, BG, SK, RO, CZ and HU, with only PT showing a clear decline). One reason for the lack of progress could be that measures focus on the supply side, i.e employability (through vocational training, lifelong learning, etc.) and do not proportionately address barriers on the demand side, e.g by monitoring and fighting discrimination. Mainstream measures could also target Roma better. 19 EU-MIDIS II (selected findings). 11 The strong employment gap between Roma women and men (widest in EL, RO, PT and HU) 20 is not sufficiently addressed. Avenues to mobilise the private sector and incentivise employers to recruit Roma, who in several Member States represent a significant and growing proportion of the working-age population, should be further explored, e.g through the explicit targeting of Roma under the youth guarantee and social considerations in public procurement. Recently, national employment levels have started to rise in several of the Member States most concerned. Revived economic growth offers a long-awaited opportunity for Roma to (re-)enter the open labour market, provided Member States apply smart policies with effective incentives. Where entry-level wages are extremely low, social benefits not linked to activation measures can constitute an unemployment trap. According to the NRCPs, the single most important success factor is:  targeting Roma through mainstream employment services, e.g via individual support or reaching out through Roma fieldworkers/labour officers Among challenges, the NRCPs refer to:  lack of skills and competences  discrimination  need to impress on employers the importance of diversity management and anti-discrimination, and  better targeting Roma women 3.1.3 Health In the field of health, basic social security coverage remains a challenge, without significant improvement in the countries most concerned, where around half of the Roma population are still without basic medical insurance coverage (BG and RO, but an improvement of over 30 percentage points in EL). This is in spite of measures focusing on removing barriers that prevent Roma from accessing the healthcare system, which often include a lack of civil documentation. The self-perceived health status of Roma has generally improved (with the biggest increases in RO, BG, HU, PT and EL), which points to some success from other health measures, such as those promoting health awareness, access to vaccinations, medical check-ups, pre- and post-natal care and family ***planning***. Improved perceptions of health could also be linked to the declining rate of Roma suffering from hunger on a regular basis in most countries. The civil delivery of services and targeting of Roma women are strongest in the field of health, but health reforms generally fail to target Roma needs explicitly. These findings are confirmed by NRCPs, who mention among successes:  health awareness  promotion of a healthy lifestyle 20 Ibid. 12  focus on prevention  health literacy  Roma health mediators  civil participation, and  cross-sectoral, multi-stakeholder cooperation Challenges raised include:  lack of health coverage and general practitioners in Roma-populated areas  under-use of health services  mental and physical health problems  teenage pregnancies, and  need for more Roma health professionals 3.1.4 Housing In the field of housing, small improvements regarding Roma access to basic amenities can be observed, with the rate of Roma living in households without tap water, toilet, shower or bathroom decreasing in several Member States (especially BG, RO, SK and CZ). Access to electricity supply is also improving slightly, with rates above 90 % in most Member States (not PT and EL). However, in several Member States (CZ, ES, IT and PT), Roma increasingly experience discrimination when it comes to access to housing. In the NRISs, Member States focused on promoting non-discriminatory access to social housing, with some also adopting desegregation measures. However, some of the countries most concerned do not report measures fighting segregation, while others do not address non-discriminatory access to social housing at all. Both areas are of utmost importance for further robust action, potentially financed from EU funds in line with the Commission’s guidance on desegregation. This is especially important in the context of frequent evictions in several Member States. Successes mentioned by NRCPs (which tend to be pre-conditions for future change) include:  housing allocations for marginalised communities under the 2014-2020 ESIF operational ***programmes***  surveys on the housing situation, and  new action ***plans*** or ***strategic*** documents on housing Among challenges, they refer to: 13  the limited availability and low quality of social housing  discrimination in the housing market, and  segregation and ghettoisation Priorities to be addressed by Member States:  Promote effective equal access for Roma to quality inclusive mainstream education through legislation, inclusive reforms of public education, sustainable funding and explicit desegregation measures combined with inclusive teaching and learning methods  Monitor and fight discrimination in the labour market as a pre-requisite for improving Roma employment levels. Develop a comprehensive package of mainstream and targeted measures addressing both the supply and the demand side of the labour market. Tackle the gender gap in employment by explicit measures targeting Roma women  Ensure minimum basic social security coverage as an urgent priority, including by solving civil documentation issues, and improve access to other quality healthcare services. Exploit results in Roma participation in early childhood education and care by improving health services and providing free vaccination and medical check-ups for Roma children and their families  Address spatial segregation with a complex integrated long-term approach. Prevent forced evictions on ethnic grounds and offer alternative housing to evicted families (including through ESIF investments) to avoid homelessness and greater exclusion, and  Introduce safeguards to ensure effective equal access for Roma to mainstream measures and quality services in education, employment, health and housing. Target the specific needs of Roma in the context of public policy reforms 3.2 Use of EU funds In 2014-2020, Member States allocated a total of €42.3 billion in ESIF funding to promote social inclusion and fight poverty and discrimination, enabling actions targeting the socially disadvantaged (including, but not limited to Roma): • €21.2 billion from the ESF, i.e 25.6 % of the total ESF budget – well above the minimum 20 % required under the Regulation • €11.9 billion from the ERDF, and • €9.2 billion from the European ***Agricultural*** Fund for Rural Development (EAFRD) 12 Member States allocated €1.5 billion (i.e 3.5 % of the total allocation for social inclusion) to the priority explicitly targeting Roma. In addition, 11 Member States allocated a total of €447 million to combating discrimination. 14 Investment priority (IP) Member States that selected the IP Financial allocation Socio-economic integration of marginalised communities such as Roma AT, BE, BG, CZ

, ES, FR, EL, HU, IT, PL, RO, SK €1.5 billion The majority of funding (€1.2 billion) is concentrated in BG, CZ, HU and RO. Combating all forms of discrimination and promoting equal opportunity BE, CY, CZ, DE, ES, FR, EL, IE, PL, PT, SK €447 million Other relevant social inclusion priorities are active inclusion, access to affordable, sustainable and high-quality services, and health and social infrastructure. Roma can also be supported under the ‘education’ objective (e.g early childhood education and primary schools) and the ‘employment’ objective (where relevant priorities include access to employment, and social entrepreneurship). Several Member States predominantly rely on EU funds to implement integration measures, without national investments or adequate monitoring and reporting of the impact of ESIF-financed ***interventions***. Priorities to be addressed by Member States:  Ensure sustainable national funding of integration measures  Measure and report the impact of integration measures on Roma school attainment, employment levels, desegregation, access to health, housing and quality services, and  Use 2014-2020 funds to upscale, extend and multiply smaller-scale initiatives that proved successful in 2007-2013 3.3 Fighting discrimination Member States have put in place legal frameworks prohibiting discrimination, hate speech and hate crime, but the enforcement of EU legislation with regard to Roma remains a serious challenge. Overall, the situation has not improved over the years. Discrimination and racism affecting Roma is still present and widespread in all key areas. Hate speech and hate crime continue significantly to affect the Roma community. The lack of progress can be explained by several persisting challenges, including:  lack of political will at national, regional and local levels to ensure non-discrimination and equal treatment  administrative practices that can result in discriminatory practices or segregation  lack of data  under-reporting 15  scarcity of case-law, and  inadequate protection for Roma victims of discrimination and hate crime Despite the lack of progress, some positive developments should be recognised:  the adoption of new legislation and/or essential legislative amendments that have a direct impact on Roma, in particular in the area of education (HR, CZ, EL, HU, RO and SK)  increased cooperation and networking between key actors, such as NRCPs, equality bodies, legal practitioners, civil servants, police, service providers (including teachers), municipalities and members of Roma communities  efforts by national equality bodies to support Roma victims  prevention, awareness-raising, promotion of anti-discrimination standards and activities sensitising people to the situation of the Roma, including possible vulnerability to become victims of trafficking in human beings , promoting best practices in countering hate crime, hate speech and negative stereotypes, and  enforcement of national case-law on discrimination (Although in many Member States, court rulings and decisions recognising anti-Roma discrimination are not properly followed up.) The Commission supports Member States’ efforts in a number of ways, including work to enhance the role of national equality bodies and promote equality data collection. Priorities to be addressed by Member States:  Fully transpose and enforce anti-discrimination and anti-racism legislation and safeguards, e.g by guidance targeting the regional and local levels  Support the development and operation of effective and independent equality bodies, and  Fight antigypsyism by specific measures, addressed to majority society and stakeholders, to counter negative stereotyping and stigmatisation of the Roma community, and support civil society 3.4 Involving all stakeholders at national level Following the Commission’s guidance, Member States started to put in place the structural pre-conditions for the successful implementation of their strategies, including cooperation and coordination with relevant stakeholders. They began investing in internal policy coordination, ***strategic*** ***planning*** and stakeholder dialogue. Within their respective administrative structures, they designated NRCPs to coordinate Roma-related policies. The NRCPs have become increasingly involved in coordination and contribute to policy-making and the use of national and EU funds. Strengthening their human and financial resources would allow them to perform their tasks more effectively. 16 Most Member States established mechanisms to coordinate Roma inclusion efforts. Dialogue structures have improved considerably thanks to EU financial support for the development of national platforms for Roma inclusion. In all, 15 Member States have taken an advantage of this to date and developed national consultation processes convened and managed by NRCPs. However, important obstacles persist, such as a lack of capacity and sustainable funding, insufficiently transparent and inclusive involvement of civil society, and local authorities’ limited administrative capacity to implement sustainable integrated measures. Roma youth could be further encouraged to play an active role in shaping policies that directly impact them. Although the situation of Roma children and women is addressed by mainstream policies in the majority of the Member States, targeted ***interventions*** are also needed. Priorities to be addressed by Member States:  Strengthen NRCPs’ human and financial resources, and enhance their coordination role  Promote capacity-building, sustainable funding and the transparent and inclusive involvement of Roma, civil society and local authorities, and  Empower Roma youth, children and women as active players in the inclusion process 4. STAKEHOLDER ASSESSMENT OF ACHIEVEMENTS AND CHALLENGES The Commission invited European and national NGOs, international organisations, experts and NRCPs to provide their assessment of the key strengths and weaknesses of the EU framework, ways to improve it and priorities for action. Analysis of their contributions reveals a strong consensus on the achievements, challenges and priorities at European and national levels, suggesting that stakeholders appreciate the steps taken so far, but would like to see further reforms/improvements in addressing the challenges. 4.1 Achievements There is broad consensus that the biggest achievement of the EU framework is putting Roma inclusion high on the European and national political agendas, creating political commitment to concrete, large-scale, long-term integrated action. Stakeholders widely believe that annual monitoring and reporting from the Commission, targeted policy guidance for Member States, data collection and the more recent reporting obligation of Member States are all crucial to keeping the issue on the policy agenda and improving knowledge and evidence-based policy-making. The mobilisation of mainstream European legal, policy and funding instruments is another recognised result. Stakeholders attach great importance to the Commission’s commitment to enforcing the prohibition of discrimination and its drive for inclusive reform of mainstream policies (through CSRs under the European Semester). Aligning EU funding with policy priorities in 2014-2020 is considered even more important. The new Roma-specific investment priority, the associated ex ante conditionality and the partnership principle under the European code of conduct receive most recognition. The development of European and national coordination structures, creating spaces for Roma participation and cooperation between stakeholders are recognised. The designation of NRCPs to coordinate the development, cross-sectoral implementation and monitoring of NRISs, and 17 their increasing involvement in ***planning*** the use of the ESIFs and mainstream policies, are appreciated. The creation of the European platform for Roma inclusion in 2009 and the national platforms in 2015, and the role of equality bodies in the fight against discrimination are other strong points mentioned. Finally, there is recognition of the fact that the EU framework has adapted over time to address emerging priorities and gaps. In particular, the growing EU-level recognition of antigypsyism and the Council Recommendation extending the framework to new areas stand out. As regards the specific achievements of the NRISs, NRCPs emphasise progress on the horizontal and structural pre-requisites of implementation:  revising Roma integration strategies  mainstreaming Roma inclusion in other areas  drawing up local action ***plans***  local authorities becoming more active  knowledge development (surveys, guidance, training)  recognition of the Roma minority, language, culture and history  developing coordination structures  Roma participation, and  legislative reform Concrete progress in the situation of Roma is referred to much less frequently. 4.2 Challenges and priorities The most important overarching challenge and priority is the still-limited impact of the EU framework in improving the situation of Roma. This is often linked to external factors, such as the economic crisis or the alarming rise of xenophobia and nationalistic, populist political movements. Other factors highlighted include the lack of local commitment and capacity to implement integration measures and access funding. The perceived challenges underline the enduring importance of the key policy areas. Most stakeholders emphasise education (in particular, early education and desegregation) and housing (in particular, forced evictions and spatial segregation). However, translating improvements in employability into real employment and ensuring access to basic health services are also mentioned. Many civil stakeholders believe that the EU framework would benefit from a greater focus on anti-discrimination, in particular the fight against antigypsyism as a root cause of Roma exclusion. Other challenges and priorities largely overlap with the achievements. Stakeholders refer to declining levels of political commitment, with emerging priorities, such as the refugee crisis, 18 shifting Member States’ attention away from Roma inclusion. As regards reporting by Member States, they call for more transparency, further development and closer involvement of civil society in monitoring, which should also facilitate peer learning. They call for more attention to fighting discrimination, e.g by launching more infringement proceedings and imposing sanctions on non-compliant Member States. Regret is expressed at the fact that the Commission’s Roma-targeted and mainstream policy guidance under the EU framework and Europe 2020 is not enforceable. There are calls to target Roma more explicitly under European and national ***programmes***, such as the youth guarantee and Erasmus+. Many point to possible further improvements in the use of the ESIFs and call for NGOs and local authorities to be given direct access to funds, for better enforcement of ex ante conditionalities, sanctions for failure to uphold the partnership principle, better monitoring (through an increased role for the Commission and Roma themselves) and action to prevent the ineffective use of funds (e.g training ***programmes*** not leading to employment) or their misuse (e.g ESIF ***interventions*** financing segregated settings), including through a transparent complaint mechanism. As regards coordination structures, challenges include NRCPs’ evolving but still-insufficient mandate, capacity and resources, insufficient Roma participation and the need to ensure more transparent and inclusive involvement, capacity-building and access to funding for civil society. Various stakeholders call for continued and more flexible support for national Roma platforms, extending to more Member States and allowing transnational cooperation. There could also be greater coordination between the national and European Roma platforms. As regards the targeting of the EU framework and NRISs, some criticise the focus on marginalised Roma and recommend increasing investment in, and empowerment of, Roma youth, women and children, and paying more attention to the intra-EU mobility of Roma. 5. ROMA INCLUSION IN THE ENLARGEMENT PROCESS The EU framework states that Roma integration goals apply equally to enlargement countries. The Commission included Roma integration as a key priority in its enlargement strategy. Although Roma inclusion has been prioritised in the political agenda in the enlargement region since 2011, there has been limited progress on the ground. Most Roma still suffer from multi-dimensional social exclusion, notably in education, employment, health and housing. The integration difficulties faced by internally displaced Roma following the Balkan wars have not been fully addressed and are now exacerbated in some countries by the need to cope with returnees. In most countries, the lack of civil documentation still gives rise to real problems for some Roma. The Commission’s policy of promoting Roma integration in the enlargement region has involved: • supporting all countries in developing a Roma integration strategy and action ***plan***, and monitoring its implementation • working with each Western Balkan government to organise a biennial Roma integration seminar with public authorities, civil society and international organisations. The implementation of seminar conclusions is monitored annually in the respective Association Agreement subcommittees • putting Roma integration at the heart of the enlargement process by identifying concrete Roma-related targets in key policies such as the visa liberalisation roadmap and the chapter 23 negotiations (judiciary and fundamental rights), and • mobilising EU funding for Roma inclusion (Under the 2007-2013 instrument for pre-accession (IPA I), the Commission allocated substantial funds for Roma inclusion and 19 commissioned an independent evaluation to identify possible improvements for future financing. Under IPA II (2014-2020), it intends to enhance and better target Roma inclusion funding, with improved cooperation with international organisations.) Since 2016, all enlargement countries have NRIS and action ***plans***, and put in place NRCP and national Roma Platform structures. The Commission is fully committed to maintaining support for Roma inclusion stakeholders, with a particular emphasis on the involvement of civil society, cooperation with other donors and improved monitoring tools. 6. CONCLUSIONS This review has confirmed the added value of the EU framework, the relevance of EU Roma integration goals and the continued need for a combination of targeted and mainstream approaches, whereby targeted measures can help to eliminate barriers to effective equal access for Roma to rights and services in mainstream public policies. The consultations with stakeholders confirmed their recognition of, and continued demand for, a European commitment based on an enhanced EU framework. This is equally valid for the enlargement countries. In response to the Council’s call to propose a post-2020 European ***strategic*** approach to Roma inclusion, the Commission will go beyond this review and launch a full in-depth evaluation of the effectiveness, efficiency, coherence, relevance and added value of the EU Framework for NRIS, covering all key elements of the European and national approaches to Roma integration, including the policy, legal and funding instruments that have been aligned and mobilised since the 2011 launch of the EU framework. The evaluation will further explore ways to develop the EU framework and feed into the ***planning*** for targeted and mainstream EU policy, legal and funding instruments post-2020. The results of this stocktaking highlight the following conclusions as priorities for strengthening the implementation of the EU framework: HORIZONTAL AREAS • Reinforce and distinguish the anti-discrimination and antigypsyism focus both under the EU Framework and NRIS • Promote Roma participation and empower Roma children, youth and women Antigypsyism goes beyond the legal notion of discrimination. It can be addressed as a separate thematic area with specific measures, such as awareness-raising, informing about the mutual benefits of Roma inclusion and inter-ethnic community-building. Fighting antigypsyism should include measures to prevent and counter bias-motivated hate crime and hate speech targeting Roma. At the same time, it can also be considered a horizontal priority to be addressed through indicators or by promoting Roma participation in all key policy areas. The civil society monitoring project and Commission-facilitated peer learning between Member States and key stakeholders have the potential further to operationalise action in this area. Fighting antigypsyism and stereotypes by targeting majority society is a pre-condition for generating political will and for the success of any Roma inclusion ***intervention***. In order to ensure close interaction of anti-discrimination and social inclusion approaches, reporting under international human rights mechanisms could more systematically complement the monitoring of discrimination and antigypsyism under the EU framework, through closer 20 cooperation with organisations such as the Council of Europe, the United Nations and the Organisation for Security and Cooperation in Europe. Further work by the EU’s Agency for Fundamental Rights (FRA) on integrating rights-based indicators under the reporting framework and more in-depth analysis of the fight against discrimination and antigypsyism in each area of the framework are welcomed. To promote Roma participation, specific groups that have an active role in driving Roma integration should be empowered further. This includes taking an integrated lifecycle approach in policy ***interventions*** targeting Roma youth, women and children, and improving their participation in all stages of the policy process and decisions affecting them. STRUCTURAL AREAS • Reinforce partnership and support more inclusive coordination structures • Consolidate a transparent system of reporting and monitoring to feed policy learning • Support independent civil society Fora for cooperation at both European and national levels should be maintained and become more transparent and inclusive. More Member States should set up national Roma platforms, with more flexible support and closer links to the European platform. Concrete follow-up to the work of the EU high-level group on combating racism, xenophobia and other forms of intolerance could contribute to better national-level responses to hate speech and hate crime targeting Roma. More transparent national reporting, greater involvement of civil society in reporting and monitoring, and the development of a Roma integration policy learning tool to provide evidence-based policy guidance and support peer learning could enhance political commitment and accountability on Roma integration. Direct EU funding, including under the rights, equality and citizenship ***programme***, could be used more to support local civil society empowerment and capacity-building, improving access to funds, quality of implementation and independent monitoring. KEY POLICY AREAS AND THE USE OF POLICY, LEGAL AND FUNDING INSTRUMENTS • Focus on a limited number of key areas to be addressed by the coordinated use of policy, legal and funding tools for visible results • Ensure more effective use of and better access to EU funds While EU Roma integration goals in the key policy fields of education, employment, health and housing remain relevant, in order to accelerate the improvement of the situation of Roma communities, efforts should focus on a limited number of critical areas and targets, allowing for the combined use and aligned monitoring of targeted and mainstream policy, legal and funding tools. Setting a limited number of specific national quantitative targets with indicators for selected inclusive reforms and major targeted ***interventions*** under each area could help to focus action and achieve a greater impact. 21 A closer alignment of inclusive reforms of the mainstream policies with Roma integration priorities under NRIS and access to ESIF in specific areas, combined with reinforced conditionalities and partnership principle could focus attention and bring visible results.

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730 84 492 730 715 125 715 125 85 207 855 85 207 855 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 296 === ITRE/5002 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 02 01 02 01 — External personnel Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 01 02 01 7 341 175 7 341 175 6 740 536 6 740 536 6 562 357 6 562 357 178 179 178 179 6 740 536 6 740 536 Reserve Total 7 341 175 7 341 175 6 740 536 6 740 536 6 562 357 6 562 357 178 179 178 179 6 740 536 6 740 536 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 297 === ITRE/5003 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 02 01 02 11 — Other management expenditure Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 01 02 11 5 059 144 5 059 144 5 030 730 5 030 730 4 884 777 4 884 777 145 953 145 953 5 030 730 5 030 730 Reserve Total 5 059 144 5 059 144 5 030 730 5 030 730 4 884 777 4 884 777 145 953 145 953 5 030 730 5 030 730 Justification: Restore Draft Budget (DB). 4 =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 298 === ITRE/5006 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 02 01 04 02 — Support expenditure for standardisation and approximation of legislation Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 01 04 02 160 000 160 000 160 000 160 000 140 000 140 000 20 000 20 000 160 000 160 000 Reserve Total 160 000 160 000 160 000 160 000 140 000 140 000 20 000 20 000 160 000 160 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 299 === ITRE/5007 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 02 01 04 03 — Support expenditure for European satellite navigation ***programmes*** Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 01 04 03 2 500 000 2 500 000 3 000 000 3 000 000 2 910 000 2 910 000 90 000 90 000 3 000 000 3 000 000 Reserve Total 2 500 000 2 500 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Draft amendment 301 === ITRE/5009 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 02 01 05 01 — Expenditure related to officials and temporary staff implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 01 05 01 7 855 592 7 855 592 8 326 928 8 326 928 8 077 120 8 077 120 249 808 249 808 8 326 928 8 326 928 Reserve Total 7 855 592 7 855 592 8 326 928 8 326 928 8 077 120 8 077 120 249 808 249 808 8 326 928 8 326 928 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 302 === ITRE/5010 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 02 01 05 02 — External personnel implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 01 05 02 2 605 344 2 605 344 2 670 464 2 670 464 2 590 350 2 590 350 80 114 80 114 2 670 464 2 670 464 Reserve Total 2 605 344 2 605 344 2 670 464 2 670 464 2 590 350 2 590 350 80 114 80 114 2 670 464 2 670 464 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 303 === ITRE/5011 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 02 01 05 03 — Other management expenditure for research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 01 05 03 2 937 950 2 937 950 1 900 000 1 900 000 1 843 000 1 843 000 57 000 57 000 1 900 000 1 900 000 Reserve Total 2 937 950 2 937 950 1 900 000 1 900 000 1 843 000 1 843 000 57 000 57 000 1 900 000 1 900 000 6 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 304 === ITRE/5015 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 02 02 77 31 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 02 77 31 2 000 000 1 500 000 2 000 000 1 500 000 Reserve Total 2 000 000 1 500 000 2 000 000 1 500 000 Heading: Pilot project — Enhancing internationalization capacity through European networks of SMEs Remarks: Add following text: Increasing SMEs internationalization capacity represents a crucial element for European competitiveness.

99% of EU enterprises are SMEs; most of them are confronted with many difficulties when they try to set up an internationalization strategy, especially towards third markets where they face a strong – and sometimes unfair – competition. In the last three years, only 29% of micro enterprises, 43% and 59% of small and medium enterprises respectively have exported to another EU country . Many SMEs don’t have the required skills to relate with multinational companies, to be present in international fairs or to set up an e-commerce infrastructure. This challenge could be overcome by encouraging SMEs to aggregate and work together on specific internationalization projects. In the past few years, concrete experiences have showed the potential that cooperation among SMEs has for enhancing their internationalization ability. The added value of cooperation has also been acknowledged by the European Commission (e.g SBA Review ). Built on national best practices the Commission has introduced the concept of 'business network' defining it as: a form of inter-firm cooperation that allows companies, located also in different regions or countries, to collaborate together on a basis of common development objectives expressed in a cooperation agreement/contract. The companies decide to join their strengths, share information and create synergies to become more innovative and competitive on the domestic and international markets, while keeping their autonomy, not creating a separate legal entity. This cooperation model is suitable for any kind of business activity and sector'. Internationalization represents a key component for European growth and competiveness. Taking into account that SMEs difficulties to go international, not only in third markets but also in the European internal market, are often due to their limited size, stimulating cooperation and encouraging SMEs to join forces in order to act as a better structured company while maintaining their entrepreneurial autonomy could represent an important mean to be tested and developed. With the Communication 'Small Business, Big World—a new partnership to help SMEs seize global opportunities' (2011) the Commission has already pointed out the importance of promoting clusters and networks for SME internationalization. The Enterprise Europe Network plays an essential role in supporting SMEs internationalization through the matching of the needs and the reduction of the costs. On the basis of this background and of the above remarks, a pilot action could be launched at EU level to test the impact that aggregation between SMEs from different EU Member States joining their forces and 7 starting to work together may have on strengthening small and medium enterprises internationalization capacity and enhancing their presence on foreign markets. In particular, the Action could aim at: 1) testing the added value for internationalization of aggregation of small and medium sized companies, 2) promoting the culture of cooperation and networking activities among SMEs, 3) disseminating this cooperation / networking model as a best practice and as a concrete instrument that allows SMEs to enter new markets, showing that by working together on common internationalization ***plans*** they can achieve a much better international performance. Networks should be composed by at least 3 SMEs from 3 different Member States. The applicants should submit a proposal for the elaboration of an internationalization strategy, providing a detailed description of the purpose of the collaboration and of the ***strategic*** objectives. The Pilot action should cover the costs for the start-up phase of the SMEs networks internationalization activities, such as: Identification of international markets where the SMEs members of the network wish to enter and commercialize their products. Sharing knowledge and information about markets and clients. Development of coordinated promotion, marketing and sales strategies (including joint digital marketing strategies / e-commerce infrastructures). Selection of marketing and distribution channels. Creation of a common brand. Identification of fairs, exhibitions, national and international business events for the valorisation and commercialization of the SMEs products. Develop post- sale assistance reaching high quality standards and reinforce the presence on international markets; Improvement of products quality, in particular through the exchange of good practices and know-how between the SMEs members of the network. Sharing costs for specific consultancies / advices. Other With a budget of 1.500.000 € the Pilot Action would support 30 networks of SMEs for the development of a common internationalization action ***plan***. Each network would receive a financial support between 30.000 € and 50.000 €. As the minimum requirement is 3 SMEs for each network, the action would cover at least 90 European SMEs. Legal basis: Add following text: Pilot project within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: The company´s size is one of the reasons explaining the difficulty to cope with international competition. Small dimension means reduced resources, both human and financial, and may represent a substantial obstacle for a SME willing to go international. The purpose of the Pilot Action is to encourage internationalization processes of European SMEs through the establishment of networks of enterprises working together at the definition and implementation of a common internationalization strategy, thus increasing European competitiveness and presence on international markets. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= 8 Draft amendment 305 === ITRE/5020 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 02 04 02 01 — Leadership in space Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 04 02 01 167 107 065 160 933 101 173 389 945 155 310 916 173 389 945 155 310 916 11 600 000 11 600 000 184 989 945 166 910 916 Reserve Total 167 107 065 160 933 101 173 389 945 155 310 916 173 389 945 155 310 916 11 600 000 11 600 000 184 989 945 166 910 916 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 306 === ITRE/5022 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 02 04 02 03 — Increasing innovation in small and medium-sized enterprises (SMEs) Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 04 02 03 35 426 341 46 810 000 36 937 021 33 405 537 36 937 021 33 405 537 6 500 000 6 500 000 43 437 021 39 905 537 Reserve Total 35 426 341 46 810 000 36 937 021 33 405 537 36 937 021 33 405 537 6 500 000 6 500 000 43 437 021 39 905 537 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 307 === ITRE/5023 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 02 04 03 01 — Achieving a resource-efficient and climate change resilient economy and a sustainable supply of raw materials Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 9 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 04 03 01 77 021 954 50 025 559 63 762 546 80 820 296 63 762 546 80 820 296 17 500 000 17 500 000 81 262 546 98 320 296 Reserve Total 77 021 954 50 025 559 63 762 546 80 820 296 63 762 546 80 820 296 17 500 000 17 500 000 81 262 546 98 320 296 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 309 === ITRE/5028 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 02 04 77 06 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 04 77 06 1 000 000 1 000 000 1 000 000 1 000 000 Reserve Total 1 000 000 1 000 000 1 000 000 1 000 000 Heading: Pilot project — Space Traffic Management Remarks: Add following text: Europe depends more and more on space technologies as the satellite sector provides new applications in both civilian and military domain. The risk of interferences of space actors and space objects is increasing. The need of a Space Traffic Management is evident in order to: ensure safe conduct of space activities (exploration and utilisation of space, space applications and services) and to shape the evolution of the legal and regulatory framework for space activities. The legal foundation is provided by the international space law treaties. The Space Situational Awareness (SSA) could be used as a prerequisite for the STM. STM could comprise the following actions: 1.interdisciplinary research; 2.opinion building; 3.advancing technical prerequisites and international cooperation; 4. preparation in UNCOPUOS, ITU, ICAO and inter-governmental forums; 5.raising public awareness. What could be achieved through a STM : 1. guarantee the prosperity and advancement of future generations through keeping spaceflight safe and the exploration and use sustainable; 2. deal with the problems and promises of spaceflight by addressing all phases of traffic to enter outer space, operate in outer space and return from outer space; 3. tackle the ongoing safety and sustainability deterioration by tying existing technologies, infrastructures and legal instruments together. Legal basis: Add following text: Pilot project within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 10 26.10.2012, p. 1). Justification: The number of satellites in orbit in 2015 amounted to 1265 satellites, therefore capturing technical and regulatory aspects of the satellites constellations is needed. This pilot project could tackle: application of space law, completion the Outer Space Traffic Rules, enabling the interoperability of space systems through an OST Technical standards regime. The proposal for this pilot project has also received support from the DG GROW. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 310 === ITRE/5029 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 02 05 01 — Developing and providing global satellite-based radio navigation infrastructures and services (Galileo) by 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 05 01 614 965 000 495 000 000 623 949 000 530 000 000 582 758 072 524 255 000 41 190 928 5 745 000 623 949 000 530 000 000 Reserve Total 614 965 000 495 000 000 623 949 000 530 000 000 582 758 072 524 255 000 41 190 928 5 745 000 623 949 000 530 000 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 311 === ITRE/5030 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 02 05 02 — Providing satellite-based services improving the performance of GPS to gradually cover the whole European Civil Aviation Conference (ECAC) region by 2020 (EGNOS) Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 05 02 280 000 000 150 000 000 185 000 000 180 000 000 180 375 000 177 030 000 99 625 000 2 970 000 280 000 000 180 000 000 Reserve Total 280 000 000 150 000 000 185 000 000 180 000 000 180 375 000 177 030 000 99 625 000 2 970 000 280 000 000 180 000 000 Justification: EGNOS, Europe's system used to improve the performance of global navigation satellite systems (GNSSs), has been deployed to provide safety of life navigation in different sectors. It improves the accuracy and reliability of GNSS positioning information and it is essential for applications where accuracy is critical. EGNOS benefits numerous important sectors, like aviation, road, rail, maritime, surveying/mapping, location-based services or ***agriculture***. Funds for system of this importance, with high innovation potential therefore shouldn´t be limited. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= 11 Draft amendment 559 === ITRE/5033 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 02 05 11 — European GNSS Agency Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 05 11 26 523 436 26 523 436 30 993 525 30 993 525 30 993 525 30 993 525 2 364 475 2 364 475 33 358 000 33 358 000 Reserve Total 26 523 436 26 523 436 30 993 525 30 993 525 30 993 525 30 993 525 2 364 475 2 364 475 33 358 000 33 358 000 Justification: GSA is responsible for >€4B for Galileo and EGNOS services. Galileo Initial Services are provided by GSA from 1 Jul 2017. The GSA has a resourcing gap for cyber security and Public Regulated Service. The approach of mitigation through consultancy and contract agents is not sustainable due to the risk of conflicts of interest and time delays could be induced (1 day = ~€1M). The EC proposal for 5 TAs in 2018, against a request for 23 TAs endorsed by GSA Admin Board, needs to be reassessed. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 312 === ITRE/5035 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 02 06 01 — Delivering operational services relying on space-borne observations and in-situ data (Copernicus) Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 06 01 118 306 000 129 796 000 130 664 000 131 000 000 123 397 400 128 838 500 7 266 600 2 161 500 130 664 000 131 000 000 Reserve Total 118 306 000 129 796 000 130 664 000 131 000 000 123 397 400 128 838 500 7 266 600 2 161 500 130 664 000 131 000 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 313 === ITRE/5036 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 02 06 02 — Building an autonomous Union’s Earth observation capacity (Copernicus) Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 02 06 02 486 526 000 564 376 000 507 297 000 474 000 000 494 614 575 468 179 000 12 682 425 5 821 000 507 297 000 474 000 000 Reserve 12 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments Total 486 526 000 564 376 000 507 297 000 474 000 000 494 614 575 468 179 000 12 682 425 5 821 000 507 297 000 474 000 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 314 === ITRE/5037 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 05 01 05 01 — Expenditure related to officials and temporary staff implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 05 01 05 01 1 535 400 1 535 400 1 589 136 1 589 136 1 541 462 1 541 462 47 674 47 674 1 589 136 1 589 136 Reserve Total 1 535 400 1 535 400 1 589 136 1 589 136 1 541 462 1 541 462 47 674 47 674 1 589 136 1 589 136 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 315 === ITRE/5038 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 05 01 05 02 — External personnel implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 05 01 05 02 433 545 433 545 442 216 442 216 428 950 428 950 13 266 13 266 442 216 442 216 Reserve Total 433 545 433 545 442 216 442 216 428 950 428 950 13 266 13 266 442 216 442 216 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 316 === ITRE/5039 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 05 01 05 03 — Other management expenditure for research and innovation ***programmes*** — Horizon 2020 13 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 05 01 05 03 830 664 830 664 400 000 400 000 388 000 388 000 12 000 12 000 400 000 400 000 Reserve Total 830 664 830 664 400 000 400 000 388 000 388 000 12 000 12 000 400 000 400 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 317 === ITRE/5042 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 05 09 03 01 — Securing sufficient supplies of safe and high quality food and other bio-based products Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 05 09 03 01 221 563 529 108 915 289 235 755 857 154 885 244 220 755 857 154 885 244 48 000 000 33 000 000 268 755 857 187 885 244 Reserve Total 221 563 529 108 915 289 235 755 857 154 885 244 220 755 857 154 885 244 48 000 000 33 000 000 268 755 857 187 885 244 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 318 === ITRE/5043 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 06 01 05 01 — Expenditure related to officials and temporary staff implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 06 01 05 01 4 776 024 4 776 024 4 754 946 4 754 946 4 612 298 4 612 298 142 648 142 648 4 754 946 4 754 946 Reserve Total 4 776 024 4 776 024 4 754 946 4 754 946 4 612 298 4 612 298 142 648 142 648 4 754 946 4 754 946 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 319 === ITRE/5044 === Tabled by Committee on Industry, Research and Energy 14 ------------------------------- SECTION III — COMMISSION Item 06 01 05 02 — External personnel implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 06 01 05 02 2 370 000 2 370 000 2 429 242 2 429 242 2 356 365 2 356 365 72 877 72 877 2 429 242 2 429 242 Reserve Total 2 370 000 2 370 000 2 429 242 2 429 242 2 356 365 2 356 365 72 877 72 877 2 429 242 2 429 242 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 320 === ITRE/5045 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 06 01 05 03 — Other management expenditure for research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget

2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 06 01 05 03 608 000 608 000 608 000 608 000 589 760 589 760 18 240 18 240 608 000 608 000 Reserve Total 608 000 608 000 608 000 608 000 589 760 589 760 18 240 18 240 608 000 608 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 321 === ITRE/5046 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 06 01 06 01 — Innovation and Networks Executive Agency — Contribution from Connecting Europe Facility (CEF) Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 06 01 06 01 14 832 226 14 832 226 14 272 055 14 272 055 12 343 893 12 343 893 1 928 162 1 928 162 14 272 055 14 272 055 Reserve Total 14 832 226 14 832 226 14 272 055 14 272 055 12 343 893 12 343 893 1 928 162 1 928 162 14 272 055 14 272 055 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= 15 Draft amendment 322 === ITRE/5050 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 06 03 07 31 — Single European Sky Air Traffic Management Research (SESAR) Joint Undertaking — Support expenditure Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 06 03 07 31 3 241 507 3 241 507 3 250 683 3 250 683 3 153 163 3 153 163 97 520 97 520 3 250 683 3 250 683 Reserve Total 3 241 507 3 241 507 3 250 683 3 250 683 3 153 163 3 153 163 97 520 97 520 3 250 683 3 250 683 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 323 === ITRE/5051 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 06 03 07 32 — Single European Sky Air Traffic Management Research 2 (SESAR2) Joint Undertaking Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 06 03 07 32 96 758 493 65 088 493 106 749 317 79 017 129 88 614 331 73 436 786 18 134 986 5 580 343 106 749 317 79 017 129 Reserve Total 96 758 493 65 088 493 106 749 317 79 017 129 88 614 331 73 436 786 18 134 986 5 580 343 106 749 317 79 017 129 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 324 === ITRE/5052 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 06 03 07 33 — Shift2Rail (S2R) Joint Undertaking — Support expenditure Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 06 03 07 33 1 579 870 1 579 870 1 624 000 1 624 000 1 575 280 1 575 280 48 720 48 720 1 624 000 1 624 000 Reserve Total 1 579 870 1 579 870 1 624 000 1 624 000 1 575 280 1 575 280 48 720 48 720 1 624 000 1 624 000 Justification: Restore Draft Budget (DB). 16 =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 325 === ITRE/5053 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 06 03 07 34 — Shift2Rail (S2R) Joint Undertaking Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 06 03 07 34 60 043 130 50 800 000 75 800 000 74 114 828 64 284 000 58 632 531 11 516 000 15 482 297 75 800 000 74 114 828 Reserve Total 60 043 130 50 800 000 75 800 000 74 114 828 64 284 000 58 632 531 11 516 000 15 482 297 75 800 000 74 114 828 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 326 === ITRE/5055 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 01 05 01 — Expenditure related to officials and temporary staff implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 01 05 01 94 221 251 94 221 251 94 197 536 94 197 536 91 371 610 91 371 610 2 825 926 2 825 926 94 197 536 94 197 536 Reserve Total 94 221 251 94 221 251 94 197 536 94 197 536 91 371 610 91 371 610 2 825 926 2 825 926 94 197 536 94 197 536 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 327 === ITRE/5056 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 01 05 02 — External personnel implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 01 05 02 26 116 578 26 116 578 25 823 043 25 823 043 25 048 352 25 048 352 774 691 774 691 25 823 043 25 823 043 Reserve Total 26 116 578 26 116 578 25 823 043 25 823 043 25 048 352 25 048 352 774 691 774 691 25 823 043 25 823 043 Justification: 17 Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 328 === ITRE/5057 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 01 05 03 — Other management expenditure for research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 01 05 03 45 500 949 45 500 949 46 062 594 46 062 594 44 680 716 44 680 716 1 381 878 1 381 878 46 062 594 46 062 594 Reserve Total 45 500 949 45 500 949 46 062 594 46 062 594 44 680 716 44 680 716 1 381 878 1 381 878 46 062 594 46 062 594 Justification: Restore Draft Budget (DB). 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Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 01 05 12 — External personnel implementing research and innovation ***programmes*** — Euratom ***Programme*** Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 01 05 12 709 823 709 823 689 286 689 286 668 607 668 607 20 679 20 679 689 286 689 286 18 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments Reserve Total 709 823 709 823 689 286 689 286 668 607 668 607 20 679 20 679 689 286 689 286 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 331 === ITRE/5060 === Tabled by Committee on Industry, Research and Energy 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2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 01 06 01 45 122 000 45 122 000 46 681 000 46 681 000 45 280 570 45 280 570 1 400 430 1 400 430 46 681 000 46 681 000 Reserve Total 45 122 000 45 122 000 46 681 000 46 681 000 45 280 570 45 280 570 1 400 430 1 400 430 46 681 000 46 681 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 333 === ITRE/5062 === Tabled by Committee on Industry, Research and Energy ------------------------------- 19 SECTION III — COMMISSION Item 08 01 06 02 — Research Executive Agency — Contribution from Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 01 06 02 62 627 224 62 627 224 64 590 426 64 590 426 62 652 713 62 652 713 1 937 713 1 937 713 64 590 426 64 590 426 Reserve Total 62 627 224 62 627 224 64 590 426 64 590 426 62 652 713 62 652 713 1 937 713 1 937 713 64 590 426 64 590 426 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 334 === ITRE/5063 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 01 06 03 — Executive Agency for Small and Medium-sized Enterprises — Contribution from Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 01 06 03 27 390 168 27 390 168 26 327 644 26 327 644 25 537 815 25 537 815 789 829 789 829 26 327 644 26 327 644 Reserve Total 27 390 168 27 390 168 26 327 644 26 327 644 25 537 815 25 537 815 789 829 789 829 26 327 644 26 327 644 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 335 === ITRE/5064 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 01 06 04 — Innovation and Networks Executive Agency — Contribution from Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 01 06 04 5 351 521 5 351 521 6 854 609 6 854 609 6 648 971 6 648 971 205 638 205 638 6 854 609 6 854 609 Reserve Total 5 351 521 5 351 521 6 854 609 6 854 609 6 648 971 6 648 971 205 638 205 638 6 854 609 6 854 609 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 336 === ITRE/5065 === Tabled by Committee on Industry, Research and Energy 20 ------------------------------- SECTION III — COMMISSION Item 08 02 01 01 — Strengthening frontier research in the European Research Council Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 01 01 1 753 136 644 935 198 152 1 827 122 604 1 356 020 405 1 805 122 604 1 356 020 405 22 000 000 1 827 122 604 1 356 020 405 Reserve Total 1 753 136 644 935 198 152 1 827 122 604 1 356 020 405 1 805 122 604 1 356 020 405 22 000 000 1 827 122 604 1 356 020 405 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 337 === ITRE/5066 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 01 03 — Strengthening European research infrastructures, including e-infrastructures Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 01 03 200 959 521 244 123 783 224 169 555 123 645 916 214 169 555 123 645 916 13 900 000 3 900 000 228 069 555 127 545 916 Reserve Total 200 959 521 244 123 783 224 169 555 123 645 916 214 169 555 123 645 916 13 900 000 3 900 000 228 069 555 127 545 916 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 338 === ITRE/5069 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 02 01 — Leadership in nanotechnologies, advanced materials, laser technology, biotechnology and advanced manufacturing and processing Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 02 01 514 392 377 374 177 307 518 395 125 552 233 871 518 395 125 552 233 871 10 000 000 10 000 000 528 395 125 562 233 871 Reserve Total 514 392 377 374 177 307 518 395 125 552 233 871 518 395 125 552 233 871 10 000 000 10 000 000 528 395 125 562 233 871 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI 21 (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 339 === ITRE/5071 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 02 03 — Increasing innovation in small and medium-sized enterprises (SMEs) Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 02 03 42 032 876 1 226 502 46 681 093 24 901 508 46 681 093 24 901 508 800 000 800 000 47 481 093 25 701 508 Reserve Total 42 032 876 1 226 502 46 681 093 24 901 508 46 681 093 24 901 508 800 000 800 000 47 481 093 25 701 508 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 340 === ITRE/5074 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 03 01 — Improving lifelong health and well-being Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 03 01 452 389 733 375 657 554 582 802 183 439 393 124 512 802 183 439 393 124 105 200 000 35 200 000 618 002 183 474 593 124 Reserve Total 452 389 733 375 657 554 582 802 183 439 393 124 512 802 183 439 393 124 105 200 000 35 200 000 618 002 183 474 593 124 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 341 === ITRE/5076 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 03 02 — Securing sufficient supplies of safe, healthy and high quality food and other bio-based products 22 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 03 02 151 783 756 133 402 096 188 374 001 189 964 342 178 374 001 189 964 342 13 300 000 3 300 000 191 674 001 193 264 342 Reserve Total 151 783 756 133 402 096 188 374 001 189 964 342 178 374 001 189 964 342 13 300 000 3 300 000 191 674 001 193 264 342 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 342 === ITRE/5077 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 03 03 — Making the transition to a reliable, sustainable and competitive energy system Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 03 03 297 292 784 204 438 229 330 244 971 323 232 721 330 244 971 323 232 721 6 500 000 6 500 000 336 744 971 329 732 721 Reserve Total 297 292 784 204 438 229 330 244 971 323 232 721 330 244 971 323 232 721 6 500 000 6 500 000 336 744 971 329 732 721 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 343 === ITRE/5080 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 03 04 — Achieving a European transport system that is resource-efficient, environmentally friendly, safe and seamless Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 03 04 331 267 186 285 072 690 230 777 055 284 091 541 230 777 055 284 091 541 4 200 000 4 200 000 234 977 055 288 291 541 Reserve Total 331 267 186 285 072 690 230 777 055 284 091 541 230 777 055 284 091 541 4 200 000 4 200 000 234 977 055 288 291 541 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means 23 available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 344 === ITRE/5082 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 03 05 — Achieving a resource-efficient and climate change resilient economy and a sustainable supply of raw materials Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 03 05 282 004 309 216 490 591 297 738 618 208 463 550 297 738 618 208 463 550 5 800 000 5 800 000 303 538 618 214 263 550 Reserve Total 282 004 309 216 490 591 297 738 618 208 463 550 297 738 618 208 463 550 5 800 000 5 800 000 303 538 618 214 263 550 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 345 === ITRE/5085 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 03 06 — Fostering inclusive, innovative and reflective European societies Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 03 06 107 587 818 97 646 402 124 102 267 125 202 494 118 102 267 125 202 494 8 300 000 2 300 000 126 402 267 127 502 494 Reserve Total 107 587 818 97 646 402 124 102 267 125 202 494 118 102 267 125 202 494 8 300 000 2 300 000 126 402 267 127 502 494 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 346 === ITRE/5087 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 08 02 05 — Horizontal activities of Horizon 2020 24 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 05 114 734 030 104 622 798 111 640 000 109 554 259 93 640 000 109 554 259 18 000 000 111 640 000 109 554 259 Reserve Total 114 734 030 104 622 798 111 640 000 109 554 259 93 640 000 109 554 259 18 000 000 111 640 000 109 554 259 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 347 === ITRE/5089 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 08 02 06 — Science with and for society Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 06 58 457 571 54 171 621 65 082 398 53 314 382 65 082 398 53 314 382 1 100 000 1 100 000 66 182 398 54 414 382 Reserve Total 58 457 571 54 171 621 65 082 398 53 314 382 65 082 398 53 314 382 1 100 000 1 100 000 66 182 398 54 414 382 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 348 === ITRE/5090 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 07 31 — Innovative Medicines Initiative 2 (IMI2) Joint Undertaking — Support expenditure Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 07 31 1 265 453 1 265 453 5 033 678 5 033 678 4 882 668 4 882 668 151 010 151 010 5 033 678 5 033 678 Reserve Total 1 265 453 1 265 453 5 033 678 5 033 678 4 882 668 4 882 668 151 010 151 010 5 033 678 5 033 678 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 349 === ITRE/5091 === Tabled by Committee on Industry, Research and Energy ------------------------------- 25 SECTION III — COMMISSION Item 08 02 07 32 — Innovative Medicines Initiative 2 (IMI2) Joint Undertaking Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 07 32 173 798 000 74 953 762 259 290 000 103 165 053 211 104 200 87 526 656 48 185 800 15 638 397 259 290 000 103 165 053 Reserve Total 173 798 000 74 953 762 259 290 000 103 165 053 211 104 200 87 526 656 48 185 800 15 638 397 259 290 000 103 165 053 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 350 === ITRE/5092 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 07 33 — Bio-Based Industries (BBI) Joint Undertaking — Support expenditure Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 07 33 2 285 155 2 285 155 2 223 726 2 223 726 2 157 014 2 157 014 66 712 66 712 2 223 726 2 223 726 Reserve Total 2 285 155 2 285 155 2 223 726 2 223 726 2 157 014 2 157 014 66 712 66 712 2 223 726 2 223 726 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 351 === ITRE/5093 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 07 34 — Bio-Based Industries (BBI) Joint Undertaking Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 07 34 78 889 310 66 887 748 110 263 312 108 914 732 77 058 046 94 736 437 33 205 266 14 178 295 110 263 312 108 914 732 Reserve Total 78 889 310 66 887 748 110 263 312 108 914 732 77 058 046 94 736 437 33 205 266 14 178 295 110 263 312 108 914 732 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 352 === ITRE/5094 === Tabled by Committee on Industry, Research and Energy ------------------------------- 26 SECTION III — COMMISSION Item 08 02 07 35 — Clean Sky 2 Joint Undertaking — Support expenditure Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 07 35 3 037 689 3 037 689 4 450 485 4 450 485 4 316 970 4 316 970 133 515 133 515 4 450 485 4 450 485 Reserve Total 3 037 689 3 037 689 4 450 485 4 450 485 4 316 970 4 316 970 133 515 133 515 4 450 485 4 450 485 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 353 === ITRE/5095 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 07 36 — Clean Sky 2 Joint Undertaking Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 07 36 189 833 010 167 476 200 278 980 583 319 857 059 238 400 971 298 459 918 40 579 612 21 397 141 278 980 583 319 857 059 Reserve Total 189 833 010 167 476 200 278 980 583 319 857 059 238 400 971 298 459 918 40 579 612 21 397 141 278 980 583 319 857 059 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 354 === ITRE/5096 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 08 02 07 37 — Fuel Cells and Hydrogen 2 (FCH 2) Joint Undertaking — Support expenditure Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 07 37 55 406 55 406 2 288 599 2 288 599 2 219 941 2 219 941 68 658 68 658 2 288 599 2 288 599 Reserve Total 55 406 55 406 2 288 599 2 288 599 2 219 941 2 219 941 68 658 68 658 2 288 599 2 288 599 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 355 === ITRE/5097 === Tabled by Committee on Industry, Research and Energy ------------------------------- 27 SECTION III — COMMISSION Item 08 02 07 38 — Fuel Cells and Hydrogen 2 (FCH 2) Joint Undertaking Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 07 38 91 990 225 139 529 054 73 389 716 93 126 304 66 921 922 86 263 778 6 467 794 6 862 526 73 389 716 93 126 304 Reserve Total 91 990 225 139 529 054 73 389 716 93 126 304 66 921 922 86 263 778 6 467 794 6 862 526 73 389 716 93 126 304 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 356 === ITRE/5098 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 08 02 08 — SME instrument Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 08 427 089 027 389 280 653 471 209 870 432 882 120 410 209 870 432 882 120 61 000 000 471 209 870 432 882 120 Reserve Total 427 089 027 389 280 653 471 209 870 432 882 120 410 209 870 432 882 120 61 000 000 471 209 870 432 882 120 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 357 === ITRE/5100 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 08 02 77 10 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 02 77 10 500 000 250 000 500 000 250 000 Reserve Total 500 000 250 000 500 000 250 000 Heading: Pilot project — Benchmark study to define a “fair” public health return and help ensure a fair return on EU medical R&D investments Remarks: Add following text: The European Commission (EC) invests in biomedical R&D through its Research Framework ***Programme***, Horizon 2020 under Societal Challenge 1 on health, demographic change, and wellbeing, which has the primary objective of 'improving the lifelong health and well-being of all'. However, the 28 EC biomedical R&D policy has been criticised for failing to ensure a fair public return on its investments: both the Council (See: [*http://www.consilium.europa.eu/en/press/press-releases/2016/06/17-epsco-conclusions-balance-pharmaceutical-system/*](http://www.consilium.europa.eu/en/press/press-releases/2016/06/17-epsco-conclusions-balance-pharmaceutical-system/)) and the European Parliament (See:   [*http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?lang=&reference=2016/2057(INI)*](http://www.europarl.europa.eu/oeil/popups/ficheprocedure.do?lang=&reference=2016/2057(INI))) have stressed the need to ensure that public R&D investments yield a fair return to ensure that the medical innovations supported by public investment focus on public health interests and the unmet medical needs of patients. In order to ensure that public bio-medical R&D investments deliver Horizon 2020’s above-mentioned objectives and ensure a fair return, it is crucial that a corresponding monitoring mechanism to measure socio-economic impact be put in place. However, it is widely acknowledged that there is a huge time lag (estimated 17 years) before health research evidence reaches clinical practice, let alone generates measureable health impacts. It is therefore of upmost importance to define, what the notion of a 'fair return on public investment' implies for EU biomedical investments, especially for EU financed public-private partnerships, in terms of directly observable/measurable indicators. With such benchmarks and metrics to quantify 'fair return' developed, the social impact of medical R&D projects would be thought at the stage where the projects are being scoped out and decisions are being made on the allocation of resources, which in its turn would help to ensure the desired social impact of the EU medical R&D projects and guarantee a fair return on public investments. The proposed pilot project would seek to address the above-mentioned concerns of the European public and EU institutions, by creating a benchmark of a 'fair return'. With actual health impacts decades away, and the adequate monitoring mechanisms not yet in place, a benchmark for a 'fair return' on the EU’s public investment is urgently needed. To this effect, this benchmark will define what a 'fair' public return for the EU’s public investments implies for o The priority setting for the allocation of R&D funding, o The design of projects, including the expected health and other socio-economic impacts Legal basis: Add following text: Pilot project within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: Such a benchmark can serve to inform funding priorities and project designs in the EU Research FP by providing the necessary guidance and directions to lay the foundation for future impact. This would also have broader implications for EU policies and be especially important for the implementation of the SDGs in the European policy framework and Commission priorities. It would help to improve and adapt the current EU better regulation agenda by transitioning it from a standard cost-benefit analysis towards more integrated analytical models, which also look at societal impact. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 359 === ITRE/5104 === Tabled by Committee on Industry, Research and Energy ------------------------------- 29 SECTION III — COMMISSION Item 08 03 01 02 — Euratom — Nuclear fission and radiation protection Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 08 03 01 02 63 481 598 83 064 877 67 630 719 31 857 582 61 630 719 31 857 582 6 000 000 67 630 719 31 857 582 Reserve Total 63 481 598 83 064 877 67 630 719 31 857 582 61 630 719 31 857 582 6 000 000 67 630 719 31 857 582 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 360 === ITRE/5105 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 09 01 04 01 — Support expenditure for Connecting Europe Facility (CEF) — information and communication technologies (ICT) Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 01 04 01 609 000 609 000 1 009 000 1 009 000 978 730 978 730 30 270 30 270 1 009 000 1 009 000 Reserve Total 609 000 609 000 1 009 000 1 009 000 978 730 978 730 30 270 30 270 1 009 000 1 009 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 361 === ITRE/5106 === Tabled by Committee on Industry, Research and Energy 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***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 01 05 02 10 963 044 10 963 044 10 989 486 10 989 486 10 659 801 10 659 801 329 685 329 685 10 989 486 10 989 486 Reserve Total 10 963 044 10 963 044 10 989 486 10 989 486 10 659 801 10 659 801 329 685 329 685 10 989 486 10 989 486 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 363 === ITRE/5108 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 09 01 05 03 — Other management expenditure for research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 01 05 03 10 800 000 10 800 000 11 124 000 11 124 000 10 790 280 10 790 280 333 720 333 720 11 124 000 11 124 000 Reserve Total 10 800 000 10 800 000 11 124 000 11 124 000 10 790 280 10 790 280 333 720 333 720 11 124 000 11 124 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 560 === ITRE/5111 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 09 02 03 — European Union Agency for Network and Information Security (ENISA) Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 02 03 10 242 000 10 242 000 10 490 564 10 490 564 10 490 564 10 490 564 2 538 436 2 538 436 13 029 000 13 029 000 Reserve Total 10 242 000 10 242 000 10 490 564 10 490 564 10 490 564 10 490 564 2 538 436 2 538 436 13 029 000 13 029 000 Justification: This increase would cover the new tasks arising from the Network and Information Security Directive (NISD), as well as activities related to the development of the cyber security blueprint to handle large-scale cyber incidents on the EU level and to support Connecting Europe Facility (CEF SMART 2015-1089) project on Establishment of a core service platform between participating Member States and the 31 operation of cooperation mechanisms for computer emergency response teams. ENISA stresses the need for investment in cyber security to protect the EU citizens. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 364 === ITRE/5115 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 09 03 03 — Promoting interoperability, sustainable deployment, operation and upgrading of trans-European digital service infrastructures, as well as coordination at European level Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 03 03 104 018 258 71 830 000 119 345 512 81 826 000 86 378 236 77 734 700 82 967 276 54 091 300 169 345 512 131 826 000 Reserve Total 104 018 258 71 830 000 119 345 512 81 826 000 86 378 236 77 734 700 82 967 276 54 091 300 169 345 512 131 826 000 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 365 === ITRE/5117 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 09 04 01 01 — Strengthening research in future and emerging technologies Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 01 01 322 099 260 216 700 000 426 837 832 378 998 000 394 837 832 378 998 000 69 400 000 37 400 000 464 237 832 416 398 000 Reserve Total 322 099 260 216 700 000 426 837 832 378 998 000 394 837 832 378 998 000 69 400 000 37 400 000 464 237 832 416 398 000 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 366 === ITRE/5119 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 09 04 01 02 — Strengthening European research infrastructure, including e-infrastructure 32 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 01 02 108 536 406 100 482 000 119 448 719 136 127 000 112 448 719 136 127 000 17 400 000 10 400 000 129 848 719 146 527 000 Reserve Total 108 536 406 100 482 000 119 448 719 136 127 000 112 448 719 136 127 000 17 400 000 10 400 000 129 848 719 146 527 000 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 367 === ITRE/5121 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 09 04 02 01 — Leadership in information and communications technology Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 02 01 731 622 819 787 942 692 722 055 754 793 276 000 722 055 754 793 276 000 71 700 000 71 700 000 793 755 754 864 976 000 Reserve Total 731 622 819 787 942 692 722 055 754 793 276 000 722 055 754 793 276 000 71 700 000 71 700 000 793 755 754 864 976 000 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 368 === ITRE/5123 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 09 04 03 01 — Improving lifelong health and well-being Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 03 01 100 213 001 99 345 061 141 434 051 144 191 000 126 434 051 144 191 000 28 600 000 13 600 000 155 034 051 157 791 000 Reserve Total 100 213 001 99 345 061 141 434 051 144 191 000 126 434 051 144 191 000 28 600 000 13 600 000 155 034 051 157 791 000 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. 33 =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 369 === ITRE/5124 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 09 04 03 02 — Fostering inclusive, innovative and reflective European societies Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 03 02 44 285 476 37 428 482 41 482 827 46 634 000 39 982 827 46 634 000 5 500 000 4 000 000 45 482 827 50 634 000 Reserve Total 44 285 476 37 428 482 41 482 827 46 634 000 39 982 827 46 634 000 5 500 000 4 000 000 45 482 827 50 634 000 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 370 === ITRE/5127 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 09 04 03 03 — Fostering secure European societies Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 03 03 45 163 543 39 612 493 50 098 276 49 783 000 48 598 276 49 783 000 6 400 000 4 900 000 54 998 276 54 683 000 Reserve Total 45 163 543 39 612 493 50 098 276 49 783 000 48 598 276 49 783 000 6 400 000 4 900 000 54 998 276 54 683 000 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 371 === ITRE/5128 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 09 04 07 31 — Electronic Components and Systems for European Leadership (ECSEL) Joint Undertaking — Support expenditure Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount 34 Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 07 31 1 377 397 1 377 397 1 962 124 1 962 124 1 903 260 1 903 260 58 864 58 864 1 962 124 1 962 124 Reserve Total 1 377 397 1 377 397 1 962 124 1 962 124 1 903 260 1 903 260 58 864 58 864 1 962 124 1 962 124 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 372 === ITRE/5129 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 09 04 07 32 — Electronic Components and Systems for European Leadership (ECSEL) Joint Undertaking Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 07 32 168 037 603 128 734 204 178 000 000 176 910 000 169 440 000 168 371 800 8 560 000 8 538 200 178 000 000 176 910 000 Reserve Total 168 037 603 128 734 204 178 000 000 176 910 000 169 440 000 168 371 800 8 560 000 8 538 200 178 000 000 176 910 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 373 === ITRE/5130 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 09 04 77 18 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 77 18 3 000 000 3 000 000 3 000 000 3 000 000 Reserve Total 3 000 000 3 000 000 3 000 000 3 000 000 Heading: Pilot project — Communication improvement to increase the RTDI activity effectiveness Remarks: Add following text: In Europe, apart from natural cultural differences there are also important differences between organisations in their understanding and implementation of research management techniques and best practices, as well as a limited understanding of comprehensive actions that promote good cooperation between partners. Current work and experiences in the area of communication between RTDI partners in the EU (e.g the functioning of JTI, JU etc.) confirms the above. Many joint projects and research undertakings carried out by partners with high technical competence fail to achieve full success due to communication 35 problems. Communication improvement among RTDI actors will contribute to increasing RTDI effectiveness, which represents a major challenge in managing of EU funds. This will ultimately result in shorter time of project-related work and lower costs. The EU has set up numerous mechanisms to facilitate communication (under various support schemes and specific area ***programs***). However, there are no large initiatives or ***programs*** covering communication-related issues comprehensively, creating a general system-based scheme for RTDI communication improvement. Improved communication is about more than just tools, which are ineffective if not used as recognized and valid standards. In addition to improving existing tools and possibly creating new ones, it is necessary to understand and take into account unquantifiable factors that influence the way in which people use those available tools to establish and maintain beneficial relationships. An important factor that influences research effectiveness is a shared awareness by all cooperating parties of what is required, how these requirements can best be met and who is best suited to carry out the necessary tasks. The objective of the proposed work is to conduct research that will lead to the development of tools, system solutions (policies) and behaviours (best practices) necessary to achieve a marked and sustained improvement of communication in the European RTDI sector. The research will be performed mainly on ongoing projects. An analysis conducted early on during the projects’ design and implementation will allow for the formulation and verification of hypotheses on barriers to communication. The conclusions will be used to develop models of system solutions to improve communication effectiveness. These model solutions will then be tested in the course of performance of RTDI work by project participants. The evaluation of the model solutions’ practical effectiveness will allow for the development of the final versions of the toolkit, system solutions (policies) and behaviours (best practices) that increase RTDI communication effectiveness in the EU. A highly practical action-oriented approach will be used, based on many of the participants’ RTDI experience, supported by their theoretical background knowledge. The results will be practical, implementable and measurably effective. The project will consist of four stages: I. The formulation of hypotheses describing potential barriers to communication, proposals for overcoming the problems caused by those barriers and ways to increase communication effectiveness. II. Testing of those hypotheses in practice. III. Development of prototypes – potential elements of a future communication system. IV. Setting up an initial version of the whole system. Legal basis: Add following text: Pilot project within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: Communication improvement among RTDI actors will contribute to increasing RTDI effectiveness, which represents a major challenge in managing of EU funds. This will ultimately result in shorter time of project-related work and lower costs. The objective of the proposed work is to conduct research that will lead to the development of tools, system solutions (policies) and behaviours (best practices) necessary to achieve a marked and sustained improvement of communication in the European RTDI sector. 36 =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 374 === ITRE/5131 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 09 04 77 18 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 77 18 1 500 000 1 500 000 1 500 000 1 500 000 Reserve Total 1 500 000 1 500 000 1 500 000 1 500 000 Heading: Pilot project — European Startups and Scaleups Ecosystem Graph Remarks: Add following text: Introduction The European startup and scaleup ecosystems have clear particularities such as growth models, density, investments, sectors, education ***programs***, regulations and cross-border collaborations. In this economic sector, various sources report a large pool of private capital that exists and continues to grow in countries such as the United Kingdom, France, Germany and Sweden. Consequently, this particular financial interest generated a large amount of data regarding startups and scaleups located in about 60 European Cities. This pilot project is aimed at accelerating the knowledge gathered through the StartupHubs project within the Startup Europe initiative. It should create a measurable impact, which in the end serves as a trustworthy tool to design evidence based policymaking. Objectives The main objective of this project pilot is to investigate the growth potential of various startups and scaleups ecosystems, in a dynamic way, based on socio-economic data gathered through effective and reliable data collecting and processing methods. All this information will be gathered and made accessible to the public through a user-friendly online platform that will map and link key connections of numerous parameters that compose the startups and scaleups ecosystems. As a result, this initiative should provide a better understanding of what is happening locally in various hubs, for example assessing strengths and weaknesses, the yearly growth, and measure their overall contribution to generating socio-economic welfare. Since we must strengthen the image of the European ICT startups and scaleups scene at global level, this initiative should target the positioning of such ecosystems, with the view of showcasing their strengths, and ultimately reinforce the European Digital Single Market strategy, create new jobs in the region and foster growth and collaboration across the Member States. Having these objectives in line with the Digital Single Market Strategy, we find DG Connect to be the most appropriate division to take up the lead of this pilot project. This DG should seek collaboration opportunities and share responsibilities, in terms of policymaking and data analysis, with other DGs. We request the Commission to organize a call for proposals, building upon the main lines stated in this proposal, and assign the development and implementation of this project to a suitable IT company. Description of elements 37 The pilot project will implement novel approaches when it comes to data visualisations and predictive analytics. This initiative should take the final form of an interactive platform, containing essential information for possible investors or other stakeholders. The expenditures must relate to the following elements: data acquisition, data analysis, creation and maintenance of the platform, counselling in developing evidence-based policy, information campaign and other activities related to the interaction with governments or communities. Legal basis: Add following text: Pilot project within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: For the upcoming pilot projects selection, we want to put forward an initiative that has as end result the consolidation of European ICT startups and scaleups’ position on the international market. We must strengthen the image of the European ICT startups and scaleups scene, and this initiative is going to target the positioning of such ecosystems, with the view of showcasing their strengths. Concretely, this project should create a measurable impact, which in the end serves as a trustworthy tool to design evidence-based policymaking. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 375 === ITRE/5132 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 09 04 77 18 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 77 18 1 500 000 1 500 000 1 500 000 1 500 000 Reserve Total 1 500 000 1 500 000 1 500 000 1 500 000 Heading: Pilot project — Art and the digital unleashing creativity for European industry, regions and society Remarks: Add following text: Europe's capacity to compete in the global market will depend on its capacity to convert scientific and technological knowledge into innovative products and services; even more, the appeal of Europe will strongly depend on how its regions can conceive an inspiring, motivating, and future-oriented environment for its citizens. The transformation of society by digital technologies is creating opportunities for Europe that a joint effort between the Arts and technology could help fully exploit. In the digital world, Europe can stake a claim on leadership in way of living and in those elements of the digital revolution that most depend on creativity, that is, broadly in 'content'. A committed partnership between arts and technology can make this claim a reality in areas as diverse as social inclusion, new digital media (augmented reality, new media like social media, etc.), urban development (smart cities, Internet of things etc.) or future of mobility. An enhanced collaboration between art and technology would not only stimulate innovation and thereby enhance the 38 competitiveness of Europe; it would also help unleash creativity in our society and in European regions. The 2015 Latvian presidency conclusions on ‘crossovers from culture to businesses' therefore invited the European institutions to consider enhancing collaboration between arts and technology for a holistic exploration of opportunities that overcomes the traditional boundaries of sectors, disciplines or the culture-engineering divide. The European Commission - DG CONNECT - has reacted by launching the STARTS ***program*** - innovation at the nexus of Science, Technology and the Arts. This is a highly pertinent step focused on promoting innovation in industry with the arts as catalyst of unconventional thinking and exploration. The European Commission is fostering innovation rooted in such collaboration by introducing light house projects that will put forward the crucial role of the arts in tackling challenges in the context of the digital single market. This pilot action is to explore how to best generalize this ***program*** and have STARTS ideas extended from pure industrial settings to for instance areas of regional and urban development where the digital also plays a prominent role. It will develop a coherent horizontal framework for ‘art-technology’ thinking in Europe across sectors and disciplines as well as across pertinent activities of European institutions (including framework ***programs*** structural funds, education ***programs*** etc.). The pilot action will create a network of key players from the art world (art institutions and artists engaging with technology), digital media relying on the arts for media content, industry that considers art as a means for exploration of possible application, and regions and cities willing to create infrastructure to host collaborations of artists and technologists as a seed for urban development. It will support artistic explorations of technology e.g by supporting technologies for performances and installations and will stimulate the most promising pathways by seed funding of ideas for art technology collaborations. It will in particular foster practical mechanisms that help convert emerging ideas form such collaborative explorations into tangible assets for European society and industry. Legal basis: Add following text: Pilot project within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: The European Union relies strongly in its ability to innovate. For us to take the next step, we need to think more holistically and bring together more and more the creative industries, a sector where the EU is a global champion and the hard sciences and technology, overcoming stereotypes that divide the sectors and impeded them from fulfilling their potential. This pilot project aims to capitilize on that and build on Europe's innovative and creative spirit. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 376 === ITRE/5133 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 09 04 77 18 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 77 18 1 000 000 1 000 000 1 000 000 1 000 000 Reserve 39 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments Total 1 000 000 1 000 000 1 000 000 1 000 000 Heading: Pilot project — Blockchain for EU institutions Remarks: Add following text: The goal of the PP (Pilot Project) is to investigate the feasibility and demonstrate the usefulness of using blockchain technology in the interaction between the EU Institutions and the citizens. As a starting point, the project will aim at underpinning the voucher scheme of the Wifi4EU project with blockchain technology, allowing for transparent and traceabe payment of EU funds to the private companies, which install the Wifi4EU infrastructure. It will also provide the citizens with the tools to examine the transactions registered in the ledger. It will rely on Open Source software and seek collaboration with Member States for providing blockchain services (also known as Govchains). The first phase of the project will consist of investigating the feasibility of the idea, from a technical, legal and process perspective. This will be done together with Member States willing to cooperate, some of which might already be working with blockchain technology. From the collaboration other use cases might emerge, these will be documented in a separate deliverable. The second phase will be rolling out the platform while at the same time providing a tool to EU citizens to explore the transactions. For a project to utilize blockchain technology effectively, it must add trust to an untrusted environment and exploit a distributed ledger mechanism. By using blockchain technology and providing the explorer tool, these conditions can be satisfied and therefore increase the trust of the EU citizens in the EU Institutions. Legal basis: Add following text: Pilot project within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: Blockchain is a new technology with a relevant potential for the interaction between the EU institutions and the citizens. Investigating the technical and legal feasibility to underpinning the voucher scheme of the Wifi4EU project and rolling out the associated platform represent a concrete opportunity to test the set-up and use of such technology. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 377 === ITRE/5135 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 09 04 77 18 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 77 18 1 500 000 1 000 000 1 500 000 1 000 000 40 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments Reserve Total 1 500 000 1 000 000 1 500 000 1 000 000 Heading: Preparatory action — Data analytics solutions for policy decision making Remarks: Add following text: The objective of the preparatory action is to identify, develop, implement and promote the use of data analytics techniques in the European and national policy decision making process. The use of data analytics (big data, data and text mining, business intellingence, data analytics) is becoming more and more instrumental in the European decision making process. Initiatives launched in recent years by the Commission, such as the Commission's Regulatory Fitness and Performance (REFIT) ***programme*** - which ensures that EU legislation delivers results for citizens and businesses effectively, efficiently and at minimum cost - or the better regulation agenda - on designing and evaluating EU policies and laws transparently, with evidence, and backed up by the views of citizens and stakeholders - openly promotes the interaction with citizens and call for the use of evidence in policy making. The action would cover the development, implementation and promotion of data analytics solutions for evidence policy making with potential application at national and European level. In particular: - the development and implementation of selected text mining solutions for analysing feedback from citizens on policies and initiatives (e.g the Doris tool developed by the Commission); - the development and implementation of selected data mining solutions for assessing data in specific policy areas and adding intelligence; - the integration of the developed solutions in consultation processes (e.g Doris in the Better Regulation feedback analysis supporting tools; text mining solutions for EU Survey, the open source survey solution developed by the Commission); - the development and implementation of data analytics tools for monitoring the performance of specific policies and contextualise them (e.g , key performance indicators for European funded ***programmes*** contextualised vs. the key social/economic indicators in that specific area). The development of such data analytics (in a broader sense) solutions is in its early stage and requires dedicated actions to be embedded in the regular European decision making process. The potential benefits at European level and the re-usability for Member States are expected to be relevant. Legal basis: Add following text: Preparatory action within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: Evidence based policy making is a must in the current European democratic decision processes. The availability of adequate data analytics solutions to support the decision making process is paramout to provide a comprehensive picture to the European Commission (and Member States) when taking policy decisions. In addition, data analytics solutions are instrumental to allow the European legislator to manage the complexity and richness of the interactions with an increasing number of active-participating citizens and stakeholders. 41 =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 378 === ITRE/5136 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 09 04 77 18 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 77 18 1 500 000 1 000 000 1 500 000 1 000 000 Reserve Total 1 500 000 1 000 000 1 500 000 1 000 000 Heading: Preparatory action — Linked open data in the European public administration Remarks: Add following text: The objective of the preparatory action will be to develop the potential and enhance the active and passive use of open data by linking them (linked open data) for European public administrations. The concept of open data is becoming a reference for the dissemination of data ***produced*** by public administrations. 'Knowledge is open if anyone is free to access, use, modify, and share it—subject, at most, to measures that preserve provenance and openness.” With open data we refer to data that is legally open (i.e data published under an open licence with conditions for re-use limited to attribution) and technically open (i.e machine readable and non-proprietary where possible) - in practice, this means that the data is free to access for everybody, and the file format and its content are not restricted to a particular non-open source software tool. In recent years, several initiatives to disseminate open data have been launched at national and European level, among which the Open Data Portal of the Publication Office of the European Union. Linked open data is a method of publishing structured open data so that it can be interlinked and become more useful through semantic queries. It builds upon standardWeb technologies, but rather than using them to serve web pages for human readers, it extends them to share information in a way that can be read automatically by computers. This enables data from different sources and different policy areas to be connected and queried. The action would boost linked open data in the European public administrations by developing the implementation of linked open data techniques and infrastructure. The aim is to identify, assess and support the exploitation of the potential of linked open data for European public administrations and, by consequence, facilitate the generation of new data, information and knowledge. The action will target open data ***produced*** and released by European public administrations (notably the European data portal) and focus on: - enable a core set of open data to be featured for becoming linked according to ISA semantic guidelines - e.g migration data; - provide the technical solutions to generate targeted queries to be used by European public administrations - e.g a search engine for linked open data on migration; - provide the capability to define indicators and contextualise them - e.g performance indicators for migration policies vs. statistics on migration. - promote the linked open data culture and potential. 42 Legal basis: Add following text: Preparatory action within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: Data is an essential asset in the modern society. The ability of interlinking structured open data ***produced*** by European public administrations in order to facilitate its use through semantic queries and to share information in a machine readable format will boost the data, information and knowledge management capability of European administrations. In addition, this capability will ensure and secure the competitive presence of European public administrations in the open data presence, with clear effects on European digital initiatives. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 379 === ITRE/5140 === Tabled by , Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 09 04 77 18 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 09 04 77 18 1 000 000 500 000 1 000 000 500 000 Reserve Total 1 000 000 500 000 1 000 000 500 000 Heading: Pilot project — Cybersecurity European Dispatch Centre Remarks: Add following text: The pilot project consists in creating a pan-European Cybersecurity European Dispatch Centre that can be accessed by public authorities, companies and individuals affected by viruses or attacked online. The Dispatch Centre will be available through an online platform enabling users to ask for help, explain their problems, get minimum personalized recommendations or learn if they were attacked recently. The users will also be guided to the national structures in charge of cybersecurity or cybersecurity enforcement structures. The platform will also have easy to be understood information regarding cyber-protection, cybersecurity prevention or recommendations. Finally, the online platform will integrate the education tools available at EU and member states level on cybersecurity in order to become a one-stop-shop for people interested in learning about the subject and how to protect themselves. Legal basis: Add following text: Pilot project within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: 43 Cybercrime and security threats have reached an unprecedented level. The number of attacks almost doubled in the last few year affecting directly our public authorities, companies and individuals. Unfortunately, people are often unaware of the dangers of security threats and attacks, they do not know whom to turn to for help and therefore to not contribute in helping catch the attackers. People need to get access to help faster at European level. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 380 === ITRE/5141 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 10 01 05 01 — Expenditure related to officials and temporary staff implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 10 01 05 01 139 760 000 139 760 000 139 854 849 139 854 849 135 659 204 135 659 204 4 195 645 4 195 645 139 854 849 139 854 849 Reserve Total 139 760 000 139 760 000 139 854 849 139 854 849 135 659 204 135 659 204 4 195 645 4 195 645 139 854 849 139 854 849 Justification: Restore Draft Budget (DB). 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follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 10 01 05 04 2 000 000 2 000 000 2 000 000 2 000 000 1 940 000 1 940 000 60 000 60 000 2 000 000 2 000 000 Reserve Total 2 000 000 2 000 000 2 000 000 2 000 000 1 940 000 1 940 000 60 000 60 000 2 000 000 2 000 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 384 === ITRE/5145 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 10 01 05 11 — Expenditure related to officials and temporary staff implementing research and innovation ***programmes*** — Euratom ***programme*** Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 10 01 05 11 54 200 000 54 200 000 54 200 000 54 200 000 52 574 000 52 574 000 1 626 000 1 626 000 54 200 000 54 200 000 Reserve Total 54 200 000 54 200 000 54 200 000 54 200 000 52 574 000 52 574 000 1 626 000 1 626 000 54 200 000 54 200 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 385 === ITRE/5146 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION 45 Item 10 01 05 12 — External personnel implementing research and innovation ***programmes*** — Euratom ***programme*** Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 10 01 05 12 10 000 000 10 000 000 10 000 000 10 000 000 9 700 000 9 700 000 300 000 300 000 10 000 000 10 000 000 Reserve Total 10 000 000 10 000 000 10 000 000 10 000 000 9 700 000 9 700 000 300 000 300 000 10 000 000 10 000 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 386 === ITRE/5147 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 10 01 05 13 — Other management expenditure for research and innovation ***programmes*** — Euratom ***Programme*** Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 10 01 05 13 35 045 400 35 045 400 35 045 400 35 045 400 33 994 038 33 994 038 1 051 362 1 051 362 35 045 400 35 045 400 Reserve Total 35 045 400 35 045 400 35 045 400 35 045 400 33 994 038 33 994 038 1 051 362 1 051 362 35 045 400 35 045 400 Justification: Restore Draft Budget (DB). 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46 SECTION III — COMMISSION Article 10 02 01 — Horizon 2020 — Customer-driven scientific and technical support to Union policies Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 10 02 01 27 183 960 25 500 000 27 183 960 26 500 000 27 183 960 26 500 000 14 000 000 14 000 000 41 183 960 40 500 000 Reserve Total 27 183 960 25 500 000 27 183 960 26 500 000 27 183 960 26 500 000 14 000 000 14 000 000 41 183 960 40 500 000 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 389 === ITRE/5151 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 10 03 01 — Euratom activities of direct research Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 10 03 01 10 773 000 10 500 000 10 881 000 10 000 000 7 381 000 10 000 000 3 500 000 10 881 000 10 000 000 Reserve Total 10 773 000 10 500 000 10 881 000 10 000 000 7 381 000 10 000 000 3 500 000 10 881 000 10 000 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 390 === ITRE/5153 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 15 01 05 01 — Expenditure relating to officials and temporary staff implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 15 01 05 01 1 818 113 1 818 113 1 881 747 1 881 747 1 825 295 1 825 295 56 452 56 452 1 881 747 1 881 747 Reserve Total 1 818 113 1 818 113 1 881 747 1 881 747 1 825 295 1 825 295 56 452 56 452 1 881 747 1 881 747 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= 47 Draft amendment 391 === ITRE/5154 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 15 01 05 02 — External personnel implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 15 01 05 02 877 339 877 339 894 886 894 886 868 039 868 039 26 847 26 847 894 886 894 886 Reserve Total 877 339 877 339 894 886 894 886 868 039 868 039 26 847 26 847 894 886 894 886 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 392 === ITRE/5155 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 15 01 05 03 — Other management expenditure for research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 15 01 05 03 1 196 213 1 196 213 1 256 023 1 256 023 1 218 342 1 218 342 37 681 37 681 1 256 023 1 256 023 Reserve Total 1 196 213 1 196 213 1 256 023 1 256 023 1 218 342 1 218 342 37 681 37 681 1 256 023 1 256 023 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 393 === ITRE/5159 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 15 03 05 — European Institute of Innovation and Technology (EIT) — integrating the knowledge triangle of higher education, research and innovation Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 15 03 05 300 426 789 314 253 296 396 194 129 366 717 896 363 270 246 357 383 538 54 923 883 31 334 358 418 194 129 388 717 896 Reserve Total 300 426 789 314 253 296 396 194 129 366 717 896 363 270 246 357 383 538 54 923 883 31 334 358 418 194 129 388 717 896 Justification: 48 The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 394 === ITRE/5161 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 17 03 77 29 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 17 03 77 29 500 000 500 000 500 000 500 000 Reserve Total 500 000 500 000 500 000 500 000 Heading: Pilot project — Towards effective measurement of integrated cancer care Remarks: Add following text: Integrated care pathways are structured multidisciplinary care ***plans*** which detail essential steps in the care of patients with a specific clinical problem. They have been proposed as a way of encouraging the translation of national guidelines into local protocols and their subsequent application to clinical practice. Whilst the achievement of integrated care has long been understood as an essential aspiration for any health system seeking to improve quality, coordination and best use of care resource, the extent to which health systems in Europe are meeting the aspiration is not subject to any form of universal assessment or measurement. The proposed pilot project on measuring integrated care in the domain of cancer would address this gap by: conducting a review of existing measurements and indicators for integrated cancer care across the EU; developing, through consultation with key stakeholders, possible new indicators for integrated care and/or improvement of existing indicators; exploration and possible validation of a new set of indicators and/or of existing indicators improved upon with the relevant European and international organisations; articulating a strategy and roadmap for scale-up and implementation. Legal basis: Add following text: Pilot project within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: Cancer patients deserve the best care possible, yet many obstacles are presented in terms of achieving sustained and meaningful integration of their care across sectors. Development of a more pan-European approach to measuring integration of cancer care has the potential to make a serious and important contribution to elucidating the nature of the barriers to integration of cancer care, as well as the transferable 49 best practices and solutions. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 395 === ITRE/5166 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 18 05 03 01 — Fostering secure European societies Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 18 05 03 01 139 996 074 138 824 023 156 526 362 145 303 970 153 526 362 145 303 970 13 400 000 10 400 000 166 926 362 155 703 970 Reserve Total 139 996 074 138 824 023 156 526 362 145 303 970 153 526 362 145 303 970 13 400 000 10 400 000 166 926 362 155 703 970 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 396 === ITRE/5169 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 32 01 04 01 — Support expenditure for Connecting Europe Facility — Energy Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 01 04 01 1 978 000 1 978 000 1 978 000 1 978 000 1 918 660 1 918 660 59 340 59 340 1 978 000 1 978 000 Reserve Total 1 978 000 1 978 000 1 978 000 1 978 000 1 918 660 1 918 660 59 340 59 340 1 978 000 1 978 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 397 === ITRE/5170 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 32 01 05 01 — Expenditure related to officials and temporary staff implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 50 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 01 05 01 1 982 934 1 982 934 2 022 348 2 022 348 1 961 678 1 961 678 60 670 60 670 2 022 348 2 022 348 Reserve Total 1 982 934 1 982 934 2 022 348 2 022 348 1 961 678 1 961 678 60 670 60 670 2 022 348 2 022 348 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 398 === ITRE/5171 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 32 01 05 02 — External personnel implementing research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 01 05 02 728 000 728 000 745 660 745 660 723 290 723 290 22 370 22 370 745 660 745 660 Reserve Total 728 000 728 000 745 660 745 660 723 290 723 290 22 370 22 370 745 660 745 660 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 399 === ITRE/5172 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 32 01 05 03 — Other management expenditure for research and innovation ***programmes*** — Horizon 2020 Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 01 05 03 1 132 000 1 132 000 1 132 000 1 132 000 1 098 040 1 098 040 33 960 33 960 1 132 000 1 132 000 Reserve Total 1 132 000 1 132 000 1 132 000 1 132 000 1 098 040 1 098 040 33 960 33 960 1 132 000 1 132 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 400 === ITRE/5173 === Tabled by Committee on Industry, Research and Energy ------------------------------- 51 SECTION III — COMMISSION Item 32 01 05 21 — Expenditure related to officials and temporary staff implementing research and innovation ***programmes*** — ITER Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 01 05 21 7 109 563 7 109 563 5 888 000 5 888 000 5 711 360 5 711 360 176 640 176 640 5 888 000 5 888 000 Reserve Total 7 109 563 7 109 563 5 888 000 5 888 000 5 711 360 5 711 360 176 640 176 640 5 888 000 5 888 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 402 === ITRE/5175 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 32 01 05 23 — Other management expenditure for research and innovation ***programmes*** — ITER Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 01 05 23 1 310 000 1 310 000 1 110 000 1 110 000 1 076 700 1 076 700 33 300 33 300 1 110 000 1 110 000 Reserve Total 1 310 000 1 310 000 1 110 000 1 110 000 1 076 700 1 076 700 33 300 33 300 1 110 000 1 110 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 403 === ITRE/5177 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 32 02 01 01 — Further integration of the internal energy market and the interoperability of electricity and gas networks across borders Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 02 01 01 206 508 927 33 023 600 226 402 267 50 951 000 208 382 154 48 403 450 74 720 113 59 247 550 283 102 267 107 651 000 Reserve Total 206 508 927 33 023 600 226 402 267 50 951 000 208 382 154 48 403 450 74 720 113 59 247 550 283 102 267 107 651 000 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. 52 =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 404 === ITRE/5179 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 32 02 01 02 — Enhancing Union security of energy supply Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 02 01 02 207 441 809 24 839 000 226 040 000 50 217 000 204 738 000 47 706 150 77 902 000 59 110 850 282 640 000 106 817 000 Reserve Total 207 441 809 24 839 000 226 040 000 50 217 000 204 738 000 47 706 150 77 902 000 59 110 850 282 640 000 106 817 000 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 405 === ITRE/5181 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 32 02 01 03 — Contributing to sustainable development and protection of the environment Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 02 01 03 206 509 070 25 201 000 226 039 068 50 067 000 209 339 068 50 067 000 73 400 000 56 700 000 282 739 068 106 767 000 Reserve Total 206 509 070 25 201 000 226 039 068 50 067 000 209 339 068 50 067 000 73 400 000 56 700 000 282 739 068 106 767 000 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 406 === ITRE/5183 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 32 02 01 04 — Creating an environment more conducive to private investment for energy projects Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 53 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 02 01 04 77 291 975 28 295 000 19 773 000 60 000 000 17 284 350 57 000 000 60 007 625 3 000 000 77 291 975 60 000 000 Reserve Total 77 291 975 28 295 000 19 773 000 60 000 000 17 284 350 57 000 000 60 007 625 3 000 000 77 291 975 60 000 000 Justification: The Debt Instrument, a joint instrument of the EC and the EIB, is designed to cumulate investment by attracting additional financing of projects by MSs and/or the private sector. It is expected that it will contribute to the development and implementation of projects of common interest in electricity and gas, helping to achieve aims of the EU´s energy policy. Taking into account the current revision of the energy policy and lack of investments in certain energy sectors, decrease on this budget won´t bring any impetus. The budget should be therefore kept at least at the level of 2017. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 561 === ITRE/5187 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 32 02 10 — Agency for the Cooperation of Energy Regulators (ACER) Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 02 10 12 520 160 12 520 160 13 033 117 13 033 117 12 707 289 12 707 289 6 889 097 6 889 097 19 596 386 19 596 386 Reserve Total 12 520 160 12 520 160 13 033 117 13 033 117 12 707 289 12 707 289 6 889 097 6 889 097 19 596 386 19 596 386 Justification: The increase in the number of authorised posts for ACER is required to equip the Agency with the staff needed effectively to implement Regulations (EU) No 1227/2011 (REMIT) and (EU) No 347/2013 (TEN-E Regulation), as well as to fulfil its expanded mission related to the implementation of the electricity and gas network codes and guidelines and its monitoring. The increase in the subsidy for ACER is required to cover the costs of the additional posts, as well as the level of REMIT-related IT expenditure which is essential to maintain the secure operation of the ACER REMIT Information System. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 407 === ITRE/5188 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 32 02 77 11 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 02 77 11 2 000 000 2 000 000 2 000 000 2 000 000 Reserve Total 2 000 000 2 000 000 2 000 000 2 000 000 Heading: Pilot project — Establishing comprehensive support for coal and carbon-intensive regions in transition Remarks: 54 Add following text: EU’s recovery from the economic crisis and the effective implementation of its key goals of strong growth and global competitiveness, including through sustainable reindustrialization and modernization of EU’s economy, must be founded on long-term sustainability - in environmental, economic and social terms. In the context of EU’s ambitious climate commitments and its transition to low-emission economy based on the circular model, EU’s coal and carbon-intensive regions with a high share of workers in carbon-dependent sectors need targeted support to effectively contribute to this ***strategic*** transformation. According to the Eurostat figures, mining of coal and lignite by itself currently accounts for over 300,000 direct jobs in the EU. These are concentrated in a limited number of regions, where their impact on the local economy and social cohesion is the principal driver. Facing the challenges of technological progress, global competition and demanding environmental and climate policies, ability of these particular regions to contribute to and benefit from EU’s transition to low-emissions circular economy have a particularly crucial bearing on the overall success of the EU. This has been acknowledged by the European Commission, which in its communication on ‘Clean Energy for All Europeans’ committed to ‘examine how to better support the transition in coal and carbon-intensive regions.’ The aim of this pilot project is to ensure the effectiveness of these support efforts, their long-term sustainability, and ultimately the success of the transformation of EU as a whole and its global leadership, by establishing a platform which should enable the European Commission to: - identify EU’s coal and carbon-intensive regions in transition and their smart specialisations; - build a dedicated practical toolkit with (a) best practices, (b) existing support instruments identifying best synergies, (c) information exchange with and between regions; - establish stakeholder fora and provide tools for intra-regional exchanges, including on comprehensive roadmaps for low-emission reindustrialization and re-skilling needs; - identify on-the-ground bottlenecks and streamline support to new technologies and clean-coal innovation development and uptake, including CCS, CCU and coal gasification; - establish a compendium of best practices and operational guidelines, and eventually a practical toolkit for non-EU coal and carbon-intensive regions in transition, as part of the capacity-building measures under the Paris Agreement; - set up a cross-DG team to (a) identify areas of possible EU policy/***programmes*** synergies in view of ensuring most effective financial and policy support post-2020; (b) assist regions (central/local authorities) in developing sustainable transition strategies. Legal basis: Add following text: Pilot project within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: EU is undergoing a ***strategic*** transition to low-emission, circular economy. This is about EU’s climate ambitions, economic growth, global leadership in innovation, as well as social model. To deliver in the long-term and across all related policy areas, EU’s coal and carbon-intensive regions require targeted, comprehensive support as they bear the highest socio-economic risks that might directly affect the overall success of the EU, both in making this transition and with regard to its overarching public perception. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 408 === ITRE/5189 === 55 Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 32 02 77 11 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 02 77 11 2 000 000 1 000 000 2 000 000 1 000 000 Reserve Total 2 000 000 1 000 000 2 000 000 1 000 000 Heading: Pilot project — Toolkits for Coal platform dialogue participants to develop and accompany local transition strategies Remarks: Add following text: With its 2011 Low Carbon Economy Roadmap, the European Commission has developed a vision to largely decarbonise the European economy, and has defined concrete steps to get there. The EU has confirmed this commitment, most prominently with the adoption of the Paris Agreement While keeping in mind that EU Member States have the sole prerogative to determine their national energy mix, this inevitably puts coal mining regions in the focus, that have to deal with the multiple challenges linked to the transition brought about by political decisions, economic realities and citizens aspirations. The Commission is therefore launching a dedicated dialogue in form of a coal platform for regions facing this transition Activities: ***Produce*** a series of toolkits to integrate results of coal platform meetings in order to accompany participants in developping local transition strategies, in the following fields: a) Establishing a governance process at local level: How to start an inclusive dialogue with the view to develop common transition vision with local and social partners, civil society, industrial and economic actors, academia, including information on best practices and lessons learnt. b) Access funding: A guide on existing EU funds and their possible combination and technical assistance for project aggregation to support the local transition strategies developed. c) Employment & growth perspectives: How to accompany the labour market transition process (including re-skilling and retraining as well as targted support for vulnerable groups) with a regional concept for economic development to attract future-proof, local jobs d) Environmental rehabilitation: A guide on how to realise the re-coversion of former sites, including best practices on decommissioning, re-cultivation, remediation and re-establishment of ground water levels. Legal basis: Add following text: Pilot project within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: Decarbonisation of European regions will not happen without important socio-economic impacts. In its ‘Clean energy for all Europeans’ communication published in November 2016, the Commission has acknowledged that more tailor-made support is needed for the transition in the coal and carbon-intensive industrial regions. Concerning the coal platform dialogue envisaged, participants shall receive a detailed 56 toolkit, a manual with guidance, contacts and examples to help them develop and accompany the transition in their local/regional environment. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 409 === ITRE/5190 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Add: 32 02 77 11 Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 02 77 11 600 000 600 000 600 000 600 000 Reserve Total 600 000 600 000 600 000 600 000 Heading: Pilot project — Feasibility study for the distributed ledger technology applied to the European energy market Remarks: Add following text: The project aims to set up a platform of best practices and technical advices, based on the experience and needs of the new actors in the energy market, thus helping the European Commission to stimulate the development of technical standards in the field of distributed ledgers. To reach this objective, the following activities will be carried on during the project: Analisys of the existing distributed ledger based on blockchain technology. The analisys aims to understand the problems and the solutions found during the setup and use of distributed ledger in real cases. Analisys of the needs of all subjects involved in the energy market (institutionalised energy suppliers, prosumers organisations, energy communities organisations, etc.). A survey made in 2016 by the German Energy Agency (Dena) finds that 52% of German Energy actors already implemented or ***planned*** activities with respect to blockchain; the analisys will focus on these activities to understand the needs of these actors. Focus group with prosumers associations will be also carried out. Organisation of information events about distributed ledger based on blockchain technology Setup of a network for the subjects involved in the new energy market. Network will be a tool to disseminate and share best practices and technical advices between the participants. Legal basis: Add following text: Pilot project within the meaning of Article 54(2) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1). Justification: The electrical grid will be increasingly decentralised. One of the keys will be investments in ICT and smarter technologies to modernize the grid and to increase possibilities for exchanges of micro-generated energy. Distributed ledgers, in combination with smart meters and storage facilities, have the potential to open new 57 ways of sharing energy between prosumers. Technical standards in the field are needed to allow the interoperability of systemas among energy communities. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 410 === ITRE/5191 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Article 32 03 01 — Nuclear safeguards Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 03 01 23 750 000 21 900 000 20 000 000 18 000 000 17 000 000 15 300 000 3 000 000 2 700 000 20 000 000 18 000 000 Reserve Total 23 750 000 21 900 000 20 000 000 18 000 000 17 000 000 15 300 000 3 000 000 2 700 000 20 000 000 18 000 000 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 411 === ITRE/5197 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 32 04 03 01 — Making the transition to a reliable, sustainable and competitive energy system Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 04 03 01 335 329 919 279 814 488 300 984 111 321 356 054 300 984 111 321 356 054 60 000 000 60 000 000 360 984 111 381 356 054 Reserve Total 335 329 919 279 814 488 300 984 111 321 356 054 300 984 111 321 356 054 60 000 000 60 000 000 360 984 111 381 356 054 Justification: The amendment intends to fully restore the original annual profile of this budget line as it had been foreseen prior to the redeployment of commitment appropriations for the provisioning of the EFSI (European Fund of ***Strategic*** Investments) Guarantee Fund. This increase will be financed by the use of all financial means available under the existing MFF-Regulation. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 412 === ITRE/5199 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 32 05 01 01 — Construction, operation and exploitation of the ITER facilities — European Joint Undertaking for ITER — Fusion for Energy (F4E) — Support expenditure Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount 58 Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 05 01 01 47 547 440 47 547 440 48 016 981 48 016 981 46 576 472 46 576 472 1 440 509 1 440 509 48 016 981 48 016 981 Reserve Total 47 547 440 47 547 440 48 016 981 48 016 981 46 576 472 46 576 472 1 440 509 1 440 509 48 016 981 48 016 981 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 413 === ITRE/5201 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION Item 32 05 01 02 — Construction, operation and exploitation of the ITER facilities – European Joint Undertaking for ITER — Fusion for Energy (F4E) Amend figures as follows: Budget 2017 Draft budget 2018 Council's position 2018 Difference New amount Commitments Payments Commitments Payments Commitments Payments Commitments Payments Commitments Payments 32 05 01 02 266 512 997 188 140 000 321 108 018 247 301 679 290 052 617 234 936 595 31 055 401 12 365 084 321 108 018 247 301 679 Reserve Total 266 512 997 188 140 000 321 108 018 247 301 679 290 052 617 234 936 595 31 055 401 12 365 084 321 108 018 247 301 679 Justification: Restore Draft Budget (DB). =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 414 === ITRE/5203 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION S 03 01 02 02 — European GNSS Agency (GSA) Amend remarks as follows: Amend text as follows: Function group and grade European GNSS Agency (GSA) 2018 2017 Authorized under the Union budget Actually filled as at 31 December 2016 Authorized under the Union budget Permanent posts Temporary posts Permanent posts Temporary posts Permanent posts Temporary posts AD 16 AD 15 AD 14 1 1 1 AD 13 3 1 2 AD 12 6 5 5 AD 11 7 5 6 AD 10 14 12 13 AD 9 13 12 12 AD 8 32 30 30 AD 7 34 34 34 AD 6 7 8 8 AD 5 17 1 AD Subtotal 134 118 108 111 59 AST 11 AST 10 AST 9 AST 8 AST 7 AST 6 2 1 2 AST 5 1 2 1 AST 4 1 1 1 AST 3 1 AST 2 1 1 AST 1 AST Subtotal 5 5 5 AST/SC 6 AST/SC 5 AST/SC 4 AST/SC 3 AST/SC 2 AST/SC 1 AST/SC Subtotal Total 139 123 113 116 Grand total 139 123 113 116 Justification: GSA is responsible for >€4B for Galileo and EGNOS services. Galileo Initial Services are provided by GSA from 1 Jul 2017. The GSA has a resourcing gap for cyber security and Public Regulated Service. The approach of mitigation through consultancy and contract agents is not sustainable due to the risk of conflicts of interest and time delays could be induced (1 day = ~ €1M). The EC proposal for 5 TAs in 2018, against a request for 23 TAs endorsed by GSA Admin Board, needs to be reassessed. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 415 === ITRE/5204 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION S 03 01 09 01 — European Union Agency for Network and Information Security (ENISA) Amend remarks as follows: Amend text as follows: Function group and grade European Union Agency for Network and Information Security (ENISA) 2018 2017 Authorized under the Union budget Actually filled as at 31 December 2016 Authorized under the Union budget Permanent posts Temporary posts Permanent posts Temporary posts Permanent posts Temporary posts AD 16 AD 15 1 1 1 AD 14 AD 13 AD 12 3 2 3 AD 11 1 AD 10 5 2 5 AD 9 10 2 10 AD 8 15 5 15 AD 7 2 AD 6 13 AD 5 6 1 60 AD Subtotal 40 34 29 34 AST 11 AST 10 AST 9 AST 8 AST 7 2 1 2 AST 6 5 1 5 AST 5 5 2 5 AST 4 1 5 2 AST 3 6 AST 2 AST 1 AST Subtotal 13 15 14 AST/SC 6 AST/SC 5 AST/SC 4 AST/SC 3 AST/SC 2 AST/SC 1 AST/SC Subtotal Total 53 47 44 48 Grand total 53 47 44 48 Justification: This increase would cover the new tasks arising from the Network and Information Security Directive (NISD), as well as activities related to the development of the cyber security blueprint to handle large-scale cyber incidents on the EU level and to support Connecting Europe Facility (CEF SMART 2015-1089) project on Establishment of a core service platform between participating Member States and the operation of cooperation mechanisms for computer emergency response teams. ENISA stresses the need for investment in cyber security to protect the EU citizens. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 416 === ITRE/5205 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION S 03 01 32 01 — Agency for the Cooperation of Energy Regulators (ACER) Amend remarks as follows: Amend text as follows: Function group and grade Agency for the Cooperation of Energy Regulators (ACER) 2018 2017 Authorized under the Union budget Actually filled as at 31 December 2016 Authorized under the Union budget Permanent posts Temporary posts Permanent posts Temporary posts Permanent posts Temporary posts AD 16 AD 15 1 1 1 AD 14 AD 13 AD 12 4 3 4 AD 11 5 2 5 AD 10 2 AD 9 5 3 4 AD 8 11 10 11 AD 7 8 6 10 61 AD 6 10 10 7 AD 5 33 11 11 11 AD Subtotal 77 55 48 53 AST 11 AST 10 AST 9 AST 8 AST 7 AST 6 1 1 AST 5 2 1 4 AST 4 4 4 4 AST 3 5 7 6 AST 2 AST 1 8 AST Subtotal 20 12 12 15 AST/SC 6 AST/SC 5 AST/SC 4 AST/SC 3 AST/SC 2 AST/SC 1 AST/SC Subtotal Total 97 67 60 68 Grand total 97 67 60 68 Justification: The increase in the number of authorised posts for ACER is required to equip the Agency with the staff needed effectively to implement Regulations (EU) No 1227/2011 (REMIT) and (EU) No 347/2013 (TEN-E Regulation), as well as to fulfil its expanded mission related to the implementation of the electricity and gas network codes and guidelines and its monitoring. The increase in the subsidy for ACER is required to cover the costs of the additional posts, as well as the level of REMIT-related IT expenditure which is essential to maintain the secure operation of the ACER REMIT Information System. =-=-=-=-=-=-=-=-=-==-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-=-==-=-=-= Draft amendment 417 === ITRE/5206 === Tabled by Committee on Industry, Research and Energy ------------------------------- SECTION III — COMMISSION S 03 03 — European Institute of Innovation and Technology (EIT) Amend remarks as follows: Amend text as follows: Function group and grade European Institute of Innovation and Technology (EIT) 2018 2017 Authorized under the Union budget Actually filled as at 31 December 2016 Authorized under the Union budget Permanent posts Temporary posts Permanent posts Temporary posts Permanent posts Temporary posts AD 16 AD 15 AD 14 1 1 AD 13 AD 12 1 AD 11 1 1 62 AD 10 3 1 AD 9 9 5 8 AD 8 9 5 5 AD 7 9 8 13 AD 6 7 13 7 AD 5 5 AD Subtotal 44 39 32 36 AST 11 AST 10 AST 9 AST 8 AST 7 AST 6 AST 5 1 1 1 AST 4 3 2 3 AST 3 1 1 1 AST 2 AST 1 AST Subtotal 5 4 5 AST/SC 6 AST/SC 5 AST/SC 4 AST/SC 3 AST/SC 2 AST/SC 1 AST/SC Subtotal Total 49 44 36 41 Grand total 49 44 36 41 Justification: The increase by 5 posts is required to be ensure a sound handling of the increase in the volume of grants managed as well as the new tasks entrusted to it including legality and regularity as well as compliance with the principles of sound financial management.

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**End of Document**



[***Register of Commission documents:Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: The Future of Food and Farming Document date: 2018-05-08 AGRI\_AM(2018)622077 Amendments to draft opinions***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SD5-7131-JDG9-Y03R-00000-00&context=1516831)

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**Body**

Brussels: Public Register European Parliament has issued the following document:

AM\1152954EN.docx EN United in diversity EN Compromise Amendments for the Dorfmann Report on the Future of Food and Farming FINAL VERSION A. whereas the Commission communication ‘The Future of Food and Farming’ acknowledges that the common ***agricultural*** policy (CAP) is one of the oldest and most integrated policies in the EU and is of global ***strategic*** importance, and should be designed to enable the EU farming and forestry sector to respond to justified citizens’ demands regarding not only food security, safety, quality and sustainability, but also environmental care, biodiversity and natural resources protection, climate change action, rural development, health and high animal welfare standards, and employment; COMP AM B NOT YET TRANSLATED, REPLACING AM 65, 67 - 73 B. whereas the EU’s overarching objective of a multifunctional and diversified ***agriculture*** and forestry sector that creates jobs, is fair, is driven by sustainable ***agricultural*** practices and enables the preservation of viable small and family farms which can be acquired and handed down from generation to generation, remains key to delivering the positive externalities and public goods that European citizens demand (food and non-food products and services); COMP AM C NOT YET TRANSLATED, REPLACING AM 84 - 86, 78, ENVI 4 C. whereas for more than 25 years the CAP has undergone regular reform dictated by the opening-up of European ***agriculture*** to international markets and by the emergence of new challenges in areas such as the environment and climate change; whereas another step is now necessary in this continuous process of adjustment in order to simplify, modernise and reorientate the CAP so that it secures farmers’ incomes and more effectively meets the expectations of society as a whole, in particular as regards food quality and security, climate change, public health and employment, while ensuring policy certainty and financial security for the sector, in order to achieve sustainable rural areas, tackle food security and ensure that European climate and environmental targets are met, as well as to increase EU added value; COMP AM D NOT YET TRANSLATED, REPLACING AM 101 - 104, 106, 107, 109 - 112 D. whereas, although the Commission has entitled its communication on the ongoing reform of the CAP ‘The Future of Food and Farming’, it has given no guarantee that the CAP budget will be maintained, and whereas it is essential that this be addressed before the forthcoming legislative proposals are presented; whereas these must ensure that there is no renationalisation of the CAP, that the proper functioning of the single market is not impaired, and that there is genuine simplification for beneficiaries, not only at EU level but also at COMP AM A NOT YET TRANSLATED, REPLACING AM 45, 47, 49 - 55, ENVI 9, 24 2/18 AM\1152954EN.docx EN Member State, regional, local and farm level, as well as flexibility and legal security for farmers and forest owners, while ensuring ambitious environmental goals and that the targets of the new CAP are fulfilled without adding new constraints on Member States and thus a new layer of complexity which would lead to delays in the implementation of national strategies; COMP AM E NOT YET TRANSLATED, REPLACING AM 121 - 125 E. whereas the CAP must play an important role in strengthening the long-term productivity and competitiveness of the sector and avoiding stagnation and volatility of farm incomes, which, despite the concentration and intensification of production and increasing productivity, are on average still lower than in the rest of the economy; COMP AM F NOT YET TRANSLATED, REPLACING AM 138, 139 F. whereas over the last few years farmers have been confronted with increasing price volatility, which has reflected price fluctuations on global markets and uncertainty caused by macroeconomic developments, external policies such as trade, political and diplomatic issues, sanitary crises, excess quantities in certain European sectors, climate change and more frequent extreme weather events in the EU; COMP AM G NOT YET TRANSLATED, REPLACING AM 157, 158, 160 - 167, 171 G. whereas it is essential to ensure a level playing field, fair prices and a fair standard of living for all farmers across regions and all EU Member States, thereby ensuring affordable prices for citizens and consumers and that there is ***agricultural*** activity in all parts of the Union including in areas with natural constraints; whereas it is essential to promote consumption of and access to high-quality food and healthy and sustainable diets, while delivering on the commitments for social and environmental sustainability, climate action, health, animal and plant health and welfare and the balanced development of rural areas; COMP AM H NOT YET TRANSLATED, REPLACING AM 180 - 186, 188, 190 H. whereas there is a need for an updated, simpler and fairer system of payments, for greater equity and legitimacy; COMP AM I NOT YET TRANSLATED, REPLACING AM 215, 218, 207, 209, 213, 210 I. whereas increasing global trade presents both opportunities and challenges, relating among other things to the environment, climate change, water protection, lack of ***agricultural*** land and land degradation, and thus requires an adjustment of the rules of international trade so as to allow the establishment of a common level playing field based on high standards and fair AM\1152954EN.docx 3/18 EN and sustainable conditions for the exchange of goods and services, as well as renewed and efficient trade defence mechanisms, in accordance with existing EU social, economic, environmental, health, sanitary, phytosanitary and animal welfare standards; whereas these high standards need to be maintained and further promoted globally, particularly within the framework of the WTO, preserving the interests of European ***producers*** and consumers by ensuring European standards in trade agreements for imports; COMP AM J NOT YET TRANSLATED, REPLACING AM 229 - 240, 227 J. whereas, while the focus on research and development for resource-saving product and process innovation is to be welcomed, more must be done to develop the research capacity and infrastructure necessary to translate the results of research into food and farming and sustainable agro-forestry practice, facilitated by adequate support, as well as to promote a multi-actor approach with farmers at its centre, supported by independent, transparent, sufficiently-funded EU-wide ***agricultural*** extension services in all Member States and regions and by knowledge exchange and training services at Member State level; COMP AM K NOT YET TRANSLATED, REPLACING AM 254, 255, 259 - 263 K. whereas a competitive ***agriculture***, food and forestry sector must continue to play a strong role in reaching the environmental care and climate objectives of the EU as set out in international agreements such as COP21 and UN SDG, with farmers being incentivised and remunerated for their contribution and assisted by a reduction in unnecessary regulatory and administrative burdens in the measures they undertake; COMP AM L NOT YET TRANSLATED, REPLACING AM 275 - 277, 280 L. whereas the European Court of Auditors (ECA) has underlined the fact that, due to greening requirements which often do little more than reflect current practices, the green payments introduced as part of the 2013 reform create added complexity and bureaucracy, are difficult to understand, and in the ECA’s view do not sufficiently enhance the CAP’s environmental and climate performance due to their design, which points are important to bear in mind when designing the new green architecture for the CAP; COMP AM M NOT YET TRANSLATED, REPLACING AM 285 - 290, 292 - 295 M. whereas the objectives of the Cork 2.0 Declaration for a Better Life in Rural Areas concern vibrant rural areas, smart multi-functionality, biodiversity in and outside ***agriculture*** and forestry, rare animal breeds and conservation crops, as well as organic ***agriculture***, support for less-favoured areas, and commitments in the context of Natura 2000; whereas the Declaration also highlights the importance of efforts to avert the depopulation of rural areas and the role of women and young people in this process, as well as the need for better use of endogenous resources in rural areas through the implementation of integrated strategies and 4/18 AM\1152954EN.docx EN multi-sectoral approaches that strengthen the bottom-up approach and synergy between stakeholders, and which require investment in the viability of rural areas, preservation and better management of natural resources, climate action incentives, stimulation of knowledge and innovation, stepping-up of governance in rural areas, and simplification of rural development policy and its implementation; COMP AM N NOT YET TRANSLATED, REPLACING AM 310 - 312, 314 - 317 N. whereas it is essential to further strengthen the position of farmers in the food supply chain and to ensure fair competition within the single market, using fair and transparent rules that take into account the specific nature of ***agriculture*** in relations between production and other parts of the food supply chain, both upstream and downstream, and to provide incentives to prevent risk and crises effectively, including active management tools that are able to better match supply with demand and can be deployed at sector level and by public authorities, as pointed out in the report of the ***Agricultural*** Markets Task Force; whereas aspects outside the scope of the CAP affecting the competitiveness and a level playing field for farmers must also be properly considered and monitored; COMP AM O NOT YET TRANSLATED, REPLACING AM 324, 326 O. whereas the new challenges regarding food security and autonomy for European ***agriculture*** within the EU’s political priorities, as stated in the Commission’s reflection paper on the future of EU finances, require the next multiannual financial framework (MFF) to increase or maintain the ***agricultural*** budget in constant euros to cover both existing and new challenges; COMP AM P NOT YET TRANSLATED, REPLACING AM 331 - 333 P. whereas any changes to the current CAP must be introduced in such a way as to ensure stability for the sector and legal certainty and security of ***planning*** for farmers and forest owners, by means of adequate transition periods and measures; COMP AM Q NOT YET TRANSLATED, REPLACING AM 336 - 341 Q. whereas Parliament must play a comprehensive role in setting a clear policy framework to maintain common ambition at European level and democratic debate on the ***strategic*** issues which have an impact on the everyday lives of all citizens when it comes to the sustainable use of natural resources, including water, soil and air, the quality of our food, the financial stability of ***agricultural*** ***producers***, food safety, health, and the sustainable modernisation of ***agricultural*** and hygiene practices, with the aim of establishing a societal contract at European level among ***producers*** and consumers; AM\1152954EN.docx 5/18 EN COMP AM R NOT YET TRANSLATED, REPLACING AM 200, 203 - 205, 286, 287, 300, 635, 342, 349 R. Whereas equality between women and men is a core objective of the EU and its Member States; whereas many of the roles played by women in rural areas help to maintain viable farm businesses and rural communities; whereas efforts to avert rural depopulation are linked to opportunities for women and young people; whereas rural women still face numerous challenges, while ***agricultural*** and rural development policies do not sufficiently include a gender dimension; whereas, although the gender of direct payment or rural development beneficiaries is a not a reliable indicator of the impact of ***programmes***, women as applicants or beneficiaries are under-represented; COMP AM S NOT YET TRANSLATED, REPLACING AM 114, 61, 213, 345 S. whereas, in order to justify the CAP budget to European taxpayers, future funding must be linked both to the production of safe and high-quality food and to a clear societal added value as regards sustainable ***agriculture***, ambitious environmental and climate performance, public and animal health and welfare standards, and other societal impacts of the CAP, in order to create a genuine level playing field within and outside the EU; COMP AM T NOT YET TRANSLATED, REPLACING AM 962, 967, 1217, 1304, ENVI 7, 19 T. whereas the use of pesticides, the degradation of biodiversity and changes in the ***agricultural*** environment may have a negative impact on the quantity of pollinators and variety of pollinator species; whereas the challenges faced by pollinators, both domesticated and wild, are significant and the effect on EU ***agriculture*** and food security could be detrimental given the dependency of the majority of EU production on pollinating services; whereas a public consultation under the EU Pollinators Initiative was launched in January 2018 to identify the best approach and necessary steps to tackle the decline of pollinators in the EU; COMP AM U NOT YET TRANSLATED, REPLACING AM 150, 222, 223 299, 334, 335 U. whereas less-favoured areas such as mountainous and outermost regions should continue to be compensated by the CAP for the extra costs associated with their specific constraints in order to maintain farming activity in such areas; whereas the application of the CAP framework in the outermost regions should fully explore the scope of Article 349 of the TFEU, since those areas are in a particularly disadvantaged position in terms of socio-economic development, with regard to aspects such as an ageing population and depopulation; whereas the POSEI is an effective tool intended for the development and strengthening of sector structuring which addresses the specific ***agricultural*** issues in the outermost regions; recalls that the Commission, in its report of 15 December 2016 to Parliament and the Council on the implementation of the POSEI (COM(2016)0797), 6/18 AM\1152954EN.docx EN concluded that ‘taking into account the assessment of the scheme …, a modification of basic Regulation (EU) No 228/2013 is not deemed necessary’; COMP AM V NOT YET TRANSLATED, REPLACING AM 66, 266, 272, 274, 309, 344, 303, 307, 308 V. whereas both forest management and agroforestry comprising an upper storey of woody vegetation over pasture or an ***agricultural*** crop, can contribute resilience at farm and landscape level and to required environmental and climate change mitigation actions, delivering forestry or ***agricultural*** products or other ecosystem services and thereby reinforcing the objectives of the CAP and allowing the circular and bio-economies to contribute to new business models benefiting farmers, foresters and rural areas; whereas the EU Forest Strategy promotes a coherent, holistic view of forest management and the multiple benefits of forests, addresses the whole forest value chain; stresses that the CAP plays a crucial role in its objectives, and pays special attention to the Mediterranean forests, which suffer more from climate change and fires, with biodiversity and potential ***agricultural*** production thus being put at risk; COMP AM 1 NOT YET TRANSLATED, REPLACING AM 354, 356 - 360, 362 - 367, 37, 1052 1. Welcomes the intention to simplify and modernise the CAP for the economic benefit of farmers and to meet citizens’ expectations, but emphasises that the overriding priorities of reform must be the principles set out in the Treaty of Rome, the integrity of the single market, and a truly common policy, adequately financed by the EU, that is modern and results-orientated, supports sustainable ***agriculture***, and ensures safe, high-quality and varied food, employment and development in rural areas; COMP AM 2 NOT YET TRANSLATED, REPLACING AM 374, 360, 388, 498, 499, 389, 395 1a. Stresses the need for the CAP to maintain the essential relationship between EU legislators, farmers and citizens; rejects any possibility of renationalising the CAP, which would increase imbalances in competition within the single market; COMP AM 3 NOT YET TRANSLATED, REPLACING AM 381 - 385, 392, 393, 378 2. Points out that the flexibility that Member States currently enjoy regarding options set out in basic rules makes it possible to respond to specific situations but, at the same time, shows that parts of the CAP can no longer be considered as common; underlines the need to uphold the conditions of competition within the single market and to guarantee a level playing field as regards access to support for farmers in different Member States or in different regions, together with the need for adequate and efficient solutions to minimise any risk of distortion of competition or risks for cohesion; AM\1152954EN.docx 7/18 EN COMP AM 4 NOT YET TRANSLATED, REPLACING AM 393, 394, 400, 401, 403, 405, 406, 409, 410, 413, 414, 419 - 421, 423, 425 - 427, 431, 435, 470, 1318, 1320, 1321, ENVI 16 3. Considers that Member States should enjoy a reasonable level of flexibility within a strong common framework of EU rules, basic standards, ***intervention*** tools, controls and financial allocations agreed at EU level by the co-legislator, in order to guarantee a level playing field for farmers and, in particular, an EU approach for support under Pillar I, with a view to guaranteeing respect for the conditions of fair competition; COMP AM 5 - NOT YET TRANSLATED 3a. Considers that, in order to make the implementation of the CAP more effective and better adapted to the realities of the different kinds of ***agriculture*** in Europe, national choices taken within the framework of the EU-defined toolbox available under Pillars I and II should be streamlined and Member States should design, with the involvement of all relevant stakeholders, their own coherent, evidence-based national strategies on the basis of EU objectives and indicators concerning the main types of possible ***intervention*** tools, which should also be defined at EU level, and their selection criteria, within a clear common framework of rules applicable across the EU, with due respect for the rules and principles of the single market; COMP AM 6 NOT YET TRANSLATED 3b. Emphasises that additional subsidiarity should only be granted on the condition that there is a strong, common set of EU rules, objectives, indicators and checks; COMP AM 7 NOT YET TRANSLATED 3c. Underlines the risks of gold-plating at national and regional level and the great degree of uncertainty for farmers owing to the possibility that Member States have to independently define their national ***plans*** and to review their decisions annually, depending on the positions taken by the governments in charge; calls on the Commission, therefore, to present to the co-legislators, together with its legislative proposals, a clear and simple model of a national ***strategic*** ***plan*** in order to enable the co-legislators to assess the scope, the degree of detail and the content of such ***plans***, which are essential elements of the Commission’s forthcoming proposal, and to clarify the criteria against which these national strategies will be evaluated; COMP AM 8 NOT YET TRANSLATED, REPLACING AM 434, 436 - 438, 440, 441 4. Highlights the need for the future CAP to fully respect the distribution of powers within each Member State, often set out in their constitutions, particularly in terms of respecting the legal competences of the EU’s regions, when designing, managing and implementing policies, such as the EAFRD; stresses the need to ensure that farmers and other beneficiaries 8/18 AM\1152954EN.docx EN are duly involved throughout all stages of policy development; COMP AM 9 - NOT YET TRANSLATED, REPLACING AM 424, 443 - 450, 454 - 456, 459 - 462, 467 5. Welcomes the Commission’s efforts to establish ***programme*** design, implementation and control of a results-based approach in order to foster performance rather than compliance, while ensuring adequate, risk-based monitoring via clearly defined, simpler, less bureaucratic (including the prevention of gold-plating), solid, transparent and measurable indicators at EU level, including appropriate controls of Member State measures and ***programme*** design, implementation and sanctions; considers it necessary to introduce basic uniform criteria for the setting of similar penalties for equivalent non-compliances detected in the implementation of the various measures used by the Member States or regions to achieve the common general objectives set by the EU; COMP AM 10 NOT YET TRANSLATED, REPLACING AM 477 - 479 6. Calls on the Commission to carry out financial and performance control and audits with the aim of guaranteeing that functions are performed to the same high standards and in accordance with the same criteria across all Member States, irrespective of enhanced flexibility for Member States in ***programme*** design and management, and with a view, in particular, to ensuring a timely disbursement of funds across Member States to all eligible farmers and rural communities, while minimising the administrative burden for the beneficiaries; COMP AM 11 NOT YET TRANSLATED, REPLACING AM 493 - 497, 500 7. Welcomes the Commission’s proposal to grant greater flexibility to Member States, regions and farmers within the framework of a higher financial threshold for ***agricultural*** de minimis rules, while preserving the integrity of the internal market; COMP AM 12 NOT YET TRANSLATED, REPLACING AM 520, 522, 526, 528 - 531, 533, 534, 539, ENVI 5, 18 Subheading 2 A smart, efficient, sustainable and fair CAP – delivering for farmers, citizens, rural areas and the environment 8. Considers it necessary to maintain the current two-pillared architecture and emphasises that the pillars must be coherent and complementary, with Pillar I financed entirely through EU funding and constituting an efficient means of support for income, for baseline environmental measures and for the continuation of existing market measures, and Pillar II AM\1152954EN.docx 9/18 EN meeting the specific needs of the Member States; considers it necessary at the same time, however, to incentivise farmers and other beneficiaries to carry out actions that deliver environmental and social public goods which are not remunerated by the market, and to respect both new and established practices in farming on the basis of common, uniform and objective criteria, while preserving the possibility for Member States to take specific approaches to reflect local and sectoral conditions; considers the transition of all European farms towards sustainability, and for all European farms to be fully integrated into the circular economy, combining economic with environmental performance standards and with no reduction in social or employment standards, to be a top priority; COMP AM 13 NOT YET TRANSLATED, REPLACING AM 566 - 569, 571, 572, ENVI 1 9. Considers that the future CAP architecture can only deliver its objectives if sufficiently funded; calls, therefore, for the CAP budget to be increased or maintained in constant euros in the next MFF in order to achieve the ambitions of a revised and efficient CAP beyond 2020; COMP AM 14 NOT YET TRANSLATED, REPLACING AM 603 - 608, 625, 628, 622, 623, 630, 610, 619, 620 10. Believes that more targeted support is necessary for diverse ***agricultural*** systems, especially small and medium family farms and young farmers, in order to strengthen regional economies through a productive ***agricultural*** sector in economic, environmental and social terms; considers that this can be achieved through a compulsory redistributive higher support rate for the first hectares of a holding, linked to the average size of a holding in the Member States, in view of the wide range of farm sizes across the EU; stresses that support for larger farms should be degressive, reflecting economies of scale, with mandatory capping to be decided at European level, and flexible criteria to take into account the capacity of farms and co-operatives to provide stable employment that keeps people in rural territories; believes that the funds made available by capping and degression should be retained in the Member State or region from which they derive; COMP AM 15 NOT YET TRANSLATED, REPLACING AM 648, 652, 647, 649, 653, 651, 655, 650, ENVI 13 11. Underlines the necessity of identifying the key elements of a well-balanced, transparent, simple and objective system of penalties and incentives, combined with a transparent and timely system for determining the eligibility of beneficiaries for receiving public money for the delivery of public goods, which should consist of simple, voluntary and mandatory measures and be results-oriented, thus shifting the emphasis from compliance to actual performance; COMP AM 16 NOT YET TRANSLATED, REPLACING AM 683, 686, 687, 694, 680, 10/18 AM\1152954EN.docx EN 669, 667, 670 12. Calls for the current system for calculating direct payments in Pillar I, particularly in Member States where the value of entitlements is still calculated partly on the basis of historic references, to be modernised and replaced by an EU payment calculation method, the basic component of which would be income support for farmers within certain limits and which could increase in step with the contribution to delivering public goods in accordance with the EU objectives and targets until 2030, in order to make the system simpler and more transparent; COMP AM 17 NOT YET TRANSLATED, REPLACING AM 731, 749, 753, 1226, 727, 748, 743, 746 13. Stresses the need for a fair distribution of direct payments between Member States, which is essential for the functioning of the single market, and which must take into account objective criteria such as the amounts received by Member States under Pillars I and II and the fact that natural conditions, employment and socio-economic circumstances, general living standards, production costs, especially land costs, and purchasing power are not the same throughout the EU; COMP AM 18 NOT YET TRANSLATED, REPLACING AM 766, 770, 772, 767, 779, 768, 778, ENVI 3 14. Believes that, under the strict conditions of guaranteeing a level playing field in the single market, of preventing a distortion in competition, especially with regard to commodities, of ensuring consistency with WTO rules, and of not compromising efforts to achieve environmental and climate goals, voluntary coupled support (VCS) payments should be maintained, but should only be activated following an assessment by the Commission; believes that VCS serves as a tool to address the needs of sensitive sectors and specific objectives relating to the environment, climate or quality and the marketing of ***agricultural*** products, to incentivise farming practices meeting high animal welfare and environmental standards, to counteract specific difficulties, particularly those arising from the structural competitive disadvantage of less-favoured and mountainous regions, as well as difficulties which are more temporary in nature and arise from a shift away from the old entitlement scheme, for example; believes, furthermore, that VCS is also a tool to promote strategically important production, such as protein crops, in the future, or to compensate for the effects of free trade agreements; stresses, in addition, that VCS payments are important for maintaining the EU’s diversity of ***agricultural*** production, ***agricultural*** employment and sustainable production systems; COMP AM 19 NOT YET TRANSLATED, REPLACING AM 816, 817, 820, 822, 823, 826, 827, 829, 830, 833, 835, 836 15. Recalls that ensuring generational renewal and new entrants is a challenge for farming in AM\1152954EN.docx 11/18 EN many Member States and that each national or regional strategy must therefore address this issue through a comprehensive approach, mobilising all financial resources of the CAP, including the additional payment for young farmers under Pillar I, and measures to help young farmers get set up under Pillar II, both of which should be made mandatory for the Member States, in addition to support from new financial instruments, such as a tool to grant access to capital in the context of limited resources; stresses, furthermore, the importance of national measures in removing regulatory and economic barriers while promoting succession ***planning***, retirement packages and access to land, and facilitating and encouraging collaborative arrangements, such as partnerships, shared farming, contract rearing and leasing between old and young farmers; considers that State aid rules should also take into account the importance of generational renewal and prevent the demise of family farming; COMP AM 20 NOT YET TRANSLATED, REPLACING AM 883, 884, 893, 897, 441, 1166, 880, 882, 890, 440, 881, 889, 878, 879, ENVI 21 16. Underlines the importance of rural development, including the LEADER initiative, for improving the synergies between different policies and for enhancing competitiveness, for promoting effective and sustainable economies, for supporting sustainable and multi-functional ***agriculture*** and forestry, and for ***producing*** food and non-food goods and services, which generate added value and jobs; stresses the importance of rural development in promoting partnerships between farmers, local communities and civil society and in fostering additional entrepreneurial activities and opportunities, which very often cannot be relocated, in agribusiness, agri-tourism, direct marketing, community-supported ***agriculture***, the bio-economy and the sustainable production of bioenergy and renewable energy, all of which help to ensure the preservation of economic activity in the regions; emphasises, therefore, the importance of bolstering Pillar II financially, thus increasing the potential to generate income, to help tackle depopulation, unemployment, poverty and to promote social inclusion, the provision of social services and the strengthening of the socioeconomic fabric in rural areas, with the overall objective of improving the quality of life therein; COMP AM 21 NOT YET TRANSLATED, REPLACING AM 925, 927 - 929, 932, 934, 943 - 946, 948, 951, 955, 961, 968, 972, 978, ENVI 3, 16, 21 17. Calls on the Commission to introduce a new, coherent, reinforced and simplified conditionality regime in Pillar I, enabling the integration and implementation of the different types of existing environmental actions, such as the current cross-compliance and greening measures; stresses that the baseline of Pillar I to achieve sustainable ***agricultural*** development should be mandatory and clearly stipulate the measures and results expected from farmers so as to ensure a level playing field, while ensuring minimum bureaucracy at farm level and, taking into account local conditions, adequate control by the Member States; calls, furthermore, for a new and simple scheme, which should be mandatory for Member States and optional for farms, based on EU rules which go beyond the baseline to incentivise farmers’ transitioning to sustainable techniques and practices for climate and the environment and which are compatible with the agri-environment-climate measures (AECMs) in Pillar II; believes that the implementation of this scheme should be determined in the national ***strategic*** 12/18 AM\1152954EN.docx EN ***plans*** within an EU framework; COMP AM 22 NOT YET TRANSLATED 17a. Calls on the Commission to ensure that Pillar II’s AECMs for rural development continue to offset the additional costs and shortfalls associated with the voluntary establishment by farmers of environmentally and climate-friendly practices, with the possibility of adding an incentive for investment in environmental protection, biodiversity and resource-efficiency; considers that these ***programmes*** should be simplified, better targeted and more efficient, so that farmers can deliver effectively on ambitious policy goals with regard to environmental protection, biodiversity, water management and climate action and climate change mitigation, while ensuring minimum bureaucracy at farm level and, taking into account local conditions, adequate control by Member States; COMP AM 23 NOT YET TRANSLATED, REPLACING AM 952, 984, 985, 987, 988, 990 - 993, 995, 996, 998, 1006 18. Believes that a minimum amount of the total available budget in Pillar II should be allocated to AECMs, including organic ***agriculture***, CO2 sequestration, soil health, sustainable forestry management measures, nutrient management ***planning*** for the protection of biodiversity, and pollination and genetic diversity in animals and plants; emphasises, in this context, the importance of maintaining Natura 2000 payments and ensuring that they are sufficient to serve as a genuine incentive for farmers; COMP AM 24 NOT YET TRANSLATED, REPLACING AM 1021, 1022 - 1032, 1035, 1037, 1069, 1077, 19. Calls on the Commission to foster innovation, research and modernisation in farming, agro-forestry and the food sector by supporting a strong advisory system and training that is better adapted to the needs of CAP beneficiaries in developing their practices towards greater sustainability and resource protection, and by supporting the application of smart technologies in order to respond more effectively to challenges in the areas of health, the environment and competitiveness; stresses that training and extension must be a pre-condition in ***programme*** design and implementation in all Member States and that is essential to foster know-how transfer, best practice models and exchanges among cooperatives and ***producer*** organisations across the Members States, such as through the European ***agricultural*** knowledge and information system (AKIS); believes that agro-ecological methods, and the principles underpinning precision farming, can generate significant benefits for the environment, increase farmers’ income, rationalise the use of ***agricultural*** machinery and significantly increase resource efficiency; COMP AM 25 NOT YET TRANSLATED, REPLACING AM 792, 804, 972, 1085, 1086, 1088 - 1090, 1092 - 1094, 1096, 1097, 1103, 1104, 1105, 1110 - 1112, 1121 AM\1152954EN.docx 13/18 EN 20. Calls on the Commission to maintain the current single common market organisation (single CMO) framework within Pillar I, including the specific policy instruments and marketing standards, and to improve the EU school fruit, vegetables and milk scheme; stresses the importance of existing production management systems for specific products and maintaining compulsory individual sector ***programmes*** (wine, fruit and vegetables, olive oil and apiculture) for ***producing*** countries, with the ultimate aim of strengthening the sustainability and competiveness of each sector and maintaining a level playing field while enabling access for all farmers; COMP AM 26 NOT YET TRANSLATED 20a. Believes that the positive and ‘market-oriented’ experience of the single CMO operational ***programmes*** in the fruit and vegetable sector, implemented by ***producer*** organisations and financed on the basis of the value of marketed production (VMP), have proven their effectiveness in enhancing the competitiveness and structuring of the targeted sectors and improving their sustainability; calls, therefore, on the Commission to consider the introduction of similar operational ***programmes*** for other sectors; believes that this could be of particular benefit to ***producer*** organisations representing dairy farmers in mountainous regions and outlying areas of the Union, who process and market high-quality products and maintain milk production in these hard-to-farm areas; COMP AM 27 NOT YET TRANSLATED, REPLACING AM 1123, 1128 - 1131, 1136 - 1139, 1143 21. Insists on the critical need for the future CAP to support farmers more efficiently, fairly and promptly in order to cope with price and income volatility due to climate, adverse weather conditions, and sanitary and market risks, by creating additional incentives and market conditions stimulating the development and voluntary use of risk management and stabilisation tools (insurance schemes, income stabilisation tools, individual provision mechanisms and mutual funds) while ensuring accessibility for all farmers and compatibility with existing national schemes; COMP AM 28 NOT YET TRANSLATED, REPLACING AM 1158, 1159, 1162 - 1165, 1168 - 1172, 1174, 1175, 1177 - 1179, 1181, 1182, 1186, 1188, 1191, 1193 - 1195 22. Insists on the importance of strengthening the position of primary ***producers*** within the food supply chain, in particular by guaranteeing a fair distribution of the added value between ***producers***, processors and the retail sector, by introducing the financial resources and incentives required to support the creation and development of economic organisations, both vertical and horizontal, such as ***producer*** organisations, including cooperatives, and their associations and inter-branch organisations, by establishing harmonised minimum standards to combat unfair and abusive trade practices along the food supply chain and by strengthening transparency in the markets and through crisis prevention tools; 14/18 AM\1152954EN.docx EN COMP AM 29 NOT YET TRANSLATED 22a. Stresses that in accordance with the objectives of Article 39 TFEU and the exception referred to in Article 42 TFEU, the omnibus regulation has clarified the legal relationship between the provisions of the single CMO and EU competition rules and introduced new collective possibilities for farmers to enhance their bargaining power within the food supply chain; believes that these provisions are essential in the framework of the future CAP and should be improved further; COMP AM 30 NOT YET TRANSLATED 22b. Considers that drawing on the lessons learnt from the functioning of the diverse EU Market Observatories (Milk, Meat, Sugar and Crops), such tools should be extended to the sectors that are not yet covered and developed further to offer reliable data and forecasts to market operators in order to deliver an early warning and enable prompt and pre-emptive actions in the case of market disturbances with a view to preventing crises; COMP AM 31 NOT YET TRANSLATED, REPLACING AM 1099, 1100, 1113, 1141, 1144, 1148, 1149, 1196 - 1199, 1203, 1206 - 1209, 1212, 1215 23. Stresses that the historical market management tools of the CAP (i.e public ***intervention*** and private storage) have a reduced and insufficient effect in the context of globalised economies and that risk management tools are not always sufficient to cope with significant price volatility and severe market disturbances; COMP AM 32 NOT YET TRANSLATED 23a. Stresses the need, therefore, for the single CMO to continue to play an important role within the future CAP as a safety net in rapidly stabilising ***agricultural*** markets and in anticipating crises, and underlines the importance of the omnibus regulation in enabling and encouraging – drawing on the lessons learnt during the last market crises, particularly in the dairy sector – the complementary use of innovative market and crisis management instruments, such as voluntary sector agreements, to manage and, where appropriate, reduce supply in quantitative terms among ***producers***, ***producer*** organisations, associations of ***producer*** organisations, and interbranch organisations and processors (e.g the EU Milk Production Reduction Scheme); COMP AM 33 NOT YET TRANSLATED, REPLACING AM1216, 1218, 1220 - 1222 24. Calls for an in-depth review of the current crisis reserve mechanism in order to create a AM\1152954EN.docx 15/18 EN workable and independent EU fund for ***agricultural*** crises, which would be exempted from the principle of annuality of the budget, so as to permit budgetary transfers from one year to the next, especially when market prices are sufficiently high, while maintaining the crisis reserve at a constant level throughout the MFF period, thereby enabling quicker, more coherent and effective prevention actions and responses complementary to the use of market and risk management tools in the case of severe crisis situations, including those involving economic consequences for farmers due to animal health issues, plant diseases and food safety, but also those arising from external shocks with an impact on ***agriculture***; COMP AM -34 NOT YET TRANSLATED, REPLACING AM 1232, 1234 - 1236, 1238 - 1241, 1243 - 1245, 1247, 1248, ENVI 11, 23 25. Believes that while trade agreements are beneficial for some EU ***agricultural*** sectors, and necessary to strengthen the Union’s position on the global ***agricultural*** market and benefit the EU economy as a whole, they also pose a number of challenges, particularly for small and medium-scale farming and sensitive sectors that need to be taken into account, such as respect for EU sanitary, phytosanitary, animal welfare, environmental and social standards, which requires coherence between trade policy and certain objectives of the CAP and must not lead to the weakening of Europe’s high standards or put at risk its rural territories; emphasises that, while it is important to continue to work for increased market access for European ***agricultural*** products, adequate measures for the protection of European ***agriculture***, which take into account sector-specific concerns, are necessary, such as safeguarding mechanisms, the potential exclusion from negotiations of the most sensitive sectors and the application of the principle of reciprocity in production conditions, so as to ensure a level playing field between farmers in the EU and their foreign competitors; insists that European production must not be undermined by inferior and substandard imports; COMP AM 35 NOT YET TRANSLATED, REPLACING AM 1274, 1275, 1277 - 1279, 1281, 1282, 1284, 1287, 1295 26. Calls on the Commission to launch clear and transparent initiatives to further reinforce the promotion of EU production, safety, animal welfare and environmental standards and short supply chains and to support quality food production schemes, which could be achieved inter alia through European origin labelling schemes, and marketing and promotion activities on internal and third-country markets for those sectors benefiting from specific policy instruments under the CAP; insists on the need to reduce red tape and unnecessary conditions to allow smaller ***producers*** to partake in these schemes; welcomes the steady increase in the budget available for promotional ***programmes*** and urges the Commission to maintain the pace of increase in the appropriations in the light of the growing interest from ***producers***; COMP AM 36 NOT YET TRANSLATED, REPLACING AM4 39, 1309 - 1316 A transparent decision-making process for a solid CAP proposal 2021-2028 16/18 AM\1152954EN.docx EN 27. Stresses that Parliament and the Council should, via the co-decision procedure, set the general common objectives, basic standards, measures and financial allocations, and determine the appropriate level of flexibility needed to enable the Member States and their regions to cope with their specificities and needs in line with the single market so as to avoid distortions of competition deriving from national choices; COMP AM 37 NOT YET TRANSLATED, REPLACING AM 1331 - 1334 29. Calls on the Commission to propose, before the introduction of substantial changes in the design and/or implementation of the CAP, a transitional period long enough to ensure a soft landing and time for Member States to properly implement the new policy in an orderly manner so as to avoid any delay in farmers’ annual payments and in the implementation of rural development measures; COMP AM 38 NOT YET TRANSLATED, REPLACING AM 811, 844, 850, 905, 635, 644, 864, 863 30. Calls on the Commission to ensure that the Member States, in their action ***plans***, guarantee equality between women and men in rural areas; urges the Commission and the Member States to support equal representation of women in the institutions’ structures for dialogue with the sector and also in the decision-making bodies of the sector’s professional organisations, cooperatives and associations; considers that the new EU legislation should substantially improve the thematic sub-***programmes*** for women in rural areas; COMP AM 39 NOT YET TRANSLATED, REPLACING AM 501, 656, 663, 986, 1288, 1263, 1017 31. Stresses that the Commission should continue to ensure the strict enforcement of EU animal welfare legislation at all times in all Member States equally, with proper control and sanctions; calls on the Commission to monitor and report on animal health and welfare, including animal transport; recalls that products entering the EU must respect European animal welfare, environmental and social standards; calls for financial incentives for the voluntary adoption of animal welfare measures going beyond minimum legislative standards; COMP AM 40 NOT YET TRANSLATED, REPLACING AM 805, 806, 119, 1297, 502, 511 31 (new). Insists that special consideration should be granted to farmers who face extra costs owing to specific constraints linked to high value natural areas such as mountainous areas, islands, outermost regions, and other less favoured areas; believes that owing to their specific constraints, CAP financing is vitally important for these regions and that any reduction would have a very damaging impact on many ***agricultural*** products; urges the Member States to AM\1152954EN.docx 17/18 EN develop and implement quality schemes in order to give the ***producers*** interested the opportunity to introduce them swiftly; COMP AM 41 NOT YET TRANSLATED, REPLACING AM 754, 503, 506, 581 32 (new). Considers that the budget of POSEI should be maintained at sufficient levels to face the challenges of ***agriculture*** in the outermost regions, as called for several times by Parliament; welcomes the results of the most recent Commission report on the POSEI implementation and considers that ***programmes*** for outermost regions and for the smaller Aegean islands should be kept separate from the general EU direct payments scheme, in order to ensure balanced territorial development by preventing the risk of abandonment of production as a result of challenges related to remoteness, insularity, small size, difficult topography and climate, and economic dependence on a small number of products; COMP AM 42 NOT YET TRANSLATED, REPLACING AM 1146, 1158 33 (new). Calls on the Commission to include in the Milk Market Observatory an autonomous section to study prices in the outermost regions, in order to react promptly to a crisis in the sector; believes that the definition of ‘crisis’ and subsequent ***intervention*** of the Commission should be adapted to the outermost regions, taking into consideration the size of the market, dependence on a limited number of economic activities and less capacity for diversification; COMP AM 43 NOT YET TRANSLATED, REPLACING AM 1146, 1158 34 (new). Calls for better integration of the ‘circular economy’ to ensure the best and most efficient use of primary material and by-products in the emerging bioeconomy while respecting the limits of availability of biomass and land and other ecosystem services, and believes that the development of bio-based industry in rural areas might provide new business models that could help farmers and forest owners to find new markets for their products and create new jobs; calls on the Commission and the Member States, therefore, to provide the necessary support to the ***agricultural*** and forestry sector with a view to making a greater contribution to the further development of the bioeconomy in the EU; underlines the need to promote agroforestry, which can provide multipurpose, recreational and productive ecosystems and microclimates, and to close the gaps that could hamper its development; COMP AM 44 NOT YET TRANSLATED, REPLACING AM 978, 987, 990, 984 35 (new). Believes that AECM support, complemented by eco-schemes at Member State level, should cover the costs for farmers of transitioning to new sustainable practices, such as through promotion and support for agroforestry and other sustainable forestry measures that support biodiversity and genetic diversity in animal and plant species, and of adapting to changing climatic conditions; 18/18 AM\1152954EN.docx EN COMP AM 45 NOT YET TRANSLATED, REPLACING AM 1026, 1030, 1035, 1056, 1120 36 (new). Calls on the Commission to guarantee innovation, research and modernisation in agroforestry and forestry by supporting a strong and tailored advisory system, targeted training and tailored solutions to drive innovation and the exchange of know-how and best practices among Member States, with a general focus on relevant new technologies and digitalisation; underlines, at the same time, the crucial role of forest owner associations in information and innovation transfer, training and further education for small-scale forest owners and in the implementation of active multifunctional forest management.

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**Body**

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RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN United in diversity EN European Parliament 2014-2019 Plenary sitting B8-0434/2017 } B8-0435/2017 } B8-0450/2017 } RC1 4.7.2017 JOINT MOTION FOR A RESOLUTION pursuant to Rule 37(3) of the Rules of Procedure and the Framework Agreement on relations between the European Parliament and the Commission replacing the motions by the following groups: PPE (B8-0434/2017) ALDE (B8-0435/2017) ECR (B8-0450/2017) on the Commission Work ***Programme*** 2018 (2017/2699(RSP)) József Szájer on behalf of the PPE Group Anthea McIntyre on behalf of the ECR Group Sophia in ‘t Veld on behalf of the ALDE Group RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN European Parliament resolution on the Commission Work ***Programme*** 2018 (2017/2699(RSP)) The European Parliament, – having regard to the Commission communication entitled ‘Commission Work ***Programme*** 2017 – Delivering a Europe that protects, empowers and defends’ (COM(2016)0710) and Annexes 1 to 5 thereto, – having regard to the Interinstitutional Agreement (IIA) between the European Parliament, the Council of the European Union and the European Commission on Better Law-Making1, – having regard to the final report of 24 July 2014 of the High Level Group of Independent Stakeholders on Administrative Burdens, entitled ‘Cutting Red Tape in Europe – Legacy and Outlook’, – having regard to the Conference of Committee Chairs Summary Report of 13 June 2017, – having regard to Rule 37(3) of its Rules of Procedure, A. whereas political priorities and financial resources must be matched; B. whereas sustainability and economic growth are compatible and can be mutually reinforcing; C. whereas the EU must be committed to regaining competitiveness in the face of fierce global competition, thus preserving the model of the social market economy and ensuring sustainable growth with improving levels of productivity and innovation in order to provide the next generation of young citizens with jobs instead of debts; D. whereas the best economic and social support that the Member States can offer their citizens to ensure improved quality of life is a growing economy with low inflation and high rates of employment and wage growth, generating the resources required to fund investment for the future, improved infrastructure and public services; E. whereas the EU is facing various and complex forms of threats which create instability, leading to a feeling of insecurity for European citizens; F. whereas the Commission has a duty to uphold the Treaties and enforce EU laws; noting with strong regret that both the implementation of EU policies and the enforcement of EU laws and rules are weak, as has become visible in several areas; whereas the Commission, together with the Member States, should make implementation and enforcement a top priority; PART 1 1. Notes that the current crises, including their financial, economic, social and migratory consequences, have led to increased dissatisfaction among European citizens, expressed in 1 OJ L 123, 12.5.2016, p. 1. RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN the rise of extremism; stresses that significant challenges require a joint response from the EU and its Member States; believes that serious policy initiatives are required to tackle these crises, and that realistic reforms should be undertaken to restore trust and confidence and to counter the exploitation of this anxiety to stoke fear and insecurity; emphasises that demagogical and unrealistic political campaigns gives false hope in the very short term but have damaging consequences leading to more divisions, instability and conflicts across Europe; 2. Underlines the importance to the EU of being outward-looking and maintaining and developing close economic, commercial and ***strategic*** ties with its close neighbours; believes a clear framework is required in the future for the EU’s relationship with non-members in its neighbourhood; 3. Considers a highly competitive social market economy to be a cornerstone of the European society on which European policies were built to the direct benefit of citizens’ day to day lives; supports the initiatives to improve work-life balance; 4. Calls on the Commission to determine key priority actions aimed at strengthening the EU’s industrial competitiveness by enabling companies to compete in domestic and global markets and reinforcing the capacity of the EU and its Member States to support the development of businesses, paying special attention to small and medium-sized enterprises (SMEs); believes that European industrial modernisation must be wide-ranging and should include the marketing of innovative products and services, technologies and business models that are based on research and innovation investments converted into improved goods, services and processes for the market; 5. Emphasises that a comprehensive approach is needed to realise the benefits and address the remaining weaknesses of the single currency while ensuring the sustainability, resilience and completion of the EMU and achieving the goals of growth and full employment; considers that further development of the EMU must be based on, and build on, existing legislation and its implementation, and must include measures to render its institutional structure more legitimate and democratically accountable; 6. Urges the Commission to speed up the work on the completion of a Capital Markets Union to help unleash investment in the EU to create growth and jobs; calls on the Commission to come forward with proposals that improve the business environment in the EU to attract more foreign direct investment and re-shore jobs; 7. Stresses that a successful European policy on migration requires an agreed mechanism for fair and effective distribution of asylum seekers; emphasises the importance of progress in tackling the migration crisis in a way that demonstrates much more sensitivity to widespread concerns within the Member States over uncontrolled migration; welcomes the recent achievements in strengthening the management and effective control of the Union’s external borders, which is a precondition for the Member States to regain a critical level of mutual trust; 8. Stresses that the Common Foreign and Security Policy must be improved so as to contribute to finding credible answers to new security threats and challenges, fighting terrorism, and bringing peace, stability and order to its neighbourhood; calls on the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy (VP/HR) to continue to work closely RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN together with the Member States in developing practical policies and methods of cooperation to pursue these objectives; 9. Underlines that free trade has significantly improved living standards and reduced poverty in the EU and around the world, creating economic growth and jobs and strengthening political and economic relations with third countries; considers that the EU must continue to counter protectionist tendencies worldwide, and therefore asks the Commission to swiftly bring forward and finalise both ***planned*** and ongoing negotiations and to continuously explore possibilities for new free trade agreements; 10. Urges the Commission to launch, in cooperation with the other institutions, a wide public debate on the future of the Union; 11. Underlines that Europe will continue to lead the fight against climate change and that the EU remains fully committed to the implementation of the Paris Agreement; points out that a forward-looking climate change policy is crucial for the modernisation of Europe’s industry and economy; 12. Emphasises the importance of delivering value for money and pursuing a policy of zero tolerance in cases of mismanagement and fraud; 13. Highlights that the EU is still facing substantial challenges when it comes to the implementation of agreed or adopted legislation, and therefore calls on the Commission to focus on the enforcement of EU law in all Member States; stresses the importance of competition-policy enforcement in creating a level playing field that fosters innovation, productivity, job creation and investment by all players across the single market and across all business models, including SMEs; 14. Calls once again on the Commission to put forward a legislative proposal on EU administrative law which will guarantee an open, efficient and independent European administration, and to take due account of Parliament’s proposal for an EU regulation in this regard; PART 2 1. Youth and lifelong learning 15. Calls on the Commission to: – invest, in support of the Member States, in inclusive and efficient education systems; – ensure that the expert community and relevant stakeholders, including parents’ organisations, are consulted on matters of policy development; – ensure adequate Erasmus+ funds to meet the ***programme***’s objectives, and that these be used for the primary purpose of the ***programme*** (mobility, education and training, youth policies and sports); – support the Member States, first and foremost, on educational actions across all ages and occupational groups; invest in a lifelong learning framework, with a particular focus on digital and entrepreneurial skills and competences, as well as media literacy, RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN including specific ***programmes*** designed to specifically encourage women; – analyse labour markets to determine the right balance between vocational training and university education, thus improving the link between supply and demand in the labour market; – foster entrepreneurship and further develop and support the right legal environment for SMEs in accordance with the ‘think small first’ principle; – come forward with recommendations and proposals on how to keep ageing workers in the workforce for a longer period of time, thus also encouraging the transfer of experience to the younger generations and foster mentoring at the workplace; – take further measures, together with the Member States, to enhance the attractiveness and value of skills in science, technology, engineering and mathematics (STEM subjects) and to encourage more women and girls to take up and pursue STEM subjects, within which ICT in particular may open up new possibilities for them; 16. Considers that the Youth Employment Initiative (YEI) is essential in tackling youth unemployment, which remains unacceptably high in the EU; calls on the Commission to seek adequate funding to fight youth unemployment and continuing the YEI, while at the same time improving its functioning and implementation and taking into account the European Court of Auditors special report No 5/2017; 17. Urges the Commission to put in place all suitable mechanisms for greater mobility among young people, apprenticeships included, as a way to address skills mismatches in the labour market and improve access to employment opportunities; 2. Blue growth and a circular economy 18. Asks the Commission to put forward proposals: – for blue growth to support sustainable growth in the marine and maritime sectors as a whole; – to fill the gap arising from the absence of multiannual ***plans*** under the new common fisheries policy (CFP) to manage all important stocks and fisheries in EU waters; 19. Urges the Commission to bring forward without delay the initiatives listed in the Circular Economy Action ***Plan***, and to regularly monitor progress towards a circular economy; 3. Financial framework beyond 2020 20. Calls on the Commission to ensure that the implementation of all EU ***programmes*** reaches cruising speed by next year, in order to compensate for the significant delays observed at the beginning of the present ***programming*** period; is particularly concerned at the implications of such delays on a possible accumulation of payment claims towards the end of this MFF; considers that every effort should be made to avoid another payment crisis, including reaching a decision on an adequate level of payments in the coming annual budgets; 21. Urges the Commission to come forward with its legislative proposals on the post-2020 RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN MFF by June 2018 at the latest, in order to allow substantial interinstitutional negotiations to be launched immediately; sets as an objective the successful conclusion of those negotiations by the end of the present parliamentary term; 22. Calls on the Commission to take due account of Parliament’s position on the future MFF, which will be adopted ahead of the Commission’s legislative proposals; underlines the need to embark on a structured dialogue regarding the overall level, political and budgetary priorities, architecture and flexibility provisions of the future MFF, including reaching a position on the duration of the financial framework; considers that the next MFF must develop a pathway towards a modern EU budget; believes that the Commission should undertake a comprehensive spending review as part of its preparation; 23. Urges the Commission to come forward with detailed ***plans*** for addressing concerns about the future revenue side of the budget and own resources; stresses that the Commission should present those legislative proposals together with the proposals on the post-2020 MFF, in order to allow joint negotiations to be conducted on both items; underlines that Parliament will adopt its own position ahead of the presentation of the legislative proposals, and asks the Commission to take due account of Parliament’s position in this regard; 24. Calls on the Commission to submit: – proposals for regulations for EU cohesion policy post-2020, as a consequence of the forthcoming presentation of the next MFF, as early as possible in 2018; – a comprehensive review of the financial regulation and related sectoral legislation, including the Common Provisions Regulation currently in force (‘the Omnibus’), including provisions for cohesion policy simplification and the improved combination of EU Structural and Investment Funds (ESI Funds) with the European Fund for ***Strategic*** Investment, being enacted at the beginning of 2018; 25. Asks the Commission, in the context of the White Paper debate, to clarify its ambitions for the Framework ***Programme*** (FP9), early enough in 2018 for Parliament to formulate a position on that ***programme*** and also on Galileo, Copernicus and COSME, so that all measures can be operational from 2021 onwards; expects the FP9 proposal to be based on the Horizon 2020 (H2020) interim evaluation and Parliament’s implementation report; 26. Stresses the need for applied research, particularly research that leads to better knowledge, skills and practices, to ensure that new technologies are used in the best possible manner; calls on the Commission to better balance the needs of fundamental, applied and translational research and development, to ensure efficient, fast translation of new discoveries into real technologies and products; 27. Urges the Commission to continue working towards simplification while minimising barriers to participation and ensuring the highest returns – both short-term and long-term – for all parts of the ***programme***, and to work towards an ambitious proposal for the next Framework ***Programme***; stresses that strengthening the existing synergies with the ESI Funds is needed to develop innovation opportunities within the EU; 28. Highlights the need to establish a performance framework, and considers that the Commission should develop an improved system of budgetary control which is RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN proportionate to the benefits achieved through EU funding; considers that an integral part of this system should be its reporting, which ought to be sufficiently transparent and detailed, including the reporting of information on the recipients of EU funds and whether payments have been made on time; believes that the performance, cost-effectiveness and results achieved via EU funding should always be scrutinised in order to ascertain the sustainable, long-term effects of EU expenditure; calls for the preparation of proposals to reform the Court of Auditors to strengthen its performance auditing function so as to serve as both an audit and evaluation authority; 4. Digital Single Market Strategy 29. Is concerned by the delays taken by some of the legislative proposals contained in the Digital Single Market Strategy; considers that the EU institutions should not lose the momentum of the strategy and devote every possible effort to delivering and adopting the relevant proposals; asks the three institutions, at the time of its mid-term review, to commit at the highest level to giving them priority treatment in the legislative process so that citizens and businesses can benefit from their results; 30. Asks the Commission to: – make progress on the completion of the digital single market and also on an environment that supports SMEs; – present proposals to establish the general principle of the free movement of data and to remove data localisation restrictions across the EU; – further support the digitalisation of the European transport sector through initiatives such as C-ITS and E-CRM and other digital systems; – come forward with its ***planned*** initiative(s) on cybersecurity, also with respect to the European Network and Information Security Agency (ENISA); such initiatives should aim at increasing cybersecurity for industry and other civilian ends and should include effective remedies; – urgently identify, together with the Member States, the systemic causes of the growing digital gender gap and take action at global level to end the digital exclusion of women; 5. Energy Union Strategy 31. Calls on the Commission, following the adoption of various Energy Union, energy efficiency, market design, renewable energy and other energy-related legislative proposals and communications, to focus its attention on ensuring that Member States fully implement these, the aim being to build a genuine Energy Union; 32. Expects the Commission’s continued close cooperation on the ongoing and highly important legislative procedures in the Clean Energy Package, including during the trilogue stage, so as to ensure a successful finalisation of the negotiations as early as possible in 2018; 33. Calls on the Commission to monitor the economic consequences of the new electricity RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN market design, particularly in the Central and Eastern Europe (CEE) region, which is likely to bear high energy transition costs; 6. Single Market Strategy 34. Calls on the Commission to: – improve, together with the Member States, the implementation of the Services Directive, including the removal of the remaining regulatory and administrative barriers in the service sector as well as putting an end to ‘gold-plating’; – enforce the existing legislation by, first and foremost, applying the rules in place, thus ensuring a level playing field and making it possible to reap the full benefits of the single market; 35. Regrets that the Commission has not listened so far to the repeated calls for the creation of a strong single market pillar within the European Semester, with a system of regular monitoring and identification of country-specific barriers to the single market; 36. Considers as political priorities: – development of the potential of the culture and creative industries on the basis of a coherent EU policy, acknowledging that they mainly consist of micro-enterprises and SMEs and are key factors for sustainable growth and quality employment; – the improvement and promotion of measures and actions to facilitate cultural tourism, with the full participation of regions and local authorities; – the proposal for the review of the IPRED (Intellectual Property Rights Enforcement Directive) by the end of the year; – the revision of the General Safety Regulation, which has been postponed once again, deploring the fact that the timeline set out in Directive (EU) 2015/719 of 29 April 20151 has been disregarded and reminding the Commission of the need for clear and decisive action as regards this revision and road safety in general; – a timely follow-up, with concrete proposals, to the findings and suggestions to be contained in the upcoming ***strategic*** own-initiative report on odometer fraud, recalling that this deals with a major concern of European citizens and bearing in mind that well-working models are already deployed in some Member States; 7. Health 37. Stresses the urgency and importance of taking action against the threat of antimicrobial resistance (AMR), since this can have an enormous impact on citizens’ health and productivity as well as on the Member States’ health budgets; calls on the Commission, therefore, to come forward with an initiative for an EU action ***plan*** on how to implement in the Union the World Health Organisation (WHO) Global Action ***Plan*** on Antimicrobial Resistance; calls on the Commission also to enhance measures already applied in the current Action ***Plan*** against AMR and to ensure the consistent implementation thereof by 1 OJ L 115, 6.5.2015, p. 1. RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN all relevant parties; 38. Calls on the Commission to: – put forward a legislative proposal on packaging leaflets for pharmaceutical products aimed at making them clearer and more patient-friendly (‘drug fact box’); – urgently review Directive 2004/23/EC of 31 March 2004 on quality and safety standards for donated human tissues and cells1 (the Tissues and Cells Directive) to bring it into line with the principle of unpaid donation and with Regulation No 1394/2007 of 13 November 2007 on advanced therapy medicinal products (the Advanced Therapies Regulation)2, which, furthermore, needs to be made more applicable to SMEs; 8. Fisheries and ***agriculture*** 39. Stresses the important role that sustainable ***agriculture***, fisheries and forestry sectors play in ensuring food security in the EU, providing jobs and improving environmental standards, and also underlines the potential of European ***agriculture*** in contributing to climate change policies through innovation and adoption of policies which enhance the carbon sequestration potential of European ***agriculture***; 40. Urges the Commission to work on bilateral fisheries agreements with countries outside the EU that are approaching their expiry date; 41. Reiterates that, in order to ensure the timely and proper implementation of the common fisheries policy adopted in 2013, the Commission must continue to come forward with legislative proposals for the adoption of renewed multiannual management ***plans*** for fish stocks; 42. Calls on the Commission to: – ensure that the CFP and the landing obligation are implemented in a sound manner; – continue working closely with fishermen and scientists to identify and forecast where choke species may occur and to develop research solutions such as innovative fishing techniques; – revise Regulation (EC) No 1967/2006 (the Mediterranean Regulation), in particular the part that refers to the ban on the use of certain traditional gears and the provisions that relate to the specific characteristics of fishing gears; – find a pragmatic solution with regard to industrial fisheries in order to regulate and limit the practice of using valuable fish resources for fishmeal, in particular when it comes to vulnerable ecosystems in the Baltic Sea; 43. Commits to enter into constructive dialogue with the Commission on its communication on the future of the CAP after 2020, which is expected before the end of 2017; 1 OJ L 102, 7.4.2004, p. 48. 2 OJ L 324, 10.12.2007, p. 121. RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN 44. Calls on the Commission, in this context, to: – simplify the implementation of the CAP; – cut red tape in order to increase its efficiency; – alleviate the administrative burden on ***agricultural*** entrepreneurs; – make room for innovations that are indispensable for a forward-looking, competitive European ***agriculture*** sector; – ensure that the principle of better regulation is included in the upcoming CAP reform proposal which should provide more room and financial incentives for innovation in ***agriculture*** aimed at ensuring long-term food security in the EU, reducing ***agriculture***’s impact on biodiversity and increasing its climate resilience; – present, without delay, a proposal for EU-level framework legislation to combat unfair trading practices in the food supply chain; 45. Calls on the Commission to ensure that taxpayers receive value for money from the investment they make in ***agriculture***, while moving towards the equalisation of direct payments across the Member States and ensuring that the EU can maintain and increase its food-***producing*** potential; 9. Fairer taxation 46. Asks the Commission: – to put forward proposals on a definitive VAT system and on VAT rates; – to present clear guidelines on fiscal state aid by Member States; – to evaluate the conditions of access to cultural goods and services and to propose solutions to improve them, including looking at the issue of existing variations in VAT on books and e-books; 47. Welcomes the work of the Commission and Member States to actively promote the fight against tax fraud, tax evasion, aggressive tax ***planning*** and the use of tax havens, drawing on the expertise of the Organisation for Economic Co-operation and Development (OECD) in fostering good tax governance; 10. Financial services and Capital Markets Union 48. Calls on the Commission to present a proposal to streamline the EU approach and third country-related issues in the field of financial services legislation; 49. Calls on the Commission to come up very rapidly with concrete proposals in the field of retail financial services, noting that retail finance in the EU should work in the interests of citizens and provide better products and more choice on the market; 50. Highlights the importance of the achievement of the Capital Markets Union; stresses, however, that any further legislative proposals should be made only if the intended effects RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN cannot be achieved by non-legislative means; 11. Digitalisation and automation: challenges and opportunities 51. Underlines the need to face and deal with the changing patterns of work and to find the way for job creation coupled with decent social security for workers, as well as exploring the possibilities for flexible working arrangements in support of work-life balance; 52. Calls on the Commission to work with Member States to come up with an EU strategy on automation in the labour market, and to accompany it by initiatives on how to organise interaction between professionals and robots, how automation can help maximise benefits for employers and employees, how to improve productivity, and the effects on work-life balance and on health and safety at work; 12. An area of justice and fundamental rights based on mutual trust 53. Calls on the Commission to promptly take the relevant follow-up action and submit a legislative proposal on common minimum standards of civil procedure; 54. Welcomes the Council’s signature marking the Union’s accession to the Istanbul Convention; 55. Reminds the Commission of the vital importance of full implementation of Directive 2012/29/EU of 25 October 20121 (the victims’ rights directive) and Directive 2011/99/EU of 13 December 20112 (the European protection order directive); 13. Progress towards an effective and genuine Security Union 56. Believes that work on new or updated databases should be a priority, including the Entry-Exit System (EES), the European Travel Information and Authorisation System (ETIAS), the SIS II package, Eurodac, the European Police Records Index System (EPRIS) and the European Criminal Records Information System (ECRIS), and that proper funding should be made available for putting them in place; 57. Calls on the Commission to make the necessary legislative adaptation on the basis of the conclusions of the dialogue on interoperability, regarding the ways in which existing and future information systems could enhance both external border management and internal security in the EU; 58. Calls on the Commission to come forward with concrete initiatives to address the challenges related to the fight against cross-border cybercrime, to be identified in the review of the cybersecurity strategy due in autumn 2017, to review existing legislation in the area of cybercrime and to put forward a proposal which establishes a clear framework for the relationship between private companies and law enforcement authorities in the fight against organised crime and radicalisation online, while considering the security of personal data processing and the risk of data breach; 59. Calls on the Commission to ensure the efficient and coordinated implementation of the European Agenda on Security for the 2015-2020 period and its priorities in the fields of 1 OJ L 315, 14.11.2012, p. 57. 2 OJ L 338, 21.12.2011, p. 2. RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN counter-terrorism and cross-border organised crime and cybercrime, focusing on effective security outcomes; reiterates its call for an in-depth evaluation focused on the operational effectiveness of relevant existing EU instruments and on the remaining gaps in this field; 60. Considers the fight against corruption to be a political priority; 61. Calls on the Commission to seek to adopt legal acts amending or replacing the Union acts in the field of police cooperation and judicial cooperation in criminal matters that were adopted before the entry into force of the Treaty of Lisbon, in particular Council Decision 2005/671/JHA and Council Framework Decision 2006/960/JHA on the exchange of information and intelligence between law enforcement authorities, including the exchange of information on terrorist offences, by proposing a legislative instrument to improve the exchange of law enforcement information and increase operational cooperation between Member States and with EU agencies, with a view to ensuring exchanges of information for the purpose of combating serious transnational crime and terrorism; 62. Calls on the Commission to ensure a timely and compliant entry into force of the data protection package; 14. The European Agenda on Migration 63. Calls on the Commission to undertake the necessary review of Regulation (EC) No 767/2008 of 9 July 20081 (the Visa Information System - VIS - Regulation), following the interoperability dialogue; 64. Recognises the significant legislative steps taken by the Commission to achieve a common EU-level immigration and asylum policy, and stresses that the EU has embarked on an important process of articulating an immigration and asylum policy at a time when real crises requiring urgent attention have put serious pressure on the borders of Europe; 65. Recalls the importance of tackling the root causes of migration by upgrading the EU’s development and cooperation policy with Africa, as well as its role in the resolution of conflicts in its neighbouring countries; 66. Reminds the Commission that a concrete reporting mechanism should be presented to regularly assess the effectiveness of current efforts to tackle the root causes of migration, and that the implementation of the EU Trust Fund for Africa and the future European Fund for Sustainable Development should be closely monitored; 67. Reiterates its support for innovative ways of financing measures to tackle the current migration crisis, and particularly welcomes the

reinforced partnership that they entail with the private sector; believes that engaging with the private sector is key in realising development objectives, and that mobilising private funding is essential for addressing the root causes of irregular migration; insists that parliamentary oversight of trust funds and other blending mechanisms should be guaranteed under all circumstances; 15. Climate change 68. Calls on the Commission to come forward with complementary, Union-wide measures to 1 OJ L 218, 13.8.2008, p. 60. RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN combat climate change with a view to the 2018 facilitative dialogue under the Paris Agreement; calls on the Commission, in this regard, to evaluate the consistency of current EU policies in relation to the objectives of the Paris Agreement; 16. The Sustainable Development Goals (SDGs) 69. Underlines the fact that the SDGs apply universally to all countries and stresses the necessity of mainstreaming the SDGs into all EU policies; calls on the Commission, as a first step, to undertake a comprehensive assessment of existing EU policies and possible policy gaps and inconsistencies; calls on the Commission to develop, in cooperation with the Member States and stakeholders, an overarching EU framework for the implementation of all 17 SDGs; insists that successfully achieving the SDGs requires a better use of existing tools, such as the Better Regulation Agenda and the Environmental Action ***Programme***, as well as the effective implementation of the principle of policy coherence for development; 70. Calls on the Commission to: – closely monitor the institutional and policy changes needed to effectively implement the 2030 Agenda; – implement in parallel the new European Consensus on Development, which is expected to be signed in June 2017; 71. Calls on the Commission to establish a clear, structured, transparent and accountable framework governing partnerships and alliances with the private sector in developing countries; calls, furthermore, for the setting-up at EU level of sectorial, multi-stakeholder platforms, bringing together the private sector, civil society organisations (CSOs), NGOs, think tanks, partner governments, donors and other stakeholders; 72. Stresses that the promotion of, and respect for, human rights, international law and fundamental freedoms must be a central common denominator across EU policies; calls on the Commission not to neglect the importance of protecting human rights in the context of counter-terrorism measures; urges the Commission to actively continue pushing for human rights to be implemented effectively through all agreements subscribed to by the EU, in particular the so-called ‘democracy clause’ and Article 8 of the Cotonou Agreement; calls on the Commission to make a clear monitoring of the human rights situation in the countries with which the EU has agreements; 17. Security-development nexus 73. Calls for the creation of a new innovative financing instrument for peace and justice that would take into account the revised ODA (Official Development Assistance) eligibility criteria on peace and security in order to reflect the growing interlinkages between development and security actions, in particular those promoting democracy, good governance and respect for human rights; 18. Trade 74. Considers that a balanced trade and investment agreement with the United States is in the interests of the EU, and therefore invites the Commission to continue the negotiations and RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN deliver tangible results; 75. Emphasises its support for an ambitious and values-based trade agenda which will strengthen the global rules-based system and contribute towards jobs and growth in Europe; welcomes, in this connection, the Commission’s efforts to conclude negotiations with Japan and to push ahead with other ongoing negotiations, such as with Mexico, Chile and Mercosur, as well as aiming to commence new ones with, for example, Australia and New Zealand and trying to unblock other negotiations, such as those with India; 76. Calls on the Commission to reinvigorate the post-Nairobi WTO discussion, since multilateral trade negotiations are vitally important for the EU even when they prove difficult; considers that it would also be worthwhile to look into new areas and issues within the WTO framework, such as digital trade, and welcomes the international initiatives taken by the Commission on investment protection; 77. Stresses that the modernising and strengthening of the Union’s trade defence instruments, to make them compatible with WTO rules, is a matter of urgency and of the utmost importance; 78. Calls on the Commission to review the current ACP-EU trade framework governed by the Cotonou Agreement, which will expire in 2020; believes that the new outline should aim to support economic growth in African, Caribbean and Pacific (ACP) countries and their integration into the global economy; asks the Commission, therefore, to develop a clear and strong trade policy that includes, but is not limited to, private sector development, trade facilitation and reciprocal liberalisation; calls on the Commission to do so in line with the principle of policy coherence for development; 19. External policies: priorities 79. Asks the Commission: – to put forward the mid-term review of the Service for Foreign Policy Instruments (FPI); – to foster the transatlantic bond; – to confirm the Union’s commitment to the Balkans and the Eastern and Southern Neighbourhoods; – to support civil society and the ability to access credible information despite shrinking legal frameworks and constraints, in the Eastern and Southern Neighbourhoods and beyond; – to prepare proposals for enhancing cooperation with international organisations, including, in particular: the United Nations, NATO, the African Union, the League of Arab States, the Arab Gulf Cooperation Council (GCC), the Association of Southeast Asian Nations (ASEAN) and the Commonwealth, in areas of common concern; – to strengthen the EU Guidelines on Freedom of Religion or Belief; – to promote key global human rights priorities, including, inter alia, religious freedom, RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN freedom of expression, political freedom, the rights of women and children, the rights of persons with disabilities, and the rights of minority groups, including LGBTI people; – to develop international cooperation between ombudsmen and partnerships for human rights; 80. Considers NATO to be the basis of the architecture of European Defence and notes that the protection of Europe will become a mutually reinforcing responsibility of NATO and the EU, as set out in the Joint Declaration made in Warsaw in July 2016, and, in particular, within the framework of the European Defence Action ***Plan***; 81. Supports maintaining the framework agreement based on three pillars (reinforced political dialogue, development cooperation and trade); believes that further regionalisation should be explored with a view to addressing each region according to its needs and specificities, also stressing the need to respond to the new Africa-EU Strategy to be adopted for 2018-2020; 82. Calls on the Commission to advance with setting up the European Defence Fund, which would encompass adequate funding for both collaborative research on defence technologies and the acquisition of joint assets by the Member States, as and when this would be demonstrably practical, beneficial and cost-effective; encourages the Commission to step up the enforcement of the two directives framing the single market for defence and to come up with an initiative on development of shared industry standards for equipment and assets; 83. Urges the Commission to pay particular attention to the rising tension in the Western Balkans and to seek ways to enhance the EU’s engagement in favour of reconciliation and reforms in all of the countries concerned; 84. Commends the Commission for its emphasis on the Neighbourhood Policy, both eastern and southern, but underlines that this policy must be strengthened, notably through a combination of increased financial assistance, reinforced democracy support, market access and improved mobility; stresses that the policy needs to clearly identify areas of action in order to better address the challenges which the neighbouring countries are facing; 20. A more ***strategic*** approach to enforcement of EU law 85. Asks the Commission to improve the control systems, notably regarding error rates; 86. Urges the Commission to enhance the quality, as regards substance and depth, of the replies provided by it to Parliament’s Committee on Petitions, in order to more thoroughly address the concerns of European citizens; 87. Calls on the Commission to do its utmost to facilitate an agreement in the Council on the ratification of the Marrakesh Treaty, with a view to achieving the full potential of that treaty without delay; 88. Points to growing efforts by third states and non-state actors to undermine through hybrid means, including disinformation, the legitimacy of democratic institutions inside the EU, and urges the Commission to strengthen its resilience against hybrid threats and improve RC\1130157EN.docx PE605.552v01-00 } PE605.553v01-00 } PE605.574v01-00 } RC1 EN its ability to adequately counter false news and disinformation; 21. Better law-making 89. Calls on the Commission to ensure that: – all legislative proposals undergo a thorough impact assessment and cost-benefit analysis; – the SME Test is rolled out across all DGs and that systematic cooperation with the Regulatory Scrutiny Board is undertaken in order to achieve a more structured application of the SME test; – an evaluation of the independence of the Regulatory Scrutiny Board in supervising and providing objective advice on impact assessments is submitted to Parliament; – the Annual Burden Survey (ABS) is developed as a vital tool to identify and monitor, in a clear and transparent manner, the results of the Union’s efforts to avoid and reduce any overregulation and administrative burdens both by the Union itself and by Member States in the transposition and interpretation of legislation (‘gold-plating’); – proposals for establishing burden reduction targets in key sectors are submitted to Parliament with the ambition of securing a 25 % reduction by 2020 and a 50 % reduction by 2030 of the economic costs linked to regulatory burdens for businesses; o o o 90. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States.

**Load-Date:** August 26, 2017

**End of Document**



[***M and A Navigator: Deal pipeline -7 June***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NR9-3WH1-F0K1-N2KB-00000-00&context=1516831)

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**Body**

MANAVIGATOR-June 7, 2017-M and A Navigator: Deal pipeline -7 June

The following is a list of deals covered in detail by M and A Navigator this week:

-ROYAL ADHESIVES/SEALANTS ACQUIRES GRACO'S BALL GROUND SEALANT ASSETS

Indiana, US-based adhesive and sealant developer Royal Adhesives and Sealants LLC, a portfolio company of American Securities LLC, has acquired the business assets of Graco Supply's Georgia, US-based aircraft sealant repackaging business Ball Ground to expand Royal's global aircraft sealant business, the company said.

The Ball Ground business provides point of use pre-mixed and frozen aircraft sealants and other unique packaging and application kits to aircraft manufacturers and their subcontractors.Ball Groundhas achieved AS 9100, ISO 9001 and NADCAP quality approvals. TheBall Groundbusiness will be integrated into and operate under the name Royal Adhesives and Sealants LLC.

Status: Closed

-COMROD ACQUIRES SWEDISH SOFTWARE AND CONSULTING FIRM FRONT END STRATEGY

Norway based communications systems company Comrod Communication Group has acquired Sweden-based software and consulting company Front End Strategy AB to expand Comrod's tactical communication portfolio, the company said.

Front End Strategy will become a subsidiary of Comrod Mission Systems AB where it will operate the company's consulting business. Comrod will bring Front End's mission ***planning*** software into the company portfolio.

Status: Closed

-ACCESSPOINT ACQUIRES US HR OUTSOURCING FIRM YOURSOURCE MANAGEMENT GROUP

Michigan, US-based outsourcing solutions company AccessPoint has acquired Michigan, US-based outsourcing solutions firm YourSource Management Group (YMG) as well as its headquarters to establish presence in Oakland County, Michigan, US for its business units, the company said.

The partnership combines two Michigan, US-based HR outsourcing solutionsto offer clients more options to better align with their needs and ***strategic*** goals. The acquisition enhances Access Points unbundled human resources outsourcing service platform. AccessPoint said product offerings of both companies are complementary to each other with little overlap.

Status: Closed

-PERISCOPE ACQUIRES CHICAGO AGENCY ANTHEM MARKETING SOLUTIONS

Minnesota, US-based full-service marketing firm Periscope has agreed to acquire Chicago, US-based data-driven marketing agency Anthem Marketing Solutions, to deepen data and analytics capabilities, the company said.

With the acquisition of Anthem, Periscope adds both data and analytics strategy expertise, and the knowledge of Anthem's leadership team. Anthem's founder will be joining Periscope's executive committee in the newly created role of EVP/Marketing Analytics, and will lead the growing analytics team from Chicago.

Status: Closed

-GERMANY'S WIRSOL SELLS UK SOLAR PROJECT TO ROCKFIRE CAPITAL

Nigeria-based renewable energy development and advisory boutique Emel Solar Ltd. has facilitated the sale of a UK-based 105mw portfolio of UK-based solar projects between Germany based solar power company Wirsol to a unit of UK-based financial institution Rockfire Capital, the company said.

The 19 UK-based solar sites, each ranging between 2.5mwp and 20.5mwp, ***produce*** enough energy to generate almost 100gwh per year, sufficient to supply power to about 30,000 UK households and corresponds to a saving of almost 60 tons of carbon dioxide per year. The completion of the deal takes Rockfire's installed solar PV assets to 300mw of installed solar PV capacity across ground-mounted and rooftop installations.

Status: Closed

-AURORA CAPITAL PARTNERS COMPLETES ACQUISITION OF RANDALL-REALLY FROM INVESTCORP

California, US-based private equity firm Aurora Capital Partners has completed the acquisition ofAlabama, US-based B2B marketing services company Randall-Reilly, LLC from Bahrain-based alternative investment firm Investcorp (Bahrain Bourse: INVCORP), the company said.

Randall-Reilly said Aurora's operating resources and experience with companies in the software and information services sector make them an ideal partner as the company continues to evolve its business model, add new capabilities and build out its platform.

Status: Closed

-AXALTA COATINGS CLOSES ACQUISITION OF SPENCER COATINGS

Pennsylvania, US-based coatings supplier Axalta Coating Systems (NYSE: AXTA), has agreed to acquire UK-based industrial coatings manufacturer Spencer Coatings Group, to expand into new geographies and provide new product offerings, the company said.

Manufactured in facilities in the UK, Spencer's line of industrial products will join Axalta's portfolio of Performance Coatings for industrial customers. Axalta said Spencer's industry product technologies fit within Axalta's current industrial portfolio. With the acquisition of Spencer, the company ***plans*** to accelerate its growth ***plans***.

Status: Closed

-UCB PHARMA HAS ACQUIRED CRO BERYLLIUM DISCOVERY

UK-based biopharmaceutical company UCB Pharma, Ltd. has acquired privately held contract research organisation Beryllium Discovery, LLC, the company said.

Beryllium, a specialised drug discovery contract research organisation, provides research services and engages in collaborations with pharmaceutical, biotechnology, and academic partners based on its drug discovery platform.

Status: Closed

-SHAREHOLDERS OF CANCER DIAGNOSTICS SPECIALISTS TRANSGENOMIC, PRECIPIO APPROVE MERGER

Shareholders of US-based cancer diagnostics specialists Transgenomic, Inc. (NASDAQ: TBIO) and Precipio Diagnostics, LLC have approved the companies' deal under which Precipio will become a wholly owned subsidiary of Transgenomic, and Transgenomic will be renamed Precipio, Inc., the companies said.

Status: Agreed

-AMERICAN VANGUARD CLOSES ACQUISITION OF US CROP PROTECTION ASSETS FROM ADAMA ***AGRICULTURAL***

US-based ***agricultural*** products company AMVAC Chemical Corp, an operating subsidiary of US-based American Vanguard Corp. (NYSE: AVD), has closed the acquisition of certain US assets relating to the three crop protection product lines from subsidiaries of Israel-based Adama ***Agricultural*** Solutions Ltd., which had been part of the China-based China National Chemical Corp., the company said.

This deal was announced in April. The acquired protection product lines are Abamectin, Chlorothalonil and Paraquat. The acquisition is part of a consent agreement between the Federal Trade Commission (FTC) and ChemChina and Syngenta AG under which ChemChina is required to divest these assets as a pre-condition for ChemChina's proposed acquisition of Syngenta AG.

Status: Closed

-MUELLER INDUSTRIES ACQUIRES PLUMBING AND HEATING SYSTEMS MAKER HEATLINK

US-based industrial company Mueller Industries Inc. (NYSE: MLI) has acquired Canadian plumbing and heating manufacturing firm HeatLink Group Inc. and its affiliated PEX-a tubing manufacturing facility PexCor Manufacturing Co Inc., the company said.

Co-ownersManfred and Garry Schmidtwill continue to lead the company with the goal of growing the company's product platform and geographical footprint. HeatLink and PexCor will complement the range of products that comprise the Piping Systems Group of Mueller Industries. The acquisition of HeatLink supports Mueller's strategy to expand in the pressure plastic products arena with innovative piping and flow control solutions.

Status: Closed

-HIGHCROFT INVESTMENTS ACQUIRES FREEHOLD INTEREST OF CORNWALL, UK INDUSTRIAL PROPERTY

UK-based closed-end fund Highcroft Investments plc (LSE: HCFT) has acquired, through its property owning subsidiary Rodenhurst Estates Ltd., the freehold interest of an industrial investment near St Austell, Cornwall, the fund said.

The property comprises two industrial units totalling approximately 250,000 sq ft, plus a vacant site, let to Wyndeham Roche Ltd. on a single lease expiring in April 2021 ***producing*** an income of GBP 500,000 per annum. The purchase price was GBP 4.2m (USD 5.42m) representing a net yield of 11.23%. The property was acquired from St Ives Plc.

Status: Closed

-MECHAN CONTROLS CLOSES SALE OF BUSINESS TO TECHNICAL DIRECTOR FARRAH

UK-based safety switch manufacturer Mechan Controls plc's board has closed the sale of the business and assets of Mechan Controls plc (other than the shares in its subsidiary Nirvana Engineering Ltd.) to Mechan Controls Ltd., a new company ultimately controlled by Mabruk Farrah, the current technical director of the company, Mechan said.

Under the deal, which was announced in May, Mechan sold the business and assets of the company to the buyer for the "purchase price" being a minimum sum of GBP 1.64m up to a maximum of GBP 2m (USD 2.59m). The sale of business and assets is conditional on approval by shareholders as it is a disposal of a substantial non-cash asset to a director.

Status: Closed

-THE FILA GROUP ACQUIRES US IT FIRM NEXT DIGITAL SOLUTIONS

US-based IT consulting company TheFila Group, LLC has acquired US-based information technology firm Next Digital Solutions, LLC, the company said.

In the transaction,Ravi Shankarwas named chief executive officer of Fila Group andJonathan Keoughwas named president and chief operating officer. Next Digital Solutions currently provides cloud strategy and cloud transformation services to its federal and commercial customers.

The firm's services include cloud infrastructure support, application migration services to the cloud, and cloud security. Next Digital Solutions is a certified ServiceNow Partner. Fila Group is headquartered in Leesburg, Virginia.

Status: Closed

-MURATA ACQUIRES ITALIAN RFID SYSTEM INTEGRATOR ID-SOLUTIONS

Japan-based electronics components and solutions maker Murata Manufacturing Co., Ltd. (TOKYO: 6981) (ISIN: JP3914400001) has acquired Italian RFID system integrator ID-Solutions S.r.l., the company said.

ID-Solutions provides added value traceability solutions. The company started from a consultancy and has since developed its own middleware and application software. ID-Solutions is a spin-off company of the University of Parma, a charter technology partner of RFID Lab Parma and specialises in providing RFID solutions for supply chains with a focus on the retail, food, and healthcare industries.

Status: Closed

-EUROFINS TO ACQUIRE GERMAN DNA SEQUENCING EXPERT GATC

Luxembourg-based bio-analytical testing company Eurofins Scientific (PAR: ERF) (EUFI.PA) has signed an agreement to acquire German DNA sequencing expert GATC Biotech AG, the company said. The transaction is expected to close in July, subject to the fulfilment of customary closing conditions.

Founded in 1990, GATC has achieved a strong recognition for DNA and RNA sequencing, as well as bioinformatics in Europe. The company employs 140 staff across 2 sites, and serves over 10,000 institutional and academic customers, generating annual revenues of about EUR 20m.

Status: Agreed

-ICAHN AUTOMOTIVE TO ACQUIRE US SERVICE BUSINESS PRECISION AUTO CARE

US-based investment firm Icahn Enterprises L.P.'s (NASDAQ: IEP) Icahn Automotive Group LLC subsidiary has entered into a definitive agreement to acquire US-based automotive service company Precision Auto Care, Inc and its Precision Tune Auto Care subsidiary, the firm said.

Precision Auto Care, in business for more than 40 years, has service locations in 26 states, with concentrations in Georgia, North Carolina and South Carolina. Icahn Automotive Group was formed by its parent, Icahn Enterprises, to invest in and operate businesses involved in aftermarket parts distribution and service.

Status: Agreed

-CHRISTINA REAL ESTATE INVESTORS 2 ACQUIRES WEST HOLLYWOOD, CALIFORNIA PROPERTY

California, US-based property investor Christina Real Estate Investors 2, LLC has acquired Crescent Hill Lofts, a 19-unit multi-family project located at 1216 North Crescent Heights Boulevard in West Hollywood, California, the company said.

Crescent Hill Lofts is a courtyard style multi-story building situated on a large land parcel with secured subterranean parking. The project was extensively renovated in 2016. Christina Real Estate Investors 2 is a private real estate investment, development and property management company founded in 1977 and headquartered in Malibu, California.

Status: Closed

-NEW ENGLAND ENERGY COMPANY EVERSOURCE ENERGY TO ACQUIRE AQUARION WATER

New England, US-based energy company Eversource Energy (NYSE: ES) has reached an agreement to acquire US-based water utility operator Aquarion Water Co for an enterprise value of USD 1.675bn, comprised of USD 880m in cash and USD 795m of assumed Aquarion debt, the company said.

Aquarion has more than 300 employees operating a regional water system. Eversource's 8,000 employees provide energy solutions, serving 3.7m electric and natural gas customers inConnecticut, Massachusetts and New Hampshire. Aquarion serves nearly 230,000 customers in thesame states.

Status: Agreed

-SEVION THERAPEUTICS TO ACQUIRE ISRAELI GENETIC DISEASE SPECIALIST ELOXX PHARMACEUTICLS

US-based drugmaker Sevion Therapeutics, Inc., (OTCQB: SVON) has agreed to acquire Israel-based genetic disease specialist Eloxx Pharmaceuticals Ltd, the company said. Upon completion of the transaction, Sevion will change its name to Eloxx Pharmaceuticals, Inc. and intends to apply to have its shares listed for trading on NASDAQ.

Under the terms of the agreement, Eloxx shareholders will receive shares of Sevion's common stock reflecting approximately 70% of Sevion's issued and outstanding share capital, subject to further adjustment. The parties expect to raise at least USD 24m in private equity investment rounds as a condition prior to consummation of the acquisition transaction.

Status: Agreed

-CAREY WATERMARK INVESTORS 2 ACQUIRES CHARLOTTE MARRIOTT CITY CENTER IN NORTH CAROLINA, USA

US-based REIT Carey Watermark Investors 2 Inc. has acquired the Charlotte Marriott City Center in Uptown,Charlotte, North Carolina's central business district, the company said. According to the Charlotte Business Journal, the property sold for USD 152.2m.

CWI 2 said that more than USD 40mof capital improvements to the property were completed in 2016 to reposition it as the most technologically advanced full-service property within the Marriott Hotels system. Now dubbed the "Beta Hotel" for its concepts, the recent renovations have transformed the upscale property into an ultra-modern hotel, featuring innovative guest rooms, public space, event space and ***programming***.

Status: Closed

-SPECIALTY ***PROGRAM*** ACQUIRES CALIFORNIA MOVING AND STORAGE, DELIVERY INSURANCE SPECIALIST

New Jersey, US-basedspecialty insurance underwriting facilities holding company Specialty ***Program*** Group has acquired the assets ofCalifornia, US-based national insurance ***programme*** administrator Paul Hanson Partners(PHP) and its affiliate, PHP International, the company said.

Established in 1993 and based inNapa, California, PHP is a national ***programme*** administrator specialising in providing risk management and insurance solutions to the transportation industry, specifically the moving and storage and last mile delivery segments. PHP operates under the Movers Choice and Biz Choice brands.

Status: Closed

-MDCORP TO ACQUIRE EUROPEAN MEDICAL DISTRIBUTION BUSINESS TERRAMED

US-basedmobile electronics, conventional auto parts, and accessories provider MDCorp (OTC: MDCX) has executed an LOI to acquire 100% equity stake in European medical distribution businesses Terramed, Ltd., Intellemed Ltd. and Neuraxon, Ltd., the group said. These businesses, the EDMSgroup, shall upon successful acquisition, if completed, become a wholly owned subsidiary of MDCorp.

EDMS represents a trio of European Medical distribution companies headed by Pantelis Stanitsashistorically covering six countries in the European Union with sales channels into theUnited Kingdom,Greece,Cyprus,Romania,Bulgaria, and Kazakhstan. Revenues currently in the neighbourhood ofEUR 5mare expected to expand with additional CAPEX funding.

Status: Agreed

-AT/T TO ACQUIRE VYATTA NETWORK OPERATING SOFTWARE TECHNOLOGY FROM BROCADE

US-based telecommunications companyAT/T (NYSE: T) has agreed to buy the Vyatta network operating system and associated assets of US-based networking solutions firm Brocade Communications Systems, the company said.

This platform includes the vRouter product line. AT/T said it also intends to hire certain Brocade employees associated with that business. The deal is expected to close in early summer, subject to closing conditions and prior to the closing of the previously announced proposed acquisition of Brocade by Broadcom Ltd.

Status: Agreed

-MAPLETREE INVESTMENTS ACQUIRES PORTFOLIO OF STUDENT HOUSING BEDS FROM KAYNE REAL ESTATE

Singapore-basedreal estate development, investment and capital management company Mapletree Investments Pte Ltd has acquired another portfolio of assets from US-based alternative investment firm Kayne Anderson Real Estate Advisors, the company said.

The acquisition comprises eight purpose-built student housing assets with 3,611 beds inthe United States(US) and 140 beds inCanada, and four multi-family assets with 1,388 units in the US. Mapletree said the eight student housing assets are well located abutting university campuses, on average 0.2 miles (320 metres) to their respective universities, the majority of which are ranked as Tier 1. These assets are purpose-built, well designed and have strong occupancy above 90%.

Status: Closed

-SPANISH BANK SANTANDER ACQUIRES RIVAL POPULAR FOR EUR 1

Spanish banking groupBanco Santander (NYSE: SAN) has acquired rival Banco Popular the group said on Wednesday. This followed a finding by European regulatory authorities that Banco Popular was nearing insolvency.

The acquisition takes place following an auction conducted by the Single Resolution Board and FROB in which Santander was selected as the successful bidder, paying a notional consideration of EUR 1. As part of the transaction Santander will complete a rights issue for a total amount of EUR 7bn. This will cover the capital and provisions required to strengthen Popular's balance sheet. Existing shareholders will be given preferential subscription rights. The rights issue is underwritten.

Status: Closed

-BAYER REDUCES STAKE IN COVESTRO SUBSIDIARY

German drugmaker Bayer AG has reduced its holding in its Covestro plastics and chemicals subsidiary by way of an accelerated bookbuilding procedure with a targeted volume of EUR 1bn, the company said on Wednesday.

In addition, Bayer AG offered EUR 1bn of bonds exchangeable into Covestro shares maturing in 2020. The two placements started on Tuesday after the stock market close and are addressed to institutional investors only. Barclays and Morgan Stanley are acting as joint bookrunners. In the context of the placements, Bayer has agreed to a lock-up period of 90 days.With the move, Bayer has reduced its direct holding in Covestro from 53.3% to 44.8%.

Status: Closed

-POVLSEN'S BRIGHTFOLK TO BUY STAKE IN SWEDISH PAYMENTS FIRM KLARNA

Denmark-based Brightfolk A/S, a company held by Anders Holch Povlsen, has agreed to acquire a ***strategic*** equity stake in Swedish e-commerce payments firm Klarna, the company said on Wednesday. Anders Holch Povlsen is the owner of Bestseller, which is one of Europe's largest fashion companies, with brands such as Jack and Jones, Vero Moda, Only and Selected.

Beside this, Anders Holch Povlsen has significant holdings in e-commerce fashion sites, e.g. Asos and Zalando. Anders Holch Povlsen will, upon receipt of approval from the Swedish Financial Supervisory Authority (Finansinspektionen), acquire shares from existing shareholders General Atlantic, DST Global and Niklas Adalberth, all of whom will continue to retain a stake in Klarna.

Status: Agreed

-PRIVATE EQUITY FIRM EQT BUYS 85.2% OF SWEDISH TELECOMMUNICATIONS FIRM DGC ONE; MAKES OFFER FOR REMAINDER

Swedish private equity firm EQT has acquired shares corresponding to 85.2% of the total number of shares and votes in Swedish telecommunications company DGC One AB (STO: DGC), the firm said on Wednesday.

With this, the deal passed a mandatory bid threshold. EQT has acquired the shares at a price of SEK 250 per share, valuing DGC One to approximately SEK 2.3bn (USD 260m). The firm has now launched a mandatory takeover offer for the remaining shares in DGC. EQT is a group of private equity funds with operations in Northern Europe, Eastern Europe, US and China.

Status: Closed

-BREGAL SAGEMOUNT ACQUIRES MARKET INTELLIGENCE PROVIDER LUX RESEARCH

New York, US-based private equity firm Bregal Sagemount has acquired Boston, US-based market intelligence services provider Lux Research, the firm said.

Lux said its partnership with Sagemount will enable the company to make further ***strategic*** investments so it can serve clients with the most actionable and relevant content, data, and technology. Sagemount said the acquisition allows it to build upon the company's track record and momentum.

Status: Closed

-PROMETHEUS ACQUIRES US IT GROUP PIPELINE, AUSTRALIAN SAFE WORK SOLUTIONS FIRM SAGE

North Carolina, US-based software solutions provider Prometheus Group has acquired California, US-based information technology holding company Pipeine Group, Inc. and Australia-based safe work solutions provider Sage Technology to offer unified ***planning***, scheduling and work management solutions for industrial work in asset-intensive industries, the company said.

Prometheus Group said the combination of Sage's digital safe work solution with Prometheus Group's existing product suite enables the company to bridge the gap between maintenance and operations teams, while improving safety and efficiency on the plant floor.

Status: Closed

-EMERGENCY COMMUNICATIONS NETWORK FORMS ONSOLVE WITH ACQUISITION OF ENTERPRISE NOTIFICATION SOLUTIONS FIRM SEND WORD NOW

Florida, US-based S-a-a-S emergency notification systems provider Emergency Communications Network (ECN) has acquired New Jersey, US-based enterprise notification solutions firm Send Word Now to merge into OnSolve, a new emergency messaging group, the company said.

ECN said that through this acquisition and the 2016 acquisition of MIR3, OnSolve is positioned to address the accelerating demand for standalone software-based communications solutions, and notification and alerting functionality that can be integrated directly into other critical business systems. The merger of Send Word Now into the OnSolve product extends the company's market position and accelerates its ability to capture projected growth in demand.

Status: Closed

**Load-Date:** June 7, 2017

**End of Document**



[***Mozambique on course as 100% Better Cotton country***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R6S-PTS1-JDNW-4201-00000-00&context=1516831)

just-style global news

December 18, 2017 Monday 12:44 PM GMT

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**Length:** 635 words

**Byline:** Michelle Russell

**Body**

Mozambique's Government is undertaking an initiative it hopes will enable it to be the first country in the world to ***produce*** 100% Better Cotton, revitalising its cotton industry and securing access to new markets.

Cotton production is an important industry in Mozambique, contributing to around one-fifth of its ***agricultural*** exports, according to the Better Cotton Initiative (BCI). In the 2016-17 season, 170,000 smallholders, who typically farm less than a hectare each, accounted for 90% of the country's total production.

But despite a production peak of 182,000 tonnes in 2012, on average, production has remained considerably low over the last five years. In recent years, yields have fluctuated considerably, leaving many ginneries operating below capacity and unable to adequately ***plan*** for the future, BCI says. And while average yields have progressed from 400 to 600 tonnes per hectare, they are being held back by issues such as poor quality seed and pest infestations.

There is, however, considerable scope to expand the country's cotton industry, and in 2011, the Cotton Institute of Mozambique (IAM), the government body that oversees the cotton sector, launched a Cotton Value Chain Revitalization ***Plan*** to increase both productivity and sustainability.

A renewed focus on sustainability has since led IAM to engage the Better Cotton Initiative (BCI), presenting an opportunity for Mozambique's ***producers*** to secure access to new markets, as well as to collaborate with local cotton organisations to improve production methods.

In 2014, IAM and BCI signed a ***strategic*** partnership agreement, which embeds the Better Cotton principles and criteria within Mozambique's national regulations for cotton growing. This marks the first time a national government has adopted the Better Cotton standard, putting Mozambique on course to be the first country to ***produce*** 100% Better Cotton.

BCI also engaged OLAM, the world's second largest cotton merchant, to become the first BCI implementing partner in Mozambique. And it has implemented a capacity building ***programme*** in Mozambique that monitors the nation's cotton supply chain. It focuses on investing in capacity building upfront, rather than simply checking outcomes through licensing.

The work to date has yielded results, and in 2014, the number of Mozambique farmers growing Better Cotton jumped to 75,000, ***producing*** 9,500 tonnes of cotton lint on 52,000 hectares. According to BCI data from that year, their productivity was dramatically higher than for comparable conventional cotton farmers: yields were 57% higher and profitability was 65% higher. In 2015, the number of BCI licensed farmers increased to 78,912, with a further 17,000 additional farmers receiving capacity building support from BCI.

As part of its work with BCI, Mozambique is now developing its own national standard for sustainable cotton production, which will mirror the principles and criteria developed by BCI, and include additional sustainability criteria related to the parts of the cotton supply chain not covered by the BCI standard.

Following this, the verification and licensing process is expected to be transferred from BCI to IAM. Both are currently training and developing certification bodies based in Mozambique to carry out the external third-party audits.

Because the BCI Standard is embedded within this national-level standard and verification process, BCI says it will recognise Mozambique cotton through a 'benchmarking' agreement. Similar agreements exist with other cotton certification schemes, including Cotton Made In Africa (CmiA), Australia's myBMP and Brazil's Algod&atilde;o Brasileira Responsável (ABR). This agreement will ensure cotton grown in Mozambique by BCI licensed farmers can be sold as certified Better Cotton on international markets.

**Load-Date:** December 18, 2017

**End of Document**



[***Bunge strengthens edible oil presence with $1bn Loders deal***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PG0-FBV1-JCM7-G0XR-00000-00&context=1516831)

FT.com

September 12, 2017 Tuesday 1:24 PM GMT

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**Length:** 542 words

**Byline:** Neil Hume

**Body**

Bunge said on Tuesday it would buy a controlling stake in palm and tropical oil ***producer*** IOI Loders Croklaan for almost $1bn, as its looks to strengthen its food and ingredients business.

The US-based grain trader, which is takeover target for Swiss commodities titan Glencore, is acquiring the 70 per cent stake from Malaysia’s IOI Group.

The deal comes just a month after Bunge announced a sharp drop in second quarter earnings and lowered earnings guidance.

Large ***agricultural*** traders have struggled in recent years as bumper harvests and fierce competition have squeezed margins. As a result they are looking to expand into higher margin businesses and activities.

“This is compelling acquisition for Bunge,” said chief executive Soren Schroder in a statement. “It delivers on our stated objected to expand our value-added business by accelerating our growth in business-to-business semi-speciality and speciality oil.”

“Together with Loders, we will have a comprehensive product offering derived from seeds and tropical oils” said Mr Schroder.

Bunge identified growing its edible oils as one of its top growth priorities in July when it announced a $450m cost cutting and competitiveness ***programme***. Palm and tropical oils are used in everything from margarine to soap.

The purchase of a controlling stake in Loders may be viewed as expensive, however. Based on an enterprise value of $1.35bn, Bunge is paying almost 13 times next year’s expected earnings before interest, tax depreciation and amortization (EBITDA) of $105m. That multiple drops to 7.3 once $80m of synergies are taken into consideration, Bunge said.

Bunge expects to realise $45m of cost synergies from combining procurement, administration and other functions and a further $35m from crossing selling. It ***plans*** to retain the Loders brand, which will operate as part of its food and ingredients business.

Upon completion of the deal IOI, one of Malaysia’s leading palm oil ***producers*** and traders, will retain a 30 per cent interest in its former subsidiary. It will remain a major supplier of palm oil to the merged business and for a period of five years it will have the right to sell that stake to Bunge.

“From our discussions with Bunge about a potential partnership, we can see that Loders will benefit greatly from Bunge’s global asset footprint and expertise in seed oils sourcing and seed oil-based product offerings, said Dato’ Lee Yeow Chor, chief executive of IOI.

“IOI is excited about the opportunity to participate in the future growth of the combined Bunge and Loders business and to realize our shared ambition of forming a formidable global specialty edible oils player.”

Bunge said it had arranged a $900m credit facility with Sumitomo Mitsui Banking Corporation that it could use to fund the deals.

The Loders acquisition comes just four months after Glencore approached Bunge about a possible “combination” with its ***agricultural*** arm.

Glencore’s interest drew a cool response from Bunge, which said it was focused on delivering its own strategy. But some analysts believe Glencore boss Ivan Glasenberg could make a second approach if Bunge misses its full year earnings guidance or makes a ***strategic*** misstep.

Shares in Bunge were down 2.3 per cent at $74 in pre-market trading.

**Load-Date:** September 12, 2017

**End of Document**



[***Register of Commission documents:Answer to written question E-004079/2017 - Annex 2 Document date: 2017-08-29 P8\_RE(2017)004079(ANN2) Answers to written questions***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PPM-3371-JDG9-Y0GF-00000-00&context=1516831)

Impact News Service

October 12, 2017 Thursday

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**Length:** 8441 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

First Report on the implementation of the EU-Strategy for the Alpine Region April 2017 A) EXTRACT OF AGs WORK ***PLANS*** 1. PREFACE ....................................................................................................................... 3 2. SUMMARY OF AGS ........................................................................................................... 5 2.1 AG 1 “TO DEVELOP AN EFFECTIVE RESEARCH AND INNOVATION ECOSYSTEM” ..................... 5 2.1.1 EXECUTIVE SUMMARY ..................................................................................................... 5 2.1.2 MISSION STATEMENT ...................................................................................................... 6 2.1.3 DESCRIPTION OF IMPLEMENTATION INITIATIVES ................................................................ 7 2.2 AG 2 “TO INCREASE THE ECONOMIC POTENTIAL OF ***STRATEGIC*** SECTORS” ....................... 8 2.2.1 EXECUTIVE SUMMARY ..................................................................................................... 8 2.2.2 MISSION STATEMENT ...................................................................................................... 8 2.2.3 DESCRIPTION OF IMPLEMENTATION INITIATIVES ................................................................ 8 2.3 AG 3 “TO IMPROVE THE ADEQUACY OF LABOUR MARKET, EDUCATION AND TRAINING IN ***STRATEGIC*** SECTORS” ............................................................................................................ 9 2.3.1 EXECUTIVE SUMMARY ..................................................................................................... 9 2.3.2 MISSION STATEMENT ...................................................................................................... 9 2.3.3 DESCRIPTION OF IMPLEMENTATION INITIATIVES ...............................................................10 2.4 AG 4 “TO PROMOTE INTER-MODALITY AND INTEROPERABILITY IN PASSENGER AND FREIGHT TRANSPORT” .........................................................................................................................11 2.4.1 EXECUTIVE SUMMARY ....................................................................................................11 2.4.2 MISSION STATEMENT .....................................................................................................11 2.4.3 DESCRIPTION OF IMPLEMENTATION INITIATIVES ...............................................................12 2.5 AG 5 “TO CONNECT PEOPLE ELECTRONICALLY AND PROMOTE ACCESSIBILITY TO PUBLIC SERVICES” ............................................................................................................................13 2.5.1 EXECUTIVE SUMMARY ....................................................................................................13 2.5.2 MISSION STATEMENT .....................................................................................................13 2.5.3 DESCRIPTION OF IMPLEMENTATION INITIATIVES ...............................................................14 2.6 AG 6 “TO PRESERVE AND VALORIZE NATURAL RESOURCES, INCLUDING WATER AND CULTURAL RESOURCES” ........................................................................................................15 2.6.1 EXECUTIVE SUMMARY ....................................................................................................15 2.6.2 MISSION STATEMENT .....................................................................................................15 2.6.3 DESCRIPTION OF IMPLEMENTATION INITIATIVES ...............................................................16 2.7 AG 7 “TO DEVELOP ECOLOGICAL CONNECTIVITY IN THE WHOLE EUSALP TERRITORY” ....17 2.7.1 EXECUTIVE SUMMARY ....................................................................................................17 2.7.2 MISSION STATEMENT .....................................................................................................18 2.7.3 DESCRIPTION OF IMPLEMENTATION INITIATIVES ...............................................................18 2.8 AG 8 “TO IMPROVE RISK MANAGEMENT AND TO BETTER MANAGE CLIMATE CHANGE, INCLUDING MAJOR NATURAL RISKS PREVENTION” ....................................................................20 2.8.1 EXECUTIVE SUMMARY ....................................................................................................20 2.8.2 MISSION STATEMENT .....................................................................................................20 2.8.3 DESCRIPTION OF IMPLEMENTATION INITIATIVES ...............................................................21 2.9 AG 9 “TO MAKE THE TERRITORY A MODEL REGION FOR ENERGY EFFICIENCY AND RENEWABLE ENERGY” ...........................................................................................................22 2.9.1 EXECUTIVE SUMMARY ....................................................................................................22 2.9.2 MISSION STATEMENT .....................................................................................................22 2.9.3 DESCRIPTION OF IMPLEMENTATION INITIATIVES ...............................................................23 B) ATTACHMENTS A) Extract of AGs Work ***Plans*** 1. Preface According to Article 9 of the joint template of Rules of Procedure for Action Groups (AG), the AG leaders (AGL) shall jointly prepare with the AG members an annual progress report of the past year.

In 2016, all AGL together with their AG members defined their individual set-up and working mechanisms but also thematic focus topics and related implementation initiatives. To that purpose, a joint template for individual Work ***Plans*** of each single AG has been developed by the AlpGov partner consortium and presented by the Executive Board (EB). Altogether more than 250 persons from the AG, coming not only from public authorities (national or regional level) but also from science/higher education, civil society, enterprises and international organizations, contributed to the preparation of the Work ***Plans***. For reasons of efficiency, it is foreseen that the Work ***Plans*** also serve as a basis for both, reporting in the scope of the AlpGov project and at the same time supporting the EB in fulfilling its responsibility to monitor the EUSALP implementations. As presented to the EB, the reporting format will be based on individual Work ***Plans*** for each AG covering the timeframe 2016-2019. The attached Work ***Plans*** have been finalized in the first months of the year 2017. Besides information on the ***planned*** activities until mid 2019, the Work ***Plans*** contain as well details about what has been achieved in 2016 for each single AG. The Work ***Plans*** are structured as follows:  Section 1 and 2 shall help EB members to get a quick overview on the overall progress of the AG, namely with the help of an executive summary of the performance and the composition of the AG.  Sections 3 through 8 are directly linked to the AlpGov project. Their description/progress according to activities, deliverables and milestones is directly based on the AlpGov Application form and was directly used for AlpGov reporting to the INTERREG Alpine Space ***Programme*** which was first time due end of March 2017.  Section 9 is meant to draw conclusions on future challenges regarding the implementation and the need to review the Action ***Plan***.  Appendix I contains a detailed list of AG members (+ Sub Groups where applicable).  Appendix II contains fact sheets for single implementation initiatives for each AG to demonstrate concrete outcomes of the AG’s work, independently if they are financed via the AlpGov project or covered by other financial sources. An explanation of the different types of implementation initiatives is attached, too. These Work ***Plans*** will serve as a baseline for future implementation reports by means of target-performance comparisons in the years to come. For each year, progress (changes compared to the previous year and achievement of ***planned*** activities) will be reported. To get a quick overview on the progress made and to ease the work for EB members, following extract of AG Work ***Plans*** has been compiled listing for each AG executive summaries on the status of implementation, mission statements and descriptions of concrete implementation initiatives contributing to demonstrate visibility and the added value of EUSALP. The overall view on the implementation initiatives in attachment 3 draws the very promising picture of 18 concrete initiatives being ***planned*** to be realized on a short-term perspective in 2017 and therefore enhancing visibility also on grassroots-level quite quickly. The Board of AG Leaders (BAGL) proved to be an effective instrument to strengthen horizontal cooperation among EUSALP AGL right from the beginning of the AG’s work. It helped to jointly develop innovative ways for meeting future challenges and already demonstrated its added value by identifying cross-cutting implementation initiatives which are currently under progress. To summarize the overall situation it can be stated that AGs started successfully their operational activities. According to their specific requirements and decisions their working methods and compositions (also as regards the involvement of members without decision making capacity) vary. All AG have agreed on Rules of Procedure, developed ambitious Work ***Plans*** and have already made or heading to concrete implementation steps, thus can be considered to be “on track”. However, some challenges shall not be neglected: Some AG are still lacking of sufficient participation of representatives from states and regions. Therefore, further action of the EB to attract additional members with appropriate expertise (no matter if they have decision making capacity or not) would help to stabilize the AG work. For doing so, the single Work ***Plans*** may help to identify appropriate experts. Furthermore, the implementation of AG work partly depends on the progress made in the implementing the AlpGov project. Some uncertainties regarding the eligibility (e. g. reimbursement of cost for travel and subsistence for AG members in advisory capacity), the initially lacking of First Level Control bodies in some countries and regions lead to some delay but should be overcome now and does not give reason to consider the overall EUSALP implementation endangered. So far, it is too early to think about a revision of the Action ***Plan***. This may change when gaining more experience with concrete implementation activities. Upon approval of the EB this report together with an amended preface will be published on the EUSALP website [*https://www.alpine-region.eu*](https://www.alpine-region.eu) 2. Summary of AGs 2.1 AG 1 “To develop an effective research and innovation ecosystem” 2.1.1 Executive summary During the official launch of EUSALP on January 2016 in Brdo, according to the “mission” assigned to the AG1 and described by the Action ***Plan***, a general working ***plan*** for the AG1 was presented, based mainly on 4 points: 1. the definition of concrete objectives to be reached in short terms, 2. the design of virtual working tables and collaborative digital environment to support and facilitate the AG1 activities and network management and 3. the definition of useful tools to foster networking and interaction. 4. The definition of effective initiatives to facilitate the “alignment” and common research and innovation activities in the Alpine Region. These 4 pillars were mainly at the base of the AG1 next discussions, but first of all they oriented the preparation of the ALPGOV project, particularly for the aspects regarding the support to the AG1 activities. In fact, immediately after the launch of the strategy, all the leaders were called to collaborate in order to define and design the content of the ALPGOV project, to be presented to the Alpine Space ***program*** call, in order to support the activities of each EUSALP AG for the next three years. At the moment this is the profile of the AG1  Number of members: 18 (but there are some differences among the last official list we received on October 2016 – see attached file - and the members participating to the meetings for some institutions – see the list below)  Number of sub-groups: 4  Number of EUSALP States represented: 6 of 7  Number of observer: 3 (+ 1 EUSALP EU team)  Number of meetings done: 6 The current composition was reached in about 6 months as well as the participation to the meetings of the representatives nominated. Starting from the third meeting on the AG 1 was completely established as it’s now. After the definition of the main research and innovation ***strategic*** research and innovation sectors for the Alpine region on which to concentrate the attention (High quality ***agricultural*** products, Sustainable forestry, Energy, Health, Hi-Tech sectors, Advanced manufacturing, tourism), currently, the main discussion within the AG1 is focused on the development of tools and promote activities to foster networking and interaction among research and innovation players, representatives of the economic fabric and governance bodies in the Alpine Region. Some joined meetings among AG1-2-3 were organized in order to promote the harmonization among the 3 AGs belonging to the 1st EUSALP Objective. Some common activities among AG1 and AG2 are foreseen. The AG1 defined 4 sub-groups (see next section). The main concrete activities now involving or which will involve in the next future the AG1 are strictly connected with the contents and the tools of the Platform of Knowledge, that, at the end, will be the technological platform where to find all the useful information, a complete picture of the “alpine region research and innovation environment”, and useful tools to promote networking (3D map) and “check” the citizens opinion on ***strategic*** topics:  3D map of the Alpine research and innovation centers for which all the AG1 members are providing information on specific databases and useful contacts from their countries (map of top level Research, Innovation Centers and clusters in the Alpine area),  the e-learning and virtual environment development, urban sensing tool, for which each AG1 member will be asked to contribute in defining contents or subject of interest to be promoted and checked,  the mapping and comparative analyses of the regional, national and European research and innovation policies (rules and regulation / governance) in the different countries and regions,  the mapping of EU programms which can support EUSALP concrete actions (then also national, interregional and regional ***programme***),  the mapping and analysis of 3S Strategies innovation areas, topics and results. In order to empower the POK the AG1 established a dialogue with the consortium which will develop the financed project “Research Laboratories in the Alpine Area (RE-SEARCH ALPS)” - CEF TELECOM CALLS FOR PROPOSALS 2016 – CEF-TC-2016-2, aimed at defining an algorithm to identify automatically from the web the research an innovation centers in the Alpine region. Appling the principle of capitalization, in the last two meetings was discussed a proposal regarding the organization and management of the AG1 activities to foster research collaboration on the basis of the ERA-NET structure and approach which already defines how to promote collaboration in European research and innovation framework. Finally, the AG1 organization and activities were presented in several national (Italy) and EU meetings in order to inform regarding the process which has been activated with EUSALP. All these activities were communicated and shared with all the members of the AG1. 2.1.2 Mission statement Based on one of the main drivers of the Europe 2020 agenda which aims at creating jobs and growth, action 1 focuses on the development of an effective innovation ecosystem in the Alpine Region. It aims to bring together the existing potentials of the Alpine Region to better exploit synergies in ***strategic*** sectors and overcome challenges as regards innovation. The main challenge of AG 1 is to contribute to increasing the quality of life in the Alpine region bridging the gap between 'weak' and 'strong' areas, bringing innovation throughout the whole area. To do that, AG 1 aims at promoting the development of an effective research and innovation ecosystem in the Alpine region. Therefore, ongoing and ***planned*** actions include setting up of transnational frameworks, platforms and networks for the identification and connection of the existing innovation resources, setting up of trans-border frameworks, platforms and networks for the common implementation and coordination of research and innovation policies. Moreover it will support EUSALP to address the challenges of smart, sustainable and inclusive growth and competitiveness through a coordinated set of activities integrated through the S3 concept which will contribute to identify competitive R&I priorities and the right policy mix to achieve them in full coherence with the vision, ***strategic*** positioning and the S3 strategies of the Alpine countries/regions. According to the Action ***Plan***, AG1 is working to map key ***strategic*** sectors where cooperation in research and innovation can impact either in economic or societal terms, as well as existing clusters or competence centers related to the economic and academic landscape in the Region so to get a good knowledge about the specific value chains characteristic for the Region and their overall economic impact and relevance needs. The development of tools and the promotion of actions in order to facilitate collaboration, sharing of best practices and networking among universities/research, enterprises, business sector representatives and governance institutions is a central mission for AG1 as well. Finally, AG1 is also taking action to cope with the issue of fragmented governance systems and administrative discordance concerning research and innovation which can limit the potential for transnational exploitation of the Alpine Region’s strengths and opportunities. 2.1.3 Description of implementation initiatives - 2.2 AG 2 “To increase the economic potential of ***strategic*** sectors” 2.2.1 Executive summary The German Region Baden-Württemberg (Ministry of Economic Affairs, Labour and Housing) and the French Region Auvergne Rhône-Alpes together lead AG 2. AG 2 ('To increase the economic potential of ***strategic*** sectors') aims at identifying key Alpine economic sectors which would beneficiate from action at macro-regional level, and to implement concrete measures to improve their economic and social environment. The added value will be to come to a better use of Alpine specific resources and potentials in the identified ***strategic*** sectors with a special focus on the development opportunities for SMEs within the Alpine Macro Region. Therefore AG 2 will establish Sub-Groups to work on the identified key topics. 2.2.2 Mission statement The main objectives of AG 2 are:  To develop new or better value chains inside sectors regarded as ***strategic*** in the Alpine Region, which show potential with distinctive conditions in the region  To bridge the gap of disconnected value chains or parts of it  To move higher up value chains or adjusting products and services to the green economy  To bridge different policies and efforts in order to stimulate the transformation of the industrial structure and drive job creation and growth  To support innovation by making better use of cluster initiatives. 2.2.3 Description of implementation initiatives AG2's subgroups will have the responsibility to carry out its implementation initiatives. On bio-economy, AG2 will initiate activities in order to synchronize regional approaches to support and develop bio-based industries and cross-sectoral value chains On wood, major added value to be expected from Alpine scale initiatives lies in the networking between organizations in the timber value chain, in order to pool innovation resources to SMEs’ advantage. On the other hand, promotion of new sustainable uses of wood (especially construction) towards public decision makers and general public will gain efficiency in actively pooling of innovative experiences and argumentation strengthening On tourism, AG2 will develop a narrative on health tourism in the EUSALP, based on the development of a knowledge base on products and processes, encouraging the transfer of information and valorizing natural resources. 2.3 AG 3 “To improve the adequacy of labour market, education and training in ***strategic*** sectors” 2.3.1 Executive summary The AG 3 is committed, as its title says “To improve the adequacy of labour market, education and training in ***strategic*** sectors”. This activity is strongly connected to the other two AGs of the first thematic policy area of the EUSALP strategy that deal with research & innovation and with the increase of economic potential in ***strategic*** sectors. AG3 is concentrating its activities in particular in the fields of training as it boosts the capacities of future workers. The AG activities concentrate on  mapping  networking  support to creation of initiatives. In particular the goal is to establish a Common Alpine space for dual vocational education, through the creation of a knowledge network based on existing systems and identify its strengths, develop further and foster existing – and possibly initiate new - innovative and successful initiatives in this field in order to improve the number and quality of skilled workers, support the transition from school to work and diminish the unemployment rates -where possible- of youngsters in the EUSALP. The knowledge network is a transdisciplinary EUSALP-wide community of relevant actors and stakeholders as well as organizations and experts from the private and public sector, including centers of expertise, representatives of local communities, schools and training centers as well as different decision makers; meeting on a regular basis to collaboratively generate, manage and share knowledge and information about innovative approaches within the dual vocational education and related in general to the issue of dual education. It is meant to accompany the efforts that are made in order to reach the overall objective. The logic is to create a supply chain in the Alps that deals with dual education and the specific sectors relevant for the Alps. For that reason the coordination in a horizontal and vertical manner is fundamental. The AGs activity is open to further collaboration with the other EUSALP AGs and to further thematic linked directly to the skills and competences of workers, to the labour market and to the improvement of the education in all his forms, always depending on the free capacities of the group. 2.3.2 Mission statement In a demographic situation in the EUSALP and in Europe, in which over-ageing and abandoning of mountainous territories are important challenges, youngsters’ active involvement in the labour market is a fundamental issue. There are further important changes in the labour market as skilled workers are needed in the long term and thus the school system has to provide them and in addition the demographic change means also that population with migrational background is approaching the system. The European countries with low unemployment rates among young generations are typically countries that have adopted active labour market policies as well as a form of an effective dual vocational training as a transition form from school to work and as a base of their economic system. Dual vocational training offers young people opportunities to work and rise through the ranks and also continuously provides the labour market with skilled workers. Thus supporting the exchange of experiences, developing communicating dual vet systems and promoting active collaboration in the EUSALP area based on the quality of the training, will highlight the role as a driver of sustainable development of the dual vocational education. As a precondition for long-term successful solutions, there will be a special focus on the needs, ideas and recommendations of the young generation and of all the parties involved in the system. 2.3.3 Description of implementation initiatives The implementation initiatives of the AG3 are meant to bind more strictly the connections between the members of the network related to the focus topic and to promote the creation from bottom up of valid projects to present on various funding calls.  Conference that sets the base for thematic collaboration.  Promotion of the MountErasmus project  Support to projects that are presented on the Alpine Space call and are in line with the thematic of AG3 2.4 AG 4 “To promote inter-modality and interoperability in passenger and freight transport” 2.4.1 Executive summary Under the 2nd ***Strategic*** Objective of EUSALP, partners focus on the most important challenges and opportunities concerning mobility and connectivity in the Alpine Region. AG 4 addresses the need for sustainable mobility solutions by promoting intermodality and interoperability in passenger and freight transport. AG4 gathers representatives of 23 regions, national states and representatives from the civil society, meeting three times per year. The European Region Tyrol-South Tyrol-Trentino has been entrusted with the lead of AG 4 and has mandated the region of Tyrol to take the ***strategic*** lead function in this AG running for three years from 2016 to 2019. The three lead regions – Tyrol, South Tyrol and Trentino – will also host annual mobility conferences within the three years. Three priority topics have been identified by AG4 members at the start of the process:  Implementation of modal shift policies with a focus on toll systems  Infrastructure for sustainable transport  Interconnecting public transport systems Strong links are ensured with the Alpine Convention, the International treaty between the Alpine countries as well as the European Commission and the INTERREG Alpine Space ***Program***, being represented as observers in the AG4. A coordinated and harmonized approach with the work of the Suivi de Zurich Process, the formal cooperation platform of the Ministers of Transport of the Alpine countries, is reflected in the AG4. Tyrol’s function as Coordination Point for 2017 and 2018 of iMONITRAF!, a network of seven regions promoting harmonization of toll systems on Alpine transit corridors, enables streamlining with the activities of AG4 priority topic 1 on modal shift policies. 2.4.2 Mission statement The Alps are an extremely sensitive environment located in the heart of the European continent. Special geographical features cause particular constraints regarding accessibility and transport infrastructure. Transport is one of the main causes of climate change – almost thirty percent of all greenhouse gases in the Alps can be attributed to transport – and both passenger and freight traffic volumes are rising continuously. Road transport in particular causes negative externalities such as air pollution, noise and traffic congestion. This makes mobility one of the biggest challenges for the social, economic and ecological development of the Alpine regions. A coordinated approach giving way to a coherent strategy is required to tackle these challenges in order to ensure a sustainable development for the Alps. The EUSALP AG 4 Mobility offers a platform to coordinate and harmonize the activities of Alpine regions and countries for a sustainable transport and mobility system. Its mission is to build a common understanding of transport policy and mobility, to define common objectives and to launch specific activities and projects. In January 2016 the AG4 lead was awarded to the European Region Tyrol-South Tyrol-Trentino which mandated the task to its member Tyrol for the following three years. 2.4.3 Description of implementation initiatives Three priority topics have been identified by AG4 members at the start of the process:  Implementation of modal shift policies with a focus on toll systems  Infrastructure for sustainable transport  Interconnecting public transport systems In total, ten implementation initiatives have been defined in close cooperation with the AG4 members. These corresponding to the above three priority topics in addition to cross-topic initiatives and are listed below. A – Cross-topic initiatives A1 – Development of recent estimates for external costs in mountain areas A2 – Development of a common target system for AG 4 A3 – Public acceptance of modal shift (infrastructure and policy instruments) B – Implementation of modal shift policies with a focus on toll systems B1 – Extension of Toll Plus proposal to other EUSALP AG 4 members B2 – From Toll Plus to an integrated incentive system for modal shift B3 – Link between pricing systems and the use of innovative technologies C – Infrastructure for sustainable transport C1 - Infrastructure for passenger transport (supplementary rail connections) C2 - Infrastructure for combined transport (terminals) D – Interconnecting public transport systems D1 – Interconnecting public transport operation D2 – Interconnecting public transport information and ticketing. 2.5 AG 5 “To connect people electronically and promote accessibility to public services” 2.5.1 Executive summary The overall goal of AG5 is to improve the accessibility to services of general interest in an integrated, territorial approach. Therefore, AG5 will  Propose a ***strategic*** approach to promote ultra broadband connectivity among Alpine regions and to foster digitalization of Public administration (i.e open data, e-government, etc).  Propose a ***strategic*** approach to the accessibility of services of general interest and propose technical solutions with a clear focus on ICT.  Install a permanent alpine think tank on the accessibility to services of general interest.  Encourage the exchange of experiences in the EUSALP-perimeter through amongst others the cooperation with various alpine-space-***program*** projects and cross-border cooperation projects.  Coordinate its work with the other AGs of EUSALP and offer technological solutions based on ICT for these AGs. At the actual state (March 2017) AG5 foresees to develop three ***strategic*** initiatives, one lighthouse project and five quick wins. The lighthouse project and the quick wins can be realized within the period 2016- 19 of AlpGov. The three ***strategic*** initiatives go beyond this timeframe. The three ***strategic*** initiatives concern: (1) Smart villages, (2) cross border accessibility and (3) a feasibility study for an alpine fibre-optics backbone. The lighthouse project intends to develop a 3D landscape model of the alpine area which can be a supportive tool for all other AGs of EUSALP. AG5 will also contribute to other Work Packages of AlpGov. A special focus is given on the contribution to the Platform of Knowledge (PoK). AG5 will strive to increase the accessibility to open data on the Alps via the PoK (quick win for EUSALP). 2.5.2 Mission statement The overall goal of AG5 is twofold: On the one hand, to increase the Digitalisation process of the Alpine Area, secondly to improve the accessibility to services of general interest in an integrated, territorial approach. Therefore, AG5 will  Propose a ***strategic*** approach to the digitalization and to the accessibility of services of general interest and propose technical solutions with a clear focus on ICT. This work encompasses to o Analyze existing strategies in the EUSALP-perimeter. o Identify gaps in the existing strategies based on the needs of consumers and technological opportunities. o Propose technological solutions to improve the accessibility with a focus on digital accessibility o Formulate recommendations.  Install a permanent alpine think tank on the accessibility to services of general interest.  Encourage the exchange of experiences in the EUSALP-perimeter through amongst others the cooperation with various alpine-space-***program*** projects and cross-border cooperation projects.  Coordinate its work with the other AGs of EUSALP

and offer technological solutions based on ICT for these AGs. 2.5.3 Description of implementation initiatives The following ideas for quick wins, lighthouse projects and ***strategic*** initiatives have been collected so far. ***Strategic*** initiatives:  Smart villages  Cross border accessibility  Feasibility study for an alpine fibre-optics backbone Lighthouse project:  AG5 will support the development of a 3D landscape model, which shall ultimately be connected to the PoK developed by AG1 Quick wins:  Access to open data relevant for the EUSALP process (to be displayed on the PoK)  Mapping of services of general interest (to be displayed on the 3D landscape model)  Database on existing strategies and policies for SGI in the Alpine area, linked to the PoK  Alpine think tank on SGI  Implementation of the Wifi4EU-Initiative in the Alpine area also to support the idea of smart villages 2.6 AG 6 “To preserve and valorize natural resources, including water and cultural resources” 2.6.1 Executive summary The Alpine Region is characterized by a particular wealth of natural and cultural resources. These resources, such as the rich biodiversity of the mountainous habitats and the cultural diversity, which is unique in the EU, are assets of a high-quality living area. The resources of the Alpine Region are widely used and there is strong competition in particular for land and water for several purposes, including energy, households, tourism, ***agriculture***, forestry and industry. Against this background, EUSALP AG 6 aims at providing sustainable and balanced models of resource management and production in order to enable also future generations to enjoy the unique living space of the Alps. AG 6 gathers a total of 43 representatives of States, Regions, other institutions and civil society organizations, who meet at least twice a year. The Permanent Secretariat of the Alpine Convention (PSAC) and the Land Carinthia (KTN) were entrusted with the lead of AG 6. At the start of the process AG 6 decided to focus on the following three priority topics, dealt with by the corresponding sub-groups:  Spatial ***planning*** and soil conservation  Future oriented farming and forestry  Integrated and sustainable water management In order to implement the Work ***Plan*** of AG 6, joint activities of all members of AG 6, activities of the sub-groups and cross cutting activities with other AGs will be carried out. As a general orientation AG 6 ensures strong links with the activities and results of the Alpine Convention, in particular with those of its relevant thematic Working Groups and Platforms. 2.6.2 Mission statement The Alpine Region is characterized by its outstanding natural and cultural resources. The ways in which these resources have been transformed into economic assets have varied through history and had distinctive effects both on the Alpine environment and on the resources itself. There are also conflicts of interest between the elements to protect natural resources and their economic use. The overall mission of EUSALP AG 6 is to provide valuable contributions to an Alpine ***strategic*** framework that allows the establishment of sustainable and balanced models of resource management and production. Thus EUSALP AG 6 aims at preserving and sustainably valorizing the Alpine natural and cultural heritage to enable also future generations to enjoy the unique living space of the Alps. The motto of EUSALP AG 6 would therefore be “With the Alps – today for tomorrow“. 2.6.3 Description of implementation initiatives The sub-groups of AG 6 focus on the following three topics and the corresponding initiatives: Subgroup 1:  Toolbox “less land take” for stakeholders on regional and local level  Regional awareness raising events on reduced land take and on soil protection  Alpine wide political declaration on how to intelligently reduce land use and on soil protection  Assessment of functions of ***agricultural*** soils Subgroup 2:  Establishment of a knowledge network to collect, develop and foster existing – and possibly create new - innovative and successful initiatives and activities for the promotion and marketing of food and forest products especially in urban areas ***produced*** and processed in the EUSALP mountain and rural areas to maintain cultural and ecosystem services. Subgroup 3:  Implementation of the “green infrastructure” concept as a win-win strategy for the achievement of the objectives of both the EU Water Framework Directive (WFD) and the EU Flood Directive (FD) in the field of river restoration and sediment management  Sustainable strategy for water-demand and supply management in order to prevent conflicts among sectors and actors also in case of peaks of demand and/or regional droughts  Improvement of the horizontal and vertical dialogue in the water management sector, from the transnational agreements to the dialogue between public administrations, public and private stakeholders. 2.7 AG 7 “To develop ecological connectivity in the whole EUSALP territory” 2.7.1 Executive summary The AG 7 work ***plan*** summarizes the results from the discussions at three AG 7 meetings which took place in 2016. It covers a time-frame of three (2016-2019) years and shows the current state of discussion and reflects the given resources and ***planned*** activities of the AlpGov project. The Work ***Plan*** will be adapted regularly and has therefore to be seen as a 'living' document. During the first phase of AG 7 work the following main objectives and key issues have been identified:  For developing ecological connectivity, AG 7 needs (internally) and wants to provide (externally) a '***strategic*** framework'. The EU strategy for Green Infrastructure is setting such a framework for developing solutions for connectivity in multi-beneficial way, both for nature and people. AG 7 decided, in accordance with the EUSALP Action ***Plan***, to build on this framework and regionalize the EU GI strategy for the Alpine region in a model-like way. As currently a TEN-G instrument is under discussion on European level, there is currently given a 'Window of opportunity' for contributing also for improving funding mechanisms and European wide coordination.  The central key factor for success will be to improve political awareness and ownership for the topic.  The involvement of various sectors (like spatial ***planning***, climate change, economy, ***agriculture*** and forestry) into the implementation process has been identified as one of the main challenges. Communication and cooperation with further sectors shall follow a targeted approach. In order to prepare such a targeted way of collaboration AG 7 identified the following steps: 1. AG 7 aims at assuring a common understanding of the concept of ecological connectivity and GI among EUSALP community. The concept also has to be translated into a more easy-to-understand language, suited to different target groups. A communication strategy for AG 7 will focus on this specific issue. 2. AG 7 aims at gaining representatives from further sectors to join AG 7 as members and at exploring appropriate governance mechanisms for initiating new implementation partnerships. 3. AG 7 wants to involve (or raise the interest for involvement of) implementation partners by preparing concrete proposals for cooperation. Coming from this state of discussion, AG 7 will in short-term have a specific focus on  Bringing Green Infrastructure on the political agenda of the Alpine region. A political line ministry meeting wants to set the political landmarks for making the Alpine region a model region for Green Infrastructure.  Initiate new implementation partnerships especially by an issue-related Alpine cities network.  Refining the ***strategic*** framework for building up GI in the Alpine region by developing an AG7 project framework. In mid-term perspective AG 7 is ***planning*** to share this framework with further sectors and therefore trigger on the one hand implementation initiatives in the sense of the AG 7 framework when at the same time growing beyond an AG 7 internal working document towards an integrated landscape vision - as proposed by EUSALP Action ***Plan***. 2.7.2 Mission statement AG 7 focuses on developing ecological connectivity and thus to strengthen, improve and restore biodiversity, as well as ecosystem services. Its implementation will increase the degree of connection between natural and semi-natural landscapes in the entire EUSALP territory. With its broad representation of members from Alpine countries and regions as well as advisors with different institutional and sectoral backgrounds, AG 7 builds on a dialogue including stakeholders from all relevant sectors. It aims at setting up a comprehensive macro-regional scheme by applying the EU Strategy for Green Infrastructure (GI) to regional scales and making the Alps an outstanding candidate for GI in Europe. The AG 7 provides the framework for developing a strategically ***planned*** network of natural and semi-natural areas, including features in rural and urban areas which together – functionally interconnected – ensure diverse advantages for nature, as well as social benefits and economic prosperity for humans. The objectives of AG 7 are:  To identify Alpine GI elements of transnational relevance, improve governance approaches and explore funding opportunities.  To promote the various benefits of GI as complementary solutions to Grey Infrastructure and bring GI onto the political agenda of the Alpine Region.  To trigger tangible implementation initiatives and liaise with implementation partners from all relevant sectors to make GI visible and close gaps in the trans-European “matrix for life”.  To allow the benefits of ecological connectivity to emerge at ecosystem and societal dimensions, enhancing resilience to threats such as climate change.  To develop solutions to halt biodiversity loss and address challenges such as missing connections between natural areas and homogeneous and impoverished lowlands. 2.7.3 Description of implementation initiatives Based on the three AG 7 meetings held in 2016 and being in line with the AG 7 mission statement the implementation initiatives will focus on breaking down the EU Green Infrastructure (GI) strategies' contents to the Alpine region and positioning the Alpine Region as a candidate for a possible TEN-G model. This includes: (A) – Alpine Cities Network on Green Infrastructure (B) – Analysis of interrelations between Alpine urban and rural areas (for all 9 AG) (C) – Line Ministry Meeting on Alpine GI and accompanying PR campaign (D) – Development of an AG 7 'Project framework' (E) – Initiate a cross-sectoral Alpine GI dialogue (F) – European Mountain GI Forum (G) – Trans-sectorial ***strategic*** landscape vision (Compilation of AG 7 results) (H) – Model-like coordination of at least one GI corridor of Trans-European relevance 2.8 AG 8 “To improve risk management and to better manage climate change, including major natural risks prevention” 2.8.1 Executive summary The overall objective of AG 8 is to improve and enhance governance mechanisms in the fields of natural hazard risk management and adaptation to climate change, including the interface of these two fields. Therefore AG 8 will concentrate on the following tasks in the first phase of the implementation of the EUSALP strategy: 1. Paving the ground for a shared risk governance policy regarding alpine natural hazards, including the survey of risk governance mechanisms, the analysis of management systems considering the connection of metropolitan and Alpine areas, and the exploration of the management of residual risk along all relevant sectors in the EUSALP region. 2. Paving the ground for shared adaptation governance policies, including stocktaking, mapping and comparing adaptation governance systems as well as surveying the status of horizontal integration of climate adaptation in priority sector policies to enhance policy mainstreaming of adaptation in the Alpine macro-region. 3. Supporting the synergies between risk management and climate adaptation by identifying linkages and synergies and exploring shared pathways for closer alignment of the respective governance mechanisms in both policy fields. 4. Contributing to the joint EUSALP Knowledge platform by deploying, advancing and maintaining the Climate Adaptation Platform for the Alps (CAPA) and integrating cross-cutting knowledge about thematic interfaces of climate adaptation and natural hazard management. 5. Identifying potential funding schemes to pave the ground for shared governance policies in the context of risk management and climate adaptation. 2.8.2 Mission statement AG 8 aims at both dimensions of Action 8, adaptation to climate change and natural hazard risk management. The overall objective is to improve and enhance tailored governance mechanisms for promoting sustainable development of the Alpine region. This encompasses stocktaking of relevant actors and interests as well as mapping, analyzing and comparing governance structures and processes in the policy fields of risk/hazard management and climate adaptation. This enables AG 8 to identify good practice solutions for tackling challenges ahead and, subsequently, to promote, develop and implement local, regional and transnational pilots and projects. Moreover, AG 8 aims at improving risk governance and adaptation governance mechanisms in the EUSALP region by enhancing, valorizing and leveraging the existing cooperation structures and by better coordinating policies and actions among stakeholders, levels, sectors and countries. This includes contributing to closer alignment and better coordination of the policies, instruments, actors and processes between (disaster) risk reduction and climate adaptation. 2.8.3 Description of implementation initiatives Several ***strategic*** initiatives supporting the action of AG 8 are ***planned*** over the next three years. These initiatives complement the action ***plan*** for AG8 and are covered mostly in AlpGov work package 'Enhancing shared alpine governance'. Four ***strategic*** initiatives, one lighthouse project 2017 and five quick wins have been identified (please refer to attachment 3). 2.9 AG 9 “To make the territory a model region for energy efficiency and renewable energy” 2.9.1 Executive summary AG 9 has the mission to make the Alpine region a model region for energy efficiency and renewable energies. AG 9 took up its work during its kick-off meeting on 9 March 2016 in Bolzano and met for a second time on 10 October in Bolzano. The AG has 19 members coming from the regions and state ministries of the Alpine region. In order to quicken the definition of work topics for the work agenda of the AG, to respond to interests and expertise of the single members and to distribute tasks, the AG installed 4 thematic sub-groups:  Energy policy strategies  Energy efficiency  Renewable energies  Smart grids The work of the AG is currently formally followed by DG Regio and DG Energy. Also, AGL9 informs the Alpine Convention about its activities. The Alpine Convention was present during the second AG9 meeting. Other stakeholders so far involved were CIPRA International and WWF, who attended the second AG meeting as guests. 2.9.2 Mission statement The geographic and structural characteristics of the Alps provide good potentials for renewable energies and enhanced energy efficiency to make the Alpine region a European “Model region for renewable energies and energy efficiency”. Macro regional policy ***planning*** helps the Alpine region to tackle the challenge to meet energy demand sustainably, securely and affordably. To overcome these challenges and to make the region a good practice example for rational use of energy, EUSALP AG 9 focuses on:  Making the Alpine building sector more energy efficient and sustainable  Promotion of renewable energies in line with environmental and landscape protection  Promotion of smart grids  Support the Alpine economy to reduce energy demand  Reliable energy data and the monitoring of energy demand and production of the macro region through a multi-level approach. The policy frameworks of the activities of the AG are provided by, inter alia, the European Union's energy directives, the EU goals for 2020 and the Energy Union Package as well as national and regional policies. The AG supports a significant reduction of energy consumption in the Alps thereby contributing to reduction of carbon emissions. AG 9 is a network of regions and states to foster good public policy making based on scientific evidence. The group is determined to foster well-informed dialogue and decision-making following a multi-level energy policy approach. The goal of the group is to support common objectives and to undertake concerted actions trough common activities and projects. 2.9.3 Description of implementation initiatives Over the year 2016, AG 9 has worked on the definition of its Work ***Plan***. The foreseen activities were defined by taking into consideration the Action ***Plan***. The implementation initiatives are meant to help the integration of the activities defined in the Work ***Plan***, for example through the organization of workshops, conferences, the preparation of research project proposals as well as scientific studies. (A) – Completion of the EUSALP Energy Survey for the collection of regional and national energy data, policy documents and policy goals (B) – Development of an EUSALP energy collaboration platform with stakeholders relevant for the Action Group (C) – Development of a EUSALP energy observatory (D) – Implementation of a network for the promotion of local EMS (E) – Grey energy assessment in construction/ Alpine construction materials (F) – Promotion of energy efficiency measures in Alpine small and medium-sized enterprises (G) – Greening the Alpine infrastructure and building sector (H) – Defining the potentials of renewable energies in the Alpine region (I) – Compilation of an overview of smart grid activities and projects in the member regions, based on a survey . B) Attachments Attachment 1: Work ***Plans*** for 9 AG  Work ***Plan***  Appendix I: List of AG members (+ Sub Groups where applicable)  Appendix II: Implementation initiatives Attachment 2: Overview on current composition of EUSALP Action Groups Attachment 3: Overview on ***strategic*** implementation initiatives Attachment 4: Guidance note on different types of implementation initiatives

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**End of Document**



[***Speech of Bakytzhan Sagintayev at the investment forum "Kazakhstan Global Investment Roundtable"***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R5C-6V01-JDVR-04XD-00000-00&context=1516831)

Emerging Markets Brokers Reports - Russia

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**Body**

Today, Prime Minister Bakytzhan Sagintayev at the plenary session of the forum "Kazakhstan Global Investment Roundtable" in his speech elaborated on the measures being taken in the country to develop the investment climate and on the continuously expanding opportunities for investors.

Ladies and gentlemen!

I welcome you at the first international roundtable dedicated to the issues of investing in the economy of Kazakhstan.

We are very grateful that representatives of more than 100 international companies, financial organizations, embassies, non-governmental organizations, and foreign media accepted our invitation.

We are open to your suggestions and new ideas. Therefore, today my colleagues - Ministers, representatives of state and private sectors, leading businessmen of the country - will work together with you all day.

Such a dialogue will allow the exchange of views on your investment proposals and business prospects in Kazakhstan. And we hope that the proposed format, "Kazakhstan International Business and Investment Dialog", will become regular.

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The main goal of the Government is to form a large-scale and sustainable strategy to stimulate the process of attracting "new generation" investments to Kazakhstan.

We believe that our today's meeting is one of the important steps in this regard.

Why is Kazakhstan becoming interesting for investments?

What specific benefits and opportunities will the investors receive when developing their business in Kazakhstan?

First, after the difficulties of 2014-2016, associated with global changes, the country's economy began to stabilize.

Thanks to the measures taken in the first 10 months of 2017, the GDP grew 4%. Private investment and consumer activity of the population are rehabilitating.

Thus, the adaptation of the country as a whole to the new world reality was successful. We are on the path of economic growth.

Second, our State has entered a new stage of its development.

The President of the country announced the Third modernization of Kazakhstan in the beginning of 2017. Its goal is to implement the Kazakhstan-2050 Strategy, Five Institutional Reforms of President Nursultan Nazarbayev and to ensure that the country joins the top 30 developed countries of the world in new conditions.

Extensive work has been undertaken in three areas: political democratization (the constitutional reform has been carried out), modernization of public consciousness and improvement of the quality of human capital, creation of a new model of economic growth, curtailment of the state's role in the economy through privatization and deregulation, private sector stimulation, technological re-equipment and digitalization, growth of global competitiveness.

The Government adopted the ***Strategic*** Action ***Plan*** until 2025, which includes detailed roadmaps for all key areas of socio-economic policy. It is currently under consideration of the Head of State.

To effectively manage changes and emerging risks, a project management system has been introduced.

Under focus are 8 backbone industries, and such cross-cutting areas of work as:

- Creation of new jobs in promising sectors of the economy;

- Development of widespread entrepreneurship;

- Technological re-equipment and digitalization.

Currently, project management is also being implemented at the regional level.

Thus, we have carried out considerable preparatory work; we know what to do and how to do it.

Third, our policy on developing modern knowledge-intensive production, reequipping the backbone industries and the agro-industrial complex creates great opportunities for investors, the policy in which we ***plan*** to make substantial investments within the framework of the Third Modernization of Kazakhstan.

We continue to diversify our economy and invite investors in metallurgy, refining, chemistry, and machine building.

Kazakhstan has a large number of projects related to the development of the production of copper, gold, rare and rare-earth metals, including lithium and vanadium, phosphate raw materials and much more.

For the further development of the manufacturing industry, we are interested in investing in geological exploration, new technologies of enrichment and processing of raw materials.

We have launched a large-scale modernization of the agro-industrial complex. Kazakhstan is one of the world leaders in the production of wheat flour. We are enhancing this advantage, but are also carrying out structural reform of the agrarian sector, diversifying croplands in accordance with market demands.

The scientific-technical and technological re-equipment of the entire industry has begun, including the introduction of the latest developments in the field of fertilizers, bioadditives and artificial selection.

All this provides great opportunities for investment in the food industry.

And in conjunction with the work carried out by the Government to lift trade restrictions with China and with other neighboring markets, makes the sector of intensive and export-oriented agribusiness particularly attractive.

Especially extensive work has been done with regards to China. Virtually all major trade barriers between our countries have been removed. Just last week, a meeting was held with the Premier of the State Council of China Li Keqiang in Sochi, and we also agreed that the last remaining trade barriers will be regulated and removed as early as 2018. This opens a very large market and today products that are ***produced*** in Kazakhstan - ***agricultural***, organic products are in high demand in China.

Fourth, Kazakhstan today becomes investment-attractive for the development of infrastructure, logistics, transport and related services.

Over the past three years, we have carried out large-scale infrastructure construction and created a short and economically advantageous transport and logistics "launch-pad" for entering the key world markets.

The construction of almost 3 thousand kilometers of the Kazakhstan section of the International Corridor "Western Europe - Western China" has been completed, which will shorten the time of cargo transportation from the port of Lianyungang in China to St. Petersburg in Russia to 10 days.

More than a thousand kilometers of new railways have been constructed, including the railway corridor Kazakhstan-Turkmenistan-Iran, which connects the Central Asian countries with the Persian Gulf and the Bandar Abbas port in the south of Iran.

We built a dry port "Khorgos - Eastern Gate" on the border with China. This is the first land port in Kazakhstan and the largest logistics park in Central Asia.

In the west of our country, the Aktau port has been expanded - on the Caspian Sea. A new port, Kuryk, was built, which has a system of new ferry complexes. Such steps will increase the loading capacity of Kazakhstan's ports to 25 million tonnes per year.

All this removes infrastructure constraints, shortens the time of cargo transportation from north to south and from east to west - and is profitable for business!

Our ***strategic*** goal is to make Kazakhstan a major transport and logistics hub in Central Asia.

Already in the next two to three years (by 2020), the Government ***plans*** to increase transit transport to 2 million containers and receive revenues from transit of up to 5 billion USD.

All transport and logistics infrastructure of Kazakhstan and our state ***program*** "Nurly Zhol" are associated with the Chinese mega-projects creating the "Silk Road Economic Belt" and "One belt - one Road".

We invite investors to invest in transport and logistics, grow, earn with us!

Fifth, the country is already implementing the second five-year ***program*** of innovative industrial development. Industrial enterprises of Kazakhstan have the opportunity to introduce advanced technologies, elements of Industry 4.0, automation and robotic production.

This year, together with German partners, the Fraunhofer Institute for Applied Research, we assessed the readiness for such modernization of 500 enterprises of the processing and mining sectors and prepared a roadmap for technological upgrading and digitization of the backbone industries.

Just yesterday at the Government meeting we adopted the state ***program*** "Digital Kazakhstan", which was submitted for consideration to the President of the country. In September, a large presentation was held with the participation of specialists from all over the country.

Sixth, what market will you receive if you invest in Kazakhstan? Due to its location in the center of the overland trade bridge between Europe and Asia, and our policy of good-neighborliness and curtailment of trade barriers, Kazakhstan has access to the largest markets - the EAEU, Russia, China, Central Asia.

Serious prospects for our investors are opened up by integration processes within the framework of the Eurasian Economic Union.

In all foreign economic areas, constant work is carried out to reduce customs and certification barriers for trade development.

Seventh, we offer investors a completely new mechanism - the Astana International Financial Center.

Today we dedicated a separate panel session to this topic.

Its main goal is to stimulate innovation activity and create conditions for attracting investments.

We created the financial center as a modern financial instrument of integration with international exchanges. Simplified tax, visa and labor regimes will apply to its participants.

AIFC will operate on the principles and norms of British law with judicial proceedings in English. On its premises, the International Arbitration Center will operate to resolve arising disputes.

It is of fundamental importance that from January 1, 2018, access to this Arbitration Center will available on the principle of extraterritoriality. Any investor, regardless of the place of the implementation of their project in the territory of the country, can apply there.

Such financial services are offered by very few countries in the world!

Eighth, the ongoing second large-scale "wave" of privatization in Kazakhstan gives great opportunities for investors.

The government is implementing a policy of denationalizing the economy. About 900 companies (902) will be placed in a competitive environment.

The most attractive are 65 top companies under the ownership of the State and quasi-public sector (57 companies of national holding companies).

I invite you to participate in this privatization.

I believe that the most profitable moment for investors is upon us.

We have also dedicated a separate session to this topic.

\* \* \*

Ladies and gentlemen!

A bit later you will have specialized roundtables and briefings, where you can talk in more detail with the members of the Government of Kazakhstan on the issues of interest to you.

I am confident that the measures and projects that we propose may be of interest and benefit to the international business community.

An influx of new investments is needed to successfully implement all of our ***plans***.

We have a foundation for solving this problem.

Today, according to the PriceWaterhouseCoopers (PWC) report and the World Bank, Kazakhstan ranks 18th among 189 countries with regards to tax climate.

Also, Kazakhstan confidently occupies the 36th place among 190 countries in the World Bank's Doing Business ranking. Progress has been made in all 10 indicators: on the indicator "Protecting minority investors" - the country takes first place, according to the indicator "Enforcing contracts" - the sixth.  We have set a goal to in the near future enter the top 20 of the Doing Business ranking.

To this end, in 2018 we will prepare a new, already seventh package of legislative amendments to improve the business environment at the national and subnational levels.

At the same time, we understand that in the conditions of increased global competition for investment, our country has no choice but to actively fight for each investor.

And we are ready for this!

Today the Government of Kazakhstan declares its commitment to the policy of creating the most favorable conditions for investors!

If you ask me what the Government has done to improve the investment climate, I can say with certainty that there are concrete solutions and you can rely on them!

I will focus on the main ones.

To stimulate the flow of investment, we have developed a new national investment strategy and began implementing it. The experts of the World Bank and other international experts took part in its development.

The Kazakh Invest national company has been created for attracting investments, with a network of foreign and regional structures. It will act on behalf of the Government as a "single negotiator" with foreign investors.

In addition, in the embassies of Kazakhstan in key countries, advisers on investment issues will be appointed to ambassadors. All of them will be available to you!

Also, an export strategy was adopted aimed at removing barriers, developing external and internal infrastructure. Here your partner will be the new national company Kazakh Export.

We have radically changed the legislation in the field of entrepreneurship and investment in two important areas.

The first is a frontal cost reduction for business and the reform of deregulation, primarily in energy, transport, logistics and housing and communal services. We have made an almost 60% reduction in the requirements for the verification of small and medium-sized businesses. The number of licenses and permits has been reduced more than three-fold. ***Planned*** inspections by tax authorities were reduced 40%.

The second is the curtailment of bureaucracy and spread of public services in electronic form through the E-government web portal.

The Government has drafted and submitted to the Parliament a draft of the new Tax Code, the ideology of which is aimed at protecting the interests of bona fide taxpayers and encouraging subsoil users. All ambiguities and inaccuracies will now be interpreted in favor of taxpayers.

In addition, a new code on subsoil and subsoil use was developed, based on the principle of "first come first received". It will introduce an international system for calculating reserves and provide free access to geological information. The measures taken will make it possible to shorten the time for granting subsoil use rights from 18 months to 10 days for solid minerals.

Also, a new Customs Code has been prepared, designed to give a significant impetus to business development. The priority is placed on electronic filing of declarations. As a result, the time of release of goods will be reduced six times, to 4 hours.

A bill has been developed that improves the regulation of free economic and industrial zones.

All these laws, important for investment, have already been discussed in the Majilis, and after consideration in the Senate, soon all 4 bills will be submitted to the Head of State to be signed. We ***plan*** that all of them will come into force beginning 2018.

The government understands that in many respects the investment climate depends on the actions of local authorities. Therefore, this year we have introduced a new rating, assessing the regions' ease of doing business, the so-called subnational rating. Tomorrow the President will present the awards.

The main emphasis will be placed on strengthening the protection of investors' rights, ensuring transparency in the procedure for issuing land plots for industrial facilities.

We liberalized our approaches to attract foreign labor. This is an important issue. During the years of Independence, we generally solved the problem of training workers.

But at the same time, we understand that with the announced Third modernization of Kazakhstan, we need highly-qualified workers.

That is why we facilitate ways to attract foreign labor. Citizens of more than 60 countries can already come to Kazakhstan visa-free.

The requirements for knowledge of the state language, local content in cadres, work experience within a particular foreign legal entity are simplified.

A big issue that worries all investors is public-private partnership. We have simplified all procedures for project ***planning***.

We approved standard bidding documents in the fields of education, health, sport, housing, ***agriculture***, environmental protection, energy and transport.

We also optimized the assessment of draft contracts and competitive procedures. Increased the guarantee of consumption to up to three years or more.

To increase awareness and exchange of experience, we have created a unified database of successfully implemented PPP projects. It is now available to you.

Incidentally, today a memorandum on the Big Almaty Ring Road project will be signed within the framework of our investment forum.

I want to congratulate our Turkish and Korean partners on the completion of this great work. The process is launched! This is the "first robin" within the framework of the updated PPP mechanism and a good signal for all investors.

Ladies and gentlemen!

The Government of Kazakhstan has always followed and will follow international principles and standards for working with investors.

The key points of our work are ensuring the inviolability of private property, the rule of law. Since 2018, we will provide access to the settlement of possible disputes on the rules of English law.

Kazakhstan was and remains an open country. We joined the Investment Committee of this organization.

Today I would like to emphasize the Government's determination to create not just good, but the best conditions for business.

First, we will improve advisory services for investors. For each of your requests to the State and local executive bodies, the answer will be provided within ten working days in English.

Personal responsibility for this will be borne by the first heads of central and local state bodies.

Secondly, we will gradually proceed to ensure that starting from 2020 foreign investors are provided with public services in English.

Public service centers, state clinics, schools, pre-school education organizations, migration and tax services will specifically recruit employees with knowledge of English.

Thirdly, all regulatory and legal acts important for investors will also be published in English on the websites of the Ministries of Justice, Foreign Affairs, Investments and Development and on the website of the national company "Kazakh Invest".

Fourthly, we will continue to improve the conditions for entry into the country for foreign investors, primarily the processes of introducing electronic visas, border crossing, migration registration and security issues.

In all these four areas, each authorized body will carry out the necessary work.

Dear friends!

I hope that today's event will promote close cooperation and mark new opportunities and prospects for business partnerships.

We are ready to promptly resolve problematic issues through constant dialogue with investors. At the highest level, the Council of Foreign Investors, chaired by President Nursultan Nazarbayev, is working to resolve ***strategic*** issues.

At the Government level, we are constantly engaged in dialogue through the Investment Climate Improvement Council and the work of the European Business Association of Kazakhstan.

The Investment Ombudsman for the protection of the rights of foreign investors is also available to you.

The Republic of Kazakhstan has already proved its reputation among investors as a reliable business partner.

In the last 10 years alone, about 250 billion USD of foreign direct investment in various sectors of the economy was attracted to our country.

We are grateful to every investor who came to Kazakhstan and is implementing their projects in our country. We hope that their example and our conversation today will inspire you to conquer new business heights in Kazakhstan!

Thank you for your attention.

[*www.primeminister.kz*](http://www.primeminister.kz)

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**Load-Date:** January 2, 2018

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[***Despite recent unrest, hardliners maintain sharp edge in Iran***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RWV-48Y1-F11P-X4DX-00000-00&context=1516831)

Al-Arab (English)

March 18, 2018

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**Length:** 1356 words

**Byline:** Ed Blanche

**Body**

Indeed, there are ***plans*** to increase the IRGC's budget, while cutting back subsidies for the poor.

T h e

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The Arab Weekly

Beirut - The Islamic Revolution in Iran was won the moment the Bazaaris — the wealthy merchant class — threw their substantial weight behind Ayatollah Ruhollah Khomeini as the monarchy crumbled, its army riddled by desertion.

Shah Mohammad Reza Pahlavi capitulated a few days later, on February 2, 1979, and flew off into a wandering exile until he died of cancer in Cairo on July 27, 1980, aged 60. The same day, Khomeini returned from exile in France to a rapturous welcome.

These days in Iran there are signs that once again the ground is shifting, this time for the ruling Muslim clerics, as the country's long-suffering people grapple with soaring inflation and financial hardship.

These are steadily undermining the economy while the clerical regime spends billions of dollars on an army of militias to ensure that the Islamic Revolution creates a new Persian empire in Syria, Iraq and Lebanon and eventually the Arabian Gulf and Afghanistan.

The Tehran regime's commitment to Khomeini's urging to export the Islamic Revolution seems to outweigh all other issues — dangerously so if the economy continues to decline.

Iran, which, beyond the superficiality of the militant face it presents to the world, is considered more nationalist than revolutionary and it is generally recognised that the Islamic State movement would not have been pushed back without Iran and its allies.

US President Donald Trump is fixated with Iran and scrapping the landmark July 2015 nuclear agreement between Iran and US-led major world powers — a diplomatic solution that Trump says cannot work. Such considerations could become costly in the volatile Middle East.

"In practical terms, scrapping and replacing (the agreement) is a non-starter," James F. Jeffrey, former US ambassador to Iraq and Turkey, observed in testimony to the House Foreign Affairs Committee in October. "So the administration should instead focus on countering Iran as its top regional priority and decide how it will respond when Tehran pushes back."

There have been big, though gradual, changes in Iran since Khomeini died in 1989. Those changes have caused the long-dominant clergy to lose ground to Shia hardliners led by the Islamic Revolutionary Guard Corps (IRGC), arguably the most powerful single force in the country, which Khomeini created as the republic's praetorian guard to abjure politics.

Israel is increasingly alarmed by the IRGC's efforts to establish itself in the western sector of the war-divided Golan Heights, a ***strategic*** volcanic plateau in southern Syria that looms over Israel's ***agricultural*** Galilee region.

Israel overran the eastern sector in the 1967 Six-Day War and annexed it in 1981. The Israeli zone has been a buffer against Syrian attack but the IRGC and its Hezbollah militia allies from Lebanon are, by all accounts, turning the Syrian-held sector into a fortress from which to mount missile strikes against Israel.

The current political unrest was triggered by a heavy clampdown on widespread protests in December and January. They were smaller than the protests during a contentious 2009 presidential election, the last serious upheaval, but they were markedly more intense.

Their effect was heightened by demands that not only should Hassan Rohani, the people's president, and his reformist bloc step down for failing to keep his election promise to bring prosperity to all or at least ease their economic burden but also for the first time there were howls that the clerical regime itself should stand down.

That was an ominous turn of events that is likely to swell if protesters continue to defy the regime.

Demonstrators also criticised Tehran's policy of "forward defence" — fighting enemies outside Iran rather than in the country itself, diverting funds to distant conflicts rather than improving the lot of its people.

"The protests suggest that nationalism is tempered by its economic cost," observed analyst Vali Nasr of Johns Hopkins University, "but despite the public criticism, Iran is not about to collapse under the pressure of imperial overreach. Iranians are sceptical of their government's regional ambitions but they do not doubt the imperative of defence."

The IRGC was also a target for the people's ire, particularly for the billions of dollars it has poured into the war in Syria, as well as Tehran's proxy armies in Iraq, Lebanon and Yemen.

Twenty people were killed and hundreds arrested as the protests engulfed some 70 cities, including Tehran, and, for the first time, many provincial centres that have long been considered conservative pro-regime bastions.

The authorities were clearly shaken. They shut down social media websites, along with messaging apps — apparently standard procedure now for countering such street protests quickly.

The streets have been quiet since the protests were crushed in January but the anger still smoulders and it remains to be seen whether the regime, which has not taken identifiable steps to meet the protesters' demands, is willing to scale down its expansionist wars.

Indeed, there are ***plans*** to increase the IRGC's budget, while cutting back subsidies for the poor.

Expectations that conditions inside Iran might improve were raised by the July 2015 signing of a controversial nuclear agreement that the United States and five major world powers under which Tehran agreed to rein in its nuclear ***programme*** in return for the partial lifting of crippling US-led sanctions.

Although that freed some $100 billion for Iran, the bottom line is that the deal was concerned with security issues rather than throwing Iran's working and middle class a financial lifeline — a point that seems to have been lost in the clamour.

Even if it were only partially true, Western sources insist that much of the windfall has been allocated to bolstering Iran's military forces and its worrying ballistic missile ***programme***.

It is not clear how much of the current unrest was the result of the United States exploiting Iranians' frustrations.

It would not be the first time that's happened but, whether there was outside interference or not, the spread of popular unrest to major provincial cities is an ominous development for the regime.

The mullahs are steadily ramping up the confrontation with Israel, which has vowed it will not allow the IRGC to establish a military presence on the Golan Heights.

Ironically, Saudi Arabia finds itself in the same camp as Israel against a common foe, Iran — a situation that illustrates just how the region's turmoil has brought about significant geopolitical realignment.

Iran's hardliners, led by Supreme Leader Ayatollah Ali Khamenei, apparently see their decades-old effort to become the region's superpower ***producing*** results and are loathe to pull in their horns now when the signs are so propitious.

This can be seen in how the IRGC and Hezbollah are building military bases in the Golan Heights, despite Israeli protests.

An aerial clash on February 10, in which Israel shot down an Iranian surveillance drone and then lost an F-16 jet to missile fire, underlined how sharp the tensions are.

The next confrontation could trigger a wider shooting war and that may just be a matter of time.

Israel's retaliatory raids against Syrian and Iranian military installations marked a significant and potentially dangerous widening of the undeclared conflict. Any direct confrontation with Israel could easily spiral out of control because Israel sees the Iranians moving what was once a distant front line hundreds of miles away right up to the Jewish state's northern frontier.

The Iranians see things through a different prism. "Israel's claim of Iran's involvement in the events of February 10 should… be viewed as part of its continued desire to 'securitise' Iran," said Hamidreza Azizi of the Iran and Eurasia Studies Institute in Tehran.

"The aim of the latter remains the same: to increase international pressure on the Islamic Republic to abandon its missile ***programme*** and regional activities," he wrote in a February 22 analysis.

Alarab Online.

**Load-Date:** March 18, 2018

**End of Document**



[***Union State of Russia and Belarus Supreme State Council meeting***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NXV-4FM1-JDVR-02RN-00000-00&context=1516831)

Russian Government News

June 30, 2017 Friday 12:00 AM EEST

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**Byline:** SeeNews

**Body**

Vladimir Putin and Alexander Lukashenko chaired the meeting of the Supreme State Council of the Union State of Russia and Belarus.

The meeting's agenda included summing up the results of trade and economic cooperation between the two countries in 2016, as well as cooperation prospects in machine building and the agro-industrial complex, and the operation of Union State bodies. A number of decisions were adopted at the meeting. In particular, adopted were resolutions On Preserving the Potential of the Machine-Building Complex of the Union State, On Cooperation in the Agro-Industrial Complex of the Union State, and on progress in implementing previously approved ***programmes*** and resolutions.

\* \* \*

Speeches at the meeting of the Supreme State Council of the Union State of Russia and Belarus

President of the Republic of Belarus Alexander Lukashenko: Mr Putin, members of the Supreme State Council,

Today we are holding the most relevant and large-scale events in our bilateral relations: the meeting of the Supreme State Council and the Forum of Regions. The large number of representatives of major enterprises and organisations from Belarus and Russia present here today is evidence of the close ties between our two brotherly peoples and a demonstration of our shared focus on further strengthening the political and economic partnership.

Before we move on to the main discussion, I would like to note that previously in St Petersburg we agreed in principle on the approaches to bilateral cooperation in the oil and gas sector until 2025. I expect continued constructive cooperation between our industry ministries regarding the formation of a common market of gas, oil and petroleum products within the Eurasian Economic Union.

One of the central items on our agenda is industrial cooperation and ***agriculture***. We agreed, when considering the agenda in a restricted format, that there are nine issues, seven of which are almost completed and do not need to be discussed today. And we agreed to briefly take up two important issues at the meeting of the Supreme State Council, which our experts, our ministers and members of governments would like to discuss. These are industrial and ***agricultural*** issues.

Friends,

As I have said, today's agenda includes nine issues. We propose passing resolutions on seven of them without discussion, as they are not of serious conceptual significance, and discussing the remaining two issues and passing decisions on them.

Any comments or suggestions on the agenda itself? Maybe some changes or additions? That takes care of the agenda.

Now for the second question. We are resolving seven issues based on the proposal of the Council of Ministers, as they are on the agenda, without discussion. And we are discussing two issues, the first and the second, and passing decisions on them. No objections? Just to save time.

As for the standing orders of our work. We will not set any time limits. However, please try to keep your reports to seven or eight minutes, because these matters were also considered in the Union Council of Ministers. Do you agree? Will seven or eight minutes be enough? That is enough. If anyone wants to speak on some matter, you will have one to two minutes.

<...>

President of Russia Vladimir Putin: Just before this meeting, we met in a restricted format. As you know, we discussed topical matters on the bilateral agenda, including those raised at the Fourth Forum of Russian and Belarusian Regions.

Over the two decades since the establishment of the Union State, we have succeed in forging close trade and economic ties, strengthening cooperation in research, technology, education, culture and other areas.

Russia remains a major trade partner for Belarus, and accounts for more than half, or 51.2 percent to be more precise, of Belarus' foreign trade. At the same time, Belarus is Russia's largest trade partner within the CIS, and the fourth largest globally, behind China, Germany and The Netherlands.

In January-April of this year, for the first time in several years, we managed to considerably increase our trade- by 26.6 percent. Belarus is the CIS leader in Russian capital investment as well. In 2016, it amounted to $4 billion, including $2.5 billion in direct investment.

Obviously, we have reserves for returning our trade to a stable growth trajectory and restoring the rates of the Union State's economic development. To achieve this we must continue implementing large infrastructure projects, improving the business climate, removing the remaining trade and investment barriers between our economies and conducting a coordinated economic policy. At our restricted format meeting, we paid special attention to these bottlenecks, and we have not yet resolved all issues. However, if we do this, and we will be moving in this direction, our ***producers*** will of course be able to compete with world leaders on equal terms.

Today we also discussed strengthening cooperation in machine building and ***agriculture***, and we will continue paying priority attention to them.

We believe that in machine building we must increase our own capacities as well as the manufacture of high-demand science-intensive products, provide every support to promising projects and initiatives, and promote jointly ***produced*** goods in foreign markets.

In ***agriculture***, we must be more active in introducing advanced technology and continue building modern livestock complexes. We discussed some of these issues today, and Mr Lukashenko mentioned a number of problems. We must pay greater attention to breeding and genetic centres and build up the export potential of our countries' ***agricultural*** complex.

Colleagues,

Two years ago, a ***programme*** document was approved - Priority Areas for Further Development of the Union State in the Medium Term (2014-2017). Its goals have generally been achieved. We managed to consolidate the positive trend in our bilateral integration processes; much has been done in the sphere of migration, harmonisation of legislation in the antimonopoly, monetary and taxation areas, and the development of cultural contacts. In 2018-2022, we will continue to pay special attention to ensuring equal terms for doing business in Russia and Belarus, as well as ensuring that our companies and enterprises have access to each other's markets.

Another issue that we considered was the implementation of the Union State's 2011-2015 Social Development Concept. This line of work is important, because joint ***programmes*** in the social sphere help citizens of Russia and Belarus feel the tangible results of union integration.

Also notable is the fact that working citizens of our countries received temporary disability and maternity benefits over the reporting period. The procedures for calculating and paying pensions have been simplified. And residents of Belarus are now able to use their national driving licenses for the purposes of employment and conducting business in the Russian Federation.

Our countries have been effectively implementing the 2016-2017 ***Programme*** of Joint Actions in the Sphere of Foreign Policy, as true allies should.

With regard to the Union State Border Committee, we supported the proposal of our Belarusian friends and had Anatoly Lappo, the head of the State Border Committee of Belarus, appointed to this important position. I believe there is no need to remind anyone how important this service is for the effective formation of the single migration and visa space of the Union State, and the implementation of the corresponding Action ***Plan*** approved by the Union Council of Ministers in St Petersburg on April 16.

In closing, I would like to emphasise once again that mutually beneficial and equitable integration with Belarus within the Union State is one of Russia's ***strategic*** priorities. This is also enshrined in Russia's Foreign Policy Concept approved in November 2016.

Thank you.

Alexander Lukashenko: Thank you, Mr President.

Friends, members of the Supreme State Council, meeting participants,

Today we have approved important documents for advancing the Union's integration. We hope that the decisions we have adopted and the agreements we have reached will intensify the continued development of the entire range of bilateral relations. The main result of our work is that we have affirmed our readiness to continue constructive dialogue and address the most pressing issues in all areas of our cooperation.

Our states intend to fully realise the Union's potential to ensure sustainable development and higher living standards for our peoples.

Allow me, on behalf of the Supreme State Council, to thank all the participants for their active work to prepare today's session, for the constructive atmosphere of the restricted format meetings and the meeting of the Supreme State Council, and, in particular, as I already mentioned at the Forum, the speakers of the upper houses of our parliaments, Valentina Matviyenko and Mikhail Myasnikovich, for the wonderful organisation of the Forum of Russian and Belarusian Regions.

I would like to use the occasion to fulfil the request of Belarusian MPs - they asked me to do it publicly, and I have already told the President of Russia about this- and thank Parliamentary Assembly Chairman Vyacheslav Volodin for the serious approach to matters pertaining to the construction of the Union State.

The agenda has been exhausted. Those who wished to speak have spoken. Allow me, on behalf of the members of the Supreme State Council, to thank you and to proceed to the signing of the documents.

Thank you all.

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**End of Document**



[***Rabobank posts EUR 1,516 million net profit in first half of 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P8D-2B01-JD3Y-Y4WP-00000-00&context=1516831)

FinancialWire

August 17, 2017 Thursday

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**Body**

Rabobank posted a net profit of EUR 1,516 million in the first half of 2017 (+52%). The common equity tier 1 ratio increased strongly from 13.5% to 14.7% (fully loaded), due partly to the issuance of Rabobank Certificates. The increase in net profit was underpinned by favourable economic conditions in the Netherlands, which contributed to extremely low loan impairment charges. On balance, the latter item was negative. The underlying operating profit before tax rose by 12% to EUR 2,276 million. The progress of the transition is tangible across all parts of Rabobank.

"The progress on our three ***strategic*** priorities demonstrates that our transition is impacting all parts of Rabobank. We are seeing customer satisfaction trending upwards, improved financial results and further balance sheet optimisation. However, we are not there yet: we need to do a lot more to keep pace with the rapid changes around us. We are now shaping the next phase of our own change agenda with even more emphasis on far-reaching digitisation and innovation. Our employees are crucial to effecting these changes and we greatly appreciate their hard work and professionalism."

"Our customers are expressing ever-growing satisfaction with our service provision. In the Netherlands, we are seeing this trend mainly with retail customers and entrepreneurs. This reflects the hard work of our employees and the success of our focus on digitisation, innovation and sustainability. Very recently Rabobank announced that it will support Dutch poultry farmers who are affected by the use of a toxic insecticide on laying hens. Businesses which are essentially healthy can count on Rabobank to work with the poultry farmers to come up with solutions appropriate to their individual situation to prevent financial difficulties. In the first half of 2017, we were also involved in a number of major transactions for customers in food & ***agriculture***. On 1 September, our new top management structure will come into operation . The bank will then be run by a Managing Board of ten members. The explicit representation of all key customer segments, digitisation and HR talent development in the Managing Board will give a vital boost to the Rabobank transition in all areas."

"Net profit grew by 52% to EUR 1,516 million. The return on invested capital rose from 5.4% to 7.8%. Thanks to the favourable economic conditions in the Netherlands, loan impairment charges were extremely low. On balance, this item was EUR 67 million negative. The low interest rate on savings and the housing market dynamics in the Netherlands once again generated high levels of early mortgage repayments in the first half of 2017 (EUR 8.3 billion). Despite this development, net interest income increased by 2%, attributable in part to growth in the international businesses; net fee and commission income also rose. Adjusted for currency effects, the private sector loan portfolio declined by EUR 1.8 billion to EUR 417.8 billion in the first half of 2017. This was mainly due to our bringing down the non-core part of our commercial real estate loan portfolio and a rise in early mortgage repayments. The market share in mortgages remained steady at 20.5% (3% with Obvion). The inflow of savings from retail and private banking customers in the Netherlands caused private savings to grow by EUR 3.2 billion. Total deposits from customers were EUR 343.2 billion, down by EUR 4.5 billion on the level at year-end 2016 as a result of lower balances from corporate customers, which are by nature more volatile than private savings, and due to currency effects. The cost/income ratio improved to 67.6%, due to stable income development and cost reductions achieved through the efficiency measures in our restructuring ***programme***. These measures were also reflected in a fall in the number of employees. In the first half of 2017, total staff level (including external employees) fell by 869 to 44,698 FTEs. Most of the efficiency measures ***planned*** for this year will take effect in the second half of 2017, with further job losses as a result."

"The underlying operating profit before tax amounted to EUR 2,276 million (+12%). The calculation of underlying profit includes an adjustment for the fair value items (hedge accounting and structured notes), restructuring costs, the extra provision made in 2016 for compensating commercial customers with an interest rate derivatives contract, and for Athlon's income and expenses. Athlon was sold at the end of 2016."

"Rabobank further optimised its balance sheet and strengthened its capital position in the first half of 2017. The fully loaded common equity tier 1 ratio was 14.7% (13.5%) on 30 June 2017. The transitional common equity tier 1 ratio increased to 15.0 % (14.0%). The total capital ratio was 25.5% (25.0%). This means that Rabobank has already achieved the capital targets we set ourselves for 2020, which we consider appropriate considering the uncertainty surrounding future capital requirements (Basel IV). The issuance of Rabobank Certificates in January 2017 added EUR 1.6 billion to the common tier 1 equity, with a rise in the common equity tier 1 ratio of around 80 basis points as a result. The capital ratios also benefited from the retained earnings and the reduction in risk-weighted assets. In the first half of 2017, the risk-weighted assets fell by EUR 3.6 billion to EUR 207.6 billion. In the context of strengthening and optimising the balance sheet, Rabobank conducted a transaction after the reporting date to further reduce the risk weighted assets by almost EUR 1 billion. This transaction involved transferring the risk of part of the corporate loan portfolio to a third party."

"For the first time in its history, Rabobank issued EUR 2.5 billion in covered bonds in May 2017. In future years, we will be able to issue covered bonds up to a total of EUR 25 billion, with a view to optimising and diversifying Rabobank's funding mix."

"Our hard work on digitization and innovation is showing results and getting us noticed. In June, we joined the Digital Trade Chain, a consortium of seven European banks working to build a block chain platform for entrepreneurs. Rabobank is the only Dutch bank in this consortium. At the Dutch FinTech Awards 2017, Rabobank was voted most innovative traditional bank for FinTech. In the autumn, we will be the first European bank to launch the IBAN name check service which helps customers check whether the name and account number for payments match. This initiative-based on an idea generated in the Rabobank Moonshot campaign held in 2016-helps tackle incorrect and fraudulent payment transactions. Our peer-to-peer lending platform Rabo & Co now matches entrepreneurs with wealthy customers looking to invest, and our new 'Tellow' app is taking the strain out of bookkeeping for self-employed persons without employees."

"In the first half of 2017, we once again took major steps towards achieving our ambition to be a meaningful cooperative and a sustainable bank, through the work of the local banks in the Netherlands and our international networks. We are proud that the Food and ***Agriculture*** Organization of the United Nations (FAO) awarded the Jacques Diouf Award to Rabobank Foundation for its unfaltering technical and financial support to small cooperative ***producer*** cooperatives all over the world. Rabobank Foundation is an independent foundation with Rabobank as its biggest sponsor and founding father. Closer to home, we joined forces with KPMG and CSR Netherlands to stimulate circular economy action ***plans*** in the Dutch business sector. In the first half of 2017, our 'FoodBytes!' ***programme*** once again tracked down the most innovative concepts in food & ***agriculture*** and paired them with the capital needed to bring them to market."

"We stepped up the pace of the transition at Rabobank in the first half of 2017. Our intensified customer focus proved successful, our profitability improved, our capital ratios came out stronger, and we further shaped our ambition to be a meaningful cooperative. And yet, given the changing environment in which we operate, we still need to do more. Our restructuring ***programme***, which is impacting all parts of the bank, is a step up to the next phase of our transition. Under the leadership of the Managing Board, Rabobank will further boost its development and execute the changes needed to make a successful contribution to welfare and prosperity in the Netherlands and to feeding the world sustainably."

Further information on the results for the first six months of 2017 is provided in the Interim Report 2017.

Rabobank Group Press Office

+31 (0)30 216 2758 or [*pressoffice@rabobank.nl*](mailto:pressoffice@rabobank.nl)

Rabobank Investor Relations

+31 (0)30 712 2401 or [*IR@rabobank.com*](mailto:IR@rabobank.com)

Elements of this press release are considered by Rabobank as inside information relating directly or indirectly to Rabobank within the meaning of article 7 of the Market Abuse Regulation (EU Regulation 596/2014) that is made public in accordance with article 17 Market Abuse Regulation.

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[***Rabobank posts EUR 1,516 million net profit in first half of 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P8D-2B01-JD3Y-Y546-00000-00&context=1516831)

M2 PressWIRE

August 17, 2017 Thursday

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**Body**

August 17, 2017

Rabobank posted a net profit of EUR 1,516 million in the first half of 2017 (+52%). The common equity tier 1 ratio increased strongly from 13.5% to 14.7% (fully loaded), due partly to the issuance of Rabobank Certificates. The increase in net profit was underpinned by favourable economic conditions in the Netherlands, which contributed to extremely low loan impairment charges. On balance, the latter item was negative. The underlying operating profit before tax rose by 12% to EUR 2,276 million. The progress of the transition is tangible across all parts of Rabobank.

"The progress on our three ***strategic*** priorities demonstrates that our transition is impacting all parts of Rabobank. We are seeing customer satisfaction trending upwards, improved financial results and further balance sheet optimisation. However, we are not there yet: we need to do a lot more to keep pace with the rapid changes around us. We are now shaping the next phase of our own change agenda with even more emphasis on far-reaching digitisation and innovation. Our employees are crucial to effecting these changes and we greatly appreciate their hard work and professionalism."

"Our customers are expressing ever-growing satisfaction with our service provision. In the Netherlands, we are seeing this trend mainly with retail customers and entrepreneurs. This reflects the hard work of our employees and the success of our focus on digitisation, innovation and sustainability. Very recently Rabobank announced that it will support Dutch poultry farmers who are affected by the use of a toxic insecticide on laying hens. Businesses which are essentially healthy can count on Rabobank to work with the poultry farmers to come up with solutions appropriate to their individual situation to prevent financial difficulties. In the first half of 2017, we were also involved in a number of major transactions for customers in food & ***agriculture***. On 1 September, our new top management structure will come into operation . The bank will then be run by a Managing Board of ten members. The explicit representation of all key customer segments, digitisation and HR talent development in the Managing Board will give a vital boost to the Rabobank transition in all areas."

"Net profit grew by 52% to EUR 1,516 million. The return on invested capital rose from 5.4% to 7.8%. Thanks to the favourable economic conditions in the Netherlands, loan impairment charges were extremely low. On balance, this item was EUR 67 million negative. The low interest rate on savings and the housing market dynamics in the Netherlands once again generated high levels of early mortgage repayments in the first half of 2017 (EUR 8.3 billion). Despite this development, net interest income increased by 2%, attributable in part to growth in the international businesses; net fee and commission income also rose. Adjusted for currency effects, the private sector loan portfolio declined by EUR 1.8 billion to EUR 417.8 billion in the first half of 2017. This was mainly due to our bringing down the non-core part of our commercial real estate loan portfolio and a rise in early mortgage repayments. The market share in mortgages remained steady at 20.5% (3% with Obvion). The inflow of savings from retail and private banking customers in the Netherlands caused private savings to grow by EUR 3.2 billion. Total deposits from customers were EUR 343.2 billion, down by EUR 4.5 billion on the level at year-end 2016 as a result of lower balances from corporate customers, which are by nature more volatile than private savings, and due to currency effects. The cost/income ratio improved to 67.6%, due to stable income development and cost reductions achieved through the efficiency measures in our restructuring ***programme***. These measures were also reflected in a fall in the number of employees. In the first half of 2017, total staff level (including external employees) fell by 869 to 44,698 FTEs. Most of the efficiency measures ***planned*** for this year will take effect in the second half of 2017, with further job losses as a result."

"The underlying operating profit before tax amounted to EUR 2,276 million (+12%). The calculation of underlying profit includes an adjustment for the fair value items (hedge accounting and structured notes), restructuring costs, the extra provision made in 2016 for compensating commercial customers with an interest rate derivatives contract, and for Athlon's income and expenses. Athlon was sold at the end of 2016."

"Rabobank further optimised its balance sheet and strengthened its capital position in the first half of 2017. The fully loaded common equity tier 1 ratio was 14.7% (13.5%) on 30 June 2017. The transitional common equity tier 1 ratio increased to 15.0 % (14.0%). The total capital ratio was 25.5% (25.0%). This means that Rabobank has already achieved the capital targets we set ourselves for 2020, which we consider appropriate considering the uncertainty surrounding future capital requirements (Basel IV). The issuance of Rabobank Certificates in January 2017 added EUR 1.6 billion to the common tier 1 equity, with a rise in the common equity tier 1 ratio of around 80 basis points as a result. The capital ratios also benefited from the retained earnings and the reduction in risk-weighted assets. In the first half of 2017, the risk-weighted assets fell by EUR 3.6 billion to EUR 207.6 billion. In the context of strengthening and optimising the balance sheet, Rabobank conducted a transaction after the reporting date to further reduce the risk weighted assets by almost EUR 1 billion. This transaction involved transferring the risk of part of the corporate loan portfolio to a third party."

"For the first time in its history, Rabobank issued EUR 2.5 billion in covered bonds in May 2017. In future years, we will be able to issue covered bonds up to a total of EUR 25 billion, with a view to optimising and diversifying Rabobank's funding mix."

"Our hard work on digitization and innovation is showing results and getting us noticed. In June, we joined the Digital Trade Chain, a consortium of seven European banks working to build a block chain platform for entrepreneurs. Rabobank is the only Dutch bank in this consortium. At the Dutch FinTech Awards 2017, Rabobank was voted most innovative traditional bank for FinTech. In the autumn, we will be the first European bank to launch the IBAN name check service which helps customers check whether the name and account number for payments match. This initiative-based on an idea generated in the Rabobank Moonshot campaign held in 2016-helps tackle incorrect and fraudulent payment transactions. Our peer-to-peer lending platform Rabo & Co now matches entrepreneurs with wealthy customers looking to invest, and our new 'Tellow' app is taking the strain out of bookkeeping for self-employed persons without employees."

"In the first half of 2017, we once again took major steps towards achieving our ambition to be a meaningful cooperative and a sustainable bank, through the work of the local banks in the Netherlands and our international networks. We are proud that the Food and ***Agriculture*** Organization of the United Nations (FAO) awarded the Jacques Diouf Award to Rabobank Foundation for its unfaltering technical and financial support to small cooperative ***producer*** cooperatives all over the world. Rabobank Foundation is an independent foundation with Rabobank as its biggest sponsor and founding father. Closer to home, we joined forces with KPMG and CSR Netherlands to stimulate circular economy action ***plans*** in the Dutch business sector. In the first half of 2017, our 'FoodBytes!' ***programme*** once again tracked down the most innovative concepts in food & ***agriculture*** and paired them with the capital needed to bring them to market."

"We stepped up the pace of the transition at Rabobank in the first half of 2017. Our intensified customer focus proved successful, our profitability improved, our capital ratios came out stronger, and we further shaped our ambition to be a meaningful cooperative. And yet, given the changing environment in which we operate, we still need to do more. Our restructuring ***programme***, which is impacting all parts of the bank, is a step up to the next phase of our transition. Under the leadership of the Managing Board, Rabobank will further boost its development and execute the changes needed to make a successful contribution to welfare and prosperity in the Netherlands and to feeding the world sustainably."

Further information on the results for the first six months of 2017 is provided in the Interim Report 2017.

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[***Washington: CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 2018***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PSN-RN71-JDG9-Y4C8-00000-00&context=1516831)

Impact News Service

October 20, 2017 Friday

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**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of H. Con. Res. 71, which the clerk will report. The legislative clerk read as follows: A concurrent resolution (H. Con. Res. 71) establishing the congressional budget for the United States Government for fiscal year 2018 and setting forth the appropriate budgetary levels for fiscal years 2019 through 2027. [[Page S6594]] The PRESIDING OFFICER.

Under the previous order, the time until 11:45 a.m will be equally divided between the managers or their designees. The Senator from Oregon. Amendment No. 1302 to Amendment No. 1116 Mr. WYDEN. Mr. President, I call up amendment No. 1302 as provided for under the previous order. The PRESIDING OFFICER. The clerk will report. The legislative clerk read as follows: The Senator from Oregon [Mr. Wyden] proposes an amendment numbered 1302 to amendment No. 1116. The amendment is as follows: (Purpose: To strike the reconciliation instructions relating to tax reform) After section 2002, insert the following: SEC. 2003. MODIFICATION TO RECONCILIATION INSTRUCTIONS. Section 2001(a) and 2002(a) are null and void. Mr. WYDEN. Mr. President and colleagues, later this morning, the Senate will be voting on the amendment I am offering to strike what are known as reconciliation instructions from the budget proposal. The reason I will be focused this morning on that is that it is absolutely key that we pass this amendment in order to get bipartisan tax reform. The fact is that reconciliation is an on-ramp to the most partisan process around, and the history of successful tax reform is in our working in a bipartisan way. For example, that is what the late President Reagan worked to do in 1986 with a whole host of Democrats, and they came up with a lot of very important, bold, progressive ideas. They chose to actually treat income from a wage in the same way as one would treat income from investments so as to send, in one fell swoop, a message that working-class people would get a fair shake, that the tax law was not about the 1 percent back then but that it was about working-class people. The middle class drives 70 percent of the American economy. They were not talking about massive tax handouts to big corporations and the wealthy; they were talking about the fact that, in our country, economic success is built around a thriving middle class--a middle class that can buy homes and cars and educate kids and pay for essentials. What troubles me so much about these reconciliation instructions that would allow for a $1.5 trillion net tax cut is that it is just the opposite of the kind of approach that Ronald Reagan and the Democrats used in 1986. It is going to polarize us rather than bring us together. I think that is particularly important right now, given the meeting that was held at the White House yesterday that I attended along with a number of Democratic colleagues on the Finance Committee, because at that meeting Democrats made it very clear to the President of the United States that we think that the Tax Code is broken, that it is a broken, dysfunctional mess. We described the letter we sent that lays out our principles that tax reform should focus not on the 1 percent but on the middle class and not savage Medicare and Medicaid and Social Security, which are our essential retirement ***programs***. What was striking about the discussion was that the President said: I agree with you on all of those things. He said: Tax cuts should not go for people like me. I want help for the middle class, and I don't want to cut Medicare and Social Security. I made the point--I hope respectfully, Mr. President. I said: Unfortunately, there is a big gap between the administration's rhetoric on this and the reality of what is really on paper. That is why it is so important that we strike these reconciliation instructions and make it clear from the get-go that we are going to get tax reform right, that we are not just going to kind of utter these sort of sound bites and rhetorical plights and speeches, as the discussions go out from various administration officials, and we actually focus on what it is going to take to do bipartisan tax reform. The President agreed with the principles that Democrats talked about yesterday. It is very different when you see it on paper, and I want to talk a little bit about what is actually on paper. First, the Trump tax ***plan*** creates a massive new loophole, the Grand Canyon of all loopholes, by twisting and abusing what is known as tax passthroughs. It used to be that the tax passthrough was for a store or a restaurant or a garage. You see them all over Oregon. You see them all over America. Those are the people for whom we ought to be working together to give a boost to. That is not what is on paper. What is on paper is very different, and it is very different than what the President said yesterday he wanted. For example, on paper is a new loophole that would allow tax cheats to self-declare as passthroughs, rake in income, and pay a much lower rate. It is a tax change that is deeply slanted toward what I call the top of the top--not just the 1 percent but the top of the top. Eighty- eight percent of the benefits of this kind of passthrough rate cut would go to those at the very top, according to recent analyses, the top 1 percent and those even more affluent. It opens the door for tax cheats to dodge paying into Social Security and Medicare like every hard-working wage earner in America. This would leave a lot of those ***programs*** that are lifelines for working families a lot worse off than they are today and that, too, is something the President said he didn't want. Next, apropos again of the most affluent the President said he didn't want to help, is the estate tax. Here, there is a proposal in the administration's ***plan*** to abolish the estate tax. Let's make sure everybody understands who is affected by that. The tax today touches estates worth more than $11 million, $5.5 million for a single individual--a tiny fraction of all the estates in the country. Eliminating the estate tax isn't a policy change that has anything to do with helping the middle class. It is entirely about helping the megawealthy--exactly the people the President told us yesterday he didn't want to help. The Finance Committee Democratic staff put out a report last week that looked at some of the worst schemes and dodges that are used by the megawealthy to avoid paying estate tax. There is a cottage industry of crafty lawyers and accountants who have made careers out of gutting the estate tax by engineering billion-dollar tax shelters for the 1 percent. So the estate tax is already full of loopholes, but this administration isn't interested in closing them even after the Treasury Secretary, Mr. Mnuchin, admitted just the other day that it goes mostly to the people at the very top. So there is a common thread in these proposals. There is a common thread in this debate that is driven by partisanship and reconciliation, which is why I want to strike those instructions. What is actually on paper--not what is said in the speeches or in sound bites and the like--is that the Republican ***plan*** doesn't close the most egregious loopholes. It enshrines them as permanent features in our tax law. That is contrary to what the President said he wanted to do, and it certainly isn't a tax recipe focused on the middle class. One of the individuals who has been most out in front of the cameras selling the Trump tax ***plan*** to the public is the Treasury Secretary. A few weeks ago, the Secretary doubled down on the failed experiment that tax cuts pay for themselves. Forget the history that shows that isn't true. Secretary Mnuchin said the Trump tax cuts will not just pay for themselves, they will raise an additional trillion dollars in revenue on top of their own costs. The fact is, there is no magical growth fairy, no unicorns, no kind of growth fairies that are going to somehow spring to life if this tax cut ***plan*** becomes law, but Secretary Mnuchin, our Treasury Secretary, keeps going back to the unicorns, keeps going back to rainbow economics. What is striking is, I asked the Republican economist--the economist chosen by our friend and distinguished chairman Orrin Hatch--who came before the Finance Committee the other day about whether tax cuts pay for themselves, and the Republican economist chosen by the Republicans on the Finance Committee, those Republicans' economist acknowledged that tax cuts don't pay for themselves. There have been some other whoppers about the Republican ***plan***, at least what is again written down on paper. Secretary Mnuchin said it is very hard not to give tax cuts to the wealthy with tax cuts to the middle class. That is one stunner of a statement: It is very hard not to give tax [[Page S6595]] cuts to the wealthy. In the same interview, he delivered what sounded like a real ultimatum; that if the Congress doesn't pass this ***plan*** so tilted to the megawealthy, oh, boy, it is going to be tough times on Wall Street. You have to appreciate the eye-popping honesty, but the ideas behind what the Treasury Secretary is talking about on tax reform pretty much leave your jaw on the floor. If that is where the administration has trained its focus, as far as tax reform is concerned, the middle class is in tough straits. In my judgment, this is yet another reason the Senate should reject using reconciliation for taxes and support my amendment. The fact is, the Congress has never used reconciliation to write a comprehensive tax reform bill. There is a template for comprehensive tax reform that has been proven to work, and I have mentioned it already. It is the one initiated by President Reagan, a big group of Democrats, a culmination of years of bipartisan work. What we saw was real bipartisanship, which I define as not taking each other's bad ideas but taking each other's good ideas. The bill was considered under regular order, it was debated in the Finance Committee and on the Senate floor for months, and it was open to unlimited amendments and passed the Senate by a vote of 97 to 3. That is the kind of bipartisan process we would like to see. Democrats have made it clear, and we made it clear again yesterday, that we think the Tax Code is broken, that we have heard the President's comments about how he wants to help the middle class and not the wealthy, that he understands how strongly we feel about protecting Social Security, Medicare, and Medicaid, but the fact is-- and this is the heart of the challenge--there is a big gap right now between what the President says his priorities are and what is actually written down on paper. That is the challenge, and we are not going to be able to address that challenge, in my view, by signing up for more partisanship, for taking the most partisan route on tax reform. What we ought to be doing is saying that we all agree the Tax Code is broken; we all understand the key is helping the middle class, not more handouts for the top of the top, the 1 percent; that we are sensitive to long-term costs because we don't want to pass those off to our children. Doing that is best going to be accomplished by saying that as we move now to the actual consideration of tax reform, we reject partisan approaches like reconciliation, and we come together. I know we can do it. The fact is, what the President says when he speaks about this subject is in line with the principles in the Democrats' letter. What we have talked about doesn't even go as far as what President Reagan did in 1986. What is in the Democrats' letter tracks a bipartisan piece of legislation that several colleagues here have been part of, including one in the President's Cabinet now. We can do bipartisan tax reform that is good for our country. We shouldn't make it a lot harder to accomplish that goal by including these partisan reconciliation instructions in the budget proposal. That is why I urge my colleagues to support my amendment to strip these reconciliation instructions when we vote on my amendment later in the morning. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Recognition of the Minority Leader The Democratic leader is recognized. Mr. SCHUMER. Mr. President, I ask unanimous consent to use leader time. The PRESIDING OFFICER. Without objection, it is so ordered. Healthcare Mr. SCHUMER. Mr. President, first, on healthcare, my two good friends Senators Alexander and Murray have constructed a good, fair, bipartisan agreement that gives us a way forward on healthcare. It will offer stability in the markets, and it will help lower premiums. We have seen President Trump's near-constant equivocation on the agreement. We shouldn't let it impede the progress of this very important bipartisan compromise. He is for the bill one day, against it the next. That is not uncommon; the President sometimes is for and against something in the same sentence. We can only hope he comes around again once he grasps what is in the bill. The Alexander-Murray deal is not a bailout to the insurance companies at all; it is the opposite. We have taken pains to ensure that insurance companies do not reap any benefits from this ***program***. That is what Alexander and Murray have done. They have explicit provisions in the bill to ensure that the cost-sharing ***program*** does what it is intended to do: Lower premiums, deductibles, and out-of-pocket costs for Americans who can least afford it. I was reading an article this morning where they interviewed a retired manufacturing worker in Pennsylvania who was upset by the President's decision. The man said: It seems like he is trying to hurt the middle class. . . . He [President Trump] says he's going to make it better for everyone. How does a (premium) increase make it better? That is the question the President should ask himself. Ending cost- sharing hurts people, not insurance companies. Restoring cost sharing will help people, not insurance companies. Senators Alexander and Murray have made sure of it. I have talked to them about their language. It is good language, well intended. Maybe we can make it better. If the President has a suggestion, we welcome it, but as it is, it is pretty strong. Well-intentioned Members on both sides should continue to sign their names onto this bill. I believe it has significant support within my caucus, and if Leader McConnell puts it on the floor of the Senate, I am pretty certain it would pass. I urge my Republican colleagues to take a good, hard look at the bill and to cosponsor it. So many of my Republican friends have said: Why can't we be more bipartisan? This is a bipartisan agreement. It wasn't one party coming up with something and telling the other to be for it, as too often happens in this Chamber. It was done together by the chair of the HELP Committee and the ranking Democrat of the HELP Committee. It is truly bipartisan, and it is a good way for us to go forward and set a metaphor for future bipartisanship. Mr. President, now on the budget, today the Senate will vote on more amendments to the GOP budget resolution, which increases deficits by $1.5 trillion, slashes Medicare and Medicaid by $1.5 trillion, and sets up this awful, partisan process--the same one our Republican friends used in healthcare. The Democrats could have offered an unlimited number of amendments on the bill, but this bill is so bad that we didn't want to be all over the lot. We wanted to focus on a few issues where we know the American people are overwhelmingly with us, not with the language in the bill. Here is some of what we are doing. We are going to make our colleagues say that they want to vote to increase the deficit by $1.5 trillion. After 8 years of crowing about debts and deficits under a Democratic President, the Republican deficit hawks seem to have flown the coop. This budget is going to increase the deficit by $1.5 trillion. Our amendment would say: No, it should be deficit neutral. We have heard that for the last 8 years. Whenever a spending ***program*** comes about, I know our side says that spending ***programs*** grow the economy; their side says that tax cuts grow the economy. But if there is going to be an actual deficit, we should vote for it. Put your convictions where your votes are. We are also going to make our Republican colleagues vote on whether they want to raise taxes on the middle class. The President claims that his tax ***plan*** will cut taxes, but it actually will raise them on millions of hard-working families. Today our Republican colleagues will decide whether they want to support those tax increases or protect the middle class from paying more taxes. We are going to make our Republican colleagues vote on their specific proposal to eliminate the State and local deduction. Nearly one-third of all taxpayers take the deduction--red States, [[Page S6596]] blue States, everyone in between. As the chairman of the Finance Committee knows, 35 percent of Utahns take the State and local deduction. It goes right to the heart of the middle class and upper middle class, giving families tens of thousands of dollars in deductions so taxes are lower. The elimination of State and local deductibility is a sure sign that the Republican tax ***plan*** does not favor the middle class. In fact, AP reported yesterday that, according to experts, the GOP tax ***plan*** may still allow corporations to claim State and local deductibility but not individuals. Did you hear that? Corporations can claim it, but individuals can't. Isn't that backward? It shouldn't be taken away from either one. What the GOP ***plan*** takes away from individuals and families, it makes sure remains for big corporations. So today Democrats will ask our Republican friends to vote on our amendment, led by Senators Cantwell and Van Hollen, to protect State and local deductibility for middle-class families. Senator Capito has an alternative amendment that is incredibly vague and leaves the door open to eliminating State and local. It doesn't say it will, but it leaves it open. That is why a coalition of groups, including the National Governors Association, the U.S Conference of Mayors, and organizations representing firefighters, teachers, and sheriffs have just come out against Senator Capito's amendment. Senator Cantwell and Van Hollen's amendment, by contrast, is crystal clear: no elimination of State and local. I hope my Republican friends won't vote to raise taxes on so many of their middle-class residents. Mr. President, finally, every morning I hear my friends the majority leader and the chairman of the Finance Committee talk about the need for tax reform because the middle class is stuck in a rut and the economy isn't working the way it should for American families. I agree with that assessment. We need to do more to grow the economy, create jobs, raise wages, and put money in the pockets of average Americans, but when you hear the details of the ***plan*** they have to solve those problems, your head spins. Lower the tax rate on big corporations and the top 1 percent, repeal the estate tax, which goes only to estates of over $5 million, and eliminate critical middle-class tax breaks like State and local deductibility. In what world does that deliver middle- class tax relief or solve the problems we are talking about? It is the same game they played with healthcare: Complain about high premiums, deductibles, counties without enough insurers, and then each Republican bill exacerbates the problem. The Republicans slide in their favorite solution--tax cuts for the rich--as the answer to every ill. If the economy is doing well, Republicans push tax cuts for the rich. If the economy is doing poorly, Republicans push for tax cuts for the rich. If our healthcare system needs to be improved, tax cuts for the rich. It is entirely divorced from the real problems in the economy and our society. Our economy suffers from massive inequality, which is growing, with a concentration of wealth at the very apex of our country's elite. The rich are doing well in America. God bless them; I am glad they are. American corporations are recording record-high profits. Look at the stock market, which reflects that. God bless them too. We hope they do well. But looking at the GOP tax ***plan***, the American people have to wonder, is now the time to tilt the scales even further in favor of big corporations and the very rich? I believe the American people will reject that approach soundly and roundly, and after the amendment votes today, the American people will have a much clearer picture of what the Republican budget and tax ***plan*** is about. There is still a chance to turn back from this budget and the one- party legislating that has stymied this Congress. I urge my colleagues on the Republican side to reject this budget. Come work with Democrats, and we can ***produce*** real, successful, bipartisan tax reform. I yield the floor. The PRESIDING OFFICER. If no one yields time, the time will be charged equally to both sides. The Senator from Alaska. Mr. SULLIVAN. Mr. President, I know the Presiding Officer and all of our colleagues and those watching today know that we have been focused on the budget resolution. It is a very important document for the country, for the Senate, and for the Congress. There are a lot of big issues that we are all focused on, but there is one I wish to talk about this morning that relates to the budget document. Actually, to be perfectly frank, it relates to a number of the speeches made by my colleagues on the other side of the aisle. They have been coming down to the floor and talking about issues related to energy, which is really important for America, the environment, which is also very important to America, and--a little bit to my surprise, from all of these experts coming to the floor--Alaska, which is my State. I am going to say a little bit more about what some of my colleagues have been talking about--my State. There seems to be a few experts on Alaska from States like Massachusetts and Oregon. I just want to put things in perspective from a Senator who is actually from the State and not these other Senators who, to be honest, don't know much about what they are talking about. The one thing you are seeing is that it is for sure that you know there is kind of an issue in the debate on the floor when you see talking points that are just stale--talking points that, if you took a speech from 30 or 40 years ago, are the same talking points. They are stale talking points from the other side of the aisle that have been used for decades, that haven't been updated or that don't reflect what has really been happening in the country in terms of technological advances, environmental standards, and one of the most important things that has happened in America over the last decade, and that is the American energy renaissance--the American energy renaissance. I know some of my colleagues on the other side of the aisle don't even like to talk about it. They don't like to acknowledge it: As to energy, we don't ***produce*** that in America. Yes, we do. Yes, we do. We are doing it really, really well, and it is benefiting millions and millions and millions of Americans in every State in the country. The budget resolution that we are debating has a provision in it that is really simple. I bet if you polled it with every American--Democrat, Republican, people watching on TV--it probably has a 90-percent approval. There is a simple instruction in the budget resolution that says that Congress needs to look at ways to increase Federal revenues by increasing American energy production. What could be wrong with increasing American energy production? That provision that we are actually debating right now should be very bipartisan. Who is against that? Who could be against that? Why is this so important? Why is the American energy renaissance so important? Well, as the Presiding Officer knows, because his State is certainly involved in it, the energy renaissance that is happening in the United States right now is a win, win, win, win, win on almost every category you can imagine. What do I mean by the energy renaissance? Right now in our great Nation with our resources, we are ***producing*** more oil, more natural gas, and more renewables than any other place in the world. That is really good for the country. That is the renaissance. That is really a revolution in energy production. It is something that you would think on the Senate floor should be completely bipartisan. Unfortunately, it isn't. Let me talk a little bit about how this energy renaissance and what is in the budget resolution will ***produce*** more energy for America by Americans, which is good for the country. Let's count the ways. When I said win, win, win, win, win, I wasn't joking. The wins are all on the board. First, there is energy security. For our Nation, it is lower cost energy. With the increase in natural gas, we are seeing the drop in the prices of natural gas for homes and manufacturers and increasing manufacturing. These are enormously important for our Nation. There is economic growth and jobs. In the energy sector, these are good jobs. The Presiding Officer has a lot of these jobs in his State. I have a lot of these jobs in my State. These are really important jobs. When you look at [[Page S6597]] the weak economic growth in the United States over the last 10 years, the one sector that is actually driving growth has been the energy sector. How about the trade deficit? It is a big problem. Everybody has talked about it. The President is very focused on it. We are now starting to export oil and export natural gas. My State has been exporting natural gas for over four decades. That helps our trade deficit. Then, when you look at the Federal budget deficit, energy is a huge positive impact on the Federal budget deficit. That is what the budget resolution asks Congress to do in terms of policy: Let's ***produce*** more energy so we can ***produce*** more revenue for the Federal Government. That is a good idea. Nobody should be opposed to that. Mr. President, as you know, when we are the world's energy superpower, as we are, that really helps our national security. It really helps our foreign policy. A lot of Americans have been concerned for decades that we have troops in the Middle East, that we have troops in areas where energy is really important. Well, let's ***produce*** it here. I was in a meeting last year at the Munich Security Conference with the great Senator from Arizona and many of my colleagues. It was bipartisan. Senator McCain led that codel to the Munich Security Conference in Germany. We met with a very prominent Russian dissident who has been fighting and battling with Vladimir Putin. At the very end of the meeting, we asked a simple question: What more can we do in the United States to help somebody like you, who is battling against a dictator who doesn't have our interest at heart? Do you know what this very smart Russian official, a courageous man, said? He said: America needs to ***produce*** more energy. That is how you take down the leadership in the Kremlin--more energy. This is national security. Let me say one more thing that doesn't get talked about a lot. It is not just helpful in all of these areas. When the United States of America is ***producing*** energy, it helps the global environment. Some people say: Well, wait a minute. A lot of the colleagues on the other side of the aisle come to the floor and kind of insinuate that when our country ***produces*** energy, it actually hurts the environment. That is not the case. When the United States ***produces*** energy, it actually helps the global environment. Why is that the case? Let me just pause for a minute because, like I said, a lot of my colleagues are coming to the floor and talking about Alaska, energy, and the environment. Again, it is not with a lot of knowledge. They are stale talking points, yes. They have been using them for 40 years. Literally, I think one of my colleagues has been in the Congress plus or minus 40 years and has been using the same talking points on this. As somebody who came to the Senate previously from a job as attorney general and a commissioner of natural resources and energy in Alaska, I know a little bit about this topic. I can tell you two important points. My colleagues talk a little bit about Alaska, the environment, and energy. First, Senator Murkowski and I care a lot more about the environment, the wildlife, the pristine wilderness in our great, amazing State than any other Member in this body. I don't need Senators coming down from places like Massachusetts, Oregon, Washington, Vermont, and Rhode Island talking about Alaska's environment. OK? Thanks. I don't need it. I care way more than any of them. With all due respect, I know a heck of a lot more about it than any of them. I also know this. In my State--and, I believe, in most of the country, but particularly in Alaska--Democrats, Republicans, Alaskan Natives, and non-Natives certainly support the highest standards on the environment, but we also support responsible resource development. Here is the key issue: We know we can do both. You can protect the pristine, amazing Alaskan environment, and you can responsibly develop our resources. Let's talk about how we do this. Let's talk about how this applies to Alaska and how this applies to the rest of the country in general. As I mentioned, this is a really important point. We have the highest standards on developing our resources and our energy than anywhere in the world, and we have some of the most technologically advanced and sustainable ways to develop resources in the energy sector. That allows us to do what I just mentioned, which is to protect the environment and to develop our resources. Here is a really important point that a lot of my colleagues on the other side of the aisle miss. They come down here, and this is what they talk about--by the way, they were in alliance with the last administration: How do we shut down energy development? How do we make it harder? How do we delay it? As I mentioned, I was attorney general and the DNR commissioner in Alaska for almost 6 years of the Obama administration. It was all about how to shut it down in Alaska, how to delay it in Alaska, and how to shut it down in America. This is not what the country wants. This is not what the country needs, and, certainly, it is one issue that is often overlooked. This doesn't help the global environment, as they claim. It doesn't. Why is that? Because when you chase away investment in places like Alaska, with the highest standards on the environment in the world, what does that do? That drives capital and that drives investment to places like Russia, Iran, and Brazil, whose standards are so much lower than ours. Russians on the tundra in the Arctic don't care anything about their environment. In my State and in the rest of America, we do. I don't need to remind people that Russia and Iran right now are certainly our adversaries. Yet the policies that some of my colleagues like to promote, and certainly the last administration promoted, are to drive away investment, drive away energy production in America, with the highest standards in the world, so the Russians and the Iranians can take the capital and ***produce*** energy. They do not have high standards on the environment, and they are our adversaries. It makes no sense--no sense. So how do we do this in Alaska? What are the environmental standards that almost no other place in the world--maybe Norway, maybe, to some degree, Canada--uses? What is the technology that enables us to ***produce*** American energy, with American jobs, with the American people, with the highest standards in the world? Let me provide a few examples. First, what I want everybody here to be aware of is, do not believe these doomsday scenarios. Don't believe the misinformed commentary. When my Democratic colleagues come to the floor, with very little knowledge about what is really happening in this sector, don't believe it. When they come to the floor and talk about a State like mine--Alaska--about which they know next to no

thing, don't believe it. Let me give one infamous example. In the 1970s, we were debating in the Senate--and I think one of my colleagues was maybe here then, probably using the same talking points--the Trans-Alaska Pipeline System, one of the greatest energy infrastructure projects in the history of the world: 800 miles, 16 billion barrels of oil; at one point, 2 million barrels a day, from Americans, in America. The people who were against it came to the floor and said: Oh, no. The Central Arctic caribou herd is going to be decimated if you do this--these beautiful animals that we care so much about in Alaska. Those were the arguments right on this floor. So what happened to the Central Arctic caribou? Again, we care about these animals way more than anybody else does in this body. In 1975, we had about 5,000 caribou; today, 66,000. I don't think the herd was decimated. We haven't heard that from anybody because they don't know, but that is the kind of doomsday scenario we heard from people with no knowledge, and then, when it doesn't happen, we don't hear them on the Senate floor saying: Oh, we were wrong about that. Let me talk just briefly about some of what we do to make sure we do this in the most responsible way in the world. First, in the energy business, one thing we do is we explore. Again, in Alaska we have the highest standards in the world. A lot of other places in the United States have these standards. In the Arctic, we have what is called no impact exploration. What does that mean? It means we literally do everything to make sure there is no [[Page S6598]] impact on these great species like the polar bear. Again, we care a lot more about our animals than my colleagues on the other side of the aisle. What does no impact exploration mean? Well, we undertake exploration required by State standards--these are not Federal standards--where we essentially have what are called ice roads and ice pads. Let me show my colleagues what that means. We only allow for exploration in the winter on the tundra. When an exploration crew comes out, they have to build an ice road--it is a road made of ice--over the tundra. This photograph is an example of an ice road. Then they do exploration on an ice pad. They have drills, and they do all this work on the ice, on the tundra. They have about 4 months to do it and then they are done and then they leave. What does the tundra look like after that exploration on ice? Right here. This is just one capped exploration well. It is as though nobody was even there--literally zero impact. These are Alaska standards, the highest in the world. They are expensive, yes, but we do it because we care so much about the environment. That is the exploration phase. How about the production phase? What has happened in the production phase? The innovations in technology, many of which have occurred in my State, have made it so the surface footprint--when we actually put together a production pad--has shrunk dramatically. When we look at this chart, we see Prudhoe Bay in the 1970s. The other developments in Alaska include Kuparuk, Alpine, and Liberty. What happens is, the surface footprint has shrunk dramatically to 11, 12 acres now. Yet the ability to horizontally drill extends the reach of these wells underneath the ground, where we can reach resources in an incredibly vast manner without impacting the environment at all. If a rig was placed right here on the Capitol Building, in terms of horizontal drilling, it could extend out to Andrews Air Force Base in Southeast, Silver Spring, MD, to the north, and well into Fairfax County--miles and miles and miles. Yet the surface footprint--the impact on the environment--is minimal. That is what we do. We don't hear about it from the other side of the aisle, but it is really important, as we debate these issues, that all Americans know this. More energy for the country is really positive. In conclusion, tonight the budget resolution is not just going to be a vehicle for tax reform, but there is also, as I mentioned, going to be an instruction for increased revenues for the country for more American energy production. It is a simple instruction. As I mentioned, this should be very noncontroversial. What could be wrong with more energy production, particularly in a State like mine, where the standards are the highest in the world, and the technology is the most advanced in the world. What could be controversial about more energy production? More energy production means more American jobs, more American economic growth, more American national security, more American energy security, decreased Federal budgets and trade deficits, and a more sustainable global environment because no one in the world ***produces*** energy more responsibly than Americans, especially Alaskans. Nevertheless, some of my Democratic colleagues will be putting forth an amendment that does just the opposite. Think about that, an amendment that says let's kill energy production, thereby undermining American job growth, good jobs, American economic growth, American national security and energy security, while increasing our budget and trade deficits and harming the global environment. That is a lose-lose- lose scenario to me, but that is what is at stake tonight. Later this afternoon, when we debate that amendment--and I certainly ask all of my colleagues on both sides of the aisle to reject any attempts to not take advantage of this incredible opportunity in America--the American energy renaissance that we need to continue--and this afternoon we are going to have an opportunity to do that. Thank you. I yield the floor. The PRESIDING OFFICER. The Senator from Virginia. Nuclear Agreement With Iran Mr. KAINE. Mr. President, I rise to speak about the President's action last week stepping away from certifying Iran's compliance with the nuclear deal that was negotiated between the U.S allies and the nation of Iran. National security is about military power, but there is more to it than that. America's strength also comes from the power to use diplomacy. In October 1945, President Harry Truman, my favorite President, changed the seal of the Office of the President to have the eagle face the olive branches of diplomacy instead of the arrows of war, signifying that America would also prefer that we use diplomacy first. In modern times, our judgments to go to war rather than use diplomacy have been flawed. Under this administration, diplomacy, in my view, is under assault, and that is why I rise today. We see a decimated State in the USAID budget. We see bellicose rhetoric from the President. We see efforts to undermine, publicly, American diplomats engaged in negotiations. We see the refusal to even nominate key State Department diplomatic appointees. As of last week, the administration has not put forward a nominee for approximately 52 percent of high-level positions at the State Department that require approval by the Senate. Thirty-two countries do not yet have Ambassadors in place, and that includes no nomination from the White House for Ambassadors to key countries like South Korea, Egypt, Jordan, Saudi Arabia, and Qatar. No one has been nominated for Assistant Secretary for Arms Control, for Assistant Secretary for International Security and Nonproliferation, for Assistant Secretary for Near Eastern Affairs, Assistant Secretary for South and Central Asian Affairs, or for East Asian and Pacific Affairs. How serious can the administration be about nuclear threats with no Ambassador to South Korea or no ambassadorial nomination for the key State Department official around nonproliferation? And the President has repeatedly undercut his Secretary of State's diplomatic efforts with North Korea. President Trump's most recent action--his recent attack on diplomacy--is the decision to decertify the Iran deal, and I think this could be the most dangerous yet. By stepping back from a diplomatic deal that the United States made with the global community that is clearly working, the President is publicly undercutting diplomatic negotiations, and he is setting us on a road where military options become increasingly more likely. I will state it bluntly. If you weaken diplomacy, you raise the risk of unnecessary war, and that is what this President is doing. First, President Trump's refusal to make the Iran certification and his threat to abandon the nuclear deal with Iran recalls the disastrous U.S entrance into the Iraq war in 2003, where intelligence was politicized, and the administration repeatedly made false claims to justify going to war--a war of choice--to overthrow Saddam Hussein. The Bush administration insisted that regime change in Iraq was necessary, and it insisted on that because of the claim of Iraq's continuing productions of weapons of mass destruction. In March of 2003, the IAEA came out and said there was no credible evidence that Iraq had a ***program*** of weapons of mass destruction and that there was no evidence they had revived the nuclear ***program*** they shelved in the 1990s, but the Bush administration would not accept that claim. It did not fit with the narrative they were selling to the American people about Saddam Hussein so they said the IAEA was wrong. They said we needed to initiate war--one that has proven so costly to Virginians and to Americans in treasure and in regional stability but especially in American lives--to prevent Iraq from obtaining weapons of mass destruction. We went to war. It turned out the scientists and the technicians and the IAEA were right. Iraq didn't have a ***program*** of weapons of mass destruction. The politicians who tried to undermine the credibility of the international agencies were wrong. Of course, the consequences of that decision are significant. Ironically, you [[Page S6599]] could claim--I believe there is strong evidence--that decision in 2003 has today led to greater Iranian influence in Iraq and the region and a proliferation of extremist groups that didn't exist before. We are now hearing the Trump administration make similar claims about Iran; that Iran will soon enough have a nuclear weapons ***program***, that the IAEA cannot be trusted, that Iran supports al-Qaida, and from a Republican colleague: ``The policy of the United States should be regime change in Iran,'' and from Secretary of State Tillerson, we need a ``peaceful transition'' of the Iranian Government. We should stop to think, Is this really about the nuclear deal or is it about beginning a drumbeat from the administration to march the United States toward another preventable war in the Middle East? Second, while threatening to unilaterally terminate the nuclear deal at any time, President Trump also wants to revisit the terms of the deal to address what he sees as its flaws. This isn't new. Since the day the deal was announced, some critics have argued that we could get a better deal or push for an alternative. I wasn't then, nor am I now, interested in the world of hypotheticals. I am interested in the world of facts. The fact is, the deal is working, and it is dramatically better than the alternative for at least 15 years or possibly longer. Additionally, if we want to renegotiate the deal, Iran will seek to do the same. If we take a step back from the deal, Iran will take a step back, and what will they ask for--that they get to now increase centrifuges or get some of their enriched uranium back? I don't want to give Iran one thing back from this deal, but if we step back from a deal that is working and say we want to renegotiate, they will, too, and I don't think we should tolerate that. Most wars start because of miscalculations. The notion that we can renegotiate the deal just on our side and the other side wouldn't think of renegotiation is magical thinking. The U.S entrance in World War I 100 years ago started with miscalculations--most nations do. A miscommunication, a misunderstanding, another step, another step, and you are at war. We should be very, very wary. I and all of us are very willing to go after Iran on the nonnuclear front. It was just 2 months ago that we passed--I think unanimously; maybe there was one ``no'' vote in this body--a set of stiff sanctions against Iran, North Korea, and Russia. We have given the power to the President to impose more sanctions on Iran for bellicose behavior, for activities in other countries, for violations of human rights, and for violating U.N Security Council resolutions on their missile ***program***. The President should use the sanctions power we just gave him to go after Iran's activities that violate international norms and make America less safe. But when the IAEA, our allies, the head of the Joint Chiefs of Staff, the Secretary of Defense, and the Secretary of State all say that with respect to the nuclear deal, Iran is complying, we should avoid stepping back on that deal, lest we suggest that the United States cannot be trusted in good faith to follow a deal. Third, I worry about the timing of this effort to step away from the Iran deal with respect to the imminent threat. I hear concerns about the Iran deal and what Iran might be able to do in year 8 or year 10 or year 15. Let me tell you about something I am worrying about this month, and that is the North Korean nuclear ***program***. We have been in briefings, and we hear the Secretary of Defense and the Secretary of State say to us and say to the world: The United States will always push for a diplomatic solution. We are never out of diplomatic solutions. But let's be candid. What are the chances of a diplomatic solution with North Korea that would end or dramatically limit their nuclear weapons ambitions? I don't think the chances are high. I would say they are 20 percent at best. They are not zero, but they are not high, either. But if there is any chance of a diplomatic negotiation and a diplomatic end to this ***program***, don't we owe it to the American public and don't we owe it to our troops to seek to exhaust and explore it? Of course we do. Yet every time Secretary of State Tillerson talks about trying to have some diplomatic outcome to pressure the Chinese to use leverage against North Korea, the President pours cold water on him. I would argue that stepping back from the Iran deal sends an unmistakable signal to North Korea if I am right, and there is even a small chance of a diplomatic resolution. But the message we send to North Korea is that the United States will back out of a nuclear deal even when it is being complied with. I think we drive the chances of a diplomatic resolution with North Korea down to zero, and we should not do that. There is significant evidence that while Iran's nonnuclear behavior is worthy of additional sanctions and pressure, the deal on the nuclear ***program*** is working. Our closest European allies, U.S intelligence services, the IAEA, the P5--when I visit Israel and speak to national security and intelligence leaders, such as Gadi Eisenkot, who is essentially the equivalent of the head of our Joint Chiefs of Staff, they say Iran is complying with the deal, and it is making the world safer in the near and medium term. Secretary Dunford and General Mattis have said the same thing. The deal gives us more intelligence because we have inspections that we didn't have before. We have more inspections, and we know more about their ***program***. In the first paragraph of the deal, on the first page of the deal, Iran pledges to never purchase, acquire, or develop military weapons. That promise, which is in perpetuity, gives us a legal justification, if they ever break it, to take action, including military action, to punish them for violating what they have signed. Do we want to give Iran the ability to step back from that promise they have made by stepping back ourselves when the deal is working? Finally, the deal gives us a coalition. Our partners around the world who have signed on to the deal, who have been witness to the Iranian pledge, who know that Iran will have to permanently comply with the additional protocol of inspections under the deal--if we move away from the deal and Iran moves away from the deal, could we count on the coalition partners being with us to try to put a deal back together when it is we alone among the partners who have walked away from the table? What coalition could we expect if we are the ones who walk away from the table, if we say we are not interested in diplomacy? Then, later, if we need to take military action against Iran after we walked away from a deal, could we expect a coalition to support us in that? I would like to conclude in this way: I think the President's decision to step back from this diplomatic deal poses a real challenge for this Congress. The President has done some things I agree with. He has done a number of things I disagree with. He has done only one thing that scares me, and it is this. I think that, together with defunding the State Department and pouring cold water on diplomacy and not filling key posts, this leads us closer to an unnecessary war. When you reject diplomacy or weaken it, you run the risk of an unnecessary war. I have had to cast two war votes in the Senate, both as a member of the Senate Foreign Relations Committee. I have been a city councilman, a mayor, a Lieutenant Governor, and a Governor, and casting a war vote is different from any vote you ever have to cast--any vote you ever have to cast. I have a son in the military, and that makes that vote different from any vote I have cast in 23 years in public life. As a Member of Congress, I may have to cast other votes to go to war against other nations, whether against nonstate terrorist groups or against a nation like North Korea or even Iran if they break for nuclear weapons. If I have to cast that vote, if I have to contemplate putting Congress on record that we should go to war, I want to be able to look American troops in the face and say: I exhausted every diplomatic option before I cast this vote. I think that is an obligation we owe to the public and to our troops. We have to exhaust diplomacy. There may come a time when that eagle just cannot face the olive branches of diplomacy, but we have to insist on military strength to keep order in the world and protect Americans. But if we turn to those arrows of [[Page S6600]] war, we should be able to look at our public and look at our troops and say we exhausted diplomacy. Stepping away from a diplomatic deal that is working is exactly the wrong thing for us to do at this time. It is my hope that Congress will not dignify what the President is doing in this regard and that we will insist, yes, upon strict compliance and also insist upon sanctions against Iran for nonnuclear behavior. But let's not be a nation that refuses to keep its diplomatic commitments. The stakes are just too high. Mr. President I yield the floor. The PRESIDING OFFICER (Mr. Sullivan). The Senator from South Carolina. Mr. GRAHAM. Mr. President, I wish to take a few minutes to support the effort to pass the fiscal year 2018 budget resolution. I am on the Budget Committee, and I am pretty familiar with the document. It provides a pathway to balance. It actually has a $197 billion surplus in 2027, and it allows for tax cuts. To Republicans--and Democrats too; you are welcome to join--the only way we are ever going to meaningfully get a tax cut is to pass a budget reconciliation instruction. This budget allows us to cut taxes. I hope some Democrats will join us, but if they choose not to, we can do it with a simple majority. If we don't pass this budget, we can't cut taxes unless we get 60 votes. With our friends on the other side--I think it is going to be hard to get any Democrats for a meaningful tax cut. They are not bad people; they just see things differently. When they spend money, they think that is good. They don't worry about the deficit. When we cut taxes, the deficit is the most important thing. My belief is that not only will we not have a deficit, we will actually have a surplus because this budget does two things: It restrains spending by $5.1 trillion over the next decade, and it actually creates a system for tax cuts to spur economic growth. If we could grow the GDP number by just 1 percent, that would be trillions of dollars of revenue. To those who are interested in this, we have been growing at about 1.9 percent GDP per year over the last 8 years--right around 2, sometimes under, sometimes a bit over. The historical average since World War II has been 3.2 If we could get back to 3.2 percent GDP growth, there would be trillions of dollars coming in to the Treasury, and I believe we can. President Trump is trying to deregulate America after 8 years of heavy regulation, but he can only do so much through Executive order. Senator Sullivan, the Presiding Officer, talked about the opportunities in Alaska. I have learned a lot about Alaska. There are 750,000 people living in a State twice the size of Texas. It is beautiful as it can be. Environmentally, you are very sensitive. That is one of the qualities of Alaska you want to preserve. God has blessed Alaska with a lot of natural resources, and it would be good for the people of Alaska and the United States as a whole. Every liter of gas and barrel of oil we can extract from Alaska in an environmentally sound way is less to buy from people who hate our guts. We are going to be using oil and gas for a long time to come. I want to move to a lower carbon economy. I think that would be good for the environment and good for our economy. Alaska has been blessed with natural resources, and I think Senator Sullivan explained how sensitive they are in the extraction process. But it would be insane to take Alaska oil and gas off the table for America because in that area, Russia is all over the place, and, trust me, they don't care about the environment. One thing this budget doesn't do is it doesn't change the Budget Control Act caps. There is one member of our caucus who claims that this budget is somehow fiscally irresponsible. It is not. It actually leads to a surplus. There is nothing in this budget that allows for more defense spending. The overseas contingency operations account is money set aside for our military and State Department to deal with the wars we are fighting that are not part of the Budget Control Act. We have been doing that for years. So for anybody to suggest that this authorizes an explosion of spending on the defense side--you literally don't know what you are talking about. If you looked at the details of the budget, you would find that it cuts spending by $5.1 trillion and actually has a $197 billion surplus 10 years from now. But I want to let the body know--and the Presiding Officer will be right in that fight--that I, along with Senator McCain, President Trump, General Mattis, Senator Sullivan, Senator Blunt, and many others, am going to do everything I can to give the military more resources to fight wars we can't afford to lose. I look forward to this debate with some of my colleagues on the other side and a few on this side. Really, is it smart to have the smallest Navy since 1950? Is it really smart to have an Army 1940s-size given what is going on in the world, having fighter squadrons grounded not because the enemy shot us down but because the Congress shot us down? We are spending about 3.2 percent of GDP on defense. Historically, since World War II, it has been about 5. Tell me how you justify spending that much less today given the world we have to deal with. Where is the peace dividend? Since 2011, when sequestration was passed, the world has deteriorated. President Trump is promising to rebuild the military, give them the capability they need to keep the enemies at bay and not fight wars with one hand tied behind their back. So I will be working with Senator McCain and many others to make sure that our military is replenished; that we do have a 350-ship Navy, not 278; that we have an Army consistent with the threats--about 520,000 versus 420,000. The No. 1 job of the Congress and the Federal Government is to defend the Nation. That is a different debate. That is not part of the budget. The budget resolution doesn't change defense spending caps. Hopefully, we can do that later, working with our Democratic friends. This is the last best chance we will have to cut taxes. If this budget resolution fails, the ability to cut taxes on President Trump's watch goes away. To those of you on the Republican side who have been claiming that we need tax cuts and a simpler tax code, this is your chance. If we don't succeed now, we are going to fail for the entire term of President Trump. That will be the end of us as a party, because if you are a Republican and you don't want to simplify the Tax Code and cut taxes, what good are you to anybody? Our friends on the other side have really invested in ``the government.'' Somebody needs to be involved in American politics who would actually like to send more money to you and less money to the government in a responsible way. So I hope we are going to cut the corporate tax rate to make us competitive. We are going to double the standard exemptions so working people will have more money in their pockets. We are going to clean up some of the deductions and exemptions for the few at the expense of the many. But we can only do that if we pass a budget resolution. A final thought. From the Republican Party point of view, we have the House, the Senate, and the Presidency. We have nobody to blame in this exercise but ourselves. If you are a Republican and you are frustrated with the lack of progress, count me in. The President is a willing partner to help us repeal and replace ObamaCare and to get a healthy tax cut to grow an economy that is dying to grow. But we have to help ourselves. If we can't muster the votes necessary to pass this budget resolution to cut your taxes, then everybody who supported us for all these years should feel let down, and we will have let you down. I hope that doesn't happen. I am confident it won't. But to those Republicans who believe that a ``no'' vote is good for the future of conservatism and the future of the economic well-being of the country, I could not disagree with you more. You will never balance the budget by dealing with discretionary spending alone. We are at 2008 levels of discretionary spending. What balances the budget is entitlement reform. If you want to balance the budget, vote for Graham-Cassidy because it finally puts Medicaid on a sustainable path. We have to deal with our entitlement problem, but that is not in this budget reconciliation instruction. This instruction allows us to cut taxes with a [[Page S6601]] majority-only vote and gets to balance or a surplus in 2027. From a Republican point of view, this is the most important vote we are going to cast in 2017. If we fail, that is the end of this party's ability to grow. All of those who worked hard to get us here are going to be disappointed, and they should be. We are not going to disappoint you. We are going to pass this budget resolution. We are going to cut your taxes, and we are eventually going to rebuild and replace ObamaCare, which is failing, with a block grant that gets the money and power closer to where you live, in the hands of the people you can vote for. We are going to succeed. With that, I yield the floor. The PRESIDING OFFICER. The Senator from Missouri. Mr. BLUNT. Mr. President, let me first agree with the point that the Senator from South Carolina just made about the importance of passing a tax bill this year. He made the point--and if he didn't, I will make it--that if we don't pass a tax bill this year or at least get most of the way there--I hope we get done with this tax process this year. If we don't get that done, I think we won't have another opportunity to pass a tax bill in the next 4 years. On the other hand, if we do pass a tax bill this year, we will have the incentive to take a second look in 2019, maybe 2020, but probably in 2019. The point I am making is, we don't have to do everything that could possibly be done to improve the Tax Code this year to take an important step. But if we don't take that important step, my belief is we are likely not going to have the kind of tax relief that working families need in the next 4 years. So not only is the pressure on the Republican Senate, the Republican House, and a White House that wants to work with us to get this done, but the pressure should be on everyone who cares about hard-working families. And the pressure should be on everyone who wants to see tax relief for those families happen. We need to understand that it needs to happen now. Fights that can't be won in the next few weeks can be won in this Presidential term but only if we take this step successfully right now. As the Senator from South Carolina and others have pointed out, this is an important two-step process. The first step is a budget that allows us to move forward so that we can do this under the budget rules and allow 51 Senators to pass a bill on tax reform. By the way, they don't have to be 51 Republicans. I suspect that is what will happen, but once we get to 51 Republicans, I would love to see Democrats join us. I would love to see them join us before that. This is the kind of help that hard-working families need--families who, for 9 years, were stuck in a situation where their buying power wasn't increasing, their job opportunities weren't increasing. They generally were not seeing that better job out there that was largely available to those very same hard-working families in the past because we aren't as competitive as we need to be. There ought to be a couple of things we focus on. One is, how do you create tax relief for working families right now so that, as soon as possible, they begin to see a check that has more take-home pay? The other way to increase take-home pay is to increase starting pay, to make those jobs better. That is where we need to be looking on the other end of the spectrum. On the end that creates jobs, what do we need to do to make ourselves more competitive? What do we need to do to constantly have the kind of pressure on the working job market that allows people who are working hard for a living to have better opportunities than they would have otherwise because we are more competitive than we would be otherwise? I think the entire focus of this discussion should be, what do we do that improves the opportunities and improves the future for hard- working families? You can do that with a tax cut right now, which we should do. You can do that with policies that make more sense as we try to compete with the people we compete with around the world. You can't have the highest corporate tax in the entire world and assume you are going to be the most competitive country in the entire world. You can't have a tax system that is uniquely different as it relates to products you sell overseas and expect to be more competitive than the countries who don't have that unique system, which penalizes rather than encourages American products to be sold in other places. The Senate will vote later today on a budget resolution that reduces Federal spending by $5 trillion over 10 years, provides a stronger foundation for economic growth, and allows us to move forward in the first, necessary legislative step in the Senate so that we can then move immediately to tax policy. This is a budget that will allow us to reduce taxes by $1.5 trillion over 10 years, a budget that would put more money in the pockets of hard-working families, a budget that would add some opportunity to that struggle where, for almost a decade now, things haven't seemed to be getting better or easier. They seemed to be getting more difficult because we were less competitive and there was less pressure to find the workforce to do the jobs that need to be done. And then this is a tax code that will make it simpler and fairer and more uniformly impactful on everyone who pays taxes. Most people don't mind paying taxes on the income they have until they find out that their neighbor next door with the same income has figured out how not to pay taxes. There is a reason American families and American businesses can't get through April without a bottle of aspirin. There is a reason this Tax Code creates headache after headache. There is one estimate that individuals and businesses complying with the complicated tax system we have costs $267 billion a year. That is half of the defense budget. If people are spending half of the defense budget just to comply with the Tax Code, there has to be something wrong with that, and we can do better. I think the proposals we are talking about will do a better job. Right now, the individual Tax Code has seven different brackets-- seven rates--and you have to figure out how they apply to whatever income you have had. It has 100 different credits, deductions, exclusions, and other provisions that make it extremely difficult to know what you owe or when you are going to owe what you owe. According to the American Action Forum, the IRS currently imposes 8.1 billion hours of paperwork on Americans, which amounts to about 54 hours per taxpayer who is paying taxes. It is more for some, less for some, but a week's worth of work--54 hours of work--for taxpayers who pay their taxes. Every taxpayer gives that week to the Federal Government. We are streamlining the Tax Code, increasing the basic deduction that families can have. If they don't want to go through the complicated Tax Code--here is how many of us there are who live at our house. Here is the basic deduction we get for each of those people living at our house. Here is how much we subtract from the money we make. Here is how much we need to pay. There is no reason that one of the compliance options can't be a postcard or a piece of paper. In fact, when the current income tax was imposed on the American people, the entire set of instructions were on one page--the entire set of instructions for everyone who had to fill out the income tax form--with the assurance that only the richest people would ever pay any income tax, so most Americans would never have had to read that instruction sheet at all. Now most Americans find it almost impossible to read the 100 pages of instructions that just get them to the Tax Code itself. Streamlining the Tax Code, helping families keep more of their money, figuring out a way we can be more competitive so there is opportunity for better jobs in the future, all should be important priorities for this Congress. Passing a budget today will allow us to take the first step, which then allows us to take the next step in tax relief that matters and makes sense to the American people. We will take that step today. We should take that step today. We should then follow up as quickly as possible to win the fights that can be won this year so Americans can start next year understanding that their Tax Code is simpler, the Tax Code is fairer, and their opportunities are [[Page S6602]] likely to be greater. But for hard-working families, their take-home pay will definitely be higher than it is today. I yield the floor. The PRESIDING OFFICER. The Senator from Oregon. Mr. WYDEN. Mr. President, how much time remains on our side? The PRESIDING OFFICER. The Democrats have 4 minutes remaining. Amendment No. 1302 Mr. WYDEN. Mr. President, yesterday I was at a meeting with the President at the White House, along with several members from both sides of the Senate Finance Committee. I said to the President flatout that Democrats agree that the Tax Code is a broken, dysfunctional mess. Finance Democrats yesterday laid out to the President our principles for reform, focusing on the middle class--not 1 percent--and being fiscally responsible so that Congress doesn't turn around and look at gutting safety-net ***programs*** such as Medicare and Medicaid or Social Security. I think it would be fair to say that a whole lot of ears in that room perked up when the President said: Hey, I am for those kinds of things. The President talked to us about wanting help for the middle class. He said that this is not supposed to be about people like him, and he said that he doesn't want to shred the safety net. Unfortunately, as I have indicated, there are gaps as wide as Crater Lake among all of the administration's statements, the rhetoric about taxes, and the reality of what is actually written down on paper about its tax cut ***plan***. The Republican ***plan***--this administration's ***plan***, which actually is written down on paper, doesn't resemble what the late President Reagan accomplished in partnership with Democrats in 1986. Back then, the two sides brought their best ideas forward and passed major tax reform built around the idea that America is strongest when the middle class is prospering. What is on paper today is just an enormous gift to the top of the top--the most fortunate special interests. I hope the Senate, in a few minutes, will vote for my amendment to strike the reconciliation instructions from the budget because budget reconciliation is exactly the kind of partisan process, at least for taxes--especially for taxes, given the importance of taxes in this particular budget--budget reconciliation is exactly the kind of approach that President Reagan rejected in 1986. I hope my colleagues will support my amendment, striking the reconciliation instructions from the budget. Senate Democrats have outlined our principles for reform. The PRESIDING OFFICER. The Senator's time has expired. Mr. WYDEN. Mr. President, I ask unanimous consent for an additional 30 seconds. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. Mr. WYDEN. Mr. President, very quickly, the principles that the Senate Democrats have laid out in our letter are very much in line with what the President says he wants. Now what we have to do is to have a bipartisan process to advance it. You do not get that with reconciliation. I hope the Senate supports my amendment. I yield the floor. The PRESIDING OFFICER. The Senator from Pennsylvania. Mr. TOOMEY. Mr. President, I ask unanimous consent that there be 2 minutes of debate equally divided prior to each vote in the 11:45 a.m vote series this morning. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. Under the previous order, there will now be 2 minutes of debate, equally divided, prior to a vote in relation to amendment No. 1302, offered by the Senator from Oregon, Mr. Wyden. The Senator from Oregon. Mr. WYDEN. Mr. President, I think I have made the case. To my colleagues, what the American people have told us--and they certainly said this during this last work period--is that they understand that the big challenges in this country require bipartisan approaches. That is what President Reagan understood when he brought together Democrats and Republicans for comprehensive tax reform. We need to pass this amendment to strike the reconciliation instructions from the budget because they send all of the wrong signals with respect to tax reform. The American people understand what it takes to tackle big issues. They understand that tax reform should be about the middle class. It should not be about the 1 percent, and it should not be about causing a huge, new sea of red ink. I urge my colleagues to support my amendment to strike the reconciliation instructions from the budget. The PRESIDING OFFICER. Who seeks time in opposition? The Senator from Pennsylvania. Mr. TOOMEY. Mr. President, we have an opportunity today to give ourselves the tool to pass a tax reform bill that will absolutely mean tax relief for middle-income and working-class families and will promote the kind of economic growth that we have been waiting for, but to do it, we are going to have to defeat this amendment and pass the underlying budget. What my friend from Oregon is suggesting is that we give a minority in the Senate the opportunity to defeat tax reform by filibuster. That is what would happen if we were to pass this amendment. I have to disagree strongly with the notion that somehow this is not a bipartisan exercise. There is nothing about reconciliation that in any way discourages or prevents full Democratic participation. We are going to have a markup in the Senate Finance Committee, and there will be unlimited amendment opportunities. If we are able to report something out, then there will be unlimited amendment opportunities on the floor. There is nothing that we could do to stop it if we wanted to because those are the rules of reconciliation. Every Democrat in this body will have an unlimited opportunity to weigh in on this, to influence this, and to amend this, and it will be a fully bipartisan exercise. I urge a ``no'' vote on the amendment. The PRESIDING OFFICER. The question is on agreeing to the amendments. Mr. BARRASSO. Mr. President, I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The legislative clerk called the roll. Mr. DURBIN. I announce that the Senator from New Jersey (Mr. Menendez) is necessarily absent. The PRESIDING OFFICER (Mrs. Fischer). Are there any other Senators in the Chamber desiring to vote? The result was announced--yeas 47, nays 52, as follows: [Rollcall Vote No. 225 Leg.] YEAS--47 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Coons Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Manchin Markey McCaskill Merkley Murphy Murray Nelson Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden NAYS--52 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Cochran Collins Corker Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee McCain McConnell Moran Murkowski Paul Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NOT VOTING--1 Menendez The amendment (No. 1302) was rejected. Amendment No. 1393 to Amendment No. 1116 The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate, equally divided, prior to a vote in relation to amendment No. 1393, offered by the Senator from West Virginia, Mrs. Capito. [[Page S6603]] The Senator from West Virginia. Mrs. CAPITO. Madam President, I call up amendment No. 1393. The PRESIDING OFFICER. The clerk will report. The Senator from West Virginia [Mrs. Capito] proposes an amendment numbered 1393 to amendment No. 1116. Mrs. CAPITO. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with. The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows: (Purpose: To help provide tax relief to middle-class Americans by reducing deductibility, for Federal tax purposes, of federal deductions, such as the state and local tax deduction which disproportionally favors high-income individuals) At the end of title III, add the following: SEC. 3 \_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO TAX RELIEF FOR HARD-WORKING MIDDLE-CLASS AMERICANS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to changes in Federal tax laws, which may include reducing federal deductions, such as the state and local tax deduction which disproportionally favors high-income individuals, to ensure relief for middle-income taxpayers, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2027. Mrs. CAPITO. Thank you, Madam President. I would like to speak, for my 1 minute, about this amendment, which prioritizes tax relief for the middle class over the State and local tax deduction, which disproportionately benefits the wealthy and high earners. Only 1 percent of the State and local deduction benefits go to taxpayers who earn less than $50,000 annually. Tax reform means higher wages, lower taxes for middle-class workers. To unlock these benefits, we must reduce expensive deductions that do little to benefit everyday Americans. Keeping the State and local tax deduction without modification would cost more than $1 trillion over 10 years. That money would be better spent on relief for the middle class. Middle-class workers will benefit from the enhanced 0-percent bracket, enhanced child tax credit, and lower rates that will be part of this reform. We cannot let an unwillingness to reduce deductions for the wealthy stand in the way of relief for the middle-class working folks of this great country. I hope my colleagues will join me in prioritizing middle-class families by supporting this amendment. The PRESIDING OFFICER. The Senator from Oregon. Mr. WYDEN. Madam President, I rise in strong opposition to the Capito amendment. More than half the taxpayers claiming the State and local deduction make less than $100,000. These hard-working, middle-class folks are not going to appreciate Congress double-taxing them. The fact is, the Capito amendment is Washington lingo that would ***produce*** a Republican tax ***plan*** that hits the middle class, yet again, with more taxes. Under Capito, you could again have one hand giveth and the other hand taketh away. You might have the Republicans say let's double the standard deduction, but then when those middle-class folks lose their deduction for State and local taxes and their personal exemptions, they are in a big hole. Reject this amendment, reject sleight-of-hand tax policy and those approaches like this that hurt hard-working, middle-class families. I yield the floor. The PRESIDING OFFICER. The question is on agreeing to the amendment. Mr. ENZI. Madam President, I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The bill clerk called the roll. Mr. DURBIN. I announce that the Senator from New Jersey (Mr. Menendez) is necessarily absent. The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The result was announced--yeas 52, nays 47, as follows: [Rollcall Vote No. 226 Leg.] YEAS--52 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Cochran Collins Corker Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee Manchin McCain McConnell Moran Murkowski Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NAYS--47 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Coons Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Markey McCaskill Merkley Murphy Murray Nelson Paul Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden NOT VOTING--1 Menendez The amendment (No. 1393) was agreed to. Amendment No. 1141 to Amendment No. 1116 The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate, equally divided, prior to a vote in relation to amendment No. 1141, offered by the Senator from Washington, Ms. Cantwell. Ms. CANTWELL. Madam President, I call up amendment No. 1141, as provided under the previous order. The PRESIDING OFFICER. The clerk will report. The senior assistant legislative clerk read as follows: The Senator from Washington [Ms. Cantwell] proposes an amendment numbered 1141 to amendment No. 1116. Ms. CANTWELL. Madam President, I ask unanimous consent that the reading of the amendment be dispensed with. The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows: (Purpose: To create a point of order against legislation that would raise taxes on middle class families by double-taxing income already taxed at the state or local level) At the end of title IV, add the following: SEC. 4\_\_. POINT OF ORDER AGAINST ANY TAX BILL THAT RAISES TAXES ON MIDDLE-CLASS FAMILIES BY ELIMINATING OR LIMITING THE STATE AND LOCAL TAX DEDUCTION. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that repeals or limits the State and Local Tax Deduction. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). Ms. CANTWELL. Madam President, this amendment simply raises a point of order on any legislation that modifies or eliminates State and local tax deductions. I know there are many States that have tax deductions from their Federal obligations on property, but I am specifically talking about States like Washington, Wyoming, Nevada, South Dakota, Alaska, Florida, Texas, and Tennessee. We have had the ability to itemize and deduct our sales tax from our Federal income tax. That has resulted in a savings to the taxpayers. Under the President's proposal of increasing the standard deduction, even for households between $50,000 and $70,000, if you repeal their ability to continue to itemize, even with the standard deduction, you are raising taxes on them. It will not be covered. The standard deduction is only $12,000. For that bracket in my State, they are deducting up to $23,000. Please do not raise taxes on our constituents without a due process and a budget point of order that says that we are all going to be a part of this process and discussion before you take away a way for our citizens to save money. I ask my colleagues to support this amendment. [[Page S6604]] The PRESIDING OFFICER. The Senator from Wyoming. Mr. ENZI. Madam President, this amendment is corrosive to the budget resolution's privilege. So it falls outside the scope of what is appropriate for inclusion. Adoption of corrosive amendments could be fatal to the resolution's privilege, and loss of privilege could compromise our ability to pass tax reform and enforce the budget spending limits. Further, this amendment is also nongermane. The Congressional Budget Act requires that amendments to a budget resolution be germane, which is a statutory requirement we can't ignore. So I raise a point of order against this amendment under the Budget Act, section 305(b)(2). The PRESIDING OFFICER. The Senator from Washington. Ms. CANTWELL. Madam President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive section 305(b)(2) of that act for the purposes of the pending amendment, and I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The question is on agreeing to the motion. The clerk will call the roll. The assistant bill clerk called the roll. Mr. DURBIN. I announce that the Senator from New Jersey (Mr. Menendez) is necessarily absent. The PRESIDING OFFICER (Mr. Sasse). Are there any other Senators in the Chamber desiring to vote? The yeas and nays resulted--yeas 47, nays 52, as follows: [Rollcall Vote No. 227 Leg.] YEAS--47 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Coons Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Manchin Markey McCaskill Merkley Murphy Murray Nelson Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden NAYS--52 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Cochran Collins Corker Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee McCain McConnell Moran Murkowski Paul Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NOT VOTING--1 Menendez The PRESIDING OFFICER. On this vote, the yeas are 47, the nays are 52. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls. The Senator from Tennessee. Mr. ALEXANDER. Mr. President, I ask unanimous consent to speak for up to 10 minutes, and that following my remarks, the Senator from Washington, Mrs. Murray, be allowed to speak for up to 10 minutes. The PRESIDING OFFICER. Without objection, it is so ordered. Healthcare Mr. ALEXANDER. Mr. President, a week ago Saturday night, I was having dinner with my wife. It was about 8:30 in the evening, and the telephone rang, my cell phone, sitting in my pocket. I pulled it out, and it was the White House operator. The President was calling. So I walked out of the restaurant, sat on a curb outside in the dark, and had about a 15-minute conversation with the President of the United States while my dinner got cold. President Trump said: I am calling about the cost-sharing reduction payments. I have cut them off as of October 1. The court says they are illegal. I don't want insurance companies to be bailed out. I think I can get block grants to replace ObamaCare, but I don't want people to suffer in the meantime. So he said to me: I think I might want to get a bipartisan interim deal, a short-term deal. I have called Chuck Schumer and told him that. The President put that out in a tweet that day. So the President said to me: Why don't you negotiate with Senator Murray and try to get one; meaning a short-term, bipartisan deal. I said: Well, what about the CSR payments? He said: I can put them back, and you can use that as a negotiating tool to get a better deal with the Democrats. I responded that I was already working on an agreement with Senator Murray. He said: Finish it, and let me know. He called me again last Saturday. We talked about it again, and we talked twice yesterday. I reported to the President that we finished our negotiations and that we are here today to present to the Senate the agreement we recommend. The bill has 22 sponsors, half Democratic and half Republican--very few bills come to the floor with that many cosponsors originally--and there are a number of others on the Republican side and I understand from Senator Murray a number on the Democratic side who support the idea. I ask unanimous consent that a list of the cosponsors I am about to read be printed in the Record following my remarks. Mr. President, I ask unanimous consent that the text of the agreement that Senator Murray and I would like to present to the Senate for its consideration and the President's consideration and the consideration of the House of Representatives be printed in the Record following my remarks. The Republican Senators who are cosponsoring the Alexander-Murray proposal, in addition to me, are Senator Rounds, Senator Graham, Senator McCain, Senator Cassidy, Senator Collins, Senator Ernst, Senator Murkowski, Senator Burr, and Senator Corker. I thank them all for doing that. Senator Murray will talk about the equal number of Democratic cosponsors that we have. We hope Senator McConnell and Senator Schumer, the President of the United States, and the House of Representatives will consider our proposal. This is a first step--improve it and pass it, sooner rather than later. Our purpose is to stabilize and then lower the cost of premiums in the individual insurance market for the years 2018 and 2019. In plain English, most Americans get their insurance from the government or on the job. About 6 percent of insured Americans, or 18 million Americans, go into the individual market to buy it. They are the ones we are worried about. They are the ones we are seeking to help. There are 350,000 such people in Tennessee--songwriters, farmers, small business women--they are the ones who are terrified by the prospect of skyrocketing premiums and even the possibility that they might not be able to buy insurance at all. Our agreement tries to help in two ways. No. 1, it permanently amends the Affordable Care Act to give new flexibility for States to create insurance policies that have a larger variety and lower costs. No. 2, it continues the cost-sharing reduction payments during 2018 and 2019. Now, first, about cost-sharing. Cost-sharing reduction payments are subsidies that pay for co-pays and deductibles for low-income Americans. That is what they are. Every Democrat wants them to continue, so do many Republicans, including every Republican in the majority in the House who voted for their repeal-and-replace bill this year because it continued the cost-sharing payments for two years. Let me say that again. Every Republican in the House of Representatives who voted to repeal and replace ObamaCare this year voted for a provision that continued the cost-sharing payments for 2 years. Our bill does the same thing. The only difference is, we eliminate any question about whether paying them is legal. Now, why would so many Republicans and so many Democrats support these payments for 2 years and why would the President of the United States be interested in them? It is because the Congressional Budget Office has told us that if we don't do it--if we let them expire-- premiums in 2018 will go up an average of 20 percent. They [[Page S6605]] are already set, in most cases. The Federal debt will increase by $194 billion because of the extra cost of subsidies to pay the higher premiums, and up to 16 million Americans may live in counties where they are not able to buy any insurance in the individual market. So unless the cost-sharing payments, which the President says are illegal--and I agree with him. The Federal Court in Washington, DC, has told him they are illegal, not properly authorized by Congress. Unless they are replaced by something else temporarily, there will be chaos in this country, and millions of Americans will be hurt. The President says there should be no bailout of insurance companies--no bailout of insurance companies. I agree 100 percent and so does Senator Murray. She can speak for herself. I have said to the President in our telephone calls--as I mentioned, 4 of them in the last 10 days--that if there is a way to improve the language in our bill, we would like to do that. We have a page and a half to make it clear that the benefits go to consumers, not insurance companies. That can always be improved. Some conservatives object to the idea of paying them at all, but I would ask this: What is conservative about unaffordable premiums? What is conservative about $194 billion of new Federal debt? What is conservative about creating chaos so millions can't buy insurance or at least failing to deal with the chaos that has been created? What is conservative about a four-lane highway that would be the chaos that leads to a single-payer solution for insurance in this country? Do we really think that if 50 counties in Tennessee or Iowa or Kansas or any State are in a situation where no one can buy insurance on the individual market, that government-sponsored insurance is not far behind? Of course it is. That is why Senator Graham and Senator Cassidy have cosponsored our bill, because our bill would have been part of the Senate Republican repeal-and-replace bills if budget rules had allowed it. Senator Graham and Senator Cassidy know that if we repeal and replace ObamaCare in 1 year or 2 years or 3 years, it takes 2 or 3 years for it to take effect. We still need the cost-sharing payments for the interim, and you can't pass those in the Senate with 51 votes. It takes 60. Democrats are for it. The Republican House majority has voted for it. The sponsor of the Senate repeal-and-replace bills are cosponsors of this agreement. It sounds like something that might actually become law before the end of the year. Second, flexibility. The biggest difference between the Senate Republicans and the Senate Democrats with regard to health insurance and the individual market is whether Washington should write more of the rules or States should write more of the rules. Our position has been that States should write more of the rules. We have had about 50 votes--maybe more--and we have lost them all. We have made thousands of speeches, and we have lost them all. In the last 7 years, we haven't moved an inch toward our objectives of giving States more flexibility in creating insurance policies in the individual market. This agreement does. It provides and authorizes States to offer an insurance policy called catastrophic insurance for people of all ages that would keep a medical catastrophe from turning into a financial catastrophe. It encourages interstate agreements among States in health insurance. It streamlines the innovation waiver--section 1332, we call it--for States that want to do what Alaska did, which is to create a fund to pay for the very sick and then reduce premiums for everybody else by 20 percent and use no new Federal dollars. Most important, it changes the law to make it easier for States like Iowa, Oklahoma, New Hampshire, Minnesota, Massachusetts, Tennessee, Alaska, and many others to use their creativity to write policies that offer more choices and lower costs. Some have said: Well, that is not enough. Well, that is more than we have gotten for 8 years, and it is the first step. I welcome anyone who wants to negotiate further with Senator Murray or Senator Schumer. That is what the legislative process is about. Now, because I forgot to do it when I listed the sponsors, I would like to add Senator Isakson and Senator Grassley to the sponsor list, which would be two additional Republican sponsors, I would say to Senator Murray. That gives us a total of 12. I thank Senator Grassley for his support. The only thing I would say to those who want to negotiate further to get more flexibility is to keep in mind that with the cost-sharing payments, you can't get most of those changes without 60 votes in the Senate. I thank Senator Murray for being an able and effective negotiating partner. We have worked on many pieces of legislation together. She is tough and respected in her caucus. She does what she says she will do, and she is interested in getting a result. I respect that and I thank her. I thank President Trump for his encouragement. He called me 10 days ago, he called me last Saturday, and he called me again yesterday. I thank him for his encouragement--to encourage someone to come up with a bipartisan agreement to cover these 2 years so people wouldn't be harmed--and his willingness to consider what we are offering today. I thank Senator McConnell and Senator Schumer because they have created an environment in which Senator Murray and I could make this proposal. I hope they and our other colleagues will seriously consider it. The President was right to suggest that we need a short-term agreement so people will not be hurt. Now, some people are still objecting to the idea of continuing these temporary cost-sharing payments for 2 years and the other provisions that would have as the objective to keep premiums from going up in 2018 and for premiums to begin to go down in 2019. They are listening to groups around Washington, DC. I would suggest they listen to some other people. Listen to the waitress, listen to the songwriter, listen to the bricklayer, listen to the small businesswoman, and the people of America--and there are 350,000 in Tennessee--who may be terrified by the prospect of increasing premiums or even by the prospect of not being able to buy insurance at all. These are people who don't get insurance from the government. They don't get it on the job. They might never know when they are going to lose their job and they will be in this individual market. We have a solution here. Senator Murray and I--24 total Senators--are offering it today. We are certain it can be improved. We look forward to working with those who would improve it, but I do not believe Congress would want to fail to deal with a problem that will hurt millions of Americans if we allow it to continue. I predict this agreement that we 24 Senators are suggesting today will become law in some fashion before the end of the year. I think most Senators and most House Members will be looking around for a solution when they consider the consequences of a failure to act. When they look for a solution, I believe this solution supported by 24 Senators--half Democrats, half Republicans--will be the easiest solution to adopt. I believe all the Democrats want it. Almost all of the House Republicans have already voted for it this year, and the Senate Republican leaders who would prefer to repeal and replace ObamaCare would put it in their bill if they could get it in there, but they can't because the budget rules will not allow it. I thank the Presiding Officer. There being no objection, the material was ordered to be printed in the Record, as follows: list of republican consponsors Alexander, Rounds, Graham, McCain, Cassidy, Collins, Ernst, Murkowski, Grassley, Isakson, Burr, and Corker. There being no objection, the material was ordered to be printed in the Record, as follows: Title: To stabilize individual market premiums for the 2018 and 2019 ***plan*** years and provide meaningful State flexibility. Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE. This Act may be cited as the ``Bipartisan Health Care Stabilization Act of 2017''. SEC. 2. WAIVERS FOR STATE INNOVATION. (a) Streamlining the State Application Process.--Section 1332 of the Patient Protection and Affordable Care Act (42 U.S.C 18052) is amended-- [[Page S6606]] (1) in subsection (a)(1)(C), by striking ``the law'' and inserting ``a law or has in effect a certification''; and (2) in subsection (b)(2)-- (A) in the paragraph heading, by inserting ``OR CERTIFY'' after ``LAW''; (B) in subparagraph (A)-- (i) by striking ``A law'' and inserting the following: ``(i) Laws.--A law''; and (ii) by adding at the end the following: ``(ii) Certifications.--A certification described in this paragraph is a document, signed by the Governor of the State, that certifies that such Governor has the authority under existing Federal and State law to take action under this section, including implementation of the State ***plan*** under subsection (a)(1)(B).''; and (C) in subparagraph (B)-- (i) in the subparagraph heading, by striking ``OF OPT OUT''; and (ii) by striking ``may repeal a law'' and all that follows through the period at the end and inserting the following: ``may terminate the authority provided under the waiver with respect to the State by-- ``(i) repealing a law described in subparagraph (A)(i); or ``(ii) terminating a certification described in subparagraph (A)(ii), through a certification for such termination signed by the Governor of the State.''. (b) Giving States More Funding Flexibility, to Establish Reinsurance, High Risk Pools, Invisible High Risk Pools, Insurance Stability Funds and Other ***Programs***.--Section 1332(a)(3) of the Patient Protection and Affordable Care Act (42 U.S.C 18052(a)(3)) is amended-- (1) in the first sentence-- (A) by inserting ``or would qualify for a reduced portion of'' after ``would not qualify for''; (B) by inserting ``, or the State would not qualify for or would qualify for a reduced portion of basic health ***program*** funds under section 1331,'' after ``subtitle E''; (C) by inserting ``, or basic health ***program*** funds the State would have received,'' after ``this title''; and (D) by inserting ``or for implementing the basic health ***program*** established under section 1331'' before the period; (2) in the second sentence, by inserting before the period, ``, and with respect to participation in the basic health ***program*** and funds provided to such other States under section 1331''; and (3) by adding after the second sentence the following: ``A State may request that all of, or any portion of, such aggregate amount of such credits, reductions, or funds be paid to the State as described in the first sentence.''. (c) Ensuring Patient Access to More Flexible Health ***Plans***.--Section 1332 of the Patient Protection and Affordable Care Act (42 U.S.C 18052) is amended-- (1) in subsection (b)-- (A) in paragraph (1)-- (i) in subparagraph (B), by striking ``at least as affordable'' and inserting ``of comparable affordability, including for low-income individuals, individuals with serious health needs, and other vulnerable populations,''; and (ii) by amending subparagraph (D) to read as follows: ``(D)(i) will not increase the Federal deficit over the term of the waiver; and ``(ii) will not increase the Federal deficit over the term of the 10-year budget ***plan*** submitted under subsection (a)(1)(B)(ii).''; (B) by redesignating paragraph (2) (as amended by subsection (a)) as paragraph (3); and (C) by inserting after paragraph (1) the following: ``(2) Budgetary effect.-- ``(A) In general.--In determining whether a State ***plan*** submitted under subsection (a) meets the deficit neutrality requirements of paragraph (1)(D), the Secretary may take into consideration the direct budgetary effect of the provisions of such ***plan*** on sources of Federal funding other than the funding described in subsection (a)(3). ``(B) Limitation.--A determination made by the Secretary under subparagraph (A)-- ``(i) shall not be construed to affect any waiver process or standards or terms and conditions in effect on the date of enactment of the Bipartisan Health Care Stabilization Act of 2017 under title XI, XVIII, XIX, or XXI of the Social Security Act, or any other Federal law relating to the provision of health care items or services; and ``(ii) shall be made without regard to any changes in policy with respect to any waiver process or provision of health care items or services described in clause (i).''; and (2) in subsection (a)(1)(C), by striking ``subsection (b)(2)'' and inserting ``subsection (b)(3)''. (d) Providing Expedited Approval of State Waivers.--Section 1332(d) of the Patient Protection and Affordable Care Act (42 U.S.C 18052(d)) is amended-- (1) in paragraph (1) by striking ``180'' and inserting ``90''; and (2) by adding at the end the following: ``(3) Expedited determination.-- ``(A) In general.--With respect to any application under subsection (a)(1) submitted on or after the date of enactment of the Bipartisan Health Care Stabilization Act of 2017 or any such application submitted prior to such date of enactment and under review by the Secretary on such date of enactment, the Secretary shall make a determination on such application, using the criteria for approval otherwise applicable under this section, not later than 45 days after the receipt of such application, and shall allow the public notice and comment at the State and Federal levels described under subsection (a)(4) to occur concurrently if such State application-- ``(i) is submitted in response to an urgent situation, with respect to areas in the State that the Secretary determines are at risk for excessive premium increases or having no health ***plans*** offered in the applicable health insurance market for the current or following ***plan*** year; or ``(ii) is for a waiver that is the same or substantially similar to a waiver that the Secretary already has approved for another State. ``(B) Approval.-- ``(i) Urgent situations.-- ``(I) Provisional approval.--A waiver approved under the expedited determination process under subparagraph (A)(i) shall be in effect for a period of 3 years, unless the State requests a shorter duration. ``(II) Full approval.--Subject to the requirements for approval otherwise applicable under this section, not later than 1 year before the expiration of a provisional waiver period described in subclause (I) with respect to an application described in subparagraph (A)(i), the Secretary shall make a determination on whether to extend the approval of such waiver for the full term of the waiver requested by the State, for a total approval period not to exceed 6 years. The Secretary may request additional information as the Secretary determines appropriate to make such determination. ``(ii) Approval of same or similar applications.--An approval of a waiver under subparagraph (A)(ii) shall be subject to the terms of subsection (e). ``(C) Gao study.--Not later than 5 years after the date of enactment of the Bipartisan Health Care Stabilization Act of 2017, the Comptroller General of the United States shall conduct a review of all waivers approved pursuant to an application under subparagraph (A)(ii) to evaluate whether such waivers met the requirements of subsection (b)(1) and whether the applications should have qualified for such expedited process.''. (e) Providing certainty for state-based reforms.--Section 1332 (e) of the Patient Protection and Affordable Care Act (42 U.S.C 18052(e)) is amended by striking ``No waiver'' and all that follows through the period at the end and inserting the following: ``A waiver under this section-- ``(1) shall be in effect for a period of 6 years unless the State requests a shorter duration; ``(2) may be renewed, subject to the State meeting the criteria for approval otherwise applicable under this section, for unlimited additional 6-year periods upon application by the State; and ``(3) may not be suspended or terminated, in whole or in part, by the Secretary at any time before the date of expiration of the waiver period (including any renewal period under paragraph (2)), unless the Secretary determines that the State materially failed to comply with the terms and conditions of the waiver.''. (f) Guidance and Regulations.--Section 1332 of the Patient Protection and Affordable Care Act (42 U.S.C 18052) is amended-- (1) by adding at the end the following: ``(f) Guidance and Regulations.-- ``(1) In general.--With respect to carrying out this section, the Secretary shall-- ``(A) issue guidance, not later than 30 days after the date of enactment of the Bipartisan Health Care Stabilization Act of 2017, that includes initial examples of model State ***plans*** that meet the requirements for approval under this section; and ``(B) periodically review the guidance issued under subparagraph (A) and when appropriate, issue additional examples of model State ***plans*** that meet the requirements for approval under this section, which may include-- ``(i) State ***plans*** establishing reinsurance or invisible high-risk pool arrangements for purposes of covering the cost of high-risk individuals; ``(ii) State ***plans*** expanding insurer participation, access to affordable health ***plans***, network adequacy, and health ***plan*** options over the entire applicable health insurance market in the State; ``(iii) waivers encouraging or requiring health ***plans*** in such State to deploy value-based insurance designs which structure enrollee cost-sharing and other health ***plan*** design elements to encourage enrollees to consume high-value clinical services; ``(iv) State ***plans*** allowing for significant variation in health ***plan*** benefit design; or ``(v) any other State ***plan*** as the Secretary determines appropriate. ``(2) Rescission of previous regulations and guidance.-- Beginning on the date of enactment of the Bipartisan Health Care Stabilization Act of 2017, the regulations promulgated, and the guidance issued, under this section prior to the date of enactment of the Bipartisan Health Care Stabilization Act of 2017 shall have no force or effect.''; and (2) in subsection (a)(4)-- (A) in subparagraph (A), by inserting ``, as applicable'' before the semicolon; and (B) in subparagraph (B), by striking ``Not later than 180 days after the date of enactment of this Act, the Secretary shall'' and inserting ``The Secretary may''. (g) Applicability.--The amendments made by this Act to section 1332 of the Patient Protection and Affordable Care Act (42 U.S.C 18052)-- (1) with respect to applications for waivers under such section 1332 submitted after the [[Page S6607]] date of enactment of this Act and applications for such waivers submitted prior to such date of enactment and under review by the Secretary on the date of enactment, shall take effect on the date of enactment of this Act; and (2) with respect to applications for waivers approved under such section 1332 before the date of enactment of this Act, shall not require reconsideration of whether such applications meet the requirements of such section 1332, except that, at the request of a State, the Secretary shall recalculate the amount of funding provided under subsection (a)(3) of such section. (h) Clarifying Budget Neutrality.--Section 1332(a)(1)(B)(ii) of the Patient Protection and Affordable Care Act (42 U.S.C 18052(a)(1)(B)(ii)) is amended by inserting ``over both the term of the proposed waiver and the term of the 10-year budget ***plan***'' after ``Government''. SEC. 3. COST-SHARING PAYMENTS. (a) In general.--There is appropriated to the Secretary of Health and Human Services (referred to in this section as the ``Secretary''), out of any funds in the Treasury not otherwise obligated, such sums as may be necessary for payments for cost-sharing reductions authorized by section 1402 of the Patient Protection and Affordable Care Act (42 U.S.C 18071) for the portion of ***plan*** year 2017 that begins [on the date of enactment of this Act] and ends on December 31, 2017, and for ***plan*** years 2018 and 2019. [(b) Ensuring Consumer Benefit in 2018.--] [(1) Cost-sharing payments.-- [(A) In general.--[(i) Availability of funds.--For ***plan*** year 2018, except with respect to issuers of qualified health ***plans*** in a State described in clause (ii)(I), amounts appropriated under subsection (a) shall be made available for payments for cost-sharing reductions under such section 1402 to issuers of qualified health ***plans***.] [(ii) State flexibility.-- [(I) State described.--A State described in this clause is a State in which the State insurance regulator, before the date of enactment of this Act, directed issuers of qualified health ***plans*** to decline cost-sharing reduction payments under section 1402 of the Patient Protection and Affordable Care Act (42 U.S.C 18071) for the 2018 ***plan*** year, through a formal notice or correspondence.] [(II) State option to reverse directive.--Nothing in this clause shall prevent a State insurance regulator from reversing a directive described in subclause (I).] [(B) State ***plan***.-- [(i) In general.--Not later than 60 days after the date of enactment of this Act, each State insurance regulator not described in subparagraph (A)(ii)(I) shall submit to the Secretary of Health and Human Services a certification that, with respect to ***plan*** year 2018, the State will ensure that each applicable issuer of a qualified health ***plan*** in the State provides a direct financial benefit to consumers and the Federal Government, as applicable, and a State ***plan*** for so ensuring such benefit. The Secretaries of the Treasury and of Health and Human Services shall assist the States in developing and implementing ***plans*** as needed, including by providing technical assistance.] [(ii) Content.--A State ***plan*** under clause (i) shall include, as applicable--] [(I) providing monthly rebates to affected consumers and the Federal Government;] [(II) one-time rebates for consumers to affected consumers and the Federal Government;] [(III) after-the-year rebates for affected consumers and the Federal Government;] [(IV) rebates paid through the process under section 2718 of the Public Health Service Act (42 U.S.C 300gg-18), allowing for the appropriate portion of rebates to be provided to the Federal Government; and] [(V) other means of providing a direct financial benefit to consumers and the Federal Government approved by the State insurance regulator, provided such means of providing a financial benefit does not result in increased costs for applicable taxpayers described in section 36B of the Internal Revenue Code of 1986 or the Federal Government.] [(iii) Considerations.--Any rebate amount described in clause (ii)--] [(I) shall be treated as part of the premium, but the premium under section 36B(b)(2) of the Internal Revenue Code of 1986 or section 36B(f)(3)(B) of such Code shall not be affected by the rebate amount;] [(II) shall be treated as if it were an expenditure described in paragraph (1) or (2) of section 2718(a) of the Public Health Service Act (42 U.S.C 300gg-18);] [(III) shall be accounted for by the Secretary in calculating risk adjustment and reconciling any other relevant downstream financial calculations; and] [(IV) shall be provided so as not to create an inducement to purchase health insurance coverage from an applicable issuer. [(iv) Notice requirements.--States that adopt a State ***plan*** under this subparagraph shall prominently post a notice that enrollees may qualify for rebates or other means and explain how such rebates will be provided. [(2) Report.--Not later than 90 days after the date of enactment of this Act, the Secretary of Health and Human Services shall issue a report describing the activities taken by issuers of qualified health ***plans*** in States that submitted certifications and State ***plans*** under paragraph (1)(B) to provide a direct financial benefit to individuals enrolled in a qualified health ***plan*** and the Federal Government, as applicable, for the 2018 ***plan*** year.] SEC. 4. ALLOWING ALL INDIVIDUALS PURCHASING HEALTH INSURANCE IN THE INDIVIDUAL MARKET THE OPTION TO PURCHASE A LOWER PREMIUM COPPER ***PLAN***. (a) In General.--Section 1302(e) of the Patient Protection and Affordable Care Act (42 U.S.C 18022(e)) is amended-- (1) in paragraph (1)-- (A) by redesignating clauses (i) and (ii) of subparagraph (B) as subparagraphs (A) and (B), respectively, and adjusting the margins accordingly; (B) by striking ``***plan*** year if--'' and all that follows through ``the ***plan*** provides--'' and inserting ``***plan*** year if the ***plan*** provides--''; and (C) in subparagraph (A), as redesignated by paragraph (1), by striking ``clause (ii)'' and inserting ``subparagraph (B)''; (2) by striking paragraph (2); and (3) by redesignating paragraph (3) as paragraph (2). (b) Risk Pools.--Section 1312(c)(1) of the Patient Protection and Affordable Care Act (42 U.S.C 18032(c)) is amended by inserting ``and including enrollees in catastrophic ***plans*** described in section 1302(e)'' after ``Exchange''. (c) Conforming Amendment.--Section 1312(d)(3)(C) of the Patient Protection and Affordable Care Act (42 U.S.C 18032(d)(3)(C)) is amended by striking ``, except that in the case of a catastrophic ***plan*** described in section 1302(e), a qualified individual may enroll in the ***plan*** only if the individual is eligible to enroll in the ***plan*** under section 1302(e)(2)''. (d) Effective Date.--The amendments made by subsections (a), (b), and (c) shall apply with respect to ***plan*** years beginning on or after January 1, 2019. SEC. 5. CONSUMER OUTREACH, EDUCATION, AND ASSISTANCE. (a) Open Enrollment Reports.--For ***plan*** years 2018 and 2019, the Secretary of Health and Human Services (referred to in this section as the ``Secretary''), in coordination with the Secretary of the Treasury and the Secretary of Labor, shall issue biweekly public reports during the annual open enrollment period on the performance of the Federal Exchange and the Small Business Health Options ***Program*** (SHOP) Marketplace. Each such report shall include a summary, including information on a State-by-State basis where available, of-- (1) the number of unique website visits; (2) the number of individuals who create an account; (3) the number of calls to the call center; (4) the average wait time for callers contacting the call center; (5) the number of individuals who enroll in a qualified health ***plan***; and (6) the percentage of individuals who enroll in a qualified health ***plan*** through each of-- (A) the website; (B) the call center; (C) navigators; (D) agents and brokers; (E) the enrollment assistant ***program***; (F) directly from issuers or web brokers; and (G) other means. (b) Open Enrollment After Action Report.--For ***plan*** years 2018 and 2019, the Secretary, in coordination with the Secretary of the Treasury and the Secretary of Labor, shall publish an after action report not later than 3 months after the completion of the annual open enrollment period regarding the performance of the Federal Exchange and the Small Business Health Options ***Program*** (SHOP) Marketplace for the applicable ***plan*** year. Each such report shall include a summary, including information on a State-by-State basis where available, of-- (1) the open enrollment data reported under subsection (a) for the entirety of the enrollment period; and (2) activities related to patient navigators described in section 1311(i) of the Patient Protection and Affordable Care Act (42 U.S.C 18031(i)), including-- (A) the performance objectives established by the Secretary for such patient navigators; (B) the number of consumers enrolled by such a patient navigator; (C) an assessment of how such patient navigators have met established performance metrics, including a detailed list of all patient navigators, funding received by patient navigators, and whether established performance objectives of patient navigators were met; and (D) with respect to the performance objectives described in subparagraph (A)-- (i) whether such objectives assess the full scope of patient navigator responsibilities, including general education, ***plan*** selection, and determination of eligibility for tax credits, cost-sharing reductions, or other coverage; (ii) how the Secretary worked with patient navigators to establish such objectives; and (iii) how the Secretary adjusted such objectives for case complexity and other contextual factors. (c) Report on Advertising and Consumer Outreach.--Not later than 3 months after the completion of the annual open enrollment period for the 2018 ***plan*** year, the Secretary shall issue a report on advertising and outreach to consumers for the open enrollment period for the 2018 ***plan*** year. Such report shall include a description of-- (1) the division of spending on individual advertising platforms, including television and radio advertisements and digital media, [[Page S6608]] to raise consumer awareness of open enrollment; (2) the division of spending on individual outreach platforms, including email and text messages, to raise consumer awareness of open enrollment; and (3) whether the Secretary conducted targeted outreach to specific demographic groups and geographic areas. (d) Outreach and Enrollment Activities.-- (1) Open enrollment.--Of the amounts collected through the user fees on participating health insurance issuers pursuant to section 156.50 of title 45, Code of Federal Regulations (or any successor regulations), the Secretary shall obligate $105,800,000 for outreach and enrollment activities for each of the open enrollment periods for ***plan*** years 2018 and 2019. (2) Outreach and enrollment activities.-- (A) In general.--For purposes of this subsection, the term ``outreach and enrollment activities'' means-- (i) activities to educate consumers about coverage options or to encourage consumers to enroll in or maintain health insurance coverage (excluding allocations to the call center for the Federal Exchange); and (ii) activities conducted by an in-person consumer assistance ***program*** that does not have a conflict of interest and that, among other activities, facilitates enrollment of individuals through the Federal Exchange, and distributes fair and impartial information concerning enrollment through such Exchange and the availability of tax credits and cost- sharing reductions. (B) Connection with federal exchange.--Activities conducted under this subsection shall be in connection with the operation of the Federal Exchange, to provide special benefits to health insurance issuers participating in the Federal Exchange. (3) Contract authority.--The Secretary may contract with a State to conduct outreach and enrollment activities for ***plan*** years 2018 and 2019. Any outreach and enrollment activities conducted by a State or other entity at the direction of the State, in accordance with such a contract, shall be treated as Federal activities to provide special benefits to participating health insurance issuers consistent with OMB Circular No. A-25R. (4) Clarifications.-- (A) Prior funding.--Nothing in this subsection should be construed as rescinding or cancelling any funds already obligated on the date of enactment of this Act for outreach and enrollment activities for ***plan*** year 2018. (B) Availability of funding.--The Secretary shall ensure that outreach and enrollment activities are conducted in all applicable States, including, as necessary, by providing for such activities through contracts described in paragraph (3). SEC. 6. OFFERING HEALTH ***PLANS*** IN MORE THAN ONE STATE. Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services, in consultation with the National Association of Insurance Commissioners, shall issue regulations for the implementation of health care choice compacts established under section 1333 of the Patient Protection and Affordable Care Act (42 U.S.C 18053) to allow for the offering of health ***plans*** in more than one State. Mr. ALEXANDER. I yield the floor to Senator Murray. The PRESIDING OFFICER. The Senator from Washington. Mrs. MURRAY. Mr. President, first I thank Chairman Alexander for his leadership in launching a bipartisan process, as well as his dedication to seeing it through and getting a result, as he said. I have to say that, after 7 years of intense partisanship on these issues, which would lead everyone to believe that there was no hope for Republicans and Democrats to come together and work to strengthen our healthcare, I am really pleased with this common ground we have been able to find, providing multiple years of certainty when it comes to payments to reduce out-of-pocket costs that affect the people Senator Alexander just talked about--the waitress, the songwriter, and people who care and need this--restoring critical investments, making sure people know about enrollment and can get coverage, and offering States more flexibility to innovate, as the Affordable Care Act intended, while maintaining those essential health benefits, like maternity care, protecting people with preexisting conditions, and the elderly. It does all this while making sure that costs do go down for our families and preventing insurers from double-dipping and getting the benefit of both cost reduction and higher premiums. If there are ways to do this even more, to make sure patients come first and insurers can't pad their profits, I, as I know Senator Alexander is, as well, am open to that. Chairman Alexander just took some time to lay out the policies we are putting forward in this legislation. So I will not go into those details. But I do want to take a few minutes to focus on what this legislation would mean for the people we are all here to serve because what is really at stake is that patients and families across the country are now looking ahead to next year, and they are realizing they are about to pay the price for the uncertainty and partisanship we have seen, especially from this administration, on healthcare over the last 9 months. To many of those families, that out-of-pocket cost-reduction payment we are debating in Congress has nothing to do with politics and has everything to do with whether they will be able to make ends meet at the end of the month. Now the law is very clear that these payments are required, but with the President's decision to stop them, families are looking to this Congress and the administration and asking what we ***plan*** to do. So I am very glad that Democrats and Republicans agreed that we need to act. We could do much better working together under regular order rather than doubling down on partisanship and dysfunction. As a result of the hard work of Chairman Alexander and members of our HELP Committee and with input from half of the Senate, we were able to put forward an answer--a bipartisan solution that prevents families from paying the price of sabotage and uncertainty and one that Members on both sides of the aisle can be proud to support, starting with the list of original cosponsors we are revealing today. Senator Alexander listed the 12 Republicans. The 12 Democrats are Senators Murray, King, Shaheen, Donnelly, Klobuchar, Heitkamp, Franken, Manchin, Carper, Baldwin, McCaskill and Hassan. We are doing this today not only because it will help protect our families from premium spikes that are set to kick off in the next year but because it sends a powerful message that, when Members of Congress decide to get past our talking points and take a few steps out of our partisan corners, there is a lot we can agree on and a lot we can get done. Chairman Alexander and I are going to continue to make the case for this agreement. We are already getting a promising response from many Members on both sides of the aisle. I am very appreciative of Senator Schumer for his strong support and I am optimistic that, with Chairman Alexander working on this, we will continue to build momentum and, as he said, we will get this done. At the end of the day, this isn't about Republicans or Democrats. It is about doing the right thing for the people we serve. That means having an answer to the premium spikes that are going to set in and burden our families next year. We have been able to find one. It is bipartisan. We both gave on this. I really hope all of our colleagues will work with us to get this signed into law and show the American public that we can get the job done for them and we understand the priorities of this country. I yield the floor. The PRESIDING OFFICER. The Senator from Tennessee. Mr. ALEXANDER. Mr. President, if I could ask a question, through the Chair, to the Senator from Washington. In my conversations with President Trump, he has made it clear--and several of my colleagues have made it clear on the Republican side-- that they don't want to bail out insurance companies. What I responded is that I 100-percent agree. I have already said this to the President, but I think it is important for our colleagues to know that probably the most heated debate Senator Murray and I had was not over whether we agreed with that but on how to actually do it in the most effective, strongest, toughest way possible. So I wish to emphasize the point that these payments are designed to help low-income Americans pay their copays and deductibles. We have in our agreement about a page and a half of language that requires every State to make sure the benefits of those payments go to the consumers in 2018 and not to the insurance companies. I wish to ask Senator Murray if she sees any disagreement at all between her and me, and most of our colleagues on that side of the aisle and over here, about whether we want to bail out insurance companies or whether we [[Page S6609]] would be willing to consider any effective language that would improve our own language. Mrs. MURRAY. Mr. President, I would respond to my colleague, through the Chair, that negotiations are always tough. There are things you disagree on, and you have to work your way to an answer. The one issue we did not disagree on but we worked the hardest on and had the most discussion on was how we make sure we have the language in place on this--that consumers benefit and it is not a bailout for insurers. We absolutely share that point, and I know we both heard from Members on both sides of the aisle that they share that point. We have strong language in here, but we are still open together to make it stronger under anybody's suggestion because our intent is to make sure our constituents get the result of this. We are together on that and working on that. I, absolutely, disregard anyone who says this is a bailout for insurers because they haven't read the bill, if they have seen it. I thank Senator Alexander for his attention, discussions, and hard work to reach this point. The PRESIDING OFFICER. The Senator from Alaska. Ms. MURKOWSKI. Mr. President, before I speak on an amendment that is expected to be voted on later this afternoon, I wish to take just a brief moment and thank my colleagues, the Chairman of the HELP Committee and his ranking member, Senator Murray. The work they have done to knit together this compromise--and we all recognize it is a compromise--is such an important one, and it comes at such an important time. It is not only good from a policy perspective to ensure that we don't pull out the underpinnings on the individual market here, but it is good, from the perspective of the health of our institution, to be able to demonstrate that, at a time when things are a little tense, let's just say, on issues that are highly emotional, highly personal, and highly, highly complex, we can come together and we can demonstrate the ability to govern. It doesn't come without great patience and persistence, and these two individuals, these two leaders, have really helped guide us here in the Senate to find a better path, not only when it comes to how we deal with access to healthcare, reducing costs, reducing premiums, and providing for better levels of care but also a better path for the Senate. So I want to acknowledge and show my genuine appreciation for their leadership. Mr. President, as chairman of the Energy Committee, I come to the floor today to urge every Member here to vote against amendment No. 1301, which will be voted on later on this afternoon. The fiscal year 2018 budget resolution instructs the Energy Committee to raise $1 billion over the next decade. That is all that it does. It just says: Go out and find $1 billion over the next decade. I appreciate Chairman Enzi's willingness to include this instruction, and I have every confidence that our committee will be able to meet the instruction. There are good reasons why we should be able to meet it, and, really, very good reasons why we should oppose an amendment that would preemptively strike it. I think it is fair to say that we have opportunities within the energy sector to help advance this country when it comes to our energy security, our national security, and our economic security. But we need to be able to move forward with that. So what we are able to do within this instruction, which is pretty wide open, is to focus on those areas where we might be able to see increased energy production that could bring us new wealth--that could create new wealth in this country. I am going to be the first to agree that some of our options within this open instruction are better than others. Some will create jobs. Some may end jobs. Some will reduce energy costs as opposed to raising them. Some will increase our energy and mineral security as opposed to sacrifice or selling it off. What I hope Members will do is look at this instruction as an opportunity to do something constructive for the country. The best example of that is to expand energy development in our Federal areas where we have seen decline in recent years. I think we recognize that responsible development not only will reduce our immediate deficits, but it is about jobs and job creation. It is about wealth and wealth creation, about allowing us to build new wealth and create prosperity. It will help energy affordability for our families and businesses. That is something I hear about all the time. It will strengthen our national security and our competitiveness. This is a point that needs to be emphasized over and over again. It is not only energy security, but it is national security. When we are dependent on other nations for our energy resources, there is an energy insecurity and vulnerability. We also realize energy production will ensure the type of growth we need to finally begin reducing the Federal debt, which is now over $20 trillion. In short, what we will be able to do with this energy instruction is allow us to create new wealth. Why wouldn't that be something we would all embrace? I think the instruction will allow us to see some enduring benefits that will be felt all across our country. I think it is important to recognize and to state that this does not come at the expense of our environment. This is not an either/or proposition. Anyone familiar with modern development can recognize that as the scare tactic it is. Senator Sullivan, my colleague from the State of Alaska, was on the floor earlier this morning, and he spoke to the outdated, stale arguments we have heard repeated on the floor and why we must reject them. The amendment we have in front of us, 1301, simply strikes the section in the resolution that would provide for the Energy Committee instruction. The purpose perhaps takes it a little bit further in mentioning and bringing out the Arctic National Wildlife Refuge, ANWR. There has been a lot of discussion on the floor about ANWR already. Senator Sullivan, when he spoke earlier, spoke to the broader opportunities we have seen in the Arctic with Arctic development in general. I want to raise a few facts about ANWR more specifically, since it clearly has been put out there for discussion. As an Alaskan, and one who has been part of these debates for many years now, not only on the Senate floor but in Alaska, we know what we are talking about when we discuss the issue of Arctic development. We know and understand what ANWR is, where the wilderness area is, and what the 1002 area is. I think it is important to put it into context. ANWR is an area of 19.3 million acres. It is about the size of the State of South Carolina. Included in this ANWR area are 8 million acres of Federal wilderness. You have wilderness area, you have refuge area, but you have nonwilderness area designated as the 1002 area. That is this area on the coastal plain. This is an area of 1.5 million acres. Delaware is about 1.3 million acres. The 1002 area is what was specifically set aside under ANILCA that would allow for consideration for its oil and gas potential. When ANWR was established, it was recognized that there were areas that were appropriate for wilderness, and there were areas that were appropriate to be reviewed and considered for their exploration and production potential. That is what we are talking about within the 1002 area. Even within this area that was specifically set aside, we are not asking to develop all of the 1002. We are asking to develop just 2,000 Federal acres within it, effectively one ten-thousandths of the refuge area. You can't see it, but that little red dot is basically what we are talking about. We can say this. We can say we don't need to do more than 2,000 acres, in this 19.3 million-acre area that has been set aside specifically for oil and gas production, because of what has happened over the decades with regard to our technologies, how we have worked to reduce the footprint since Prudhoe Bay opened over 40 years ago. Well pads on the North Slope have shrunk by over 80 percent in these intervening years. We are talking now about pad areas that are 12 acres in size--10, 11, 12 acres in size. We have reduced the footprint dramatically, but what we have expanded [[Page S6610]] dramatically is the subsurface reach. The new technologies have allowed us to increase the ability to reach out under the surface to an area 125 square miles--125 miles. We have increased it by 4,000 percent, in the years we have been ***producing***, exploring, and innovating up north, due to the technologies we use for exploration. Senator Sullivan showed the ice roads we use that reduce the impact on the surface and avoid the need for permanent roads. We use forward looking infrared cameras to survey for polar bear dens so we can avoid them. There was actually a story just this spring about a polar bear that was denning. We found where she was by using the technologies that we know and literally working around where that polar bear was until she emerged from her den with her cub in the spring. It is working with the technologies we have to allow for the activity but with minimal disturbance to not only the land but to the wildlife there. Caribou. We all know about the caribou in the North Slope area. What we have learned is that over the years, the caribou that occupy these areas have not suffered. In fact, they have thrived. When oil development first began, we were looking at herds in the numbers of about 5,000. Just this last year, the caribou herd is numbering about 22,000, and it has maintained steady and substantial levels. When you understand what the 1002 area really is and what development would actually look like, it is not hard to understand why you have Alaskans' support. Over 70 percent of Alaskans support responsible development there. I want to give you one of the best examples. Matthew Rexford is the president of Kaktovik Inupiat Corporation, KIC, which is a member of the Voice of the Arctic Inupiat. This is a group of community leaders from our North Slope. He wrote a great opinion piece not too long ago, explaining why he supports responsible development in the 1002 area. I ask unanimous consent to have printed in the Record Matthew Rexford's op-ed. There being no objection, the material was ordered to be printed in the Record, as follows: [From the Fairbanks Daily News-Miner, Oct. 2, 2017] Alaskans Say Yes to Drilling in ANWR (By Matthew Rexford) The Arctic National Wildlife Refuge is the largest wildlife refuge in America. Spanning more than 19 million acres, it's an area larger than 10 U.S states. This vast expanse is home to caribou, fox, bears and other species. Much of that land is also home to the Native Inupiat, and our people have used the resources it has blessed us with for more than 10,000 years. One of those natural resources lies beneath this great land--oil and gas, and lots of it. The debate over opening ANWR to drilling gained headway nationally in 1980, when President Jimmy Carter set aside less than 8 percent of the refuge for potential oil and gas development. This section of ANWR became known as the 1002 area, after a section of the Alaska National Interest Lands Conservation Act. Since then, Alaskans and the oil and gas industry have fought unsuccessfully to open the 1002 area to drilling, which literally requires an act of Congress. At the same time, Lower 48 lawmakers, special interest groups across the country, folks and organizations around the world have waged war on the idea, citing the disruption of wildlife and the pristine Arctic environment. As ANWR debates occur, the views of the Inupiat who call the area home are oftentimes left out. The wishes of the people who live in and around the refuge's coastal plain frequently are drowned out by people who live hundreds--even thousands--of miles away, many of whom have never bothered to set foot anywhere near the Arctic. Well, today is a new day. Voice of the Arctic Inupiat, an organization with 21 members from across the Arctic Slope region, including members from Kaktovik located inside ANWR, have voted unanimously to pass a resolution supporting oil and gas development in the 1002 area. This is an unprecedented show of unity by community leaders of the North Slope--those who live in and around the coastal plain of the refuge--and should send a clear message to America that we support development of a portion of the coastal plain. My fellow Inupiat and I firmly believe in a social license to operate, and perhaps no other potential project in the history of America has called for such a blessing from local indigenous peoples more than this one. When oil was first discovered on our land in 1969, the Inupiat were worried of industry activities and fought hard for self-determination to protect our subsistence resources. So we fully understand the trepidation from outsiders: the fear that the presence of industry on the coastal plain of ANWR could disrupt wildlife and affect America's manufactured perspective of our land and culture. However, we also have the benefit of decades of experience working with the oil and gas industry to implement stringent regulations to protect our lands, and the industry consistently has lived up to our standards. Prudhoe Bay, the largest oil field on the continent, located 60 miles west of the coastal plain of ANWR, has demonstrated for four decades that resource development and ecological preservation can coexist in the Arctic. The oil and gas industry supports our communities by providing jobs, business opportunities and infrastructure investments, has built our schools and hospitals, and has provided other basic services most Americans may take for granted. Our region recognizes its importance to our local and state economy, and we believe that development can be done responsibly in a portion of the 1002 area. We are not alone. During the past 35 years, the Alaska Legislature has consistently passed resolution after resolution supporting the opening of ANWR to drilling. During that same time, each Alaska member of Congress and every Alaska governor has supported responsible development of the 1002 area. More recently, in January, U.S Sen. Lisa Murkowski introduced Senate Bill 49--the Alaska Oil and Gas Production Act--to allow development of 2,000 surface acres in the refuge's coastal plain. This legislation served as the catalyst for the Inupiat people coming together to make an informed, united decision on whether or not to support drilling in ANWR. As Inupiat, we stand to be unarguably the most affected by oil and gas activity in the Arctic. Therefore, we have the greatest stake in seeing that any and all development keeps our land and subsistence resources safe. We know it can be done, because it's being done. Now is the time to open ANWR to drilling. Ms. MURKOWSKI. In part, Matthew states: As ANWR debates occur, the views of the Inupiat who call the area home are oftentimes left out. The wishes of the people who live in and around the refuge's coastal plain frequently are drowned out by people who live hundreds--even thousands--of miles away, many of whom have never bothered to set foot anywhere near the Arctic. Well, today is a new day. He goes on to speak to the Voice of the Arctic Inupiat, which has members from across the Arctic Slope who have voted unanimously to pass a resolution supporting oil and gas development in the 1002 area. He goes on further to state: When oil was first discovered on our land in 1969, the Inupiat were worried of industry activities and fought hard for self-determination to protect our subsistence resources. So we fully understand the trepidation from outsiders: the fear that the presence of industry on the coastal plain of ANWR could disrupt wildlife and affect America's manufactured perspective of our land and culture. However, we also have the benefit of decades of experience working with the oil and gas industry to implement stringent regulations to protect our lands, and the industry consistently has lived up to our standards. 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We should be clear, amendment No. 1301 is not a vote to open the 1002 area or to keep it closed. It is about whether this instruction should stay in the budget resolution, and it is about whether we are going to recognize the substantial benefits that await us or whether we are going to ignore our future energy needs and once again wind up in a situation where we see prices rising, families hurting, and everyone is wondering: Why didn't you act when you had a chance? I think we all recognize that we are enjoying some benefits of lower energy prices, and some have suggested here: Hey, we are all fine. We don't need to do anything. A few have even said that [[Page S6611]] because we are exporting oil now, we don't need to do more for ourselves here. It is truly an open invitation to ignore the supply side. That is just a bad idea. Quite honestly, we have been down that road before, and we know enough not to be in that place again. The EIA, the Energy Information Administration, projects that in 2040, the world will be using more oil, not less. They project that our country will still be importing about 7 million barrels a day on a net basis. They project prices will be back above $100 a barrel. There are other experts who are already pointing to other signs. The International Energy Agency recently found that ``global oil supply could struggle to keep pace with demand after 2020, risking a sharp increase in prices, unless new projects are approved soon.'' My point here is we have an opportunity. We have an opportunity not only to help America create jobs, to allow for opportunities not only in my home State but around the country, we have an opportunity to ensure a level of energy security while at the same time broadening this to enhance our national security. So what I am asking my colleagues today is to not preempt this very important conversation. Give us a chance to consider this instruction within our committee. We will have an opportunity for hearings, and we will be able to put these options out on the table and understand more fully how we can do more when it comes to energy production in this country. Let the Energy and Natural Resources Committee do its part in helping. Let's not pull the plug even before we get going. Given everything that we have heard here on the floor about strengthening our economy and protecting the middle class and making life better for people whom we serve, I think we really have to ask the very legitimate question: Why? Why would one leave energy out of this debate? Why would we limit our opportunity to create new wealth in this country? I would again urge the Senate to reject this amendment. It would deprive us of a substantial opportunity to benefit our country and ensure that we have great prospects and possibilities in front of us. The Energy and Natural Resources Committee wanted to see this instruction in the budget resolution. I have every confidence that we can meet it, so I would urge Members to vote no on the motion to strike when that comes up later today. I yield the floor. The PRESIDING OFFICER. The Senator from Delaware. Amendment No. 1138 to Amendment No. 1116 Mr. COONS. Mr. President, I join my colleague from the State of Virginia, Senator Warner, in offering an amendment that will prevent tax reform from ballooning our deficits. The Republican budget, which we are currently considering, includes a troubling provision that would exempt a $1.5 trillion tax reform bill from the important requirement that legislation that adds costs to the U.S Government must be paid for rather than merely added to our deficit. This rule, well known to our colleagues, is one by which I am troubled to see a number of my longtime friends choose to ignore this time around--a rule long known in the Senate as the pay-as-you-go rule, or pay-go. It is an important rule that forces Congress to be responsible stewards of taxpayer dollars. It forces Congress to find ways to actually pay for new ***programs*** or find offsets for reductions in revenue rather than to add to our national debt. It is the right policy, and it has been in place for years. So it is, frankly, jarring that this budget document would include a provision that explicitly exempts a $1.5 trillion tax reform bill from the pay-go rule. Look, I agree that we need to work together toward a bipartisan tax reform bill, one that reduces taxes on the middle class and simplifies our overly complicated Tax Code, but we cannot simply pass a budget that allows Congress to put $1.5 trillion more on the government's credit card, on our credit card. I thank Senator Warner for his long leadership on the need for fiscally responsible governing. Senator Warner is a former Governor and a successful business leader, and he understands the importance of sound fiscal management and the danger that our national debt poses to our long-term economic prosperity. I am proud to work with him and to remind our colleagues of the Senate's longstanding support of pay-go. I encourage all Members, especially my Republican colleagues, to support this amendment. Now, with the forbearance of my colleague, I will speak to one other amendment for a moment. There is an amendment that I have introduced that I know may well not get a vote but that I wanted to speak to. It would ensure that, as we consider tax reform, we do not forget those who are the most in need of our assistance right now and in the future. The United States was hit very hard by three hurricanes and many wildfires this year. In particular, Puerto Rico, a U.S territory of 3.4 million people, was devastated by Hurricane Maria, which was wider than the entire island. It caused massive damage and is now resulting in a humanitarian crisis. Puerto Rico's 3.4 million people is several times more than live in my State of Delaware. It is about the size of Connecticut. Once we get past this initial crisis and restore power, provide clean drinking water, get hospitals functioning, and ensure people have housing, then Puerto Rico, the U.S Virgin Islands, the areas of Houston, TX, and Miami, FL, as well as areas affected by wildfires in all of these other parts of our country will have significant rebuilding needs. We have representatives of the Governor of Puerto Rico and the Governor himself here on the Hill this week to clarify just how much more will be needed for the Marshall ***Plan***-style investment to rebuild Puerto Rico. I am going to be advocating that we provide further support for folks from the Corporation for National and Community Service, AmeriCorps volunteers, and NCCC volunteers. Thousands of them have served in response to these emergencies. We are going to need investments in CDBGs for parks and for infrastructure. Before I hand it over to my colleague from Virginia, I want to reference a second amendment that would prevent us from moving forward with tax reform until we first provide for the needs of Americans who have been affected by these disasters and emergencies. I wish we would take that up. Let me close by thanking my colleague from Virginia for his long leadership on the issue of responsible fiscal management for our country. I yield the floor. The PRESIDING OFFICER. The Senator from Virginia. Mr. WARNER. Mr. President, let me thank my friend, the Senator from Delaware, for his kind comments. More importantly, I thank him for his good work that he brings to the issue of fiscal responsibility. Before he served here in the Senate, he served as the head of one of the largest counties in Delaware. Whether you serve as a county chairman or as a Governor, you are used to the notion that you have to pay your bills. I very much appreciate his support for this amendment, that of keeping pay-go in place. Let me also echo that I absolutely support his notion that the American citizens in Puerto Rico deserve not to be forgotten and deserve to receive the same attention we have bestowed upon Americans in Texas or in Florida or in Louisiana or elsewhere around our great country when they were victims of national disasters. I hope the Senator from Delaware gets a chance to submit his amendment. While Puerto Rico is not receiving sufficient attention, there is another American territory nearby, the U.S Virgin Islands, that also has those same kinds of challenges. If the Senator gets a chance to submit that amendment, I hope he will include the U.S Virgin Islands in there as well. Mr. President, I call up amendment No. 1138, which I filed at the desk. The PRESIDING OFFICER (Mr. Perdue). The clerk will report. The bill clerk read as follows: The Senator from Virginia [Mr. Warner] proposes an amendment numbered 1138 to amendment No. 1116. Mr. WARNER. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with. The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows: [[Page S6612]] (Purpose: To strike the Senate pay-as-you-go exemption for tax cut reconciliation legislation and the exception to rules preventing any legislation from increasing the deficit over the short-term) On page 50, line 8, strike ``, and'' and all that follows through ``ledger,'' on line 9. Beginning on page 50, strike line 23 and all that follows through page 51, line 3. Mr. WARNER. Mr. President, I rise to speak in favor of my amendment to strike language in this budget resolution that would exempt the $1.5 trillion tax reconciliation instructions from Senate rules that are meant to prevent this body from dramatically increasing our debts and deficits. I know that everybody is coming back from lunch, and they probably feel pretty good and do not want to get indigestion, but remember, our country is sitting on top of a $20 trillion debt at this point, an accumulation in which both parties have unclean hands. In the years that I have been in this institution, I have worked with my Republican colleagues on issues that try to address debts and deficits, but there is the notion that we are about to take on a budget resolution this afternoon and start with the premise that the rules that are there to try to protect us from being fiscally irresponsible are going to be blown off at the outset. To say that we are going to start with $1.5 trillion in the hole before we start counting is beyond irresponsible. I thank my friend, the Senator from Delaware, for joining me in offering this amendment. Mr. CORNYN. Will the Senator from Virginia yield for a question? Mr. WARNER. I am pleased to yield to my friend, the Senator from Texas, for a question as long as I still get a chance to finish my comments. Mr. CORNYN. Mr. President, I appreciate that. And the Senator from Virginia is my friend. We work together closely on the Intelligence Committee on a number of matters. I just want to ask a pretty basic question, which is whether the Senator from Virginia believes that it is possible to improve economic growth as a result of tax reform in such a way as it will close that $1.5 trillion gap that he is so concerned about. Some economists--ones who I believe are people we can depend on--have suggested that as much as a four-tenths of 1 percent increase in our GDP will essentially improve our economy to the point at which that gap will close to zero, and we will actually see true deficit reduction. Does the Senator agree with that or disagree? Mr. WARNER. Mr. President, I thank the Senator from Texas for his comment. Let me say where I might agree with some of Senator Cornyn's principles. I believe that we need a more simplified Tax Code. I believe that a goal of our Tax Code ought to put American business on a competitive basis with those of other countries around the world. I believe, as well, that to do that, one of the goals of tax reform ought to be to lower corporate rates. I will point out, though, three quick things so that I may get back to finishing my comments. One, let's actually look at where America's tax burden stands versus those of other nations that actually have lower corporate tax rates, for example. Out of the 34 OECD nations--35 now--if you were to listen to some folks on this floor, you would think that America must rank at the top of that list, but we are 31 out of 35. The PRESIDING OFFICER. All time has expired. Mr. CORNYN. Thank you, Mr. President. We will continue our conversation. Mr. WARNER. Mr. President, I ask unanimous consent, since I had a few moments and I was trying to give courtesy to answer my colleague, for an additional 5 minutes. The PRESIDING OFFICER. Is there objection? Mr. CORNYN. Just to clarify, is the request for an additional 5 minutes of debate? Mr. WARNER. Five minutes to answer the Senator's question and to make my very short statement. Mr. CORNYN. I object to any additional time. The PRESIDING OFFICER. Objection is heard. The question is on agreeing to the amendment. All time has expired. The time was until 2 p.m Mr. WARNER. I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The question is on agreeing to the amendment. The clerk will call the roll. The bill clerk called the roll. Mr. CORNYN. The following Senator is necessarily absent: the Senator from Mississippi (Mr. Cochran). Mr. DURBIN. I announce that the Senator from New Jersey (Mr. Menendez) is necessarily absent. The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The result was announced--yeas 47, nays 51, as follows: [Rollcall Vote No. 228 Leg.] YEAS--47 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Coons Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Manchin Markey McCaskill Merkley Murphy Murray Nelson Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden NAYS--51 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Collins Corker Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee McCain McConnell Moran Murkowski Paul Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NOT VOTING--2 Cochran Menendez The amendment (No. 1138) was rejected. The PRESIDING OFFICER. The Senator from Arizona. Mr. McCAIN. Mr. President, I ask unanimous consent to address the Senate as in morning business. The PRESIDING OFFICER. Without objection, it is so ordered. Mr. McCAIN. Mr. President, I came to the floor today in support of the budget resolution for one reason. It is because it provides the Senate a path forward on tax reform. I strongly support this effort to fix America's burdensome tax system. It is my hope that reform will lead to simplifying the Tax Code, strengthening the middle class, and ultimately boosting our economy. Unfortunately, I cannot offer my support without reservation, so I have come to the floor today to explain my concerns and remind my colleagues of the important work ahead of us. Even as we support this resolution as a means to achieve meaningful tax reform, we must acknowledge the fact that the underlying budget contains an insufficient level of funding for national defense. As chairman of the Senate Armed Services Committee, my highest priority is to ensure that our men and women serving in uniform have the training, equipment, and resources they need to keep our Nation safe. The Senate budget resolution will set fiscal year 2018 defense spending at the levels dictated by the Budget Control Act cap. This budget is $54 billion less than the President's request and $86 billion less than this body authorized just last month in the National Defense Authorization Act. We passed the National Defense Authorization Act by a vote of 89 to 9, a demonstration of the overwhelming bipartisan belief that the Budget Control Act level of defense spending is inadequate and unacceptable. Let be me clear. There is no BCA-level defense budget that would be sufficient to provide our military with what they need to fulfill current missions and prepare for future threats. For those of us who have been paying attention, we heard the warnings of the steady decline of our military. Time and again our senior military and civilian defense leaders have sounded the alarm about the dangers of the Budget [[Page S6613]] Control Act spending caps. The Chairman of the Joint Chiefs of Staff, our highest uniformed military officer, General Dunford, has warned that if we continue on the current path, he assesses that ``within 5 years, we will lose our ability to project power; the basis of how we defend the homeland, and advance U.S interests, and meet our alliance commitments.'' Make no mistake about what that means. America's military advantage is degrading. Without the ability to project power, the United States will no longer be a global power. That means that we put at risk not only our ability to secure our interests and protect our Nation but also the unprecedented era of security and prosperity that American global leadership has provided the world. I might add for the benefit of my colleagues that former President George W. Bush today gave a very strong statement emphasizing this problem and the challenge we face. This is the ***strategic*** reality we are facing in the next 5 years. It should not be a surprise. We have seen the steady degradation of the military. The strain of constant operational tempo, combined with inadequate and unstable funding has, over the past 16 years, worn down the greatest military in the world. Just this week, Secretary of Defense Mattis sent a letter to the Armed Services Committee expressing his concerns with regard to the National Defense Authorization Act that we are currently negotiating with the House. The very first thing he said before addressing any of the policy changes and reforms in the bill is that his primary concern is the Budget Control Act, and we know why--because the defense spending caps are doing such immense harms to our military. Secretary Mattis wrote: As I have testified before your committee, no enemy has done more to harm the warfighting readiness of our military than sequestration. I will repeat that for the benefit of my colleagues. . . . no enemy has done more to harm the warfighting readiness of our military than sequestration. Current caps continue to unnecessarily defer critical maintenance, limit aviation availability, delay modernization, and strain our men and women in uniform. We have seen the evidence of this harm. Over the last few months there have been a rash of training accidents, collisions, and crashes. We are seeing the tragic accidents in the news far too often. Seven sailors were killed when the USS Fitzgerald collided with a containership off the coast of Japan. A Marine KC-130 crash in Mississippi killed all 16 troops on board. An Osprey helicopter crashed off the coast of Australia and that resulted in the deaths of three marines. An Army helicopter crashed off the coast of Hawaii, with five soldiers presumed dead. Ten sailors perished when the USS McCain collided with a tanker near Singapore. An Army Black Hawk helicopter went down during a training mission off the coast of Yemen, and one soldier died. One soldier died during helicopter training at Fort Hood. An amphibious vehicle explosion at Camp Pendleton injured 15 Americans. A demolition accident in Fort Bragg killed one soldier and injured seven others. Two Navy pilots died in a T-45 crash in Tennessee. My friends, we are now losing more of our men and women in uniform in totally avoidable training accidents than we are in combat. There is plenty of blame to go around for all of these incidents, but we cannot ignore the fact that Congress's inability to provide adequate, stable, and predictable budgeting has contributed to the troubling state of affairs. While increased funding is not the only answer, there is no scenario where our military can get healthy and ready to meet the challenges of an increasingly unstable world without additional resources. There is broad, bipartisan agreement about that from Members of the House of Representatives, here in the Senate, and the President. Yet we are about to vote for a budget resolution that severely underfunds the military because the reality is that we all know that it would not impact the actual appropriations. To solve these problems and to fulfill our duty to the men and women in uniform we must negotiate a bipartisan budget agreement that will lift the caps on defense spending. Only then can we rebuild the military, reverse the disturbing readiness crisis, and retain our ability to project power and secure our interests around the world. I remind my colleagues that the fiscal year started 3 weeks ago and that the Defense Department is currently operating under a continuing resolution. We know the harmful effects it will have on the military. That is why getting to work on a budget deal is so urgent. We must delay no longer. The budget resolution is not meant to provide that broader budget agreement. This budget resolution is simply a means to get us to tax reform. However, this budget resolution does represent something extremely troubling. The Republican Party used to be unified in its support for a strong national defense. If our leaders in Congress and the White House don't immediately get to work negotiating a deal to lift the defense caps and fund the military at a higher level than in this budget resolution, I am not sure we will be able to claim that mantle any longer. I just want to sum up by saying that we have a problem in the military today, and that is, whenever there are cuts in defense spending, the first thing that goes are the easy ones--the training, readiness, the spare parts, the flying hours. Those are the ones that get cut first because they are the easiest. Cutting a major weapons system or ***program*** is extremely difficult. So now we have this list, as I just read off, of men and women serving in the military and we are responsible, at least partially, for their death and injury. Why? Because they are not able to be trained. They are not able to be equipped. They are not able to be maintained, and 60 percent of the F-18s are not able to fly. We have sailors and airmen who are working 100-hour workweeks. We have gigantic problems with the ability to simply operate. Meanwhile, our adversaries are stepping up their capabilities. Obviously, every time we turn around there is another crisis of some kind. Look at the world 8 years ago and look at the world today. You will find an incredible deterioration of America's position and influence in the world. The front page of the Economist magazine this week has a picture of the dictator of China and the title is ``The world's most powerful man,'' and it is true. So here we are with a budget resolution that basically has cut our military--that is basically not funding what we need. My friends, I do not mean to get emotional, but why should we send these young men and women in uniform in harm's way without all they need in order to fight and defend this Nation? Right now, they are not ready. Right now, their planes can't fly. Right now, they are not able to operate and train. They are not ready, and that is not just McCain's word. That is our military leaders' words and those of some of the most respected people in America and in the world. General Mattis, General McMaster, and General Kelly will all tell you the same thing. We are sending our young men and women into hazardous situations without their being completely equipped and capable of defending themselves. That is wrong. What greater responsibility do we have than to the men and women who are serving us in uniform today? Four just died in Niger. How many of the 100 Members of this body knew that we even had an operation in Niger? I will not go into the details, in deference to the family, but this is wrong, what we are doing. We saw it in the 1970s, and now we are seeing it again. It was Mark Twain who said: ``History doesn't repeat itself, but it often rhymes.'' It is beginning to rhyme, and if we don't, with this resolution that we are going through, increase our spending to the level as authorized by the National Defense Authorization Act, then we will bear some responsibility for what happens. I yield the floor. The PRESIDING OFFICER (Mr. Rounds). The Senator from Michigan. Mr. PETERS. Mr. President, later today the majority is going to attempt to pass a budget for 2018. Passing a budget has come to mean all sorts of things in Congress these days. Last year's budget was an attempt to repeal the Affordable Care Act. This budget is supposedly all about tax reform. However, a budget, first and foremost, [[Page S6614]] should be a statement about priorities for the coming year and for the coming decade. Let's take a moment and examine what this budget says about the majority's priorities. With any budget, I think you need to look at the end result and ask a couple of very simple questions. First, does this budget help reduce Federal deficits and debt with a responsible, sensible approach? Second, does this budget, ultimately, put us on a sustainable fiscal path? The answer to these questions is a clear no. Instead, this budget is primarily intended to allow the majority to use an expedited procedure to move tax breaks that would increase the deficit by $1.5 trillion over the next decade. My colleagues on the other side of the aisle will say that this lost revenue is offset by spending cuts and promises of new revenues from economic growth far beyond what almost every single mainstream economist predicts. Let's look at the trillions in cuts that the majority is proposing. Where the budget is specific, it is bad. Medicaid is cut by $1 trillion. Medicare, which provides essential healthcare services to our seniors, is cut by $470 billion. On top of that, the budget includes over $3 trillion in unspecified cuts. You don't have to be an expert in the Federal budget to know that $3 trillion in unspecified cuts means one of two things. They are either, No. 1, cuts to ***programs*** that families and communities rely on, like Head Start, Pell grants, and transportation funding, or, No. 2, they are unspecified because they are simply never going to happen. That is what we are voting on today. There is nearly $1.5 trillion in cuts to Medicare and Medicaid, and then there are trillions in cuts that are either so unpopular that no one dares name what they are or trillions more in deficits because there is not a ***plan***. The Federal budget is about choices. You can learn a lot about which choices a budget puts in black and white and which are left deliberately unspecified. When it comes to the majority's tax ***plan***, we know only a few details, but we know enough to see where there will be winners and where there will be losers. The winners will be the wealthiest Americans in our country and global corporations. We also need to look at what it means for Michigan families and small businesses, but there is a deliberate lack of detail that makes figuring out what the bottom line is for working families impossible. We don't know where the tax brackets will start and where they will stop. We don't know what personal exemptions families will be able to take. We don't know the size and the scope of the child tax credit. We don't know if important incentives for charitable contributions will be kept. The majority is even keeping open the possibility of raising taxes on Americans who are trying to save for their retirement. This budget should be straightforward. We should reduce the tax burden on middle class families. We should make it simpler for Americans to file and understand their taxes. We should make it easier for them to save for retirement. We should increase take-home pay for Americans that work hard each and every day to make a living. Unfortunately, none of these details that are important for middle- class folks were important enough to include in this budget. That is why I will vote against it. I urge my colleagues to do the same. We cannot add another $1.5 trillion to the deficit. We cannot slash Medicare and Medicaid. This is simply the wrong direction for our country. So why are we moving forward with this budget at all? Well, on this issue, I think the administration has been clear. Passing this budget is all about passing a so-called tax reform bill. However, passing this budget is not a requirement for passing tax reform. Passing this budget is only a requirement to pass a tax bill with as few votes as possible--without input or buy-in from Members of the minority. This is not the way we should pass real tax reform. If tax reform is going to be successful, it must have broad bipartisan input. I stand ready to work with my colleagues on real tax reform. Modernizing and streamlining our Tax Code can boost Michigan businesses, raise take-home pay for workers across sectors, and help create the type of 21st century economy we need. We can make it easier for small businesses, including manufacturers and family farms, to invest in themselves, and we can make the code fair across sectors. We can establish incentives for smart investment in our communities. We can implement strong, enforceable rules to prevent companies from gaming our tax system and moving profits and jobs overseas. For families, we can meaningfully boost take-home pay. We can expand the child tax credit and earned-income tax credit, and we can work together to find real ways to help alleviate the cost of child care. We can lessen the burden of student debt, and we can help people save for retirement. Tax reform can help create more good jobs right here at home, fix some of the issues in the code that drive jobs and companies overseas, and put more money in the pockets of working families. In 1986, Congress passed the most dramatic reform of the Federal Tax Code in modern history. How many votes did this sweeping overhaul of the tax system get? When tax reform ultimately passed the Senate in 1986, it received 97 votes. If we want to repeat that accomplishment and truly overhaul our code to make it work better for American families and American businesses, that level of bipartisanship should be our goal, not 50 or 51. I know we can do these things in a truly bipartisan manner if we are just given the chance. Let's work together to pass real tax reform with broad support from both sides of the aisle. The American people deserve nothing less. I stand ready to work with the majority, and so do my colleagues. I urge the majority to abandon this effort and start over. Make the decision not to add trillions more to the deficit. Make the decision not to cut Medicare and Medicaid for Americans in need. Start over. Let's find a path forward to find real, lasting, bipartisan solutions. I yield the floor. Mr. LEAHY. Mr. President, budget resolutions set general spending priorities for the Federal Government. The budget resolution before us today, however, sets a path for so-called tax reform that will benefit the wealthiest among us on the backs of hard-working Americans. For all their talk of reining in spending and reducing the debt, the majority is promoting a budget that will explode the debt by $1.5 trillion. They propose increasing the debt not to invest in our infrastructure or in educating the next generation. They propose increasing the debt not to expand access to healthcare or promote medical research. No--they propose exploding the debt to give corporations and the top one percent a tax cut. Once again, they majority is turning away from the bipartisan traditions of this Senate and toward the hyperpartisan tactics that do not result in progress for the American people. This budget invests in millionaires and billionaires like the Trump family, the Koch brothers, wealthy corporations, and the top 1 percent. It turns its back on millions of hard-working American families. While the resolution authorizes a $1.5 trillion increase in the debt, independent experts calculate that the real cost of the Trump tax ***plan*** will far exceed that amount. How will the majority pay for the difference? It will slash Medicaid, a proposal already rejected by the Senate this year. It will slash Medicare. It will slash ***programs*** for veterans and infrastructure. It will be middle-class Americans who bear the brunt of these cuts. According to independent analysts, middle-class Americans will see their home values drop and will experience a tax increase as a result of the Trump tax ***plan***. This shameful budget sends the message that the Senate supports putting tax cuts for the wealthy and biggest corporations on our Nation's credit card and, to the extent we pay for any of it, that we do so on the backs of the middle class and seniors and at the expense of protecting the environment. This budget proposes invading the Arctic National Wildlife Refuge. These are not Vermont values. These are not American values. This is not how our Nation became the greatest country on Earth. [[Page S6615]] After years of claiming that the deficit is one of the greatest threats to our country, the majority today will waive away any concern about the long-term impact of increasing it. They argue that the economic growth spurred by these tax cuts will outpace the foregone revenue, but as we saw with the Bush tax cuts, this claim is simply not based in reality. This argument is based on a pyramid scheme of assumptions on top of assumptions, and while we should be taking a close look at the Congressional Budget Office's projections--a range of both dynamic and conventional scores--this budget resolution eliminates the only existing mechanism that requires the Senate to have a CBO estimate in advance of a vote. Why might the majority want to rush a vote before examining the long-term economic impacts of these proposed tax cuts? Our Tax Code is complex--very much, overly complex--and I share the view that it is in need of improvement and simplification. We can and should have a meaningful debate about tax reform, but any reforms must be certain to benefit middle-class Americans, not just the top 1 percent. We need to strengthen tax credits that promote community development and the construction of affordable housing. We should extend and make permanent tax credits that help those who are struggling to make ends meet. I am in favor of bipartisan tax reform that brings both parties together and results in balanced changes to the current system. That is in the best tradition of the Senate, and it is the path to enacting truly meaningful reforms that will benefit every single American. The Senate should reject this partisan effort, just as it rejected last month the unsuccessful partisan efforts to roll back health coverage for millions of Americans. We should--and can--work together to craft a balanced and sustainable budget and tax reform package. No package will be perfect, but it should be bipartisan. It should be fair. The budget before us today fails to meet that test, which is why I will oppose it. Mr. CARPER. Mr. President, last week, people across this country celebrated National Wildlife Refuge Week--and rightfully so. National Wildlife Refuges are one of the crown jewels of our Federal public lands network. These refuges provide essential habitat for some of our most imperiled species, including many impacted by climate change. Millions of refuge visitors also fuel local and regional economies by generating billions of dollars in sales. This week, the Senate is considering a budget resolution that would open one of our refuges, the Arctic National Wildlife Refuge, to oil and gas drilling. Despite tremendous public support for our refuge system and the economic benefits that the refuges bring to our local economies, efforts to develop these special wild areas are ongoing and have been championed by the current administration. The budget resolution is another such effort to promote development in a refuge, an effort that should be rejected. In some cases, refuges are compatible with development and increased human activity. In others, development decisions, such as the siting of oil and gas drilling, could negatively impact the future of both human and animal inhabitants. The Arctic National Wildlife Refuge, one of the largest remaining intact ecosystems in the world, is an example of the latter. The Refuge has been home to the Gwich'in people for more than 20,000 years. These Native people subsist primarily on caribou. Research shows that oil and gas development in the Refuge, even with a small footprint, could significantly alter Porcupine Caribou migration patterns and calving behavior. These changes would threaten the Gwich'in people's way of life. The U.S 30-year-old treaty with Canada to conserve the Porcupine Caribou Herd could also be at risk. According to the U.S Fish and Wildlife Service, the Arctic Refuge is the only national conservation area where polar bears regularly den. It is the most consistently used polar bear land denning area in Alaska. These iconic bears are increasingly vulnerable due to climate change, so the undisturbed Refuge land denning area is especially critical for their survival. The Refuge also hosts nearly 200 species of migratory birds, musk oxen, and wolves. As the Senate contemplates the future of this spectacular natural area, I want to remind my colleagues that this body has said no to opening the Arctic National Wildlife Refuge dozens of times. With oil prices significantly lower than they were earlier this decade and oil supplies at historic highs, it is hard to understand why we would change course now. The risks far outweigh any benefits, and the American public has consistently opposed drilling in the Arctic Refuge. I also want to express my strong concerns with possible pending administrative action in the Santa Ana National Wildlife Refuge, another national treasure. This Refuge is located on the U.S -Mexico border, along the southernmost stretch of the Rio Grande River at the confluence of the Central and Mississippi flyways. It is home to more than 400 bird species, more than 300 species of butterflies, and more than 450 varieties of plants. The Santa Ana Refuge supports rare wildlife species, some found only deep in south Texas. The Refuge also provides habitat for at least eight species protected under the Endangered Species Act, including the ocelot. There are less than 50 ocelots left in the United States, so this Refuge is essential to the species' recovery. The Santa Ana Refuge is also a popular destination for birders and hosts more than 165,000 visitors each year. The booming ecotourism industry in the area is critical for local economies, which is another key reason why we need to ensure this Refuge and its inhabitants can thrive. U.S Customs and Border Protection and U.S Army Corps of Engineers ***planning*** actions earlier this year suggest that the Trump administration may shift existing Federal Homeland Security funds to construct a segment of-border wall through the Santa Ana Refuge. As I have said before, we already have 650 miles of fencing along our southern border with Mexico in the areas where it is most effective. I am not unequivocally opposed to physical barriers where they are needed and where they can be shown to be the most effective method of border security, but the Santa Ana Refuge is not a known problem area for border crossing. Furthermore, a wall through the Refuge would permanently damage critical habitat, block wildlife migration routes, and would likely trap wildlife during floods. Again, a wall through the refuge would not yield intended outcomes and would harm both wildlife and communities. I urge my colleagues on both sides of the aisle to question and oppose construction of this wall segment. From Alaska to Texas to Delaware, our National Wildlife Refuge System is well worth protecting and preserving for future generations. I look forward to continued work with my colleagues and constituents to this end. Thank you. The PRESIDING OFFICER. The Senator from Wyoming. Amendments Nos. 1178, 1139, 1205, 1228, 1422, 1234, and 1249 to Amendment No. 1116 Mr. ENZI. Mr. President, I ask unanimous consent that the following amendments be called up en bloc and reported by number: Flake No. 1178, Baldwin No. 1139, Rubio No. 1205, Heitkamp No. 1228, Portman No. 1422, Donnelly No. 1234, and Kaine No. 1249. I further ask consent that at 3 p.m , all time on the resolution be yielded back and the Senate vote in relation to the amendments in the order listed; that there be no second-degree amendments in order to these seven amendments prior to the votes; finally, that there be 2 minutes equally divided between the managers or their designees prior to each vote and that all votes after the first in this series be 10 minutes in length. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report the amendments en bloc by number. The senior assistant legislative clerk read as follows: The Senator from Wyoming [Mr. Enzi], for others, proposes amendments numbered 1178, 1139, 1205, 1228, 1422, 1234, and 1249 to amendment No. 1116. The amendments are as follows: amendment no. 1178 (Purpose: To make the American tax system simpler and fairer) At the end of title III, add the following: [[Page S6616]] SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO MAKING THE AMERICAN TAX SYSTEM SIMPLER AND FAIRER FOR ALL AMERICANS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to changes in Federal tax laws, which may include provisions to make the American tax system simpler and fairer for all Americans, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over the period of the total of fiscal years 2018 through 2027. amendment no. 1139 (Purpose: To prohibit reconciliation legislation that would increase the deficit or reduce a surplus) At the end of subtitle A of title IV, add the following: SEC. 41\_\_. SENATE POINT OF ORDER AGAINST RECONCILIATION LEGISLATION THAT WOULD INCREASE THE DEFICIT OR REDUCE A SURPLUS. (a) Point of Order.--It shall not be in order in the Senate to consider any reconciliation bill, resolution, amendment, amendment between the Houses, motion, or conference report pursuant to section 310 of the Congressional Budget Act of 1974 (2 U.S.C 641) that would cause or increase a deficit or reduce a surplus in either of the following periods: (1) The period of the current fiscal year, the budget year, and the ensuing 4 fiscal years following the budget year. (2) The period of the current fiscal year, the budget year, and the ensuing 9 fiscal years following the budget year. (b) Supermajority Waiver and Appeal in the Senate.-- (1) Waiver.--This section may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. (2) Appeal.--An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section. (c) Determination of Budget Levels.--For purposes of this section, the levels of deficit increases and reductions in a surplus shall be determined on the basis of estimates provided by the Committee on the Budget of the Senate. Amendment No. 1205 (Purpose: To establish a deficit-neutral reserve fund relating to tax cuts for working American families) At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO TAX CUTS FOR WORKING AMERICAN FAMILIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to increasing per-child Federal tax relief, which may include amending the child tax credit, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. amendment no. 1228 (Purpose: To create a point of order against legislation that would increase taxes on taxpayers whose annual income is below $250,000) At the end of title IV, add the following: SEC. 4\_\_. POINT OF ORDER AGAINST RAISING TAXES ON TAXPAYERS WHOSE ANNUAL INCOME IS BELOW $250,000. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that raises taxes on taxpayers whose annual income is below $250,000. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). AMENDMENT No. 1422 (Purpose: To provide for an international tax system that provides or enhances incentives for businesses to invest in America, generate American jobs, retain American jobs, and return jobs to America) At the end of title III, add the following: SEC. 3 \_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO THE PROVISION OF INCENTIVES FOR BUSINESSES TO INVEST IN AMERICA AND CREATE JOBS IN AMERICA. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to changes in federal tax laws, which may include international tax provisions that provide or enhance incentives for businesses to invest in America, generate American jobs, retain American jobs, and return jobs to America, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. Amendment No. 1234 (Purpose: To create a point of order against legislation that allows companies that have outsourced jobs to foreign countries to benefit from any tax breaks) At the end of title IV, add the following: SEC. 4\_\_. POINT OF ORDER AGAINST ANY TAX BILL ALLOWING COMPANIES THAT HAVE OUTSOURCED JOBS TO FOREIGN COUNTRIES TO BENEFIT FROM ANY TAX BREAKS. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that permits companies which have outsourced jobs to foreign countries to benefit from any tax breaks. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). amendment no. 1249 (Purpose: To modify section 4111 to reinstate and strengthen a prohibition on voting on legislation without a Congressional Budget Office score) On page 83, strike lines 12 through 15, and insert the following: SEC. 4111. REPEAL OF CERTAIN LIMITATIONS. Section 3206 of S. Con. Res. 11 (114th Congress), the concurrent resolution on the budget for fiscal year 2016, is repealed. SEC. 4112. PROHIBITION ON AGREEING TO CERTAIN AMENDMENTS TO LEGISLATION WITHOUT A SCORE IN THE SENATE. (a) In General.--In the Senate, it shall not be in order to vote on the adoption of a covered amendment to a bill or resolution that requires an estimate under section 402 of the Congressional Budget Act of 1974 (2 U.S.C 653), unless an estimate described in such section 402 for the covered amendment was made publicly available on the website of the Congressional Budget Office not later than 28 hours before the time the vote commences. (b) Covered Amendment Defined.--In this section, the term ``covered amendment'' means an amendment in the nature of a substitute. (c) Supermajority Waiver and Appeal.-- (1) Waiver.--In the Senate, subsection (a) may be waived or suspended only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. (2) Appeal.--An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). Mr. ENZI. For the information of all Senators, these are the first seven amendments we will consider during vote-arama, and we will work to get an agreement on a final list of amendments during these votes. I yield the floor. The PRESIDING OFFICER. The Senator from Georgia. Mr. PERDUE. Mr. President, I think I am the only one standing between this body and a vote on something that 2 years ago I didn't know existed, and that is a ``vote-arama'' in local Senate terms. Being an outsider to the political process, I find a lot of this very strange. I came to Washington, and now I have a new vocabulary. It includes things like ``scoring,'' which doesn't have anything to do with sports, ``vote-arama,'' which doesn't have anything to do with the carnival down the road, or ``deficit-neutral reserve fund.'' I am still trying to figure out what that is; I see the Presiding Officer is smiling up there. Then there are ``points of order.'' There is a vocabulary centered around what we are going to be doing this afternoon, but I want to speak to the budget process itself. First of all, I want to be very clear with my colleagues on both sides. I support this budget that we are going to vote on today for one very strong reason. It is a vehicle to get to tax reform in the United States. I will not speak on taxes today in the few minutes that I have, but I do want to speak about the process. What we are doing in America right now in the Senate and the Congress--and what we have been doing over the [[Page S6617]] last 43 years--is losing the right to do the right thing. Let me say that again. We are losing the right to do the right thing. Just a few weeks ago, we voted without batting an eye for $15 billion of allocated funds for the victims of two hurricanes in Florida, Texas, and other southern States, with every dime of that money in borrowed money. We have to go to China and other places and borrow that money so we can spend and do the right thing. That is not an embellishment or an exaggeration. What about research for the rising, spiraling cost of our healthcare, driven by Alzheimer's, cancer, and diabetes? We spend about the same amount of money on that as we spend on all foreign aid. Yet, if we were to do more, we could cure those heinous diseases and lower our medical costs. We can invest in our infrastructure. We can absolutely take care of victims of wildfires, and now we have Puerto Rico. Tonight we are going to be asked to vote up or down on a supplemental bill for some $30 billion-plus for the needs of these catastrophes. We have lost the right to do the right thing, which is, of course, to meet those needs. Here is the biggest one. You just heard my great colleague, Senator McCain from Arizona. He is the chairman of the Armed Services Committee, of which I am a member. He talked about how decimated our military is from a funding standpoint. He talked about readiness. He talked about capitalization. But today, we are borrowing every dime we spend on our military, on our veterans, and on every domestic discretionary ***program*** in the United States. That is a fact. Where do we get the money when we run out of our own money? We spend every dime of our own. By the way, we collected over $3.5 trillion of Federal tax revenue last year. It is the largest amount America has ever collected in income taxes and total taxes for the Federal Government--the most we have ever collected--but all of that money goes to mandatory expenses. As a matter of fact, since 2000, under one Republican President and one Democratic President, our government has grown from $2.4 trillion to $4 trillion. That is not the worst of it. The worst is yet to come. We have added in two Presidencies $14 trillion to our Federal debt. Of our $20 trillion, $14 trillion of it was added under these two Presidents. In the next 10 years, the current budget under which we are working will add another $11 trillion to our debt. Here is the problem. The blue line here is what you heard Senator McCain talk about earlier. That is our discretionary spending. It is flat. As a matter of fact, between 2009 and today, we have lowered discretionary spending by over one-third, by $400 billion. But what has happened is that our mandatory expenses have exploded. On this chart, this line here, are our mandatory expenses; that is, Social Security, Medicare, pension and benefits for Federal employees, and the interest on our debt. This is a formula for financial disaster. At this point, we already have $20 trillion of debt. Over the next 30 years, some estimates say that we will have over $130 trillion of future commitments, liabilities coming at us like a freight train. We are hamstrung because we have a budget process that doesn't work. One thing that contributes to this is a process that over the last 43 years, since the 1974 Budget Act was put in place, which created this budget process, the budget has worked only four times in 43 years. It has funded the Federal Government only four times. That is not a partisan comment; that is an indictment on this body and on the body across the hall. In any other environment--sports, medicine, business, military-- imagine if you had a process that worked only four times. Imagine if you had a tank in World War II, and you are over there, and every 43 times you fired it, it worked only four times. Imagine what result would be. What we have here is a system that doesn't work. I am going to try to explain that very quickly. First, we have committees in the U.S Senate that involve themselves in appropriations and the funding of the Federal Government. Some are called authorizing committees. These are committees like the Foreign Relations Committee; we have Appropriations. We have all of these authorizing committees over here on the left. On the right here are Appropriations Committees. Today, these committees have to pass 12 bills in order to fund the Federal Government. Over the last 43 years, out of the 12 bills we have to appropriate to fund the government, we have averaged only 2\1/2\ bills. In any other world, that can't work. It doesn't work here. So we end up with 179 continuing resolutions to get us past the end of our fiscal year to continue spending at last year's rate, and then we go to an ``omnibus''--another new term that I had never heard of--at the end of the calendar year. Basically, most times, six or eight people will get in a room and decide how to spend $1 trillion. This current budget deals with, primarily, issues that are not on the mandatory side. There is a way forward. There are Members on the other side--and I am going to call out one--my good friend from the State of Rhode Island. Senator Whitehouse and I and others have been working on this for quite some time. He has a great idea: Let's pick a point in the future, make the debt a percentage of our GDP, and work backward from there with guardrails on what we can do every year. There is a budget process we have been working on that creates a politically neutral platform that allows both sides, in a bipartisan way, to argue and fight over what we think the budget should include, because we believe the budget should be a law. Today, the budget is only a resolution, which means it is nothing but a political statement by the majority party. We then go to an authorizing process where the minority party, because they weren't asked to play in the budget process--we have an authorizing process in which, today, we have over $300 billion of Federal expenditures a year that are not authorized, over $300 billion. Then we are supposed to go to an appropriations process. As I have just said, we have appropriated, on average, over those 43 years, only 2\1/2\ bills a year instead of 12. We can fix this. It is not a partisan issue. We will absolutely fix this budget process in a bipartisan way. I am going to vote for this. I hope my colleagues will vote for this budget bill so we can go on and debate taxes. The debt crisis is the No. 1 crisis we face in our country. It keeps us from doing the right thing--funding our national defense and taking care of our needs. I will support this budget today, and I urge my colleagues to do the same. I yield the floor. I suggest the absence of a quorum. The PRESIDING OFFICER. The clerk will call the roll. The senior assistant legislative clerk proceeded to call the roll. Mr. CASSIDY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded. The PRESIDING OFFICER. Without objection, it is so ordered. Honoring Our Armed Forces Lieutenant Patrick L. Ruth Mr. CASSIDY. Mr. President, this is not about the budget, but it is about something that all of us can, unfortunately, understand the importance of. On Sunday, October 1, U.S naval aviation instructor, LT Patrick L. Ruth, and student naval aviator, LTJG Wallace Burch, were both killed when their Goshawk training jet crashed in Tellico Plains, TN. Lieutenant Ruth was a native of Louisiana, growing up in Metairie. Lieutenant Ruth served in the Navy for 9 years, beginning his career in the Naval Reserve Officer Training Corps at Tulane University. He was commissioned in May of 2008. After flight training, he joined Carrier Airborne Early Warning Squadron 126, based in Norfolk, VA, in 2012. Lieutenant Ruth flew the E-2C Hawkeye as part of the tactical air forces of the U.S Navy. His primary mission was early warning defense of the carrier battle group, as well as air strike control, ocean surveillance, and search and rescue coordination. In April 2015, he moved to Naval Training Squadron 7, based in Meridian, MS. As an instructor, Lieutenant Ruth trained the next generation of naval aviators in strike aviation, basic aircraft maneuvering, and landing skills. [[Page S6618]] Lieutenant Ruth was a dedicated naval aviator. As evidence, he earned two Navy and Marine Corps Achievement Medals during his distinguished career. Our brave men and women in uniform take extreme risks every day to defend our Nation. The risks are necessary, made to ensure that our military is fully prepared to face any threat. We are forever grateful for Lieutenant Ruth and those who answer the call of duty to keep us safe. We must also think of the incredible sacrifices of Lieutenant Ruth's family and all military families. They may not be wearing uniforms, but they, too, serve our country. I had the privilege of speaking with Lieutenant Ruth's family. I learned that his younger brother Shane is Active Duty Navy. His older brother is retired Navy. His sisters were, and are, so supportive. Lieutenant Ruth's parents, David and Mary Ann Ruth, still grieve. How could any parent not? But to borrow from President Lincoln's letter to a grieving mother: I pray that our Heavenly Father may assuage the anguish of your bereavement, and leave you only the cherished memory of the loved and lost, and the solemn pride that must be yours to have laid so costly a sacrifice upon the alter of freedom. Lieutenant Ruth is survived by his parents, David and Mary; his fiance, Jessica; and his four siblings. We grieve with you. You are in our prayers. Lieutenant Patrick Ruth will not be forgotten. I yield the floor. The PRESIDING OFFICER. Under the previous order, all time on the resolution is yielded back. Amendment No. 1178 There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Flake amendment No. 1178. The Senator from Arizona. Mr. FLAKE. Mr. President, this amendment would set up a deficit- neutral reserve fund relating to making the American tax system simpler and fairer for all Americans. Not only do we need to do tax reform, but we need to do it urgently. It has been more than 30 years since we have reformed the Tax Code in any significant way. We have more preferences and loopholes and deductions out there than we know what to do with. In fact, if we total all of them together, there are more expenditures in the Tax Code, or money avoiding coming to Washington--tax avoidance--than we spend on our entire discretionary budget. It is about $1.26 trillion annually. So we have to have a code where we lower the rates and broaden the base. Broadening the base means going after some of these popular loopholes and deductions and preferences that make the Tax Code a lot bigger and scarier and more complicated than it should be. With that, I yield the floor. The PRESIDING OFFICER (Mr. Cassidy). Who yields time in opposition? Mr. BROWN. Mr. President, we yield back the time. The PRESIDING OFFICER. All time is yielded back. The question is on agreeing to amendment No. 1178. Mr. FLAKE. Mr. President, I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The senior assistant legislative clerk called the roll. Mr. CORNYN. The following Senator is necessarily absent: the Senator from Mississippi (Mr. Cochran). Mr. DURBIN. I announce that the Senator from New Jersey (Mr. Menendez) is necessarily absent. The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The result was announced--yeas 98, nays 0, as follows: [Rollcall Vote No. 229 Leg.] YEAS--98 Alexander Baldwin Barrasso Bennet Blumenthal Blunt Booker Boozman Brown Burr Cantwell Capito Cardin Carper Casey Cassidy Collins Coons Corker Cornyn Cortez Masto Cotton Crapo Cruz Daines Donnelly Duckworth Durbin Enzi Ernst Feinstein Fischer Flake Franken Gardner Gillibrand Graham Grassley Harris Hassan Hatch Heinrich Heitkamp Heller Hirono Hoeven Inhofe Isakson Johnson Kaine Kennedy King Klobuchar Lankford Leahy Lee Manchin Markey McCain McCaskill McConnell Merkley Moran Murkowski Murphy Murray Nelson Paul Perdue Peters Portman Reed Risch Roberts Rounds Rubio Sanders Sasse Schatz Schumer Scott Shaheen Shelby Stabenow Strange Sullivan Tester Thune Tillis Toomey Udall Van Hollen Warner Warren Whitehouse Wicker Wyden Young NOT VOTING--2 Cochran Menendez The amendment (No. 1178) was agreed to. Amendment No. 1139 The PRESIDING OFFICER. There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Baldwin amendment No. 1139. The Senator from Wisconsin. Ms. BALDWIN. Mr. President, I rise to speak to Baldwin amendment No. 1139. Wisconsin families need a tax break, and that is what I am working for. This budget will fast-track enormous tax breaks for the wealthiest few. It increases the deficit and puts Medicare and Medicaid on the chopping block to pay for it. I don't think it is right to ask the middle class to pay for tax breaks for the top 1 percent with cuts to Medicare and Medicaid and rising deficits--deficits that will surely be used by my Republican colleagues to continue to justify an unwillingness to invest in the essential pillars of economic security for families. The entire reason reconciliation was created was for deficit reduction, which the majority claims to care so much about. My amendment is very simple. It would reinstate a point of order, known as the Conrad rule, against reconciliation legislation that increases the deficit. Let's not use reconciliation to add to our deficit. I urge my colleagues to support my commonsense amendment that has been cosponsored by Senators Warner, Whitehouse, Kaine, Coons, King, Wyden, and Van Hollen. The PRESIDING OFFICER. The Senator from Wyoming. Mr. ENZI. Mr. President, I urge my colleagues to oppose this amendment, which would create an uneven playing field for the upcoming congressional reconciliation. If adopted, this amendment would reinstate a point of order from the fiscal year 2008 budget resolution, which Congress repealed 2 years ago. It was repealed to ensure equal treatment of all reconciliation bills by restoring the level playing field that had existed prior to the adoption of the point of order in 2008. That was used under the Byrd rule. The Byrd rule specifically does not require such budget neutrality inside the budget window. Why? Because reconciliation was designed to be neutral in its orientation. The Budget Act states that reconciliation instructions must enumerate changes in spending and revenue amounts. It does not stipulate those changes must be increases or decreases. The fiscal year 2016 budget resolution restored the longstanding neutrality principle of the Byrd rule. It was the right thing to do then, and we should reaffirm that position today. I urge my colleagues to oppose this amendment. The PRESIDING OFFICER. The Senator's time has expired. The question is on agreeing to the amendment. Mr. ENZI. I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The senior assistant legislative clerk called the roll. Mr. CORNYN. The following Senator is necessarily absent: the Senator from Mississippi (Mr. Cochran). Mr. DURBIN. I announce that the Senator from New Jersey (Mr. Menendez) is necessarily absent. The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The result was announced--yeas 47, nays 51, as follows: [[Page S6619]] [Rollcall Vote No. 230 Leg.] YEAS--47 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Coons Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Manchin Markey McCaskill Merkley Murphy Murray Nelson Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden NAYS--51 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Collins Corker Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee McCain McConnell Moran Murkowski Paul Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NOT VOTING--2 Cochran Menendez The amendment (No. 1139) was rejected. Amendment No. 1205 The PRESIDING OFFICER. There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Rubio amendment No. 1205. The Senator from Florida. Mr. RUBIO. Mr. President, this amendment relates to the child tax credit. It is abundantly clear that perhaps one of the most effective ways to deliver tax relief--tax cuts--to working families is through the expansion of this credit, as it is our hope to achieve during tax reform. I think it is important to point out that the U.S Department of ***Agriculture*** compiles data on how much it costs to raise children in the 21st century. Today, it is expected that middle-income families are going to spend $230,000 to raise their children. By the way, that does not include the cost of their going to college. Being able to deliver relief to hard-working families through the expansion of the child tax credit, which is applicable not just against income tax but payroll tax, is perhaps the single most effective way to do that given the framework under which we will be working. That is what this amendment intends to reserve the opportunity to do. The PRESIDING OFFICER. The Senator from Maine. Mr. KING. Mr. President, I rise not in opposition to the amendment but to compliment the Senator for bringing this issue forward. I intend to support the amendment, but I just want to make the point that this is a broader issue in that we are going to have to address the child and dependent tax credit. One of issues is making it refundable so the tax credit is available and useful to lower income families, who are the hardest hit by high child care costs, and also making it available to those families who use these funds to care for perhaps an aged relative or an injured relative. I agree with the amendment, and I support it, but I think we need to make the point that there is more work to be done. I have introduced a bill with Senator Heller, Senator Burr, and Senator Collins on this subject, and I look forward to bringing that forward for consideration at an appropriate moment. I urge support for Senator Rubio's amendment. The PRESIDING OFFICER. The Senator from Utah. Mr. LEE. Mr. President, I ask unanimous consent to extend debate by 30 seconds. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. Mr. LEE. Mr. President, I rise in support of this amendment. This would correct a great defect in our Tax Code--the parent tax penalty. We have been punishing parents for decades because of the way our Federal tax system and our senior entitlement ***programs***--Social Security and Medicare--interact. We have to end this tyranny and end this now. This amendment does that, and I urge my colleagues to support it. The PRESIDING OFFICER. Is there any further debate on the amendment? If not, the question is on agreeing to the amendment. The amendment (No. 1205) was agreed to. Amendment No. 1228 The PRESIDING OFFICER. There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Heitkamp amendment No. 1228. The Senator from North Dakota. Ms. HEITKAMP. Mr. President, as we move forward on tax reform, I think the one great potential for absolute agreement is that we should lower the burden for middle-income taxpayers, and as we move forward, the one thing we absolutely should not do is in any way increase the tax burden for middle-income taxpayers. This amendment is about guaranteeing that no one who makes under $250,000 sees his taxes increase in any kind of legislation, including in any tax reform proposal. I have heard from teachers, nurses, and veterans. They all want to know what this means for them. To guarantee people an absolute bright line that their taxes will not go up is absolutely essential as we move forward. I urge a ``yes'' vote on this amendment. The PRESIDING OFFICER. The Senator from Wyoming. Mr. ENZI. Mr. President, again, this is another attempt to do the Finance Committee's work as part of the budget. I urge my colleagues to oppose this amendment. The amendment would inappropriately bind the Finance Committee's work on any tax legislation it writes. This point of order is meant to be a poison pill in the process and would set a 60-vote threshold on tax reform, effectively killing its efforts through reconciliation. This resolution's instructions to Finance do not specify the policy or the provisions that are going to be reported out of the committee, but the framework, as stated, will be just as progressive as the current Tax Code. The chairman of the Finance Committee and members can assure you of that result. This amendment is unnecessary, and I urge my colleagues to oppose it. I raise a point of order against this amendment under the Budget Act, section 305(b)(2). The PRESIDING OFFICER. The Senator from North Dakota. Ms. HEITKAMP. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive section 305(b)(2) of that act for purposes of the pending amendment, and I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The question is on agreeing to the motion. The clerk will call the roll. The senior assistant legislative clerk called the roll. Mr. CORNYN. The following Senator is necessarily absent: the Senator from Mississippi (Mr. Cochran). Mr. DURBIN. I announce that the Senator from New Jersey (Mr. Menendez) is necessarily absent. The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The yeas and nays resulted--yeas 47, nays 51, as follows: [Rollcall Vote No. 231 Leg.] YEAS--47 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Coons Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Manchin Markey McCaskill Merkley Murphy Murray Nelson Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden NAYS--51 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Collins Corker Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee McCain McConnell Moran Murkowski Paul Perdue Portman Risch Roberts Rounds Rubio Sasse [[Page S6620]] Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NOT VOTING--2 Cochran Menendez The PRESIDING OFFICER. On this vote, the yeas are 47, the nays are 51. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls. The Senator from Wyoming. Amendment No. 1234, as Modified Mr. ENZI. Mr. President, I ask unanimous consent that the Donnelly amendment be modified with the text of his amendment No. 1423, which is at the desk. The PRESIDING OFFICER. Without objection, it is so ordered. The amendment (No. 1234), as modified, is as follows: (Purpose: To establish a deficit-neutral reserve fund relating to eliminating tax breaks for companies that ship jobs to foreign countries) At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO ELIMINATING TAX BREAKS FOR COMPANIES THAT SHIP JOBS TO FOREIGN COUNTRIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to eliminating tax breaks for companies that outsource jobs to foreign countries, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. Mr. ENZI. Mr. President, I further ask that the pending Kaine amendment be temporarily laid aside and that the Brown amendment No. 1378 be made pending and be the next vote in the series, with 2 minutes of debate prior to the vote. The PRESIDING OFFICER. Without objection, it is so ordered. Amendment No. 1422 There will now be 2 minutes of debate equally divided prior to a vote in relation to Portman amendment No. 1422. The Senator from Ohio. Mr. PORTMAN. Mr. President, I rise to speak on amendment No. 1422, which is a commonsense and, up to now, bipartisan approach to international tax reform. It simply says that under this budget we would do international tax reform. It would create incentives to have more jobs here in this country. Those are incentives for both U.S companies and foreign companies to create jobs here in America. This is not a partisan issue; it has been bipartisan. In fact, it was part of the Simpson-Bowles provisions with regard to tax reform. Only a couple of years ago, I cochaired a working group on this issue with the now minority leader, Senator Schumer, where we came up with a proposal which said that the international system is broken and that we need to move to one like the one we are talking about in this amendment that brings back jobs. One of the problems is that the current Tax Code actually encourages companies to keep their money offshore. We think we could bring back a lot of that money. There is probably $2.5 to $3 trillion locked out offshore. But it is worse than that. It also leads to American companies being taken over by foreign companies and these inversions we have heard so much about. In the last 24 hours, we had another major inversion. Companies that have household names are picking up and leaving our country and taking their jobs and investment with them. This amendment is common sense, Mr. President. I urge my colleagues on both sides of the aisle to support it. The PRESIDING OFFICER. The Senator from Indiana. Mr. DONNELLY. Mr. President, I rise in support of the Portman amendment. We can all agree that tax reform should help create more good jobs and protect the good jobs we already have. I support the Portman amendment, and I look forward to colleagues supporting my amendment that ensures that companies that ship American jobs to foreign countries are not eligible for tax breaks. I want to work with my colleagues to make sure any tax reform package is good for American workers. Thank you, Mr. President. The PRESIDING OFFICER. Who yields time? If no one yields time, the question is on agreeing to the amendment. The amendment (No. 1422) was agreed to. Amendment No. 1234, as Modified The PRESIDING OFFICER. There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Donnelly amendment No. 1234, as modified. The Senator from Indiana. Mr. DONNELLY. Mr. President, I rise today in support of the amendment I offered to address the outsourcing of American jobs. Currently, American companies that ship jobs to foreign countries can still claim massive tax breaks. That is wrong, and we should claw back incentives and prohibit companies from receiving tax breaks for outsourcing jobs. My end outsourcing amendment is common sense for taxpayers, supporting companies that invest in American workers, not those shipping jobs to foreign countries. I urge all of my colleagues to support this amendment. Mr. President, I yield back. The PRESIDING OFFICER. Who yields time? If no one yields time, the question is on agreeing to the amendment, as modified. The amendment (No. 1234), as modified, was agreed to. Amendment No. 1378 to Amendment No. 1116 The PRESIDING OFFICER. There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Brown amendment No. 1378. The clerk will report the amendment. The legislative clerk read as follows: The Senator from Ohio [Mr. Brown] proposes an amendment numbered 1378 to amendment No. 1116. Mr. BROWN. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with. The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows: (Purpose: To establish a deficit-neutral reserve fund relating to providing tax benefits to patriot employers that invest in American jobs and provide fair pay and benefits to workers) At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROVIDING TAX BENEFITS TO PATRIOT EMPLOYERS THAT INVEST IN AMERICAN JOBS AND PROVIDE FAIR PAY AND BENEFITS TO WORKERS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to income taxes paid by businesses, which may include measures providing tax breaks for companies that have not moved overseas to avoid paying their fair share of taxes, have maintained or expanded their United States workforce, or have provided fair wages and quality health insurance, prepared workers for retirement, hired veterans and workers with disabilities, and provided paid family medical leave, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. Mr. BROWN. Mr. President, I ask for support of the Patriot Corporation Act amendment. It is all pretty simple. Over the years, we have seen companies shut down production in Mansfield, OH, or Dayton, OH, and move to Tijuana, Mexico, or Hunan, China, and then sell their production back in the United States. Under this simple idea, the Patriot Corporation Act, companies that do the right thing--companies that pay their workers decent wages; companies that do the right thing by their workers in terms of benefits, healthcare, and pensions; companies that make their products and keep their production in the United States--will get a tax break. They will pay a lower tax rate. Yesterday at the White House, about 15 Senators met with President Trump. I talked to him about the Patriot Corporation Act. He said he likes the idea. It is about time that U.S companies that do the right thing should be rewarded instead of those companies that shut down production and move overseas and sell their products back. It is the right thing to do. It is a simple idea. Its time has come, Mr. President. The PRESIDING OFFICER. The Senator from Wyoming. [[Page S6621]] Mr. ENZI. Mr. President, I urge my colleagues to oppose this amendment. The budget resolution's reconciliation instruction to the Finance Committee does not and should not specify the policies or provisions that are being reported out of the Budget Committee resolution. The Finance framework includes international tax reform that will incentivize companies to invest domestically and create jobs in the United States. But this amendment defines ``patriot employers'' with a long list of criteria and pinpoints tax breaks for these companies. ``Patriot employers'' should not be defined by the budget process or by politics but by those that allow our constituents to join and remain in the workforce so as to participate in the American dream. American companies will be able to create additional jobs based on tax relief envisioned by the Finance Committee. As such, we should pass the resolution and reconciliation in a timely manner, and we should oppose this amendment. The PRESIDING OFFICER. The question is on agreeing to the amendment. Mr. BROWN. I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The legislative clerk called the roll. Mr. CORNYN. The following Senator is necessarily absent: the Senator from Mississippi (Mr. Cochran). Mr. DURBIN. I announce that the Senator from New Jersey (Mr. Menendez) is necessarily absent. The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The result was announced--yeas 47, nays 51, as follows: [Rollcall Vote No. 232 Leg.] YEAS--47 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Coons Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Manchin Markey McCaskill Merkley Murphy Murray Nelson Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden NAYS--51 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Collins Corker Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee McCain McConnell Moran Murkowski Paul Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NOT VOTING--2 Cochran Menendez The amendment (No. 1378) was rejected. The PRESIDING OFFICER. The Senator from Wyoming. Amendments Nos. 1296 and 1375 to Amendment No. 1116 Mr. ENZI. Mr. President, I ask unanimous consent that the following amendments be called up en bloc and reported by number: Paul No. 1296 and Cardin No. 1375. I further ask unanimous consent that the Senate vote in relation to these amendments in the order listed; that there be no second-degree amendments in order to the amendments prior to the votes; finally, that there be 2 minutes, equally divided between the managers or their designees, prior to each vote, and that all votes in this series be 10 minutes in length. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report the amendments en bloc by number. The bill clerk read as follows: The Senator from Wyoming [Mr. Enzi], for others, proposes amendments numbered 1296 and 1375 en bloc to amendment No. 1116. The amendments are as follows: Amendment No. 1296 (Purpose: To modify reconciliation instructions to reduce the deficit) Strike section 2001 and insert the following: SEC. 2001. RECONCILIATION IN THE SENATE. (a) Committee on ***Agriculture***.--The Committee on ***Agriculture*** of the Senate shall report changes in laws within its jurisdiction that reduce the deficit for fiscal year 2018 by not less than $4,800,000,000. (b) Committee on Armed Services.--The Committee on Armed Services of the Senate shall report changes in laws within its jurisdiction that reduce the deficit for fiscal year 2018 by not less than $480,000,000. (c) Committee on Health, Education, Labor, and Pensions.-- The Committee on Health, Education, Labor, and Pensions of the Senate shall report changes in laws within its jurisdiction that reduce the deficit for fiscal year 2018 by not less than $9,660,000,000. (d) Committee on Energy and Natural Resources .--The Committee on Energy and Natural Resources of the Senate shall report changes in laws within its jurisdiction that reduce the deficit for fiscal year 2018 by not less than $12,070,000,000. (e) Committee on Finance.--The Committee on Finance of the Senate shall report changes in laws within its jurisdiction that-- (1) reduce new budget authority for fiscal year 2018 by not less than $25,100,000,000; and (2) that increase the deficit by not more than $1,500,000,000,000 for the period of fiscal years 2018 through 2027. (f) Committee on Banking, Housing, and Urban Affairs.--The Committee on Banking, Housing, and Urban Affairs of the Senate shall report changes in laws within its jurisdiction that reduce the deficit for fiscal year 2018 by not less than $6,760,000,000. (g) Committee on Homeland Security and Governmental Affairs.--The Committee on Homeland Security and Governmental Affairs of the Senate shall report changes in laws within its jurisdiction that reduce the deficit for fiscal year 2018 by not less than $16,900,000,000. (h) Committee on the Judiciary.--The Committee on the Judiciary of the Senate shall report changes in laws within its jurisdiction that reduce the deficit for fiscal year 2018 by not less than $21,720,000,000. (i) Committee on Veterans' Affairs.--The Committee on Veterans' Affairs of the Senate shall report changes in laws within its jurisdiction that reduce the deficit for fiscal year 2018 by not less than $480,000,000. (j) Submissions.--In the Senate, not later than November 13, 2017, the Committees named in subsections (a) through (i) shall submit their recommendations to the Committee on the Budget of the Senate. Upon receiving such recommendations, the Committee on the Budget of the Senate shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision. Amendment No. 1375 (Purpose: To create a point of order against legislation that includes deficit-financed tax cuts) At the end of title IV, add the following: SEC. 4\_\_. POINT OF ORDER AGAINST LEGISLATION THAT INCLUDES DEFICIT-FINANCED TAX CUTS. (a) Point of Order.--It shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, amendment between the Houses, or conference report that includes tax cuts and would cause or increase a deficit or reduce a surplus. (b) Waiver and Appeal.--Subsection (a) may be waived or suspended in the Senate only by an affirmative vote of three- fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under subsection (a). Amendment No. 1296 The PRESIDING OFFICER. There will now be 2 minutes of debate equally divided prior to a vote in relation to Paul amendment No. 1296. The Senator from Kentucky. Mr. PAUL. Mr. President, this amendment is about whether or not we are serious about the debt. In the current budget, there are instructions to reduce the debt by $96 billion in mandatory spending. I applaud that, but we need budget reconciliation instructions to allow it to happen. This amendment will allow instructions so we can really do what we say we are going to do, which is to cut spending. I think, in light of the fact that we are for tax cuts, we ought to also be for reducing spending so we don't explode the debt. I recommend a ``yes'' vote on reconciliation instructions to allow for mandatory savings and spending. The PRESIDING OFFICER. The Senator from Vermont. Mr. SANDERS. Mr. President, I rise in strong opposition to the Paul amendment. This amendment includes reconciliation instructions to cut nearly $100 billion in ***programs*** that are vital to working families in this country, including education, healthcare, nutrition, affordable housing, and many, many other ***programs***. This amendment paves the way to make it easier to cut Medicare by over [[Page S6622]] $400 billion and Medicaid by over $1 trillion over the next decade in order to provide almost $2 trillion in tax cuts to the top 1 percent. This amendment should be defeated. The PRESIDING OFFICER. The question is on agreeing to the amendment. Mr. PAUL. I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The legislative clerk called the roll. Mr. CORNYN. The following Senator is necessarily absent: the Senator from Mississippi (Mr. Cochran). Mr. DURBIN. I announce that the Senator from New Jersey (Mr. Menendez) is necessarily absent. The PRESIDING OFFICER (Mr. Blunt). Are there any other Senators in the Chamber desiring to vote? The result was announced--yeas 4, nays 94, as follows: [Rollcall Vote No. 233 Leg.] YEAS--4 Flake Lankford Lee Paul NAYS--94 Alexander Baldwin Barrasso Bennet Blumenthal Blunt Booker Boozman Brown Burr Cantwell Capito Cardin Carper Casey Cassidy Collins Coons Corker Cornyn Cortez Masto Cotton Crapo Cruz Daines Donnelly Duckworth Durbin Enzi Ernst Feinstein Fischer Franken Gardner Gillibrand Graham Grassley Harris Hassan Hatch Heinrich Heitkamp Heller Hirono Hoeven Inhofe Isakson Johnson Kaine Kennedy King Klobuchar Leahy Manchin Markey McCain McCaskill McConnell Merkley Moran Murkowski Murphy Murray Nelson Perdue Peters Portman Reed Risch Roberts Rounds Rubio Sanders Sasse Schatz Schumer Scott Shaheen Shelby Stabenow Strange Sullivan Tester Thune Tillis Toomey Udall Van Hollen Warner Warren Whitehouse Wicker Wyden Young NOT VOTING--2 Cochran Menendez The amendment (No. 1296) was rejected. Amendment No. 1375 The PRESIDING OFFICER. There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Cardin amendment No. 1375. The Senator from Maryland. Mr. CARDIN. Mr. President, this amendment is very simple. It allows a point of order to be raised if the tax reform reported back to the floor by the committee increases the deficit. It is as simple as that. Do you believe we should act on tax reform that increases the deficit? If you agree with me that we should not be increasing the deficit with the tax reform reported back from the committee, then vote for this amendment or, if necessary, vote for waiving the point of order that may be raised. I urge my colleagues, if you are serious about the deficit, we shouldn't be passing legislation that increases it. Mr. President, I reserve the remainder of my time. The PRESIDING OFFICER. The Senator from Wyoming. Mr. ENZI. Mr. President, I urge my colleagues to oppose this amendment. Budget rules don't accommodate current tax policy. This means at least $460 billion of scored revenue loss can be attributed to the difference between a current law baseline and a current policy baseline. Many of the tax extenders covered by this amount are popular and are supported on a bipartisan basis. This amendment is corrosive to the budget resolution's privilege. It falls outside the scope of what is appropriate for inclusion. Adoption of corrosive amendments could be fatal to the resolution's privilege, and loss of privilege could compromise our ability to pass tax reform and to enforce the budget spending limits. Further, this amendment is also nongermane. The Congressional Budget Act requires that amendments to a budget resolution be germane--a statutory regulation we can't ignore. So I raise a point of order against this amendment under the Budget Act's section 305(b)(2). The PRESIDING OFFICER. The Senator from Maryland. Mr. CARDIN. Mr. President, what the chairman is saying is, basically, the process will be used in order to add to the deficit. Therefore, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive section 305(b) of that act for purposes of the pending amendment, and I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The question is on agreeing to the motion. The clerk will call the roll. The bill clerk called the roll. Mr. DURBIN. I announce that the Senator from New Jersey (Mr. Menendez) is necessarily absent. The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The yeas and nays resulted--yeas 47, nays 52, as follows: [Rollcall Vote No. 234 Leg.] YEAS--47 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Coons Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Manchin Markey McCaskill Merkley Murphy Murray Nelson Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden NAYS--52 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Cochran Collins Corker Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee McCain McConnell Moran Murkowski Paul Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NOT VOTING--1 Menendez The PRESIDING OFFICER. On this vote, the yeas are 47, the nays are 52. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained and the amendment falls. The Senator from Wyoming. Amendments Nos. 1298, 1430, and 1277 to Amendment No. 1116 Mr. ENZI. Mr. President, I ask unanimous consent that the following amendments be called up en bloc and reported by number: Paul No. 1298, Lee No. 1430, and Paul No. 1277. I further ask unanimous consent that the Senate now vote in relation to the Kaine amendment No. 1249 and that following disposition of the Kaine amendment, the Senate vote in relation to the above amendments in the order listed; finally, that there be 2 minutes equally divided between the managers or their designees prior to all further votes tonight and that they be 10 minutes in length. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. Mr. ENZI. The next four votes will be on the Kaine amendment No. 1249, the Paul amendment No. 1298, the Lee amendment No. 1430, and the Paul amendment No. 1277. The PRESIDING OFFICER. The clerk will report the amendments en bloc by number. The bill clerk read as follows: The Senator from Wyoming [Mr. Enzi], for others, proposes amendments numbered 1298, 1430, and 1277 en bloc to amendment No. 1116. The amendments are as follows: amendment no. 1298 (Purpose: To reduce discretionary spending by $43,000,000,000) On page 4, line 25, decrease the amount by $43,000,000,000. On page 5, line 13, decrease the amount by $35,948,000,000. On page 5, line 14, increase the amount by $33,550,000,000. On page 5, line 15, decrease the amount by $86,000,000. On page 6, line 1, decrease the amount by $35,260,000,000. [[Page S6623]] On page 6, line 2, decrease the amount by $6,450,000,000. On page 6, line 3, decrease the amount by $860,000,000. On page 6, line 15, decrease the amount by $35,260,000,000. On page 6, line 16, decrease the amount by $6,450,000,000. On page 6, line 17, decrease the amount by $860,000,000. On page 7, line 3, decrease the amount by $35,260,000,000. On page 7, line 4, decrease the amount by $6,450,000,000. On page 7, line 5, decrease the amount by $860,000,000. On page 37, line 19, decrease the amount by $43,000,000,000. On page 37, line 20, decrease the amount by $35,260,000,000. On page 37, line 24, decrease the amount by $6,450,000,000. On page 38, line 3, decrease the amount by $860,000,000. amendment no. 1430 (Purpose: To expand the deficit-neutral reserve fund relating to the repeal of provisions of title I of the Patient Protection and Affordable Care Act) On page 49, line 5, insert ``, which may include nullification of any regulations promulgated under title I of the Patient Protection and Affordable Care Act (including any amendment made by such title)'' before ``by the''. amendment no. 1277 (Purpose: To provide for reconciliation instructions to the relevant committees for the purpose of repealing and replacing the Patient Protection and Affordable Care Act) In section 2001, strike subsection (c) and insert the following: (c) Committee on Health, Education, Labor, and Pensions.-- The Committee on Health, Education, Labor, and Pensions of the Senate shall report changes in laws within its jurisdiction to reduce the deficit by not less than $1,000,000 for the period of fiscal years 2018 through 2027. (d) Committee on the Judiciary.--The Committee on the Judiciary of the Senate shall report changes in laws within its jurisdiction to reduce the deficit by not less than $1,000,000 for the period of fiscal years 2018 through 2027. (e) Committee on Homeland Security and Governmental Affairs.--The Committee on Homeland Security and Governmental Affairs of the Senate shall report changes in laws within its jurisdiction to reduce the deficit by not less than $1,000,000 for the period of fiscal years 2018 through 2027. (f) Submissions.--In the Senate, not later than November 13, 2017, the Committees named in subsections (a) through (e) shall submit their recommendations to the Committee on the Budget of the Senate. Upon receiving such recommendations, the Committee on the Budget of the Senate shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision. The PRESIDING OFFICER. The Senator from Virginia. Amendment No. 1249 Mr. KAINE. Mr. President, I call up amendment No. 1249. The PRESIDING OFFICER. The amendment is pending. Mr. KAINE. The amendment is a simple amendment, folks. It is about transparency. Two years ago, the Senate passed a budget that added a laudatory requirement to have a Congressional Budget Office score for reconciliation legislation 28 hours in advance of voting on the legislation. There are obvious benefits to the Members who are voting and obvious benefits to the American public. The budget resolution before us from committee repeals that requirement. The majority has argued that it is unnecessary because the requirement has never been triggered. But I remember that just a couple of months ago, the Senate was debating healthcare legislation that hadn't seen the light of day and didn't have a CBO score. Do we really believe the answer to our problem is to make it easier to pass legislation without knowing the cost? I think the 28-hour requirement is worthy, it should be continued, and I think it should be extended to include amendments in the nature of a substitute. I ask all my colleagues to support transparency and not embarrass the institution by enabling us to more easily pass important legislation without the public knowing the score. The PRESIDING OFFICER. The Senator's time has expired. The Senator from Wyoming. Mr. ENZI. Mr. President, I urge my colleagues to oppose this amendment. The congressional budget clearly empowers the Budget Committee chair as scorekeeper. Since becoming chairman in 2015, I am pleased to say that the Budget Committee has always discharged its responsibilities with scores in hand, proving our important work and function without this amendment. In fact, the 28-hour rule is a recent creation, and its repeal shows no deviation from Senate practice. It would require 28 hours on every amendment. It is also important to note that a budget resolution is not a law. Because it is not a law, it cannot supersede or replace any statutory provisions. The Congressional Budget Act is a law and sets forth the rules that the congressional budget must follow. The proposed amendment attempts to make a significant change to section 402 of the Congressional Budget Act, which should be accomplished through regular order legislation which the President signs. I urge my colleagues to oppose this amendment. The PRESIDING OFFICER. The question is on agreeing to the amendment. Mr. ENZI. Mr. President, I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The bill clerk called the roll. Mr. DURBIN. I announce that the Senator from New Jersey (Mr. Menendez) is necessarily absent. The PRESIDING OFFICER (Mr. Young). Are there any other Senators in the Chamber desiring to vote? The result was announced--yeas 48, nays 51, as follows: [Rollcall Vote No. 235 Leg.] YEAS--48 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Collins Coons Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Manchin Markey McCaskill Merkley Murphy Murray Nelson Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden NAYS--51 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Cochran Corker Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee McCain McConnell Moran Murkowski Paul Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NOT VOTING--1 Menendez The amendment (No. 1249) was rejected. Amendment No. 1298 The PRESIDING OFFICER. There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Paul amendment No. 1298. The Senator from Kentucky. Mr. PAUL. Mr. President, this amendment is about the debt. We have a $20 trillion debt. It is about whether we are serious about tackling that debt. The budget before us exceeds our own spending caps by $43 billion. You will be told that technically that is not so because we hide the money by sticking it in an account we call the Overseas Contingency Operations. Over the past 3 years, we have spent more than $1.7 trillion in this account, but we don't account for it, and we don't budget for it. What I am asking us to do is to be responsible, budget for this, stay within our self-imposed caps, and actually act as though we really believe in what we say--that the debt is a problem. The PRESIDING OFFICER. The Senator from Wyoming. Mr. ENZI. Mr. President, I urge my colleagues to oppose this amendment. The amendment seeks to reduce discretionary appropriations this fiscal year by $43 billion. As Members are aware, the resolution's discretionary figures for this fiscal year are fully consistent with the Budget Control Act spending limits. If they weren't, then the resolution would be subject to a 60-vote point of order. This year's resolution also includes Overseas Contingency Operations funding at $77 billion. This amount is equal to the President's request and is allowable under the Budget Control Act. The [[Page S6624]] members of the Budget Committee worked hard to craft a resolution with levels that would put us on a better fiscal path, with $5.1 trillion in spending reductions over the next 10 years. The resolution already contains ample restraint to both discretionary and mandatory spending. As the Appropriations Committee has reported many of its bills already, this amendment could be detrimental to the appropriations process as it stands today and the allocation this resolution will provide. I urge my colleagues to oppose this amendment. Mr. LEAHY. Mr. President, I ask unanimous consent to speak for 1 minute. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. Mr. LEAHY. Mr. President, I agree with my colleague that there are no recommendations on where these cuts are coming from. Do they come from the ***programs*** that support our Nation's veterans, from the National Institutes of Health--the cutting-edge cancer research it conducts? You can't turn research on and off. Scientists don't hit pause. Does it come from our transportation and infrastructure? If we really want to make these cuts--and this, of course, would take us well below the postsequester budget caps that are already $43 billion. If we want to make cuts, have the courage to stand up and say ``This is the ***program*** I want to cut''--not do something like this, where we don't know if the cut will be for veterans, education, cancer research, or anything else. I oppose the amendment. To reiterate, I oppose the Paul amendment and urge others to do the same. The Paul amendment appears to mandate a cut of $43 billion from nondefense discretionary ***programs*** in fiscal year 2018. This is an 8- percent cut to the fiscal year 2018 postsequester budget caps, which are already $3 billion below last year's levels. It could impact defense as well. Of course, Senator Paul provides no recommendations on who he wants to hurt. Should it come from ***programs*** that support our Nation's veterans? Should it come from the National Institutes of Health and the cutting-edge cancer research it conducts? You cannot just turn research on and off. Scientists do not hit pause. What if we take it from transportation and infrastructure ***programs*** that help repair our Nation's failing roads and bridges? If those are unacceptable, perhaps we should cut or eliminate ***programs*** that assist our Nation's farmers or help promote economic growth in rural communities. I think we can all agree that is not going to happen. It should not happen. We should be investing in our communities to make sure they have the tools they need to grow and flourish, not deserting them. Members on both sides of the aisle have been calling for months for a bipartisan budget deal. In speech after speech we have heard about the devastating consequences that sequester has on both defense and nondefense ***programs***. If we are going to finish this year's appropriations process, we need a bipartisan budget deal based on parity that provides us relief from sequester. This amendment takes us in the opposite direction. I urge a ``no'' vote. The PRESIDING OFFICER. Time has expired. The question is on agreeing to the amendment. Mr. PAUL. I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The result was announced--yeas 5, nays 95, as follows: [Rollcall Vote No. 236 Leg.] YEAS--5 Daines Flake Lankford Lee Paul NAYS--95 Alexander Baldwin Barrasso Bennet Blumenthal Blunt Booker Boozman Brown Burr Cantwell Capito Cardin Carper Casey Cassidy Cochran Collins Coons Corker Cornyn Cortez Masto Cotton Crapo Cruz Donnelly Duckworth Durbin Enzi Ernst Feinstein Fischer Franken Gardner Gillibrand Graham Grassley Harris Hassan Hatch Heinrich Heitkamp Heller Hirono Hoeven Inhofe Isakson Johnson Kaine Kennedy King Klobuchar Leahy Manchin Markey McCain McCaskill McConnell Menendez Merkley Moran Murkowski Murphy Murray Nelson Perdue Peters Portman Reed Risch Roberts Rounds Rubio Sanders Sasse Schatz Schumer Scott Shaheen Shelby Stabenow Strange Sullivan Tester Thune Tillis Toomey Udall Van Hollen Warner Warren Whitehouse Wicker Wyden Young The amendment (No. 1298) was rejected. Amendment No. 1430 The PRESIDING OFFICER. There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Lee amendment No. 1430. The Senator from Utah. Mr. LEE. Mr. President, I am offering amendment No. 1430 to repeal ObamaCare regulations that are wreaking havoc on our health insurance market. Healthcare costs are rising dramatically, unsustainably, and unaffordably. Healthcare costs are rising as a result of ObamaCare's despotic regime of aggressive healthcare regulations. Countless working families are treading water just to try to stay afloat. A good chunk of these costs also can be pinned directly on the burdensome ObamaCare regulations. According to one HHS study, ObamaCare regulations caused premiums in the individual market to spike an astounding 105 percent, and a study by Milliman showed that the guaranteed issue regulation alone caused health insurance premiums to rise by an average of 45 percent. This amounts to $106 per month. That is thousands of dollars per year for working families. That is money that they could be spending on groceries, on housing, on braces, or on their child's education. Congress has done very little in the last few years to alleviate the burdens faced by these working class families. I urge my colleagues to act now by supporting this amendment. The PRESIDING OFFICER. The Senator from Washington. Mrs. MURRAY. Mr. President, Republicans have now put forward proposal after proposal to rip protections away from Americans with preexisting conditions. This amendment is yet another example of Republican efforts to increase costs for people who need healthcare the most. It would put insurance companies back in charge. It would allow them to deny coverage to people with preexisting conditions or discriminate against them by charging higher premiums. This repeals the essential health benefits, rips away access to critical services like maternity care, mental health, and substance use disorder treatment, and repeals the requirement that coverage be available to dependents under the age of 26. Americans have rejected this crass partisan proposal. It is long past time to focus on bipartisan proposals like the one that Senator Alexander and I announced today that actually protects people with preexisting conditions while bringing down premiums for patients and family. I urge a ``no'' vote. Mr. LEE. Mr. President, I ask unanimous consent to speak for 10 seconds. Mrs. MURRAY. I object. The PRESIDING OFFICER. Objection is heard. Mr. LEE. I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The question is on agreeing to the amendment. The clerk will call the roll. The assistant bill clerk called the roll. Mr. CORNYN. The following Senator is necessarily absent: the Senator from Mississippi (Mr. Cochran). The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The result was announced--yeas 32, nays 67, as follows: [Rollcall Vote No. 237 Leg.] YEAS--32 Barrasso Boozman Corker Cornyn Cotton Crapo Cruz Daines Flake Graham Hatch Heller Hoeven Inhofe Johnson [[Page S6625]] Kennedy Lankford Lee McConnell Moran Paul Perdue Risch Roberts Rubio Sasse Scott Sullivan Thune Toomey Wicker Young NAYS--67 Alexander Baldwin Bennet Blumenthal Blunt Booker Brown Burr Cantwell Capito Cardin Carper Casey Cassidy Collins Coons Cortez Masto Donnelly Duckworth Durbin Enzi Ernst Feinstein Fischer Franken Gardner Gillibrand Grassley Harris Hassan Heinrich Heitkamp Hirono Isakson Kaine King Klobuchar Leahy Manchin Markey McCain McCaskill Menendez Merkley Murkowski Murphy Murray Nelson Peters Portman Reed Rounds Sanders Schatz Schumer Shaheen Shelby Stabenow Strange Tester Tillis Udall Van Hollen Warner Warren Whitehouse Wyden NOT VOTING--1 Cochran The amendment (No. 1430) was rejected. Amendment No. 1277 The PRESIDING OFFICER. There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Paul amendment No. 1277. The Senator from Kentucky. Mr. PAUL. Mr. President, across the country, Republicans promised to repeal ObamaCare. They promised to repeal all of ObamaCare, root and branch. Not one Republican promised to keep and block grant ObamaCare. They promised to repeal ObamaCare. Tonight I present another chance. My amendment will provide budget reconciliation instructions so Republican Senators can fulfill their promise; so they can actually repeal ObamaCare, root and branch, as they promised. The PRESIDING OFFICER. The Senator from Oregon. Mr. WYDEN. Mr. President, this amendment provides reconciliation instructions to three Senate committees for the purpose of repealing and replacing the Affordable Care Act; in effect, rerunning the same bad movie the Senate has now seen three times. By now, Americans understand what these partisan Republican healthcare bills have in store for the middle class: higher premiums, worse healthcare, and a safety net in tatters. I will close by saying that there is now a desire on both sides of the aisle to set aside this my-way-or-the-highway approach to governing. Bipartisanship is about taking each other's good ideas, and I believe the Senate can work together to lower people's premiums. This amendment is a vote to look for more partisan ideological trophies when the Senate ought to be working together to find common ground. I urge my colleagues to reject this amendment. The PRESIDING OFFICER. The question is on agreeing to the amendment. Mr. PAUL. Mr. President, I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The assistant bill clerk called the roll. Mr. CORNYN. The following Senator is necessarily absent: the Senator from Mississippi (Mr. Cochran). The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The result was announced--yeas 33, nays 66, as follows: [Rollcall Vote No. 238 Leg.] YEAS--33 Barrasso Boozman Burr Capito Cotton Crapo Cruz Daines Ernst Fischer Flake Gardner Grassley Hatch Heller Hoeven Inhofe Johnson Kennedy Lankford Lee Paul Portman Risch Rounds Rubio Sasse Scott Sullivan Thune Tillis Wicker Young NAYS--66 Alexander Baldwin Bennet Blumenthal Blunt Booker Brown Cantwell Cardin Carper Casey Cassidy Collins Coons Corker Cornyn Cortez Masto Donnelly Duckworth Durbin Enzi Feinstein Franken Gillibrand Graham Harris Hassan Heinrich Heitkamp Hirono Isakson Kaine King Klobuchar Leahy Manchin Markey McCain McCaskill McConnell Menendez Merkley Moran Murkowski Murphy Murray Nelson Perdue Peters Reed Roberts Sanders Schatz Schumer Shaheen Shelby Stabenow Strange Tester Toomey Udall Van Hollen Warner Warren Whitehouse Wyden NOT VOTING--1 Cochran The amendment (No. 1277) was rejected. The PRESIDING OFFICER. The Senator from Wyoming. Amendments Nos. 1553, 1428, 1404, 1429, 1552, 1301, 1561, and 1167 to Amendment No. 1116 Mr. ENZI. Mr. President, I ask unanimous consent that the following amendments be called up en bloc and reported by number: Udall amendment No. 1553, Lee amendment No. 1428, Paul amendment No. 1404, Lee amendment No. 1429, Fischer amendment No. 1552, Cantwell amendment No. 1301, Enzi amendment No. 1561, and Perdue-Whitehouse amendment No. 1167. I further ask unanimous consent that the Senate now vote in relation to these amendments in the order listed. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The clerk will report the amendments en bloc by number. The senior assistant legislative clerk read as follows: The Senator from Wyoming [Mr. Enzi], for himself and others, proposes amendments numbered 1553, 1428, 1404, 1429, 1552, 1301, 1561, and 1167 en bloc to amendment No. 1116. The amendments are as follows: amendment no. 1553 (Purpose: To establish a deficit-neutral reserve fund relating to the provision of full, permanent, and mandatory funding for the payment in lieu of taxes ***program***) At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO PROVIDING FULL, PERMANENT, AND MANDATORY FUNDING FOR THE PAYMENT IN LIEU OF TAXES ***PROGRAM***. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to providing full, permanent, and mandatory funding for the payment in lieu of taxes ***program*** by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. amendment no. 1428 (Purpose: To modify a deficit neutral reserve fund relating to public land and the environment to address making payments under the payments in lieu of taxes ***program*** equivalent to the property tax revenue that would be due to a State or local government if the State or local government owned the land) On page 57, line 19, insert ``, including rewriting the formula for payments under the ***program***'' after ``***program***''. amendment no. 1404 (Purpose: To ensure that all Americans receive a tax cut, keeping more of their hard earned money, and enjoy the benefit of tax reform) On page 47, line 6, strike ``$1,500,000,000,000'' and insert ``$2,500,000,000,000''. amendment no. 1429 (Purpose: To establish a spending-neutral reserve fund relating to prohibiting Federal regulation of entirely intrastate species under the Endangered Species Act of 1973) At the end of title III, add the following: SEC. 3\_\_. SPENDING-NEUTRAL RESERVE FUND RELATING TO CLARIFYING FEDERAL JURISDICTION IN RELATION TO INTRASTATE SPECIES. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to prohibiting Federal regulation of entirely intrastate species under the Endangered Species Act of 1973 (16 U.S.C 1531 et seq.) by the amounts provided in such legislation for those purposes, provided that such legislation would not raise new revenue and would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. [[Page S6626]] amendment no. 1552 (Purpose: To provide tax relief to American workers, families, and job creators in a manner which maintains the progressivity of the tax system by maintaining or raising the share of taxes paid by high income taxpayers) At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO TAX REFORM WHICH MAINTAINS THE PROGRESSIVITY OF THE TAX SYSTEM. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to changes in Federal tax laws, which may include tax reform proposals to ensure that the reformed tax code parallels the existing tax code with respect to relative burdens and does not shift the tax burden from high-income to lower- and middle-income taxpayers, by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over the period of the total of fiscal years 2018 through 2027. amendment no. 1301 (Purpose: To strike the reconciliation instructions for the Committee on Energy and Natural Resources of the Senate to prevent oil and gas development within the Arctic National Wildlife Refuge) In section 2001, strike subsection (b). Amendment No. 1561 (Purpose: To provide other enforcement provisions related to the House of Representatives.) (The amendment is printed in today's Record under ``Text of Amendments.'') amendment no. 1167 (Purpose: To establish a deficit-neutral reserve fund relating to significantly improving the budget process) At the end of title III, add the following: SEC. 3\_\_\_. DEFICIT-NEUTRAL RESERVE FUND RELATING TO SIGNIFICANTLY IMPROVING THE BUDGET PROCESS. The Chairman of the Committee on the Budget of the Senate may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution, and make adjustments to the pay-as-you-go ledger, for one or more bills, joint resolutions, amendments, amendments between the Houses, motions, or conference reports relating to significantly improving the budget process by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2018 through 2022 or the period of the total of fiscal years 2018 through 2027. Mr. ENZI. Mr. President, for the information of Senators, we expect to have this series of votes and then move to passage of the resolution. That means there are hopefully approximately eight votes left. Some of them may be voice votes. Mr. President, I yield to the leader. The PRESIDING OFFICER. The majority leader. Mr. McCONNELL. Mr. President, I say to colleagues, the consent agreement that was just entered allows us to see the light at the end of the tunnel. If Senators will stay in the Chamber, we will do these 10-minute rollcall votes and wrap it up. The PRESIDING OFFICER. The Democratic leader. Mr. SCHUMER. Mr. President, I thank the majority leader. We completely agree on this issue. We hope Members on both sides will stay in their seats so we can finish quickly, without going through the ridiculous vote-arama that we have done in previous years. I yield the floor. Amendment No. 1553 The PRESIDING OFFICER. There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Udall amendment No. 1553. The Senator from New Mexico. Mr. UDALL. Mr. President, this amendment calls for legislation to fully and permanently fund the Payment in Lieu of Taxes ***Program***. Senator Heinrich and I have long called for this solution. Rural counties in New Mexico and other States across the West and across the country have large amounts of Federal lands within their boundaries. These counties rely on funding from the PILT ***Program*** to provide better schools, maintain roads and bridges, and support thousands of local jobs. We currently fund PILT year by year. I have fought for this funding as a member of the Appropriations Committee, but we need to do more. We need to pass permanent funding to ensure that local communities can count on our resources being there every year to provide basic services. I urge support for the Udall-Heinrich amendment and yield back. The PRESIDING OFFICER. Is there further debate? The Senator from Wyoming. Mr. ENZI. Mr. President, I urge my colleagues to oppose this amendment, reluctantly. I have always fought to make sure the rural communities can keep the lights on. Approximately half of the land in my home State of Wyoming is under Federal control, and counties, therefore, are unable to obtain property tax revenue from a large part of the State. Payment in lieu of taxes isn't a giveaway to these counties. It is compensation for the money they lose because they are unable to tax Federal lands within their borders, even though they are required to provide services on those lands. However, this resolution already has the reserved funds for the Payment in Lieu of Taxes ***Program***. I find this amendment to be duplicative and unnecessary. Furthermore, the vote-arama isn't the correct forum to contemplate making any ***program*** permanent and mandatory, even one I have long supported. I look forward to working with my colleague from New Mexico and with other interested Members from Western States on fiscally responsible legislation to provide fairness and equity for America's rural counties and their communities. I urge my colleagues to oppose this amendment. The PRESIDING OFFICER. The question is on agreeing to the amendment. Mr. UDALL. I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The senior assistant legislative clerk called the roll. Mr. CORNYN. The following Senator is necessarily absent: the Senator from Mississippi (Mr. Cochran). The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote? The result was announced--yeas 58, nays 41, as follows: [Rollcall Vote No. 239 Leg.] YEAS--58 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Coons Cortez Masto Crapo Daines Donnelly Duckworth Durbin Feinstein Franken Gardner Gillibrand Harris Hassan Hatch Heinrich Heitkamp Heller Hirono Kaine King Klobuchar Leahy Lee Manchin Markey McCain McCaskill Menendez Merkley Murkowski Murphy Murray Nelson Peters Reed Risch Sanders Schatz Schumer Shaheen Stabenow Sullivan Tester Udall Van Hollen Warner Warren Whitehouse Wyden NAYS--41 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Collins Corker Cornyn Cotton Cruz Enzi Ernst Fischer Flake Graham Grassley Hoeven Inhofe Isakson Johnson Kennedy Lankford McConnell Moran Paul Perdue Portman Roberts Rounds Rubio Sasse Scott Shelby Strange Thune Tillis Toomey Wicker Young NOT VOTING--1 Cochran The amendment (No. 1553) was agreed to. The PRESIDING OFFICER. The Senator from Wyoming. Mr. ENZI. Mr. President, I request that everybody sit in their seat, and we could do these votes in 7\1/2\ minutes. If everybody wanders off and comes back in, we could be here half the night. There should only be about seven votes left, and some of those could be by voice vote, like the next one. Mr. SCHUMER. Our side was in early. Mr. ENZI. I appreciate the way those on that side have taken their seats and voted. Amendment No. 1428 The PRESIDING OFFICER. There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Lee amendment No. 1428. [[Page S6627]] The Senator from Utah. Mr. LEE. Mr. President, I am offering this amendment to pay back western communities for the loss that occurs to them as a result of the widespread ownership of Federal public land. As I have long stressed, Federal land is often a bad bargain for State and local governments, like those in Utah, where almost two- thirds of the land is owned and controlled by the Federal Government, thus prohibiting local governments from taxing that land. Not only does Federal ownership reduce economic opportunity on that land, not only does it rob local residents of local control, but it also shrinks the property tax base that Utahns rely on to fund essential community services. The Payments in Lieu of Taxes ***Program***, or PILT, was designed to address this very inequity by paying States for the property tax revenue they lost as a result of Federal land ownership, but the current formula for PILT does not adequately compensate local governments for this loss. In fact, it doesn't even come close. My amendment offers these predominantly rural communities a revisited, revised, and improved PILT formula to compensate them for these very losses. I encourage my colleagues to support it, and I request a voice vote. The PRESIDING OFFICER. The Senator from Washington. Ms. CANTWELL. Mr. President, there is wide support for PILT from both Democrats and Republicans, as witnessed by this last vote. What we need to do now is to make sure that it works fairly for counties and is not done arbitrarily. The CRS found that taking the approach in Senator Lee's amendment would break the PILT ***Program***. Not only would calculating each county's payments be nearly impossible, the ***program*** would not be fair. In fact, the CRS cited a 2010 study that found that the approach in Senator Lee's amendment would result in two-thirds of all of the counties that receive PILT funding receiving lower payments than they do now. I urge my colleagues to vote no. The PRESIDING OFFICER. The question is on agreeing to the amendment. Mr. LEE. Mr. President, I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The legislative clerk called the roll. The result was announced--yeas 50, nays 50, as follows: [Rollcall Vote No. 240 Leg.] YEAS--50 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Cochran Collins Corker Cornyn Cotton Crapo Cruz Donnelly Enzi Ernst Fischer Flake Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee McConnell Moran Murkowski Paul Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NAYS--50 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Coons Cortez Masto Daines Duckworth Durbin Feinstein Franken Gardner Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Manchin Markey McCain McCaskill Menendez Merkley Murphy Murray Nelson Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden The amendment (No. 1428) was rejected. Amendment No. 1404 The PRESIDING OFFICER (Mr. Kennedy). There will now be 2 minutes of debate, equally divided, prior to a vote in relation to Paul amendment No. 1404. The Senator from Kentucky. Mr. PAUL. Mr. President, rather than bicker over raising taxes on some people and lowering taxes on other people, we should cut everyone's taxes to make sure we get a middle-class tax cut across the board. The best way to do that is to give the tax committee a mandate that is larger, a mandate for a bigger tax cut. My amendment provides budget reconciliation instructions to increase the tax cut to $2.5 trillion. If we were to believe this budget, it claims to save over $6 trillion over 10 years--more than enough to go bigger, better, and bolder on cutting taxes. The PRESIDING OFFICER. The Senator from Vermont. Mr. SANDERS. Mr. President, I rise in strong opposition to the Paul amendment. In the budget we are debating today, my Republican colleagues have required the Finance Committee to increase the deficit by $1.5 trillion over the next decade. This budget would pave the way for massive cuts to Medicare and Medicaid in order to provide the wealthiest people in this country with incredibly large tax breaks. Senator Paul thinks that doesn't go far enough. His amendment would allow the Senate to increase the deficit by $2.5 trillion, allowing for even greater cuts to Medicare, to Medicaid, and even bigger tax breaks for the Koch brothers and their friends. I urge a ``no'' vote on this amendment. The PRESIDING OFFICER. The question is on agreeing to the amendment. Mr. PAUL. I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The senior assistant legislative clerk called the roll. The result was announced--yeas 7, nays 93, as follows: [Rollcall Vote No. 241 Leg.] YEAS--7 Cruz Daines Heller Lee Paul Perdue Sasse NAYS--93 Alexander Baldwin Barrasso Bennet Blumenthal Blunt Booker Boozman Brown Burr Cantwell Capito Cardin Carper Casey Cassidy Cochran Collins Coons Corker Cornyn Cortez Masto Cotton Crapo Donnelly Duckworth Durbin Enzi Ernst Feinstein Fischer Flake Franken Gardner Gillibrand Graham Grassley Harris Hassan Hatch Heinrich Heitkamp Hirono Hoeven Inhofe Isakson Johnson Kaine Kennedy King Klobuchar Lankford Leahy Manchin Markey McCain McCaskill McConnell Menendez Merkley Moran Murkowski Murphy Murray Nelson Peters Portman Reed Risch Roberts Rounds Rubio Sanders Schatz Schumer Scott Shaheen Shelby Stabenow Strange Sullivan Tester Thune Tillis Toomey Udall Van Hollen Warner Warren Whitehouse Wicker Wyden Young The amendment (No. 1404) was rejected. Amendment No. 1429 The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate, equally divided, prior to a vote in relation to Lee amendment No. 1429. The Senator from Utah. Mr. LEE. Mr. President, our constitutional structure puts in place a Federal Government with powers that James Madison described as ``few and defined'' and those reserved to the States as ``numerous and indefinite.'' Among other things, the Constitution gives powers to the Congress to regulate interstate commerce, trade or commerce between the States, with foreign nations, and with Indian Tribes. It does not give the Congress the power to regulate any and every activity occurring intrastate. Yet, for the last few decades, under the Endangered Species Act, this very power has been abused to regulate species that exists only in one place, only within one State, never crossing State lines, never forming any part of any channel or instrumentality of interstate commerce. This is wrong, it is unconstitutional, and it eviscerates and circumvents the meaning of the 10th Amendment. We need to liberate this country from the dictates of a few bureaucrats in Washington, DC, who have overextended their authority under the Endangered Species Act. My amendment fixes that, and I urge my colleagues to support amendment No. 1429. [[Page S6628]] The PRESIDING OFFICER. The Senator from Delaware. Mr. CARPER. Mr. President, I rise in opposition to the amendment offered by the Senator from Utah. Why is this an important amendment vote? Just listen to this. More than 1,000 listed species, 77 percent of all listed species, including the polar bear, the Florida panther are found in one State--one State. Seventy-seven percent of all listed species, including the polar bear, the Florida panther, and many more are found only in one State, and for an island State like Hawaii, all of its species would lose protection. I urge you to join me in opposing this amendment. The PRESIDING OFFICER. The question is on agreeing to the amendment. Mr. LEE. Mr. President, I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The legislative clerk called the roll. The result was announced--yeas 49, nays 51, as follows: [Rollcall Vote No. 242 Leg.] YEAS--49 Barrasso Blunt Boozman Burr Capito Cassidy Cochran Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee McCain McConnell Moran Murkowski Paul Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NAYS--51 Alexander Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Collins Coons Corker Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Manchin Markey McCaskill Menendez Merkley Murphy Murray Nelson Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden The amendment (No. 1429) was rejected. Vote on Amendment No. 1552 The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate, equally divided, prior to a vote in relation to Fischer amendment No. 1552. Mr. ENZI. Mr. President, I yield back all time and ask for a voice vote. The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The question is on agreeing to the amendment. The amendment (No. 1552) was agreed to. Amendment No. 1301 The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate, equally divided, prior to a vote in relation to Cantwell amendment No. 1301. The Senator from Washington. Ms. CANTWELL. Mr. President, the Arctic National Wildlife Refuge is one of the most pristine areas of the United States, and we have been protecting it for decades for a reason. The notion that tonight, after 60-plus years, we would give up what is a biologically important area, that is a critical habitat for polar bears, a breeding ground for caribou, migratory birds, and over 200 species--for what? For oil that we don't need. We have had record oil production in the last 10 years--a 77-percent increase. The oil that we would get, we wouldn't get until 10 years from now, and it would supply oil for only 1 year in the United States. It is not worth it. As Representative Mo Udall said in 1980: ``If we have to drill at the White House or Arlington Cemetery or the Capitol grounds for oil, we might have to drill in the Arctic Refuge. But let us go there last.'' We don't need this oil. We have plenty of supply. The Interior Secretary is trying to open a billion acres, including on-shore and outer continental shelf waters. Vote no and protect a unique special place that has been protected for 60 years. The PRESIDING OFFICER. The Senator from Alaska. Ms. MURKOWSKI. Mr. President, I urge my colleagues to soundly reject this amendment. Those who support this amendment will deny us the opportunity to do something constructive in this country when it comes to our opportunities to ***produce*** energy, to ***produce*** wealth. We need to be expanding our energy development in our Federal areas. This helps us reduce our deficit, build new wealth in this country, strengthen our national security and our competitiveness. We can and we must do more as a nation to responsibly develop our resources, our energy resources providing economic security, energy security, and national security. The Energy Committee is prepared to meet this instruction to raise a billion dollars over the next decade. I urge Senators to reject this amendment, which would deprive us of a substantial opportunity to benefit our country at the same time that we care for our environment. Thank you. The PRESIDING OFFICER. The question is on agreeing to the amendment. Ms. CANTWELL. Mr. President, I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The senior assistant legislative clerk called the roll. The result was announced--yeas 48, nays 52, as follows: [Rollcall Vote No. 243 Leg.] YEAS--48 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Collins Coons Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Markey McCaskill Menendez Merkley Murphy Murray Nelson Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden NAYS--52 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Cochran Corker Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee Manchin McCain McConnell Moran Murkowski Paul Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young The amendment (No. 1301) was rejected. Amendment No. 1561 The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate, equally divided, prior to a vote in relation to Enzi amendment No. 1561. The Senator from Wyoming. Mr. ENZI. Mr. President, first of all, I want to thank everybody who has gotten us to this point. There is this vote, and I hope there will be one voice vote after it and then final passage. I am urging my colleagues to support this amendment. This amendment offers technical and conforming changes that are needed for the House of Representatives to be able to enforce the budget resolution. This amendment will help maintain fiscal discipline in the House so both Chambers can continue to work and put America on a more sustainable footing. What is also important for my colleagues to know is that these provisions apply to the House only. The Senate enforcement remains unchanged. I hope you will support me on this amendment. I yield the floor and reserve the remainder of my time. The PRESIDING OFFICER. The Senator from Vermont. Mr. SANDERS. Mr. President, Chairman Enzi suggests that this is just a ``technical corrections amendment.'' Actually, that is not quite accurate. At a time when the United States spends more on defense than the next 12 countries combined, amazingly, this [[Page S6629]] amendment paves the way for a $91 billion increase in defense spending in fiscal year 2018. This amendment would renew the Republican effort to repeal the Affordable Care Act and throw up to 32 million Americans off of the health insurance they currently have, increase premiums for older workers, and make even more harmful cuts to Medicaid. This amendment includes a provision requiring the use of so-called dynamic scoring, or what President George H.W Bush appropriately referred to as voodoo economics, allowing the Republicans to claim that their massive tax breaks for the rich will pay for themselves. At a time when the cost of college education is skyrocketing, this amendment calls for dramatic cuts to student financial aid. I urge my colleagues to oppose this amendment. The PRESIDING OFFICER. The question is on agreeing to the amendment. Mr. ENZI. I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The legislative clerk called the roll. The result was announced--yeas 52, nays 48, as follows: [Rollcall Vote No. 244 Leg.] YEAS--52 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Cochran Collins Corker Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee McCain McConnell Moran Murkowski Paul Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NAYS--48 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Coons Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Manchin Markey McCaskill Menendez Merkley Murphy Murray Nelson Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden The amendment (No. 1561) was agreed to. Amendment No. 1167 The PRESIDING OFFICER. Under the previous order, there will now be 2 minutes of debate, equally divided, prior to a vote in relation to the Perdue-Whitehouse amendment No. 1167. The Senator from Georgia. Mr. PERDUE. Mr. President, I have great news. This is the last amendment and the only bipartisan amendment tonight, and after this we will vote on the entire bill. The purpose of this amendment is to declare this process--the vote- arama--utter nonsense. It is part of a budget process that both parties have perpetrated and persisted with for 43 years. It has only worked four times; to fund the Federal Government, according to the Budget Act of 1974, four times in our history. We are supposed to appropriate 12 bills a year to fund the Government. We have averaged 2\1/2\. I urge all of my colleagues to make clear to the American people that we recognize this budgeting process is broken and we are committed to fix it. Thank you. The PRESIDING OFFICER. The Senator from Rhode Island. Mr. WHITEHOUSE. Mr. President, I am pleased to urge all of my colleagues to give a strong bipartisan voice vote in support of the amendment by the Senator from Georgia. The current budget process does not ***produce*** a meaningful budget, does not control the debt or the deficit, and does not contribute to bipartisanship or compromise. What it does ***produce*** is a meaningless, partisan vote-arama. If you believe we can do better than a vote-arama, if you believe we can have an improved and meaningful budget process, voice vote aye. The PRESIDING OFFICER. The question is on agreeing to the amendment. The amendment (No. 1167) was agreed to. The PRESIDING OFFICER. The Senator from Wyoming. Mr. ENZI. Mr. President, I know of no further amendments to the resolution. Amendment No. 1116, as Amended The PRESIDING OFFICER. There will now be 2 minutes of debate equally divided prior to a vote in relation to amendment No. 1116, as amended. Mr. ENZI. That is the substitute. I yield back time on that. The PRESIDING OFFICER. The Senator from Vermont. Mr. SANDERS. Mr. President, this is not a bad budget bill. It is a horrific budget bill, an extremely cruel bill, and the most unfair budget ever presented in the modern history of our country. At a time of massive income and wealth inequality, this budget provides $1.9 trillion in tax breaks for the top 1 percent. At a time when millions of working families are struggling to keep their heads above water, this budget cuts Medicaid by $1 trillion. Fifteen million Americans could lose their health insurance. This is a budget that poll after poll shows the American people do not want. Let us defeat it. The PRESIDING OFFICER. The Senator from Wyoming. Mr. ENZI. Mr. President, I am tempted to debate that, but we will get to do that as we do the provisions of this after it is all voted on. I hope everybody will adopt the substitute by voice, and then vote on adoption of the resolution. The PRESIDING OFFICER. Are there any further amendments? Seeing none, the question is on agreeing to amendment No. 1116, as amended. The amendment (No. 1116) in the nature of a substitute, as amended, was agreed to. The PRESIDING OFFICER. The question occurs on adoption of H. Con. Res. 71, as amended. Mr. ENZI. I ask for the yeas and nays. The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second. The clerk will call the roll. The senior assistant legislative clerk called the roll. The result was announced--yeas 51, nays 49, as follows: [Rollcall Vote No. 245 Leg.] YEAS--51 Alexander Barrasso Blunt Boozman Burr Capito Cassidy Cochran Collins Corker Cornyn Cotton Crapo Cruz Daines Enzi Ernst Fischer Flake Gardner Graham Grassley Hatch Heller Hoeven Inhofe Isakson Johnson Kennedy Lankford Lee McCain McConnell Moran Murkowski Perdue Portman Risch Roberts Rounds Rubio Sasse Scott Shelby Strange Sullivan Thune Tillis Toomey Wicker Young NAYS--49 Baldwin Bennet Blumenthal Booker Brown Cantwell Cardin Carper Casey Coons Cortez Masto Donnelly Duckworth Durbin Feinstein Franken Gillibrand Harris Hassan Heinrich Heitkamp Hirono Kaine King Klobuchar Leahy Manchin Markey McCaskill Menendez Merkley Murphy Murray Nelson Paul Peters Reed Sanders Schatz Schumer Shaheen Stabenow Tester Udall Van Hollen Warner Warren Whitehouse Wyden The concurrent resolution (H. Con. Res. 71), as amended, was agreed to. The PRESIDING OFFICER. The majority leader. Mr. McCONNELL. Mr. President, tonight we completed the first step toward replacing our broken Tax Code by passing a comprehensive, fiscally responsible budget that will help put the Federal Government on a path to balance. The budget also gives us the tools we need to strengthen our economy after years of stagnation under the previous administration. We have a once-in-a-lifetime opportunity to replace a failing tax code that holds Americans back with one that actually works for them. To middle-class families across America, we have a very simple message. We want [[Page S6630]] to take more money out of Washington's pockets and put more in yours. With this budget, we are on a path to delivering much needed relief to American individuals and families who have borne the burdens of an unfair tax code for entirely too long. I want to particularly thank Chairman Mike Enzi and the members of the Budget Committee and the staff for their extraordinary work on this budget.

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HINA Digest

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**Body**

Zagreb, 31 July 2017 (Hina) - Croatia world champion in water poloZAGREB, July 29 (Hina) - Croatia's national water polo team won the title of world champion after beating the host Hungary 8-6 (4-0, 0-2, 2-2, 2-2) in the final of the FINA Men's Water Polo World Cup in Budapest on Saturday evening.Serbia captured the bronze after defeating Greece 11-8.This is the second world title for the Croatian teamafter winning the gold at the FINA Men's Water Polo World Cup in Melbourne in 2007.The latest gold is the sixth consecutive medal for the Croatians from world championships. They won three bronzes: in Rome in 2009, in Shanghai in 2011 and in Barcelona in 2013, and two years ago Croatia bagged the silver in Kazan.Croatia water polo world champions get heroes' welcome in Zagreb Several thousand people packed Zagreb's main square on Sunday afternoon to welcome the national water polo tam that won the world title in Budapest on Saturday.The team consisting of 13 players and their coach Ivica Tucak were driven aboard an open-top bus to the square to the delight of the cheerful crowd waving Croatian national flags. An entertainment ***programme*** was held in honour of the new world champions.Memorial held for WWII victims in GlinaZAGREB, July 31 (Hina) - A commemoration in tribute to some 1,200 ethnic Serbs killed by the pro-Nazi Ustasha regime in late July and in early August in 1941 in a wider area of Glina was held on Sunday evening in that town 60 kilometres south of the capital of Zagreb.The event marking the 76th anniversary of those killings was organised by the Serb People's Council (SNV) on the site of the former Serb Orthodox church, outside the Memorial Centre which was renamed the Croatian Community Centre in 1995.The commemoration brought together about a hundred participants, however, a dozen loud protesters who declared themselves Homeland Defence War veterans were booing during the event.

Those disgruntled demonstrators were prevented by police forces from coming closer to those who participated in the commemoration.The booing and protest prompted SNV leader Milorad Pupovac to say that he would inform the relevant authorities of the incident.He commented that the behaviour of the protesters would undermine dialogue of the Catholic and Orthodox believers that had been launched by Pope Francis.The police later reported that they pressed misdemeanour charges against the most vociferous protesters among those who also carried a banner with the message "Communist Crimes are Not Anti-Fascism".After the commemoration, the chairman of the Ethnic Minorities' Council, Aleksandar Tolnauer, said that this was neither the time nor the place for protests of this kind."It is our duty to remember all those innocent victims killed in the past," he said.An estimated 1,200 ethnic Serbs had been killed between May and August 1941 in a wider Glina area. On 29 July 1941, a few hundred local Serbs were executed at the site of the then Orthodox church in Glina. CroatiaSupreme Court considering extradition of Albanian wanted by SerbiaZAGREB, July 30 (Hina) - A Dubrovnik County Court judge has said that all conditions have been met for the extradition of an Albanian man wanted by Serbia for causing rioting at a Serbia-Albania football match in Belgrade in 2014."The County Court in Dubrovnik has found that all conditions have been met for the extradition of Ismail Morina to Serbia. We have sent all the necessary documentation to the Supreme Court in Zagreb which will decide on the matter," judge Pero Miloglav told the Belgrade newspaper Vecernje Novosti.Morina is suspected of flying a drone with Albanian nationalist insignia over a stadium in Belgrade where Serbia and Albania were playing a qualifier forthe 2016 European Championships. The incident prompted fan violence, the game was disrupted and Albania were later awarded victory.The Albanian Football Federation has issued a statement calling on the Albanian authoritiesto intervene and stop the extradition. Albanian fans have held a protest rally in Tirana and Morina's family have threatened "radical measures".According to the Albanian Football Federation, Albanian Prime Minister Edi Rama has been negotiating with Croatian authorities over the last two days, and Justice Minister Gazmend Bardi has asked the Croatian authorities not to approve the extradition, saying that Morina is the target of politically motivated persecution and discrimination.Morina was arrested in Croatia in June on a warrant issued by Serbia. The Dubrovnik County Court approved his extradition to Belgrade last week.Serbiaminister: Kosovo ***plan*** rules out recognition of independenceZAGREB, July 30 (Hina) - Serbian Prime Minister Aleksandar Vucic's ***plan*** for Kosovo rules out recognition of Serbia's former province, Defence Minister Aleksandar Vulin said on Sunday."Recognition of Kosovo and Metohija is ruled out. It's out of the question. Since the Brussels agreement (on normalisation of relations between Belgrade and Pristina, signed in 2013), notwithstanding all my grievances against this agreement, we have managed to preserve the Serbian state in Kosovo," Vulin said in an interview with the Belgrade-based Politika daily.Vucic has recently called for internal dialogue on Kosovo, saying that a common agreement is "decisive for the future of Serbia and the Serbian people" because the issue "is slowing Serbiadown." "Until we have resolved it, we will have a frozen conflict and will never get out of it," the prime minister said.Vulin said that all Serbian institutions should state their position on Kosovo as a ***strategic*** national issue.U.S. Vice-President Pence to visit MontenegroZAGREB, July 31 (Hina) - The Vice President of the United States. Michael R. Mike Pence, is expected to visit Montenegro this week at an invitation sent by Montenegrin Prime Minister Dusko Markovic.The Montenegrin PM will play host to a special meeting of representatives of the countries included in the US-Adriatic Charter (A5), set for 2 August, according to a press release issued by the Montenegrin government on Sunday.Pence is to attend the meeting bringing together officials of Albania, Bosnia and Herzegovina. Croatia and Montenegro.Serbia, Kosovo and Slovenia will be represented as observers.Number of global hotel brands in Croatia on the rise, but still below European averageZAGREB, July 30 (Hina) - Numerous first-class hotel brands have opened in Croatia inthe past several years andcurrently there are 12 global and six European, branding 46 hotels with a total of 9,500 rooms, however, Croatia still lags behind the European average when it comes to the presence of hotel chains, HD Consulting said earlier this week."Unlike ten years ago, hotel brands today are generally very interested in Croatia, given its growing popularity as a tourist destination. On the other hand, there are still not enough new quality hotel projects that would match the standards of high quality and luxury hotel brands," Sanja Cizmar of HD Consulting told Hina.She said that international brand hotels make up approximately 25% of all accommodation capacities in Croatia, while in Europe they make up one third of total hotel capacities.High-quality hotel brands that operate in Croatia are Hilton corporation (Hilton in Dubrovnik and Doubletree by Hilton in Zagreb), Marriot corporation (Sheraton in Zagreb and Dubrovnik, Westin in Zagreb, Le Meridien in Split), Kempinski in Savudrija, Radisson Blu in Split and Dubrovnik, Park Plaza in Pula and Medulin, Melia and Sol in Umag, Best Western in Zagreb, Split and Rijeka and Rixos in Dubrovnik.HGK: Tourism increases food and beverage consumptionZAGREB, July 30 (Hina) - Istria County is expected to record the highest increase in the number of "temporary" residents at the height of the tourism season when food and beverage consumption increases five times compared to out-of-season consumption, a study carried out by the Croatian Chamber of Commerce (HGK) shows.The situation elsewhere along the Adriatic coast is similar, HGK said.According to 'very conservative' estimates, the number of bed nights has increased by 5% on the year and based on the 2011 population census, in Augustthe population will increase by 38% in Split-Dalmatia County, 51% in Dubrovnik-Neretva County, 54% in Primorje-Gorski Kotar County, 58% in Sibenik-Knin County, 62% in Zadar County and 123% in Istria county.According to data by leading retail chains in Croatia, retail and hospitality consumption is 70% to 130% higher in the peak season (August) in the three main tourist counties - Istria, Split-Dalmatia and Primorje-Gorski Kotar, compared to the average monthly turnover.The Institute for Tourism's data indicates that during the summer months tourists spend about 66 euros daily, of which 55%is for accommodation, 18% or about 12 eurosfor food and beverages, and 27% for other needs.Croatians prefer domestic wines, survey showsZAGREB, July 30 (Hina) - As many as 93% of wine consumers in Croatia prefer domestic wines, while 7% like foreign wines more, a survey conducted by Ja Trgovac magazine and Hendal market research agency shows.A total of 89.9% of respondents said they drink wine occasionally;25.8% drink wine at least once a week, while 23.9% do so on special occasions. 16.2% rarely drink wine, 14.9% drink it at least once a month and 9.1% do so every day.The survey revealed that 55% of respondents prefer red wine, while 41.1% like white wine more; 3.8% most often opt forrosé.Most of the respondents, or 62.1%, buy wine in shops, 30.2% do so at wineries, while 7.7% buy wine in wine boutiques.Annual beer consumption in Croatia reaches 80 litres per capitaZAGREB, July 30 (Hina) - Croatia ***produces*** 3.4 million hectolitres of beer annually, which ranks it 22nd in the European Union, the Croatian Chamber of Commerce (HGK) says in a report.As regards annual beer consumption, Croatia ranks 8th in the EU withabout 80 litres per capita if consumption by foreign tourists is included. Excluding foreign tourist consumption, it ranks 20th, with about 64 litres per capita, which is the EU average. The largest amounts of beer are sold during the peak tourist season, in July and August.The head of the HGK Division for ***Agriculture***, Food Industry and Forestry, Bozica Markovic, says that the Croatian beer market shows that the beer industry is "stable, strong and prosperous"."The beer industry in Croatia employs, directly and indirectly, about 28,000 persons. One job in the industry opens an additional 13 jobs in related activities. With a growing trend of opening small breweries and with considerable investments in new brands, the industry is adapting to increasingly diverse consumer requirements, which results in an increasing supply of beer at the height of the tourist season," Markovic said.Croatia has six large breweries and about 30 small craft breweries, whose number is increasing.Brac Film Festival to be held on August 10-12ZAGREB, July 30 (Hina) - The international Brac Film Festival will be held in Supetar on the southern island of Brac on August 10-12 , continuing its tradition of promoting young film-makers.This year's festival will feature films by young film-makers from around the globe."This year's ***programme*** is more substantial then ever before while continuing its main aim and that is to promote young and promising film-makers. The festival is being organised by already experienced young students of film from the region, including Croatia, Serbia, Bosnia and Herzegovina and Montenegro, and this year they will be joined by film-makers from around the globe - England, France, Lebanon and even as far as China," the organisers said in an announcement of the third edition of the festival.Apart from the main feature film and short film ***programme***, the festival will present a children's ***programme***, lectures, round table discussions, exhibitions and an entertainment ***programme***.An exhibition of photographs entitled "Premieres" will be open during the festival. The exhibition is by Marijana Marinovic, originally from Brac, who has lived in New York for years and takes photographs of famous celebrities on the red carpet.The festival is being organised with the support of the Croatian Audio Visual Centre, the Supetar town authorities and the local tourism board.THIS BULLETIN INCLUDES ITEMS RELEASED BY 0830 HOURS MONDAY. (Hina) vm Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, July 29 (Hina) - Croatia's national water polo team won the title of world champion after beating the host Hungary 8-6 (4-0, 0-2, 2-2, 2-2) in the final of the FINA Men's Water Polo World Cup in Budapest on Saturday evening.

Serbia captured the bronze after defeating Greece 11-8.

This is the second world title for the Croatian teamafter winning the gold at the FINA Men's Water Polo World Cup in Melbourne in 2007.

The latest gold is the sixth consecutive medal for the Croatians from world championships. They won three bronzes: in Rome in 2009, in Shanghai in 2011 and in Barcelona in 2013, and two years ago Croatia bagged the silver in Kazan.

Croatia water polo world champions get heroes' welcome in Zagreb Several thousand people packed Zagreb's main square on Sunday afternoon to welcome the national water polo tam that won the world title in Budapest on Saturday.

The team consisting of 13 players and their coach Ivica Tucak were driven aboard an open-top bus to the square to the delight of the cheerful crowd waving Croatian national flags. An entertainment ***programme*** was held in honour of the new world champions.

ZAGREB, July 31 (Hina) - A commemoration in tribute to some 1,200 ethnic Serbs killed by the pro-Nazi Ustasha regime in late July and in early August in 1941 in a wider area of Glina was held on Sunday evening in that town 60 kilometres south of the capital of Zagreb.

The event marking the 76th anniversary of those killings was organised by the Serb People's Council (SNV) on the site of the former Serb Orthodox church, outside the Memorial Centre which was renamed the Croatian Community Centre in 1995.

The commemoration brought together about a hundred participants, however, a dozen loud protesters who declared themselves Homeland Defence War veterans were booing during the event. Those disgruntled demonstrators were prevented by police forces from coming closer to those who participated in the commemoration.

The booing and protest prompted SNV leader Milorad Pupovac to say that he would inform the relevant authorities of the incident.

He commented that the behaviour of the protesters would undermine dialogue of the Catholic and Orthodox believers that had been launched by Pope Francis.

The police later reported that they pressed misdemeanour charges against the most vociferous protesters among those who also carried a banner with the message "Communist Crimes are Not Anti-Fascism".

After the commemoration, the chairman of the Ethnic Minorities' Council, Aleksandar Tolnauer, said that this was neither the time nor the place for protests of this kind.

"It is our duty to remember all those innocent victims killed in the past," he said.

An estimated 1,200 ethnic Serbs had been killed between May and August 1941 in a wider Glina area. On 29 July 1941, a few hundred local Serbs were executed at the site of the then Orthodox church in Glina.

ZAGREB, July 30 (Hina) - A Dubrovnik County Court judge has said that all conditions have been met for the extradition of an Albanian man wanted by Serbia for causing rioting at a Serbia-Albania football match in Belgrade in 2014.

ZAGREB, July 30 (Hina) - Serbian Prime Minister Aleksandar Vucic's ***plan*** for Kosovo rules out recognition of Serbia's former province, Defence Minister Aleksandar Vulin said on Sunday.

ZAGREB, July 30 (Hina) - Numerous first-class hotel brands have opened in Croatia inthe past several years andcurrently there are 12 global and six European, branding 46 hotels with a total of 9,500 rooms, however, Croatia still lags behind the European average when it comes to the presence of hotel chains, HD Consulting said earlier this week.

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**Load-Date:** July 31, 2017

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[***Union State of Russia and Belarus Supreme State Council meeting***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NXV-4FM1-JDVR-02SC-00000-00&context=1516831)

Emerging Markets Brokers Reports - Russia

June 30, 2017 Friday 12:00 AM EEST

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**Body**

Vladimir Putin and Alexander Lukashenko chaired the meeting of the Supreme State Council of the Union State of Russia and Belarus.

The meeting's agenda included summing up the results of trade and economic cooperation between the two countries in 2016, as well as cooperation prospects in machine building and the agro-industrial complex, and the operation of Union State bodies. A number of decisions were adopted at the meeting. In particular, adopted were resolutions On Preserving the Potential of the Machine-Building Complex of the Union State, On Cooperation in the Agro-Industrial Complex of the Union State, and on progress in implementing previously approved ***programmes*** and resolutions.

\* \* \*

Speeches at the meeting of the Supreme State Council of the Union State of Russia and Belarus

President of the Republic of Belarus Alexander Lukashenko: Mr Putin, members of the Supreme State Council,

Today we are holding the most relevant and large-scale events in our bilateral relations: the meeting of the Supreme State Council and the Forum of Regions. The large number of representatives of major enterprises and organisations from Belarus and Russia present here today is evidence of the close ties between our two brotherly peoples and a demonstration of our shared focus on further strengthening the political and economic partnership.

Before we move on to the main discussion, I would like to note that previously in St Petersburg we agreed in principle on the approaches to bilateral cooperation in the oil and gas sector until 2025. I expect continued constructive cooperation between our industry ministries regarding the formation of a common market of gas, oil and petroleum products within the Eurasian Economic Union.

One of the central items on our agenda is industrial cooperation and ***agriculture***. We agreed, when considering the agenda in a restricted format, that there are nine issues, seven of which are almost completed and do not need to be discussed today. And we agreed to briefly take up two important issues at the meeting of the Supreme State Council, which our experts, our ministers and members of governments would like to discuss. These are industrial and ***agricultural*** issues.

Friends,

As I have said, today's agenda includes nine issues. We propose passing resolutions on seven of them without discussion, as they are not of serious conceptual significance, and discussing the remaining two issues and passing decisions on them.

Any comments or suggestions on the agenda itself? Maybe some changes or additions? That takes care of the agenda.

Now for the second question. We are resolving seven issues based on the proposal of the Council of Ministers, as they are on the agenda, without discussion. And we are discussing two issues, the first and the second, and passing decisions on them. No objections? Just to save time.

As for the standing orders of our work. We will not set any time limits. However, please try to keep your reports to seven or eight minutes, because these matters were also considered in the Union Council of Ministers. Do you agree? Will seven or eight minutes be enough? That is enough. If anyone wants to speak on some matter, you will have one to two minutes.

<...>

President of Russia Vladimir Putin: Just before this meeting, we met in a restricted format. As you know, we discussed topical matters on the bilateral agenda, including those raised at the Fourth Forum of Russian and Belarusian Regions.

Over the two decades since the establishment of the Union State, we have succeed in forging close trade and economic ties, strengthening cooperation in research, technology, education, culture and other areas.

Russia remains a major trade partner for Belarus, and accounts for more than half, or 51.2 percent to be more precise, of Belarus' foreign trade. At the same time, Belarus is Russia's largest trade partner within the CIS, and the fourth largest globally, behind China, Germany and The Netherlands.

In January-April of this year, for the first time in several years, we managed to considerably increase our trade- by 26.6 percent. Belarus is the CIS leader in Russian capital investment as well. In 2016, it amounted to $4 billion, including $2.5 billion in direct investment.

Obviously, we have reserves for returning our trade to a stable growth trajectory and restoring the rates of the Union State's economic development. To achieve this we must continue implementing large infrastructure projects, improving the business climate, removing the remaining trade and investment barriers between our economies and conducting a coordinated economic policy. At our restricted format meeting, we paid special attention to these bottlenecks, and we have not yet resolved all issues. However, if we do this, and we will be moving in this direction, our ***producers*** will of course be able to compete with world leaders on equal terms.

Today we also discussed strengthening cooperation in machine building and ***agriculture***, and we will continue paying priority attention to them.

We believe that in machine building we must increase our own capacities as well as the manufacture of high-demand science-intensive products, provide every support to promising projects and initiatives, and promote jointly ***produced*** goods in foreign markets.

In ***agriculture***, we must be more active in introducing advanced technology and continue building modern livestock complexes. We discussed some of these issues today, and Mr Lukashenko mentioned a number of problems. We must pay greater attention to breeding and genetic centres and build up the export potential of our countries' ***agricultural*** complex.

Colleagues,

Two years ago, a ***programme*** document was approved - Priority Areas for Further Development of the Union State in the Medium Term (2014-2017). Its goals have generally been achieved. We managed to consolidate the positive trend in our bilateral integration processes; much has been done in the sphere of migration, harmonisation of legislation in the antimonopoly, monetary and taxation areas, and the development of cultural contacts. In 2018-2022, we will continue to pay special attention to ensuring equal terms for doing business in Russia and Belarus, as well as ensuring that our companies and enterprises have access to each other's markets.

Another issue that we considered was the implementation of the Union State's 2011-2015 Social Development Concept. This line of work is important, because joint ***programmes*** in the social sphere help citizens of Russia and Belarus feel the tangible results of union integration.

Also notable is the fact that working citizens of our countries received temporary disability and maternity benefits over the reporting period. The procedures for calculating and paying pensions have been simplified. And residents of Belarus are now able to use their national driving licenses for the purposes of employment and conducting business in the Russian Federation.

Our countries have been effectively implementing the 2016-2017 ***Programme*** of Joint Actions in the Sphere of Foreign Policy, as true allies should.

With regard to the Union State Border Committee, we supported the proposal of our Belarusian friends and had Anatoly Lappo, the head of the State Border Committee of Belarus, appointed to this important position. I believe there is no need to remind anyone how important this service is for the effective formation of the single migration and visa space of the Union State, and the implementation of the corresponding Action ***Plan*** approved by the Union Council of Ministers in St Petersburg on April 16.

In closing, I would like to emphasise once again that mutually beneficial and equitable integration with Belarus within the Union State is one of Russia's ***strategic*** priorities. This is also enshrined in Russia's Foreign Policy Concept approved in November 2016.

Thank you.

Alexander Lukashenko: Thank you, Mr President.

Friends, members of the Supreme State Council, meeting participants,

Today we have approved important documents for advancing the Union's integration. We hope that the decisions we have adopted and the agreements we have reached will intensify the continued development of the entire range of bilateral relations. The main result of our work is that we have affirmed our readiness to continue constructive dialogue and address the most pressing issues in all areas of our cooperation.

Our states intend to fully realise the Union's potential to ensure sustainable development and higher living standards for our peoples.

Allow me, on behalf of the Supreme State Council, to thank all the participants for their active work to prepare today's session, for the constructive atmosphere of the restricted format meetings and the meeting of the Supreme State Council, and, in particular, as I already mentioned at the Forum, the speakers of the upper houses of our parliaments, Valentina Matviyenko and Mikhail Myasnikovich, for the wonderful organisation of the Forum of Russian and Belarusian Regions.

I would like to use the occasion to fulfil the request of Belarusian MPs - they asked me to do it publicly, and I have already told the President of Russia about this- and thank Parliamentary Assembly Chairman Vyacheslav Volodin for the serious approach to matters pertaining to the construction of the Union State.

The agenda has been exhausted. Those who wished to speak have spoken. Allow me, on behalf of the members of the Supreme State Council, to thank you and to proceed to the signing of the documents.

Thank you all.

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**Load-Date:** July 3, 2017

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[***Randgold Resources Ld Q2 results and updates -14-***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P5J-PMR1-F0CC-S0H1-00000-00&context=1516831)

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**Body**

Speaking at a media briefing in Kinshasa, Bristow said that while Kibali was working towards delivering the underground mine, it was also maintaining a steady operational performance and, as reported at the end of the first quarter, was well positioned to meet its production target of 610 000 ounces of gold this year on the back of better grades forecast from the underground ramp-up, particularly in the fourth quarter. He also pointed to ongoing brownfields exploration that was showing potential to add resources and reserves going forward.

Bristow noted that since the project was launched in 2010, Kibali had contributed $2.2 billion to the Congolese economy in the form of taxes, salaries and payments to local suppliers. The mine started production in 2013 and has repatriated more than 40% of its gold sales revenue since then, meeting and exceeding the requirements of the country's mining code.

The government is currently again considering changes to this code and Bristow said this represented an unmissable opportunity to lay the foundations for a sustainable mining industry in the DRC.

"I am concerned, however, that the government is not engaging in open and inclusive consultations with the industry and appears to be proceeding from a pre-determined position that may put existing and future mining investments at risk," he said.

"The mining industry is the main engine of the Congolese economy. Government and the private sector must work together to find the best way of growing this industry and to avoid potentially damaging short-term actions by realistically considering their consequences."

Bristow said despite Randgold's concerns about proposed revisions to the mining code and other challenges in the DRC, it was continuing to invest in the country and, in addition to ongoing exploration along Kibali's KZ structure, was progressing work on the Moku project and the Ngayu belt. It was also investigating a number of other interesting opportunities and its commitment to the longer term was why it worried about ill-considered changes to the mining related legislation.

To complement Kibali's extensive social responsibility ***programmes*** and projects, it was stepping up its regional engagement with stakeholders, civil society and local authorities on economic and infrastructural development in an effort to fill the void left by the current political impasse in the DRC.

Kibali's exemplary safety record was marred recently when a Congolese contractor on the site experienced a driving accident resulting in a double fatality. Bristow said in response to this tragic accident the mine had reinforced its efforts to maintain the highest standards and best practices in its safety ***programmes***. This included the comprehensive retraining of all employees and contractors.

DOMBA DEVELOPMENT A TRIBUTE TO STAKEHOLDER ENGAGEMENT

The proven ability of the Morila team to run a high-efficiency, low-cost operation has made the mining of some satellite deposits, notably Domba, commercially viable. While Domba's development was officially sanctioned in 2015, Randgold has spent a further two years securing the approval of the local community.

Group community and environmental officer Hilaire Diarra says Domba is a good example of Randgold's commitment to backing its legal permits with a social licence, and of the effectiveness of its partnership approach.

"We started consultations with the Domba village's chief and elders in July 2015 and the following month extended these to include the Domba community in the capital Bamako, the local authorities and the government. Negotiations continued throughout 2016 with the involvement of researchers from Mali's National Institute of Social Sciences. All issues were thoroughly canvassed and addressed in a transparent process, and on Monday 10 July the Domba community and Morila formalised their agreement in the presence of Mali's minister of mines," Diarra says.

"The mining of Domba will extend Morila's life and, by strengthening its balance sheet, will enable it to continue funding its community ***programmes***, notably the development of a commercial farming hub or agripole as Randgold's post-mining legacy to the region."

RANDGOLD SETS SCIENCE-BASED TARGET FOR CARBON FOOTPRINT REDUCTION

Randgold has set itself carbon footprint targets for the next 10 years in support of its host countries' own efforts to align themselves with the Paris Agreement. The company has been reporting its carbon emissions since 2009 and is a member of the international Carbon Disclosure Project.

Technical and capital projects executive John Steele says that the use of hydropower at Kibali, the stabilisation of Côte d'Ivoire's grid supply to Tongon and the thermal generation efficiency improvements at Loulo-Gounkoto should enable Randgold to achieve its target, as shown in the graph alongside.

However, Randgold is also considering further emission reduction measures, including the incorporation of solar energy into Loulo-Gounkoto's microgrid and the installation of a solar power plant as part of the proposed Massawa project's microgrid. Steele notes that the development of the West African power transmission grid, should it come about, would be a major game changer.

By taking a longer term ***strategic*** view of the situation, says Steele, Randgold will be in a better position to identify risks, reduce costs and find opportunities generated by the global shift to lower-carbon economies.

"While Randgold is fully committed to carbon reduction, we also believe that targets should be set realistically in the context of our host countries' circumstances and development needs. It is important to bear in mind that, with little in the way of industry, they have virtually no carbon footprint compared to first world and emerging economies. They also mitigate emission excesses elsewhere. The tropical and equatorial forests of the DRC and Côte d'Ivoire, for example, are major carbon consumers," Steele said.

CARBON DISCLOSURE PROJECT

For the first time this year, Randgold responded to the CDP (Carbon Disclosure Project) water questionnaire, a practice it ***plans*** to continue going forward. Results of the current filing are expected in October this year.

RANDGOLD'S WATER USAGE CONTINUES TO IMPROVE

Randgold's water usage across the group continues to improve. Total water withdrawal efficiency improved in the second quarter to 1.08m(3)/t milled from 1.11m3/t milled in Q1, and for freshwater improved to 0.31m(3)/t milled from 0.53m(3)/t in Q1.

MALI MINES POWER AHEAD AND NEW PROJECT SECURES PRODUCTION PROFILE

Randgold's operations in Mali are continuing to deliver a robust performance and the company's recent decision to proceed with the development of a super pit at Loulo-Gounkoto underpins the group's commitment to the country's mining industry, says chief executive Mark Bristow.

Speaking at a media briefing in the Mali's capital of Bamako, Bristow said ongoing exploration success within the Loulo and Gounkoto permits had enabled it to replace all the gold depleted by mining last year and was continuing to deliver additional reserves and resources. Preparation work was also underway on the Gounkoto super pit, which would further strengthen the complex's position as a long-life ***producer*** with an annual output of at least 600 000 ounces.

At Morila, meanwhile, all the permitting for the development of the Domba satellite has been completed after two years of community consultation, and mining there is scheduled to start in September this year. Morila has also agreed to acquire portions of Birimian's Ntiola and Viper permits which, together with Domba, will extend its life to the end of 2019 and possibly to early 2020.

The significance of these developments, Bristow said, was that they would secure Morila's ability to fund its eventual closure and support the funding of its post-mining incarnation as an agri-business centre, with the objective of being part of the government's ***plan*** to strengthen the ***agricultural*** base of its economy.

Bristow said while there were a number of new mines in the Malian pipeline, the future of the country's gold mining industry depended on successful exploration for the next generation of discoveries and their ability to attract the necessary investment.

"The question is whether the country's existing mining code and fiscal regime are sufficiently attractive to foreign investors. The industry and the government, led by the minister of mines, have had a very constructive engagement on this and other issues - such as the destructive impact of illegal mining - and we've agreed to work together to find mutually acceptable solutions," he said.

"As far as Randgold's disputed tax claims are concerned, we're continuing our discussions with the authorities and are hopeful that we will be able to reach an amicable solution on the outstanding files instead of another round of arbitration proceedings. We've had a long and mutually rewarding partnership with Mali and its people - depending on the gold price, Randgold accounts for between 6% and 10% of the country's GDP each year - and it's obviously in both our interests to resolve this matter equitably."

TONGON SUSTAINS PERFORMANCE IMPROVEMENT AS IT SEEKS TO EXTEND LIFE OF MINE

Randgold's Tongon gold mine in Côte d'Ivoire continues to ramp-up production as it tracks its 2017 target of 285 000 ounces, says chief executive Mark Bristow.

Speaking at a media briefing in Abidjan, Bristow said with Tongon now operating to ***plan***, its focus had shifted to finding additional reserves and resources to replace depleted ounces and extend the mine's life beyond its current four-year horizon. At the same time, the mine has continued its engagement with employees and other regional stakeholders.

**Load-Date:** August 3, 2017

**End of Document**



[***-Input Capital Corp. Announces FY2017 Q3 Results and Reports Rapid Market Acceptance of Marketing Streams***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P87-2X71-F0K1-N38C-00000-00&context=1516831)

ENP Newswire

August 16, 2017 Wednesday

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**Body**

REGINA - Input Capital Corp. ('Input' or the 'Company') (TSXVenture: INP) (US: INPCF) has released its results for the third quarter of its 2017 fiscal year.

'The biggest development at Input so far this year is the introduction of Marketing Streams,' said President & CEO Doug Emsley. 'In combination with our recently-received Canadian Grain Commission grain dealer licence, we are incredibly enthused about Marketing Streams because they represent an opportunity to make all 50,000 canola farmers in Canada into clients of Input.

Not every farmer needs a Capital Stream, but every farmer wants to sell their canola for more money, and that's what Marketing Streams offer. The addressable market for Marketing Streams is at least five times larger than the addressable market for Capital Streams, and this is made obvious by the fact that Input was able to sign up 190 Marketing Streams in just the first half of the calendar year. That's more Marketing Streams in the first six months than Capital Streams over the past five years. 'Marketing Streams require less capital, have higher returns with less risk to Input, and help every farmer improve their bottom line. Most of the Marketing Streams completed so far are quite small, but this is by design. Our 'Land and Expand' strategy allows farmers to try a small Marketing Stream to experience the benefits of Marketing Streams before deciding to make a larger commitment of canola into Input's canola marketing ***program***. As a result, in the short term, these early Marketing Streams represent significant low-hanging fruit for fresh capital deployment opportunities this winter. In the longer term, Marketing Streams offer an opportunity to aggregate very significant canola volumes via multi-year contracts. This turns Input into a ***strategic*** player in the Western Canadian canola market, the top canola production and exporting region in the world.'

FY2017 Q3 Highlights Adjusted streaming sales 1 of $ 1.268 million on the delivery of 2,536 canola equivalent metric tonnes 1 ('MT' or 'tonnes') at an average price of $ 500 per MT; Generated an additional $ 1.647 million in sales from canola trading for total adjusted sales 1 of $ 2.915 million; Cash operating margin 1 from streaming contracts of $ 1.061 million, or $ 418 per MT (83.7% cash operating margin); Adjusted operating cash flow1 of $ 1.610 million or $ 0.02 per share; Adjusted net loss 1 of $ 0.895 million, or $ 0.01 per share; Signed up more than 100 new marketing streams throughout the month of June in a targeted sales campaign, successfully executing on management's land strategy and creating opportunity to expand the business; Recorded gross capital deployment of $ 3.931 million in upfront payments into 142 streaming contracts, adding 124 new ***producers*** to the portfolio and more than 83,000 MT to the Company's future canola sales; On June 8, 2017, the Board of Directors declared a dividend of $ 0.01 per common share for the quarter ending June 30, 2017; The Company received a grain dealer licence from the Canadian Grain Commission ('CGC') and is now licenced and bonded by the CGC, increasing Input's credibility and profile within the western Canadian ***agriculture*** marketplace and providing an additional level of assurance to farmers and other industry participants, and; Finished the quarter with: Cash and cash equivalents of $ 15.305 million; Total canola interests (current portion and long-term portion) and other financial assets (herein referred to collectively as 'canola interests') of $ 75.311 million; Multi-year active streaming contracts with 300 farm operators, up from 107 a year ago; Total shareholders' equity of $ 104.835 million; $ 6.162 million drawn on its $ 25 million revolving credit facility and No long-term debt.

ABOUT INPUT

Input is a grain dealer licensed and bonded by the Canadian Grain Commission. Input buys canola from western Canadian farmers via multi-year streaming contracts. Under a streaming contract, Input purchases a fixed portion of the canola ***produced*** by a farmer, at pre-negotiated prices, for the duration of the term of the contract. Input is a non-operating farming company with a diversified portfolio of canola streams, all of which ***produce*** canola and revenue for Input within a year of being signed. Input ***plans*** to aggregate canola from large numbers of farmers to grow and diversify its low cost canola production profile. Input is focused on farmers with quality production profiles, excellent upside yield potential, and strong management teams.

Forward Looking Statements

This release includes forward-looking statements regarding Input and its business. Such statements are based on the current expectations and views of future events of Input's management. In some cases the forward-looking statements can be identified by words or phrases such as 'may', 'will', 'expect', '***plan***', 'anticipate', 'intend', 'potential', 'estimate', 'believe' or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The forward-looking events and circumstances discussed in this release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting Input, including risks regarding the ***agricultural*** industry, economic factors and the equity markets generally and many other factors beyond the control of Input. No forward-looking statement can be guaranteed. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. Except as required by applicable securities laws, forwardlooking statements speak only as of the date on which they are made and Input undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of newinformation, future events, or otherwise.

Contact:

Tel: (306) 347-1024

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** August 16, 2017

**End of Document**



[***Farm finance firm IFAC set for a Brexit boom; AGRI-FOOD ; The agri accountant is expanding to help clients cope with issues, writes Fearghal O'Connor***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S59-3FH1-DY9P-N1FS-00000-00&context=1516831)

Sunday Independent

April 22, 2018

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**Section:** SUNDAY BUSINESS;NEWS; Pg. 2

**Length:** 648 words

**Body**

AGRI-FOOD focused financial services provider IFAC is expanding its service rapidly to try and help farmers and food companies cope with the financial pressures brought on by Brexit.

The co-operative company is experiencing a growth rate of between 10pc and 11pc a year, its chief executive John Donoghue said.

"Brexit has given people a scare because we export about 90pc of the food we ***produce*** and Britain has always been the market we go after and we are now having to look for other markets," he said.

Donoghue believes that the agri-food sector is facing an annual (EURO)500m hit because of the likely drop in the value of the Common ***Agricultural*** Policy combined with what he believes will be a drop in the value of exports to the UK of at least 10pc.

"A lot of the demand for growth is coming from the pressures that are coming from Brexit, business ***planning*** and what the future is going to hold for farming, food and agri businesses. We are responding to that need," he said.

In response, IFAC, which currently employs 400, will grow by about 75 staff this year and 75 next year, he said.

"We have started a graduate recruitment ***programme*** and we also have qualified positions for accountants, tax advisers, financial advisers, investment advisers and ***strategic*** ***planning*** expertise. This type of ***planning*** expertise is important for our clients because a lot of the businesses in this sector graduate into it without actually putting any ***strategic*** ***plan*** in place. With the future weakness in the market, particularly around Brexit, people are now realising that they have to start ***planning***."

Currently IFAC has 30 branches across the country, revenue of (EURO)19m last year and 18,000 customers - from startup food and farming businesses to very large agri-businesses.

IFAC is a co-operative that was formed in the mid-1970s by farming community activists to ensure that farming families could avail of management accountancy, tax consultancy and other business services as the agri-food economy became more advanced following Ireland's entry to the EU.

"By customer numbers we believe we are the biggest accountancy and professional services firm in the country and in terms of revenue we are ninth-largest," he said.

IFAC has also begun branching out into the renewables sector and was recently involved in a (EURO)25m wind farm development in County Mayo.

"We provided the tax structure and helped with the finance raising for the project. The project will break ground in the next couple of weeks and it is great for the local community. This is not some foreign entity or pension fund coming in building wind farms. This is a group of guys from rural Ireland putting together a ***plan***, getting the best advice in the marketplace and getting something done."

IFAC is also looking at the solar energy market and hopes to promote collaborative projects between landowners and developers.

"We are not interested in the type of project where a landowner signs over an option to a developer and all the value is with the developer. We are more about making sure that our clients - farming and rural people who own the actual asset that is going to be used - get a fair share of that asset.

"We want to get involved in projects that support ***agriculture*** rather than decimate it. You see solar alongside farming, so we remain in the food production business where we need to be."

Donoghue said that although he remains very positive about the future for agri and rural business, massive challenges are looming. "Pre-2007, farming and food businesses just were not on the agenda because it was all about building and construction," he said.

"We are almost back there again. There is a boom taking place and any time a boom takes place, farming and ***agriculture*** gets ignored. But after the crash the economy contracted by 8pc and where did people go? Farming and agri business. So we need to nurture that industry."

**Load-Date:** April 22, 2018

**End of Document**



[***New government initiatives to expand domestic production of Ghana's fisheries***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-7436-00000-00&context=1516831)

Oxford Business Group: Articles

January 2018

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**Body**

Unlike commodities such as cocoa, ***produced*** mainly for export, the UN's Food and ***Agriculture*** Organisation (FAO) estimates that 75% of Ghana's annual fish production is for domestic use. Indeed, fish consumption accounts for up to 60% of animal protein in the average Ghanaian diet, with average annual per capita fish consumption estimated at 26 kg.

According to the Medium-Term Expenditure Framework (2017-19) published by Ghana's Ministry of Fisheries and Aquaculture Development (MoFAD), the government aims to increase domestic production of fish from 465,000 tonnes in 2016 to 499,000 tonnes by 2020, a goal that will require a ***strategic*** ***planning*** of the sustainability of fishing practices.

**Dwindling Fisheries Stocks**

Fishing has historically been the main source of income for millions of Ghanaians living along the 539-km coastline, near the 1600-km Volta River or around Lake Volta. However, illegal practices and overfishing have posed a threat to the sustainability of stocks. According to 2016 data from the FAO, marine fishing production has halved in the last 20 years, from almost 420,000 tonnes in 1999 to 202,000 tonnes in 2014. In economic terms, the contribution of fisheries to GDP has declined from approximately 6% in 1993 to 4.5% in 2016.

As fishing levels have decreased, the country has had to meet demand with imports, which reached $373m in 2013, resulting in fish trade deficit of $319m that year, compared to a $33m surplus in 1997.

**Annual Ban**

In 2015 Ghana implemented the Marine Fisheries Management ***Plan***, which runs until 2019. The strategy provides a framework for reversing the decline in fish resources and establishes a management regime to ensure that fish stocks are exploited sustainably. One of the key points of the ***plan*** is the closed season, which bans fishing for two months to reduce pressure on the stocks and allow fish to spawn. The Ghana Fisheries Management ***Plan*** will implement this directive annually until 2019.

Fines ranging from $500,000 to $2m may be imposed on fishermen caught fishing during the ban, depending on the situation. The government will be running patrols at sea during the no-fishing period to help enforce the ban. Meanwhile, to meet domestic demand for fisheries products during the two-month ban, the country will have to rely on imports.

According to the FAO, marine fishing is the primary source of local fish production, contributing approximately 80% of the total fish supply. Due to the importance of the industry, the public response to the ban has been largely negative.

The ban led to a number of protests, particularly in the Western Region, according to local media reports. An estimated 70% of marine fishing in Ghana is conducted by small-scale, artisanal fishers, whose livelihoods are threatened by such a policy.

**Seeking Longer-Term Solutions**

Elizabeth Naa Afoley Quaye, the minister of fisheries and aquaculture development, has publicly committed to improving management of the fishing and aquaculture sector. The increasing emphasis on fisheries is also reflected in the 2017 budget: the expenditure for 2017 is increasing by 18.4% to GHS62.4m ($14.9m) from GHS52.7m ($12.6m) in 2016. In addition, the government has announced ***plans*** to reduce import taxes on fishing equipment by 2018.

In July 2017 the EU announced it will provide a four-year grant totalling (EURO)1.9m for a Ghanaian food security project called *Far Ban Bo,*meaning "protecting fisheries livelihoods". In addition to helping to reduce illegal fishing activities in the country, the goals of the project include securing tenure rights for small-scale fishers and improving participatory co-management of fisheries facilities. The ***programme***, which is a joint effort between two non-profit organisations, the UK-based Environmental Justice Foundation and Ghanaian Hen Mpoano, will be implemented in 10 districts within the Central Region and the Volta Estuary.

**Load-Date:** March 12, 2020

**End of Document**



[***Register of Commission documents: Annual Action Programme 2017 Part II and 2018 Part I in favour of the Asia region Summary Document date: 2017-07-28 COM-AC\_DR(2017)D051788-02 Comitology - Right of scrutiny***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PKK-HMD1-F0YC-N3JX-00000-00&context=1516831)

Impact News Service

September 28, 2017 Thursday

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**Body**

Brussels: Public Register European Parliament has issued the following document:

1 This action is funded by the European Union ANNEX 2 of the Commission Implementing Decision on the Annual Action ***Programme*** 2017 Part II and 2018 Part I Action Document for 'EU-Bhutan Trade Support' 1. Title/basic act/ CRIS number EU-Bhutan Trade Support CRIS number: ACA/2017/039-571 financed under the Development Cooperation Instrument 2. Zone benefiting from the action/location Bhutan (Asia) The action shall be carried out countrywide 3. ***Programming*** document Multiannual Regional Indicative ***Programme*** for Asia for the period 2014-2020 4. Sector of concentration/ thematic area Focal sector 1 (ASEAN): Connectivity through Sustainable and Inclusive Economic Integration and Trade DEV. Aid: YES 5. Amounts concerned Total estimated cost: EUR 4 000 000 Total amount of EU budget contribution: EUR 4 000 000 6. Aid modality(ies) and implementation modality(ies) Project Modality Indirect management with the International Trade Centre – ITC 7. a) DAC code(s) 33110 – Trade policy and administrative management b) Main delivery Channel 41000 – United Nations agency, fund or commission (UN) – International Trade Centre 8. Markers (from CRIS DAC form) General policy objective Not targeted Significant objective Main objective Participation development/good governance ☐ ☐ Aid to environment ☐ ☐ Gender equality (including Women In Development) ☐ ☐ Ref.

Ares(2017)3082593 - 20/06/2017 2 Trade Development ☐ ☐ Reproductive, Maternal, New born and child health ☐ ☐ RIO Convention markers Not targeted Significant objective Main objective Biological diversity ☐ ☐ Combat desertification ☐ ☐ Climate change mitigation ☐ ☐ Climate change adaptation ☐ ☐ 9. Global Public Goods and Challenges (GPGC) thematic flagships Trade integration for green and inclusive growth 10. SDGs Main SDG Goal: goal 8 – promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all Secondary SDG Goals: goal 17 – strengthen the means of implementation and revitalize the global partnerships for sustainable development Summary The Royal Government of Bhutan (RGoB) is committed to economic reforms and removing constraints to growth within the concept of Gross National Happiness. The overall Bhutan Vision 2020, the current 11th Five Year ***Plan*** (FYP) 2013-2018, as well as the Economic Development Policy (2010, revised in 2016) outline policies on developing trade and investment for sustainable economic growth and poverty reduction. A Diagnostic Trade Integration Study (DTIS) was carried out in 2012 which includes a National Export Strategy, and identifies details on how trade and investment could contribute to the efforts of the RGoB for economic development and poverty reduction. The Multiannual Indicative ***Programme*** (MIP) 2014-2020 of the EU for Bhutan focuses on two sectors: (a) rural development and climate change as well as (b) governance, including local government, public finance management and civil society. The regional Multi-annual Indicative ***Programme*** for Asia 2014-2020 foresees complementary support to ensure that the country can benefit from enhanced trade with regional and global markets. The overall objective of the proposed action is to contribute to Bhutan’s economic growth and poverty reduction. The specific objective of the action is to increase export diversification, possibly contributing to and drawing upon the implementation of the “Brand Bhutan” initiative, by improving the capacities of trade and investment policy formulation and implementation, and increasing exports in selected value chains, i.e horticulture and textile handicrafts. 3 The Action will focus on two value chains, horticulture and textile handicrafts, as well as cross-cutting trade policy issues. It is expected to achieve the following outputs:  Enhanced capacity in formulation and implementation of trade and investment policy and regulations;  Increased export of high value horticulture products (including organic);  Increased export of high value handicraft textile products. The value chain approach will benefit in particular woman and youth. These priorities were identified during project identification (June and November 2016) and confirmed during project formulation (January 2017). Broad consultations with the Government of Bhutan, other development partners, and other stakeholders took place to ensure an integrated approach. It is proposed to implement the proposed Action through a project modality with an International Organisation. The International Trade Centre (ITC) has been identified as the preferred organisation to implement the project. 1. CONTEXT 1.1 COUNTRY CONTEXT Bhutan is a small, land-locked and least developed country (LDC) situated between two large neighbours, i.e India and China. The total population is currently about 765,000 persons. Bhutan has a total land area of 38,394 km2 of which 72.5% are covered by forest. According to 2015 national data, the population below the poverty line, i.e with a per capita income below USD 1.25 per day, stands at 12%. Bhutan’s economy is traditionally based on ***agriculture*** and forestry which provide the main livelihood for more than 60% of its population. ***Agriculture*** consists largely of subsistence farming and animal husbandry. Most of the industrial sectors are of the cottage industry type. Rugged mountains dominate the terrain and make it very difficult and expensive to build and maintain transport, energy and other infrastructure. In recent years, Bhutan has embarked upon a peaceful modernization and democratization process. Bhutan has also gradually embraced international trade and investment in order to achieve economic self-reliance and inclusive green socio-economic development. Under the 11th Five Year ***Plan*** 2013-2018 (FYP), Bhutan has set up ambitious goals to achieve full employment and graduate from the LDC status by 2020. Bhutan's exports are highly concentrated, with over 70% of exports consisting of only 10 commodities, and India accounting for more than 80% of exports by destination in 2015. The main export products include hydropower-generated electricity and primary products to India. This high degree of concentration leaves Bhutan economically vulnerable and dependent. Furthermore, Bhutan's trade deficit has been consistently large and growing and is currently estimated at 32,808 million Ngultrum (Nu) including electricity, and 44,682 million Nu, excluding 4 electricity in 20151. Bhutan must increase its trade competitiveness and diversify its export markets in order to mitigate the risks associated with concentrated exports and a growing and unsustainable trade deficit. In the last two decades, Bhutan has experienced structural changes to develop its industrial and services sectors. The attempt has, however, yet to result into productive employment opportunities, vibrant private sector growth, and economic and trade diversification. The Bhutanese economy continues to provide very limited employment opportunities for the population, particularly for youth and women. 1.2 PUBLIC POLICY ASSESSMENT AND EU POLICY FRAMEWORK Bhutan has recently gone through the transition from an absolute monarchy to a constitutional democracy. In 2008, the first national assembly elections were held and the Constitution was adopted. Bhutan adopted its Vision 2020 based on the concept of Gross National Happiness, i.e peace, prosperity and happiness. The peaceful modernization and democratization process has yielded results, not only in terms of political stability, but also in economic growth and poverty reduction. Annual average growth was more than 8% in 2008-2014 and the per capita income increased from USD 730 in 2000 to USD 2,068 in 2014. Poverty in the country has been reduced by half from 23% in 2007 to 12% in 2015 (national data). In order to promote trade and investment and reduce poverty, the RGoB has formulated various public policies. These include the Economic Development Policy (EDP) of 2010, updated in June 2016, and the Foreign Direct Investment (FDI) Policy 2010 (amended in 2014). The FDI policy has improved the investment climate in the country, by relaxing the conditions for foreign investment (repatriation of dividends, reduction of the minimum threshold for equity share holding, etc.). A Diagnostic Trade Integration Study (DTIS) carried out in 2012 identified specific opportunities to enhance trade. In line with its efforts to promote trade and investment, Bhutan launched the 'Brand Bhutan' initiative to promote exports in February 2016. The initiative has yet to deliver on its expectations. The EDP is the guiding document for all the ministries and agencies to stimulate economic growth, and to ensure consistency with the current 11th FYP. More specifically, the EDP mentions that trade is an essential contributor to economic growth and employment creation. The policy focuses on creating an improved regulatory and enabling environment for more robust trade by simplifying administrative procedures and deregulating wherever feasible. The 2016 update of the EDP includes further reforms such as implementing a quality assurance ***program*** to support export oriented businesses to meet market quality requirements or revising the rules and procedures for imports from third countries by 2017. The promotion of agro-based products through fair and ethical trade in the framework of 'Brand Bhutan' as well as organic certification is also part of the EDP. 1 Bhutan's currency Nu is pegged with the Indian rupee at a 1:1 ratio. 5 The overall goal of the current 11th FYP (2013-2018) is the “self-reliance and inclusive green socio-economic development” with four important pillars, i.e (1) equitable and sustainable socio-economic development; (2) preservation of the environment; (3) preservation and promotion of the Bhutanese culture; and (4) strengthening good governance. The current FYP highlights the important role of trade and investment for economic development and poverty reduction. The RGoB will build on the EDP to develop the 12th FYP (2018-2023). The importance of trade and investment for the economic development of the country are expected to remain at the core of the 12th FYP. In order to maximize the impact and contribution to the development objectives of the RGoB, the EU’s bilateral assistance to Bhutan focuses currently on two ***strategic*** areas: (1) renewable natural resources, including rural development particularly related to ***agriculture*** and forestry; and (2) good governance, including local government development, public finance management, and support to civil society. In addition, the EU provides support through thematic ***programmes*** in the area of climate change. The EU’s regional Multi-annual Indicative ***Programme*** for Asia 2014-2020 foresees complementary support to ensure that the country can benefit from enhanced trade with regional and global markets. Overall, Bhutan’s trade sector policy supports the objectives of poverty reduction, sustainable and inclusive growth, and democratic governance. 1.3 STAKEHOLDER ANALYSIS The following is a summary of the main stakeholders involved in the proposed Action: Gross National Happiness Commission (GNHC): The GNHC is responsible for the overall development ***planning*** of the country. GNHC is the interlocutor for development partners to design their support. The Ministry of Economic Affairs (MoEA): The Ministry is responsible for trade and export development in Bhutan. Key departments for the Action are the Department of Trade (DoT), Department of Industry (DoI), the Policy and ***Planning*** Division (PPD), and the Department of Cottage and Small Industry (DCSI). The MoEA expressed the need to strengthen trade negotiation skills, carry out export and investment promotion, trade and market research, improve public-private dialogue through the Better Business Council (BBC). The Ministry of ***Agriculture*** and Forests (MoAF): The Ministry aims to develop the Bhutan ***agricultural*** sector, including horticulture, by transforming the sector from subsistence farming to market-oriented commercial farming in line with the objectives of the FYP. MoAF expressed the need for support to better understand ***agricultural*** trade-related issues, and to promote products in international markets. Bhutan Chamber of Commerce and Industry (BCCI): The Chamber is the apex body of the private sector in Bhutan, representing 12 sector associations. Members, particularly SMEs and women entrepreneurs expressed the need for capacity building in the area of market information, compliance with market requirements and quality standards, export marketing and branding. 6 Bhutan Association of Women Entrepreneurs (BAOWE): The association aims to develop a social-consciousness-driven private sector and promote women entrepreneurs at the grassroots level thereby contributing to poverty reduction, self-reliance, and business from a GNH perspective to achieve the economic empowerment of women. Women entrepreneurs need support to enhance their understanding of and access to international markets. Agency for Promotion of Indigenous Crafts (APIC): The agency is responsible for facilitating the equitable growth of the craft sector and its industry by enhancing skills and business knowledge with emphasis on innovation, product development and marketing. APIC would welcome assistance for market studies in the EU or US, design inputs as well as support in training and awareness-raising for artisans on better packaging and pricing. Other stakeholders in relation to expected outputs 1 and 2 of the Action include the Bhutan Standards Bureau, National Statistical Bureau, Royal Institute of Management, and the Royal University of Bhutan. Stakeholders specifically related to Output 3 of the Action include the Handicrafts Association of Bhutan, Tarayana Foundation, the Tourism Council of Bhutan, and the Royal Textile Academy. An additional important stakeholder is the Ministry of Finance for overall management of public finances. Working with these institutions, building on their existing initiatives, and strengthening their skills and services to the private sector throughout the implementation of the Action will contribute to ensure project ownership, maximize results and their sustainability beyond the project span. Table 1: Identification of partner institutions under overall coordination by the GNHC Expected Output Lead institution Other partners 1. Enhanced capacity in trade policy regulations formulation, implementation and investment promotion (cross-cutting support) Ministry of Economic Affairs (MoEA) BCCI and members, BBC and members, Academia including Royal University and Royal Institute of Management 2. Increased capacities to export value added horticulture products Ministry of ***Agriculture*** and Forestry (MoAF) MoEA, BCCI and members, National Statistical Bureau, College of Natural Resources, Bhuntan Standards Board 3. Improved quality and marketing potential of high value Bhutanese handicraft textile products with special focus on youth and women Agency for Promotion of Indigenous Crafts (APIC) MoEA, BCCI, BAOWE and members; Handicraft Association; Royal Textile Academy; Tarayana Foundation; Bhutan Tourism Board 7 1.4 PRIORITY AREAS FOR SUPPORT/PROBLEM ANALYSIS Summary of the economic and trade-related strengths, opportunities, weaknesses and constraints Bhutan benefits from strong natural endowments which, coupled with preferential market access, political stability and a generally educated labour force, offer high opportunities for growth. Below is the summary of Bhutan’s economic and trade-related strengths, opportunities, weaknesses and constraints. Table 2: Bhutan's trade related strengths, weaknesses, opportunities and constraints: Strengths  Political stability  Peace and security  Market access  Educated labour force  Wide use of English language Weaknesses  Narrow export product base and markets  Limited supply-side capacities  Inadequate transport infrastructure / High transportation costs  Lack of capacities in trade policy  Lack of market knowledge Opportunities  Low volume, high value (niche) products, including organic production;  ***Strategic*** geo-economic location with access to regional markets  “Brand Bhutan” initiative  Improvements in existing export initiatives Constraints  Geography/landlocked  Small domestic market Analysis of the weaknesses and identification of related priority areas of support The following are Bhutan’s key weaknesses which the project aims to address.  Narrow export product base and markets: Trade is highly dependent on a few commodities and one trading partner. About 80% of total exports consist of electricity, mineral products and base metal. India absorbs more than 80% of Bhutan’s exports and provides more than 70% of its imports.  The Action will contribute to increase Bhutan’s export diversification by improving the quality, supply capacities and sales to new export markets for selected value chains, be it regionally or beyond, including developed country markets.  Limited supply-side capacities: Trade competitiveness is hampered by limited supply-side capacities while the country benefits from preferential market access, notably to the EU under the GSP's Everything but Arms scheme. About 85% of Bhutanese industries are small and micro industries or artisans, which are constrained by a lack of access to capital, technology, markets and skilled labour resulting in low volume, high cost and inferior quality. Production costs are relatively high in Bhutan – except in the electricity sector – and research and innovation capabilities are limited, resulting in low labour productivity. Small industries do not yet have the full capacity to grasp the benefits of the market access preferences granted by the South Asian Free Trade Area (SAFTA), Bhutan’s free trade agreement with India, as well as 8 duty-free and quota-free access to the EU and to other developed markets, including the United States.  The Action will address supply-side capacity constraints through training and coaching along selected value chains, instilling new production techniques, attracting investment, improving quality management, packaging and labelling, marketing and branding skills.  Inadequate infrastructure and high transportation costs: The small size of the domestic market, being land-locked, and the mountainous terrain mean that building and maintaining infrastructure is expensive and transport costs are higher as compared to other countries. With limited access to income generating opportunities, the rural areas are much more affected by poverty. Around 98% of the poor are living in rural areas. Their livelihoods largely depend on ***agriculture*** and traditional crafts.  While the Action will not support transport and infrastructure development and upgrading, it will focus on markets for high value products and products with the highest impact on poverty reduction. While regional markets are important, developed country markets, notably the EU, hold the greatest potential for value-added horticulture and organic products and high-quality authentic handicrafts. This will be well coordinated and complement other ***programs***, e.g in rural development, climate change, and civil society support.  Lack of capacities in trade policy and regulations formulation, implementation and investment promotion: Overall the public service of Bhutan is very competent and efficient. In the trade and investment areas, there are however many technical issues which are emerging and may lead to inconsistent policies and require constant update of knowledge and skills of government officials. For example, MoEA (and MoAF) officials need trade negotiation skills. They also need to formulate the foreign direct investment promotion strategy, particularly for the new industrial estates. Many government officials involved in trade and investment do not have the international exposure, knowledge, and skills to promote trade and investment outside of the country.  The Action will provide capacity building in trade negotiations, business advocacy and investment promotion, which are strongly required by both the public and private sector across value chains.  Lack of market knowledge: Limited access to market information and understanding of market requirements in the region and beyond are major impediments to Bhutan’s trade development and promotion across sectors.  The Action will provide support to identify trade opportunities, analyse and apply international market requirements and standards, building on the ITC's existing portfolio of projects and tools, notably the Market Access Map and the Standards Map. Selection of the value chains Underpinned by an export diversification and poverty reduction approach, the focus of the Action will be on increasing exports, income and employment along two selected value chains. The selection of value chains has been guided by the following main criteria:  Requests from country stakeholders, 9  Priority value chains in the country’s development ***plans*** and strategies and in line with analysis already provided in the Diagnostic Trade Integration Study (DTIS),  Potential for diversification and value addition while preserving traditions and culture,  Impact on poverty reduction and employment for women and youth. Selection has been made following desk research based on existing surveys, sector studies, and extensive consultations with the government, private sector and academia in Bhutan. As a result of the analysis, it was decided to focus on the following two value chains: (1) horticulture, and (2) handicraft textile products. ***Agriculture*** represents 15% of GDP and remains the primary source of livelihood for 60% of the population. Over 95% of the earning women in the country work in the ***agricultural*** sector. Increased support in product and export diversification along ***agricultural*** value chains would lead to significant benefits for a large part of the population, including women in rural areas. The country has a favourable environment for the production of ***agricultural*** products such as potato, offseason vegetables, medicinal plants, mushroom, which have high value chain enhancement opportunities. Within the ***agricultural*** sector, horticulture holds high potential for value added niche products and markets such as spices, herbal plants and honey. These products significantly contribute to national income and employment among the rural population. The RGoB is emphasizing the need to diversify ***agricultural*** production from that of a subsistence type of farming to high value cash crops. The textile industry is an integral part of Bhutanese life and culture. Almost half – 47% – of manufacturing employment is in textiles. This sector is especially important for women: 85.7% of all women employed in the manufacturing sector are in the textile sector. In particular, the textile handicraft industry could expand significantly in Bhutan. The Bhutanese Weaver Survey 2010 found that a total of 64,100 women are engaged in weaving activities on a regular basis. This means that at national level one out of five women or one out of three women between the age of 20 and 40 are weaving on a regular basis. Most of the weavers come from families that have a modest income and 10-15% of them are considered poor. Horticulture and textile handicraft have been identified in the FYP and the DTIS as priority sectors for economic growth and with potential for value addition. The reasons for proposing these value chains are as follows: Table 3: Selection of value chains Criteria Horticulture Handicraft textile products Requests from country stakeholders Request from MoEA and MoAF, i.e Bhutan horticulture ***programme*** geared towards transforming the sector from subsistence farming to market-oriented commercial farming Request from MoEA/Department of cottage & small industry, APIC, HAB, BAOWE Priority in the country’s development ***plans*** and strategies  11th Five Year ***Plan***  DTIS  “Brand Bhutan” / ”Grown in Bhutan”  11th Five Year ***Plan***  DTIS  “Brand Bhutan” / ”Made in Bhutan” 10 Criteria Horticulture Handicraft textile products Potential for diversification and value addition while preserving traditions and the country culture  Potential for improving quality, “organic” production  Potential for processing e.g juices, jam  ***Agriculture***/horticulture are part of the country’s traditional sectors which the Government aims to promote  Potential for improving designs, diversify offer and adjust prices according to market trends and demand  Synergy with the tourism market  Cultural identity impact e.g weaving (Thagzo) is one of the 13 Arts and Crafts and an inherent element of Bhutan’s cultural and creative capital Impact on poverty reduction and employment  Around 98% of the poor are living in rural areas and are concentrated in ***agriculture*** and traditional crafts  ***Agriculture*** provides the livelihood base for 69% of the population and Horticulture accounts for approximately 13% of ***agriculture***  Source of employment for women and youth  Broad country coverage (potatoes in the whole country, citrus in the subtropical southern regions of the country, apples in the Western part of the country)  Around 98% of the poor are living in rural areas are engaged in ***agriculture*** and traditional crafts  65% of the population engaged in ***agriculture*** is also engaged in manufacturing handicrafts during the non-cultivation season as a means of sustenance (complementarity between the two value chains)  Source of employment for women in rural areas  Country wide coverage Selection of the products Specific products with high potential for export diversification and value addition have been identified under each value chain. Within the horticulture sector, the Action will focus on a small number of selected products to ensure an integrated value chain support and to maximise results. Some activities will be common to these products (e.g marketing and branding). Other activities and advisory support will be customized and differentiated (quality standards, price information, identification of buyers, etc.). Indicatively, the horticulture products identified are ginger, honey, garlic and potatoes (recently certified organic locally in Bhutan). They have been indicatively shortlisted for further support according to the following list of criteria:  There should be potential for export diversification and a potential to increase volume within one year;  The product should be non-perishable;  There should be potential for value addition (through quality or semi processed enhancement);  There should be the potential to be competitive on markets beyond India, including the EU and other;  The products should be grown in the same/close geographical areas – for logistics and cost efficiency purposes;  The product should not compete for food security – should be aligned with national policies;  The majority of ***producers*** should be women and youth;  There should be complementarities with other projects. 11 Within the textile handicraft sector (ER3), products will include: scarfs, home-use textiles (such as bed covers, table runners, cushion covers), and accessories (such as hand bags). They have been identified according to the following list of criteria:  Supply and weaving capacities should exist;  There should be potential for value addition (through improved quality and designs);  There should be potential demand in import markets including the EU and other;  The majority of ***producers*** should be women and youth. A final selection of the exact products to be supported under the two value chains will be confirmed by the project steering committee (see section below section 5.6), based on further analysis in line with the above criteria to be carried out by ITC. 2. RISKS The risks associated to the proposed Action include the following: Table 4: Risks and Mitigating Measures Risk Risk Level Mitigating Measures Lack of sustained commitment of ***producers***, including SMEs and women entrepreneurs to participate in project activities Medium Outreach activities will be included to demonstrate economic benefits and incentives especially to SMEs and women entrepreneurs; Lack of cooperation between the public institutions and private sector stakeholders Medium Close monitoring and involvement of the RGoB in frequent and regular project oversight steering committee meetings. The international organisation implementing the project will work with Bhutanese institutions by providing funding directly (e.g grants) if possible. Lack of sustainability at the end of the Action Medium The objective of the Action is to promote trade and investment, i.e productive sectors that will generate income for the economy. It is therefore assumed that additional income generated as a result of the project’s activities will contribute to the sustainability of the action. An exit strategy will be part of the project’s activities. Key assumptions: (1) It is assumed that expanded trade will lead to poverty reduction through equitable economic growth; (2) It is also assumed that the RGoB will be committed to trade and investment policy implementation. 12 3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES 3.1 LESSONS LEARNT An earlier EU trade project supported Bhutan's possible WTO accession and was implemented by ITC and UNESCAP from 2006 to 2009. The project provided training, information and market research to the Bhutan Export Promotion Centre (BEPC) which is now merged into the Trade Department of the Export Promotion Division within the MEA. Since ITC and UNESCAP did not have resident offices in Bhutan to follow up with the proposed activities, neither the BEPC nor exporters themselves were able to effectively use the information to realise exports. The experiences show that externally provided technical assistance has limits in terms of internalising the support in public policy implementation. A close involvement of beneficiaries in project monitoring (steering committees) is therefore required. It is furthermore essential that the implementing partner has adequate representation in the country. Bhutan is currently re-examining the advantages and disadvantages of joining the WTO and may renew its interest in the WTO membership. The previous EU project primarily focused on research on WTO accession issues rather than long-term capacity building. Discussion about a potential WTO membership is hampered by the absence of a dynamic export production and limited integration into international markets. The approach of the present Action to support specific value chains will therefore contribute to the decision making process for an eventual WTO membership. The proposed action will address the lessons learnt from other projects in Bhutan, particularly projects funded by other development partners such as the World Bank, Asian Development Bank (ADB) and the Japan International Cooperation Agency (JICA). For example, JICA is supporting specific value chains (e.g lemon grass) which has been very successful and offers valuable insights, including how to organise value chains with local ***producers*** in rural areas. Other lessons learned include: (i) support to value chains with small volumes but high value products is more efficient; (ii) a long term approach and support to ***producers*** is required to ensure success. 3.2 COMPLEMENTARITY, SYNERGY AND DONOR COORDINATION Currently, there are only a few development partners which are active in providing trade-related assistance to Bhutan. These include Asia Development Bank (ADB), the World Bank/International Finance Corporation (IFC) and the United Nations (UN). ADB is assisting the Ministry of Finance on several transport and trade facilitation projects. It is also assisting Bhutan in building a mini-dry port in the south (Phuntsholing) to facilitate trade with India and other countries. The World Bank and IFC are also building a larger dry port and a road linked to it in an attempt of reducing the congestion in Phuntsholing so that customs claims for containers can be done in the dry port directly. The United Nations Development ***Programme*** (UNDP) took the lead to prepare the

DTIS in 2012. ITC, the United Nations Conference on Trade and Development (UNCTAD), and the United Nations Industrial Development Organization (UNIDO) have provided only limited ad-hoc training and technical assistance (TA) activities in Bhutan due to their limited funding capacities. The present Action will be complementary to EU and other donors' support. The Action is coherent with the forthcoming EU support to rural development and climate change to MoAF. The present Action includes, for instance, support to the horticultural value chain which complements the focus of the MoAF on production techniques, with additional support in the area of quality management for marketing and export development. 13 There will be complementarities and synergy with other projects implemented by the ITC, notably those supported by the EU in Asia and globally. Key projects in this respect are the Market Access Map, Standards Map and the Small Traders Capacity Building Programme2 as well as the ITC Trade-Related Assistance projects in Afghanistan and Sri Lanka. The Action will build on the lessons learned and results achieved by the UNDP handicraft project (2014-2016) which contributed to create women weavers’ groups and facilitate their access to micro credit. This Action will strengthen handicraft ***producers***’ skills, including those groups set-up under the UNDP project, through training and capacity building and link them to markets. Being a member of the One ***Programme*** of the United Nations in Bhutan, ITC will also ensure coordination of the Action with the UN work ***programme*** and other UN agencies’ projects in Bhutan. In terms of coordination of development partner efforts, UNDP used to be in the lead to coordinate trade and private sector development activities. However, this coordinating mechanism is no longer functional since UNDP does not have a trade project at the moment. Once the present Action is launched, the EU may play an active role in donor coordination for trade-related TA. The present Action will promote further coordination efforts and dialogue between development partners and beneficiaries in order to maximize results and their sustainability. 3.3 CROSS-CUTTING ISSUES The proposed Action intends to integrate cross-cutting issues, particularly women and youth, gender equality and protection of the environment, into the design and implementation of the activities, in line with Bhutan's sector policies. To address unemployment and the rapidly growing youth population is a priority for the RGoB. Women are playing an important role in the production, processing and marketing of products and services. More than 65% of the total workforce and more than 72% of female workforce is engaged in ***agriculture*** in rural areas in crop and livestock production activities. Many women, also in the younger working-age group, are employed in the crafts and tourism sectors. Women and youth will directly benefit from the support to horticulture and handicrafts of the present Action. The RGoB attaches great importance to gender equality. Ministries and agencies are mainstreaming gender equality into their ***plans*** and ***programmes***. For example, the MoEA and MoAF are currently promoting technologies that are particularly women friendly (farm machinery, use of biogas for cooking, women participation in farmer groups and cooperatives). The RGoB is working with women artisans (more than 80% of artisans are women) to promote indigenous arts and handicrafts. Bhutan is known, including through the Gross National Happiness concept, to respect the environment and preserve the nature by emphasizing the “high value - low impact” of its economic activities. The proposed Action closely follows these principles and practices. For 2 [*http://www.macmap.org/*](http://www.macmap.org/),   [*http://www.standardsmap.org/*](http://www.standardsmap.org/), and   [*http://www.intracen.org/layouts/ProjectDetailsTemplate.aspx?pageid=47244640826&id=66545*](http://www.intracen.org/layouts/ProjectDetailsTemplate.aspx?pageid=47244640826&id=66545) respectively 14 example, the proposed support to the horticulture value chain will include capacity building for organic production. 4. DESCRIPTION OF THE ACTION 4.1 OBJECTIVES/RESULTS The overall objective of the proposed action is to contribute to Bhutan’s economic growth and poverty reduction. The specific objective of the action is to increase exports and export diversification, possibly contributing to and drawing upon the implementation of the “Brand Bhutan” initiative, by:  Improving the capacities of trade and investment policy formulation and implementation, and  Increasing exports in selected value chains, i.e horticulture and handicraft textiles. The outputs of the Action are: 1. Enhanced capacities in the formulation and implementation of trade and investment policies and regulations; 2. Improved environment for export of high value horticultural products, including organic products; 3. Improved environment for export of high value handicraft textile products. 4.2 MAIN ACTIVITIES The main activities of the present in relation to the respective result area are: Output 1: Enhanced capacities in the formulation and implementation of trade and investment policies and regulations - Building capacities in Bhutanese public and private institutions to inform trade policy/regulatory/investment policies; - Address policy/regulatory/procedural impediments to business competitiveness along the selected value chains; - Promote investments (foreign and domestic), including investment in the selected value chains (e.g investment into storage facilities, cold chain equipment); - Enhance access to trade and market information; - Strengthen public-private policy dialogue involving the Better Business Council. Output 2: Improved environment for exports of high value horticultural products, including organic products - Develop horticulture value chain analysis and action ***plan*** for export diversification and value addition with special focus on youth and women; - Design horticulture market penetration strategy for regional and/or international target markets; - Enhance export and quality management capacities of stakeholders - from farmers to exporters - along the horticulture value chain and improve coordination; 15 - Set-up real-time price information access for ***producers*** using digital technology; - Develop marketing and branding strategy for the horticultural sector, possibly contributing to the “Brand Bhutan” initiative; - Establish buyer-seller sustainable linkages. Output 3: Improved environment for exports of high-value handicraft textile products - Develop handicraft textile products value chain analysis with special focus on women and youth and assess market potential in selected target markets; - Improve product quality, enhance supply capacity and innovative designs matching market trends and develop demand; - Develop a sector-specific marketing and branding strategy and build capacities on marketing and branding of handicraft textile sector, possibly contributing to the “Brand Bhutan” initiative; - Establish buyer-seller sustainable linkages. 4.3 ***INTERVENTION*** LOGIC Strategy to address the identified weaknesses and priority areas of support The Action will adopt a two-pronged strategy to address the identified problems and constraints and provide trade-related technical assistance in the priority areas for support: 1. Enhancing national capacities for formulating and implementing trade and investment policies, improve regulatory frameworks, and in support of this: 2. Contributing to developing integrated and market-led value chains, building supply-side capacities to add value to export products, addressing two value chains i.e horticulture and handicraft textile products. The Action will apply the following key principles throughout implementation:  An integrated and market-led value chain development approach: The Action will contribute to improve the coordination along the selected sector value chains, linking artisans and ***producers*** to market opportunities, to participate in and benefit from trade. The focus will be on market-led development, starting by identifying market opportunities and analysing the needs along the domestic value chains through market-led analysis, market intelligence and diagnostics, in order to customize capacity building and advisory support.  Supporting the implementation of Bhutan’s policy priority to diversify its exports: The project will directly contribute to export diversification which is one of the main objectives of the Five-Year ***Plan*** of the RGoB. The Action has the potential to contribute to the “Brand Bhutan” initiative by strengthening capacities to ***produce*** and market quality products “made in” and “grown in” Bhutan along the two value chains supported by the Action (horticulture and textile crafts). It could possibly draw on synergy with Brand Bhutan, depending on the progress of the initiative.  Gender, youth and environment: The Action will integrate gender, youth and environment-related issues (e.g organic production) as cross-cutting issues. Sector value chains have been selected accordingly. 16  The Action will facilitate policy dialogue: The Action will contribute to promote public-private policy dialogue and cooperation (on trade policy, trade information etc.) as a means to support project sustainability and ownership by the country (see below).  The Action will incorporate a strong institutional and capacity building focus: an important feature of the Action will be to work “from within” key partner institutions. The approach will be to work together with partners, emphasizing ‘learning by doing’ through training, coaching and skills development. The Action will enable relevant stakeholders to continue to provide relevant and effective trade support services to the private sector and to replicate the positive results of the project beyond its end date. The Action will use and reinforce local expertise to a maximum extent, working with national experts and conducting training of trainers. 5. IMPLEMENTATION 5.1 FINANCING AGREEMENT In order to implement this Action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012. 5.2 INDICATIVE IMPLEMENTATION PERIOD The indicative operational implementation period of this Action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 40 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission's authorizing officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014. 5.3 IMPLEMENTATION MODALITY 5.3.1 INDIRECT MANAGEMENT WITH AN INTERNATIONAL ORGANISATION This action may be implemented in indirect management with the International Trade Centre (ITC) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails to provide technical assistance for the project details outlined above. ITC will mobilise own staff as well as externally recruited experts and will organise capacity building, training, advisory, and other events. More specifically, it is foreseen that one full time National Project Coordinator based at the Gross National Happiness Commission in Thimphu will be recruited for the project, as well as a part-time trade expert in ITC Headquarter in Geneva for project technical management and implementation across the expected outputs. Other experts such as ITC staff experts in trade policy, ***agriculture***, and other fields, national and international consultants, will be paid under the project as per specific short term assignments. This implementation by indirect management by ITC is justified because ITC is an International Organisation specialised in providing trade-related technical assistance and carries out similar projects worldwide. ITC is the joint agency of the World Trade Organization and the United Nations. Its mandate combines a focus on expanding trade opportunities with the aim of fostering sustainable development. Furthermore, the RGoB is well familiar with the ITC, given the experience with a previous project. 17 The entrusted entity would carry out the following budget-implementation tasks: launching and evaluation of calls for tenders, definition of eligibility, selection and award criteria, acting as contracting authority for concluding and managing contracts, and carrying out payments. The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 6(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management. 5.4 SCOPE OF GEOGRAPHICAL ELIGIBILITY FOR PROCUREMENT AND GRANTS The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply. The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult. 5.5 INDICATIVE BUDGET EU contribution (amount in EUR) Indicative third party contribution 1. Indirect Management with an international organisation, i.e ITC 4 000 000 N.A Total 4 000 000 N.A 5.6 ORGANISATIONAL SET-UP AND RESPONSIBILITIES The governance of the Action will be assumed by a Project Steering Committee (PSC) which will be composed of senior representatives of the Gross National Happiness Commission (GNHC), the Ministry of Economic Affairs, the Ministry of ***Agriculture*** and Forestry, the EU Delegation, and the ITC. Representatives from other public and private sector as well as civil society institutions active in the horticulture and handicraft sectors, may participate. The PSC will be co-chaired by the GHNC and the EU Delegation. The involvement of GNHC will ensure ***strategic*** guidance to the project, while facilitating coordination and communication between stakeholders and line ministries. The PSC will ensure that the Action maintains coherence with the national development and trade priorities of Bhutan, and will provide ***strategic*** direction and oversight for its implementation. The Committee will regularly review the progress and performance of the Action and approve work ***plans***. It will also gather lessons learned, identify possible bottlenecks and risks and propose mitigation actions. The PSC will meet once a year and ITC will ensure the functioning of its Secretariat. 18 ITC will establish a National Project Coordinator who in the initial phase of the project will be located within the premises of the GNHC. S/he will assume day-to-day coordination and ensure ownership of the Action. An important function of the Coordinator will be to maintain constant liaison, information sharing and communication with national partners, as well as outreach and development of working relations with stakeholders in rural areas. Detailed Terms of Reference (TORs) of the PSC and National Project Coordinator shall be elaborated at the outset of the project by ITC in full coordination with RGoB and EU Delegation. To ensure effective leadership and ownership throughout the implementation of the Action, as well as to facilitate communication, specific partner organizations - including lead partners as country focal points - have been identified for each output of the Action. Hence it will ensure a de facto appropriate level of presence on the ground. These have been discussed and confirmed with country stakeholders during the formulation mission (January 2017). See paragraph 1.1.2 on Stakeholder analysis. 5.7 PERFORMANCE MONITORING AND REPORTING Performance monitoring and reporting arrangements will be specified in the Delegation Agreement between the international organisation and the EU. The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log-frame matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation. The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews). 5.8 EVALUATION A final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that at the end of the project implementation, when RGoB will be starting to prepare its mid-term review of the 12th five year ***plan*** under which one of the core component is expected to be trade and investment for the economic development of the country. The lessons learned under the present action should help RGoB in dealing with export diversification in years to come. Additional lessons learned from other ITC projects in the region will be considered. The Commission shall inform the implementing partner at least 45 days in advance of the dates foreseen for the final evaluation mission. The implementing partner shall collaborate efficiently 19 and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation report shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. Indicatively, one contract for evaluation services will be concluded under a framework contract in the final year of implementation and shall be covered by another measure constituting a financing decision. 5.9 AUDIT Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements. The financing of the audit shall be covered by another measure constituting a financing decision. 5.10 COMMUNICATION AND VISIBILITY Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility ***Plan*** of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above. In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements. The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility ***Plan*** of the Action and the appropriate contractual obligations. In particular, the reports as presented according to point 5.7 above will include the implementation of communication activities and will highlight how EU visibility and communication on the project are ensured. 1 APPENDIX – INDICATIVE LOGFRAME MATRIX The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall ***programme*** and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant. ***Intervention*** logic Sub-Expected Outputs Indicators Baselines (incl. reference year) Targets Sources and Means of verification Assumptions Overall objective: Impact Contribute to Bhutan’s economic growth and poverty reduction 1)Absolute volume/value of Bhutan’s export flows of horticulture and handicraft textile products 2)Average annual incomes of beneficiary stakeholders – of which women and youth - in the horticulture and handicraft textile sectors 3)Bhutan’s ranking in the specific sub-indicators of the World Bank Doing Business improved based on the addressed issues through the project 1)Volume/value data to be collected as part of the value chain analyses conducted under outputs 2 and 3 (2017/8) 2)Average income to be collected as part of the value chain analyses conducted under Outputs 2 and 3 (2017/8) 3) 73 (2017) 1)15% increase 2)20% increase 3)70 (2021) Country statistics, sales statistics of exporters and associations, project mission reports Sector associations’ reports and data, project surveys and reports World Bank Doing Business Report/data Continuation of national policy focus on trade-related development Overall country economic stability and growth Government commitment in providing necessary resources (human and financial) for achieving project objectives Other countries ranking on the World Bank Doing Business ranking remain stable – as Bhutan might improve its policies but comparatively other countries might do as well Specific objective: Outcome Increased exports and export diversification, possibly contributing to the implementation of the “Brand Bhutan” Initiative 1)Value of sales of: a) horticulture products, b) handicraft textile products 2)Number of horticulture and handicraft textile ***producers*** – incl. women and youth – linked to export markets 3)Number of export markets to which new sales of: a) horticulture and b) handicraft textile products have been made 4)Number of new a) horticulture and b) handicraft textile products exported, where possible under “Brand Bhutan” 1)Value data to be collected as part of the value chain analyses conducted under Outputs 2 and 3 (2017/18) 2)Number to be collected as part of the value chain analyses conducted under Outputs 2 and 3 (2017/8) 3)0 4)0 1)20% increase 2)Number to be defined based on the value chain analyses conducted under ERs 2 and 3 3) a)5, b) 4 4) a)2, b) 20 Sales statistics of exporters/***producers***, project surveys and mission reports, evaluation/feedback forms Value chain analyses, project surveys and mission reports Sales statistics of exporters/***producers*** in the horticulture and handicraft textile sector with reference to export markets (for both indicators), project surveys, mission reports Willingness and ability of Government and key stakeholders to boost trade competitiveness in a concerted effort Availability of resources (human and financial) of target beneficiaries in the horticulture and handicraft textile sectors to engage and follow up Effective participation by the target beneficiaries in the horticulture and handicraft textile sectors (farmers and businesses) in the ***planned*** project activities in accordance to the set timeline No climate hazards affecting the horticulture production and/or harvest Infrastructure/road conditions are conducive for the transport of the products to be exported 2 Output 1 1. Enhanced capacities in the formulation and implementation of trade and investment policies and regulations 1.1 Capacities in Bhutanese public and private institutions to inform trade policy/regulatory/investment policies are built 1.2 Policy/regulatory/procedural impediments to business competitiveness addressed along the selected value chains under ERs 2 and 3 1.3 Investments (FDI and domestic) promoted into Bhutan, including investment in the selected value chains under ER 2 and 3 (e.g investment into storage facilities, cold chain equipment) 1.4 Enhanced access to trade and market information 1.5 Better Business Council (BBC) strengthened with a view to promote informed Public-Private Dialogue Output 1 Indicator: 1)Number of policy/regulatory reforms/measures adopted fostering value chain competitiveness and/or business environment 1.1 indicators: 2)Number of trade policy-related workshops held 3)Number of public and private representatives – including women and youth – trained that report increased awareness in relation to policy regulations formulation, implementation and investment promotion 1.2 indicators: 4)Number of value chain analyses focusing on policy/regulatory issues endorsed by MoEA 5)Number of recommendations endorsed through the consultation process 1.3 indicators: 6)Number of investment profiles endorsed by MoEA and sectoral associations 7)Number of investment- related events where the participation of Bhutanese investment promotion officers/private sector representatives was facilitated by the project 1.4 indicators: 8)Status of trade information portal 9)Number of MoEA/BCCI/Exporters association/other business organizations staff – of which women and youth - who reported increased knowledge on how to collect and analyse relevant information to identity markets and market trends 1.5 indicators: 10)Number of BBC technical committees’ positions informed through the project 11)Number of research papers /position papers ***produced*** through mentorship 1)0 2)0 3)0 4)0 5)0 6)0 7)0 8)Not operational 9)0 10)0 11)0 1)5 2)8 3)80 4)2 5)10 6)6 7)4 8)Portal online 9)30 10)5 11)9 MoEA reports Workshops reports Evaluation questionnaires Completed value chain analyses endorsed by MoEA Event reports Investment profiles MoEA/private sector participants’ reports Existence of portal Workshop reports, evaluation/feedback forms, survey of trained officers BBC minutes and/or final report informing the technical committee Position papers/research papers Coordination and cooperation among relevant policy-makers and key public and private institutions Existence of sufficient political will and bureaucratic reactivity to implement relevant trade and investment policies Commitment on the part of Bhutanese public and private institutions (i) to nominate suitable staff for training, (ii) to secure tenure of trained staff and (iii) to follow up on trainings and implement actions as required Availability of time and resources of key public and private institutions to engage in analysis, consultations, drafting of relevant documents, training/advisory/information activities, and participation to all required events and activities Beneficiary institutions and private sector organizations have the necessary absorption capacities to apply the skills provided through the project 3 Output 2 2. Improved environment for exports of high-value horticulture products (incl. organic) 2.1 Horticulture value chain analysis and Action ***Plan*** ***produced*** for export diversification and value addition with special focus on youth and women 2.2 Horticulture market penetration strategy for regional and/or international target markets designed 2.3 Export and quality management capacities of stakeholders - from farmers to exporters - along the horticulture value chain built and coordination improved 2.4 Scheme set-up for farmers to have access to real time price information using digital technology 2.5 Marketing and branding strategy developed for the Bhutan horticultural sector where possibly contributing to the “Brand Bhutan” initiative 2.6 Buyer-seller linkages established Output 2 indicator: 1)Number of farmers/***producers*** – of which women and youth - which put in place new procedures on technical practices and business management to improve product quality or value addition as a result of project support 2.1 indicators: 2)Number of Horticulture Value Chain Action ***Plans*** - focusing on the 2 selected products and integrating gender and youth dimension - ***produced*** with and validated by country stakeholders 3)Number of institutions coached in conducting value chain analysis 2.2 indicator: 4)Number of Horticulture value chain market penetration strategies - focusing on the 2 selected products and integrating gender and youth dimension, - ***produced*** with and validated by country stakeholders 2.3 indicators: 5)Number of training workshops for horticulture export and quality development held 6)Number of horticulture value chain stakeholders – disaggregated by type i.e farmers, exporters, women, youth – trained and reported improved export skills 2.4 indicators: 7)Number of farmers using mobile system providing real time product price information 2.5 indicators: 8)Status of criteria for the 2 selected horticulture products to be able to apply the “Brand Bhutan”/”Grown in Bhutan” logo for exports 2.6 indicators: 9)Number of trade fairs and B2B events where the participation of Bhutanese horticulture exporters was facilitated by the project 10)Number of exporters/***producers*** - of which women and youth - which participated in trade fairs and/or B2B events and identified new potential buyers 1)0 2)0 3)0 4)0 5)0 6)0 7)0 8)No list of criteria 9)0 10)0 1)200 2)2 3)3 4)2 5)50 6)500 7)500 8)List of criteria ***produced*** 9)4 10)20 Evaluation tests passed by participants and monitoring report Value chain analyses and Action ***Plans***, event reports Event reports, lists of participants, value chain analysis materials/methodology documents at the disposal of institutions, evaluation/feedback forms from institutions Market strategies, event reports Event reports Event reports, lists of participants, evaluation/feedback forms from participants Mobile platform report on users Existence of list Event reports, photos Event reports, feedback/evaluation forms from participants, list of visitors/buyers met, correspondence with buyers High professionalism and buy-in of key stakeholders in the horticulture sector engaged in the project Availability of time and resources (human and financial) of farmers, businesses, ***producers*** and buyers in the horticulture sector to engage in all relevant activities and follow up on recommendations Stakeholders along the horticulture value chain are willing and able to improving existing practices as a result of trainings / advisory workshops / information activities / new technologies Willingness and capacity of selected exporters/***producers*** to cost-share their participation in fairs/B2B events Beneficiary institutions and private sector organizations have the necessary absorption capacities to apply the skills provided through the project 4 Output 3 3. Improved environment for exports of high-value handicraft textile products 3.1 Handicraft textile products value chain analysis undertaken with special focus on women and youth and market potential in selected target markets assessed 3.2 Product quality improved, supply capacity enhanced and innovative designs matching market trends and demand developed 3.3 Develop a sector-specific marketing and branding strategy and build capacities on marketing and branding for the Bhutan handicraft textile sector, in collaboration with the “Brand Bhutan” initiative 3.4 Establish sustainable market linkages with markets Output 3 indicator: 1)Number of handicraft textile ***producers***/exporters – of which women and youth - which improved product quality/design or value addition as a result of project support 3.1 indicators: 2)Status of Handmade Handicraft textile value chain analysis integrating gender and youth dimension 3)Number of institutions and government agencies coached in conducting value chain analysis 3.2 indicators: 4)Number of ***producers***, traders, representatives of institutions and associations - of which number of women and youth - trained on market requirements, product development, pricing & costing 5)Number of new handicraft textile products 3.3 indicators: 6)Status of Marketing and branding strategy for the Bhutan handicraft textile sector ***produced*** incl. a set of criteria for the handmade textile sector developed to be able to apply the “Brand Bhutan”/”Made in Bhutan” logo for exports 7)Number of brand books, product catalogues, labels, flyers and other promotional material developed 8)Number of ***producers***, middlemen and traders - of which women and youth - that have increased their knowledge on international market trends, requirements as well as the role of intellectual property in handicraft 3.4 indicators 9)Number of linkages established with buyers in the EU, US and other markets 10)Number of B2Bs, incl. participation in trade fairs, organized for Bhutanese handicraft textile exporters/***producers*** 1)0 2)Analysis requires updating 3)0 4)0 5)0 6)Strategy does not exist 7)0 8)0 9)0 10)0 1)200 2)Analysis updated 3)4 4)50 5)25 6)Strategy developed 7)15 8)30 9)15 10)7 Evaluation tests passed by participants and monitoring report Value chain analysis document, event reports Event reports, lists of participants, value chain analysis materials/methodology documents at the disposal of institutions, evaluation/feedback forms from institutions Mission and event reports, training attendance sheets Mission and event reports, promotional material Marketing and Branding strategy, list of criteria Promotional materials Event/training workshop reports, attendance sheets, evaluation/feedback forms, Mission reports Event and Mission reports, lists of participants, evaluation/feedback forms, list of visitors/buyers met, correspondence with buyers Event and Mission reports High professionalism and buy-in of key stakeholders in the handicraft textile sector engaged in the project Availability of time and resources (human and financial) of ***producers*** in the handicraft textile sector to engage in all relevant activities and follow up on recommendations Stakeholders along the handicraft textile value chain are open to changing existing practices and to engage in higher value production and exports as a result of trainings / advisory workshops / information activities / new technologies Continues supply of raw material including silk yarn and dyes Price structure is flexible and ***producers*** and exporters are willing to analyse their structure and – together with ITC – engage in competitive and sustainable prices Adequate support and back-up given to the “Brand Bhutan” initiative Willingness and capacity of selected exporters/***producers*** to cost-share their participation in fairs/B2B events Beneficiary institutions and private sector organizations have the necessary absorption capacities to apply the skills provided through the project

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**Body**

Zagreb, 27 April 2018 (Hina) - National Reform ***Programme*** for 2018 endorsedZAGREB, April 26(Hina) - Croatia's government on Thursday endorsed a National Reform ***Programme*** for 2018and a three-year convergence planwith three main goals: boosting thecompetitiveness of the national economy, making the education system congruent with the needs of the labour market, and making public finances sustainable.Outlining the documents at his cabinet's meeting in Zagreb, Prime Minister Andrej Plenkovic said that now was the right time to implement structural reforms."These goals are based on the government's political platform and are in line with the recommendations made in the European Commission's reports. We want this document to trigger many reforms in 2018 and in the first half of 2019," Plenkovic said.The document includes 59 measures for 11 reform areas.Plenkovic went on to say that the ministers were aware of ***strategic*** priorities and that economic growth and other macroeconomic indicators were favourable.He said that he expectedone more excellent tourist season that would give an additional impetus to the national economy.National reform ***plan*** to ensure further growth, more jobs, lower taxesThe National Reform ***Programme*** for 2018is designed to ensure growth, employment and better living standards as the government's priorities.The convergence ***plan*** projects Croatia's growth at 2.8% in 2018and 2.7% in 2019, while a growth rate of 2.5% is expected for 2020 and 2021.When it comes to the budget for this year, the government is sticking to its original ***plan*** that envisages a budget deficit-to-GDP ratio of 0.5%. This ratio is expected to contract to 0.4% and zero in 2019 and in 2020 respectively.

In 2021 Croatia ***plans*** a budget surplus of 0.5%.Concerning the public debt, the baseline scenario for its reduction envisages economic growth and state property consolidation and activation.The government is set to cut the debt-to-GDP ratio to 66% by the end of its term, while the government's ***programme*** initially put this ratio at 75%.At the end of 2017, Croatia's public debt-to-GDP ratio was 78%. It is expected to fall to 75.1% in 2018, 72.2% in 2019 and69.1% in 2020, while in 2021 it is expected to drop to 66%.The government is determined to cut the cost of interest on the country's borrowing to below two percent of GDP. In 2015, the cost of interest amounted to 3.3% of GDP, and in 2017 it fell to 2.7%.The Reform ***Programme*** defines the state of affairs and ***plans*** regarding the implementation of the government's key structural policies, while the Convergence ***Programme*** defines the key characteristics of macroeconomic and fiscal policy frameworks.The government must send the National Reform ***Programme*** and the Convergence ***Programme*** to the European Commission by the end of April.These activities are part of the process of mandatory reporting and adjustment of EU member countries' fiscal policies to the jointly defined goals and regulations of the EU, and non-compliance with them results in sanctions, including the freezing of EU funds.Transport sector to be overhauledThe National Reform ***Programme*** includes the restructuring of the transport sector, that is, of roads and the state-owned HZ railway operator, the search for a ***strategic*** partner for Croatia Airlines, and regulations on the maritime domain and land for tourism purposes, on which bills are being drafted.With regard to the restructuring of the railway sector, a comprehensive ***programme*** is being prepared to improve the operation of HZ Infrastruktura and HZ Cargo. Similar to the road sector, a project for the railway sector is being prepared with the World Bank.The National Reform ***Programme*** also envisages a reform of the state administration and a bill on that matter is being fine-tuned, which means that there is a ***plan*** to open dialogue with the social partners. The new legislation on the state administration reform that is being worked on also envisages depolitisation of the state administration as well as regulation of government employees' salaries.The new legislation envisages the introduction of 12 salary brackets and provides for promotion based on performance, which will be evaluated. The new laws also envisage one-off rewards as well as the possibility of demotion.The government is expected to prepare amendments to the legislation on pension insurance and retirement that envisage raisingthestatutory retirement age to 67 for both men and women through gradual but accelerated changes.Gov't to continue tax reform, carry out comprehensive pension reformZAGREB, April 26(Hina) - A comprehensive pension system reform with the statutory retirement age being gradually raisedto 67, further easing of the tax burden and removal of administrative barriers, the continuation of the merger of hospitals and the establishment of a national clinical hospital for children as well as new legislation on public sector workers'salaries are some of the measures in a 130-page National Reform ***Programme*** approved by the Croatian government on Thursday.With regard to public finances, Minister Zdravko Maric pointedout the reforms in his sector would go in two directions - further reinforcement of the budget framework and ***planning*** and the continuation of the tax reform.Taxes and the administrative burden will be further reduced, Maric said, announcing the preparation of a set of pertinentmeasures until summer recess so that the necessary legislation could be adopted in the autumn and go into force on 1 January 2019.The reform ***programme*** envisages the strengthening of the State AuditOffice andthe adoption of new fiscal responsibility legislation and a new budget law by the end of this year.In response to questions from the press, Maric said that the ***programme*** did not include ***plans*** for introducing a property tax.A tax of this kind has not been on the agenda since last year, and the intention is to advance the system of collection of utilityfees (municipal taxes), Maric explained.Comprehensive pension reform to be included on agendaLabour and Pension System Minister Marko Pavic said that the purpose of the ***planned*** pension system overhaul was to make it sustainable.Explaining why it wasnecessary to extend working life, Pavic said that only 1 in five retirees (19%) have worked full years of service (40 years) before retiring.Furthermore, Croatia'spensioner-to-worker ratio is a mere 1:1.19, he underscored.The minister announced the overhauling of the Employment Agency, with the focus being on measures to deal with those who have been out of work for a long time. A total of13 billion kuna from the European Social Fund has been made available to Croatia to address the marginalised on the labour market.Minister says pension payment not at riskZAGREB, April 26(Hina) - Labour and Pension System Minister Marko Pavic said at a government session on Thursday that pension savings in compulsory pension funds would definitely be paid out and that those pension insurance funds were not at risk in the context of their exposure to Agrokor shares.The government adopted reports on the work of four compulsory pension funds in 2017, with the value of their assets totalling almost HRK 93 billion.The AZ compulsory pension fund had the highest assets amounting to close to HRK 36 billion, followed by Raiffeisen, with assets worth HRK 28.5 billion, PBZ with HRK 15 billion, and Erste with assets amounting to HRK 12.7 billion."The funds operated successfully. As for media reports about pensions being at risk due to exposure to Agrokor shares, we must say that pensions are absolutely safe, their payment is beyond question. Agrokorshares account for less than0.5% of the funds' assets, so theirinvestments are safe, and domestic bonds account for 73% of the investments," said Pavic.The government also endorseda decision to make a national spatial development ***plan*** designed to make sure thatspatialdevelopment is in line with the government's economic, social and environmental principles, spatialsustainability, andthe preservation of spatial capacity on the land andat sea.The ***plan*** is to be adopted by the end of 2019 at the latest.Gov't adopts final bill on state assets managementZAGREB, April 26(Hina) - The Croatian government on Thursday sent the final bill on the management of state assets to parliament for consideration, with State Assets Minister Goran Maric saying that the new legislation would have an impact on employment and GDP growth."The existing legislation on state assets management hasresulted in state assets having beenneglected, destroyed and seized over a long period of time. The final bill on state assets management is designed to protect and activate state assets," Maric said.Hesaid the bill would have a direct positive impact on GDP, employment, budget revenues, and the amount of public debt, as well as on demographic revival.Among other things, the bill is designed to explicitly define what constitutes state assets that aremanaged by the State Assets Ministry and the Restructuring and Sale Centre (CERP) and define more clearly responsibilities in the management of those assets.Under the bill, the ministry would be managingcamping site facilities regardless of whether those sites are located in a construction zone as it has been found that the management of those facilities is currently unsatisfactory.The bill also proposes that the ministry should manage farmland converted to serve for the construction of golf courses, hotels, camping sites and other establishments providing tourist, sports and recreationservices.Under the bill, all decisions on the management of state assets whose value exceeds HRK 7.5 million will be made by the government while decisions concerning less valuable property will be made by the state assets minister.The bill is designed to help putto use properties with unresolved property-rights relations such as Socialist-era holiday establishments on the coast by renting them out for longer periods of time.The bill also regulates the use of property temporarily seized in criminal proceedings, whereby the relevant directives of the European Parliament and the Council of the EU are being transposed into the Croatian legislation.One of the main novelties of the bill is that all real estate owned by Croatia which on 1 January 2017 served as schools, community health centres, hospitals and other institutions founded by local government units used for educational and health purposes, as well as cemeteries, mortuaries, monuments, parks, playgrounds, sports and recreation facilities, community centres, fire brigades, memorials and market places, would be registered as the property of local government units.The bill also envisages compensating local government units for the amount they had to pay to physical persons in line with court rulings as compensation for the land which was seized from them during the Yugoslav Communist rule and which became Croatia's property under special regulations.Minister Maric said that ten major projects designed to reactivate state property that was not being used and that wasvalued at more than HRK 10 billion, would be prepared by 2020."A single register of state assets will be introduced as will the obligation of medium-term ***planning*** by companies of special interest to the state," said Maric.Reforms under way in 4 segments of science and education system, says ministerZAGREB, April 26(Hina) - Science and Education Minister Blazenka Divjak told reporters on Thursday that reform processes in the sectors of science and education were being implemented in four areas, describing those processes as major headway."The experimental stage of the curricular reform is about to begin in 72 schools. Work on that is very intensive and teacher training is currently under way," Divjak told reporters.In the area of vocational education, a dual education pilot project is being launched, the minister said."As for the system of higher education, we have been working more on the relevance (of the education offer) by applying the Croatian Qualifications Framework and on new ***programme*** agreements for universities. As for science, we have focusedon ***programmes*** that promote excellence," she said, noting that thesewere not small changes.EUR 1bn expected to be invested in Croatian tourism industry this year, mostly in hotelsZAGREB, April 26 (Hina) - Nearly a million euros is expected to be invested in the Croatian tourism industry this year, which is 15 percent more than last year and 40 percent more than in 2016, and most of the investment will go towards 4- and 5-star hotels, Tourism Minister Gari Cappelli said on Thursday.Cappelli was speaking at the start of the 24th international conference "Tourism and Hospitality Industry 2018: Trends and Challenges", organised by the Faculty of Tourism and Hospitality Management in the northern Adriatic town of Opatija.The minister said that Croatia was never better ranked on the world tourism map and that tourism was important for the whole national economy. He said that 2017 was a record tourist year and that 2018 got off to a good startwith double-digit increases in the numbers of tourist arrivals and overnight stays."A considerable portion of the government's objectives in tourism have been realised, Croatia is a hit destination, but it needs to strengthen its position in global tourism," Cappelli said.Stressing the importance of investments and innovations in the hotel sector, Cappelli said that under the strategy for tourism development by 2020, about 2 billion kuna would be invested in the construction of new hotelsand new hotel facilities.Hotels generate 24 percent of all overnight stays, and according to the latest survey, visitors stay in hotelssix to seven days on average and their daily spending is 55 percent higher than that by visitors staying in other accommodation facilities.Speaking of a labour shortage in the tourist industry, Cappelli said that one of the developmental goals was to adjust the national education system to the tourism and hospitality industry, adding that his ministry had earmarked 500 million kuna for the development of regional centres of competence.Grcic (SDP): 2.5% growth not enough to lift Croatia from bottom of EU rankingZAGREB, April 26 (Hina) - Social Democratic Party (SDP) member of Parliament Branko Grcic said on Thursday that the growth rates projected by the government in its convergence ***programme*** were not enough to ensure a real rise in living standards and lift the country from the bottom of the EU ranking."Economists and the business community agree that the growth rate of a mere 2.5 percent is not big enough, and that's the key problem that is pushing Croatia to the bottom of the EU ranking," Grcic told a press conference during a visit to Bjelovar, about 80 kilometres northeast of Zagreb.The government's convergence ***plan*** projects growth of 2.8% in 2018, 2.7% in 2019, and 2.5% in 2020 and 2021.Grcicwarned that Croatia had used only 10 percent of the 10.7 billion eurosat its disposal in EU funds."We are getting close to the middle of the fifth year of seven years during which we are allowed to use these funds, and we have used only 10 percent, despite the efforts by the government to conceal this fact. Besides, all major projects currently being financed from the EU treasury were prepared or arranged by the SDP government of Prime Minister Milanovic, including the construction of the Dugo Selo - Krizevci railway line and the Peljesac bridge," Grcic said.PM calls on social stakeholders to attend official state commemorationsZAGREB, April 26(Hina) - After representatives of some of Croatian minority communities recently boycotted the central state commemoration for the victims of the World War II Jasenovac concentration camp on April 22, Prime Minister Andrej Plenkovic on Thursday called on all social stakeholders in the country, notably politicians, to attend central state commemorations and make effort so "that in the future we could have a single commemoration at Jasenovac."Addressing a government session, Plenkovic said that a state delegation this past Sunday paid tribute to all victims of Nazism and Fascism and that the government's position on the matter was very firm and clear."We reiterated that once again on Sunday,and we will continue doing so in the future," he said.For the third year in a row this past Sunday representatives of the Coordinating Committee of Jewish Communities of Croatia, the Serb National Council and the Association of Anti-Fascist Fighters and Anti-Fascists of Croatia boycotted the central state commemoration for the victims of the Ustasha-run concentration camp and honoured the victims at their own, separate commemorations.They said that their non-attendance at the commemoration was due to the downplaying of Ustasha crimes, for which they believe the state authorities share the responsibility.Zagreb City Council fails to adopt waste management planZAGREB, April 27 (Hina) - A waste management ***plan*** put to the Zagreb City Council by Mayor Milan Bandic on Thursday was not adopted as a majority of councilors voted against the proposed ***plan***, with 15 votes in favour, 25 against and 7 abstentions.About a hundred citizens and NGOs held a protest rally outside the Zagreb City Council on Thursday to voice their opposition against the proposed waste management ***plan***.The protesters were joined by several members of parliament, including Gordan Maras from the Social Democratic Party, Nikola Grmoja and Marko Sladoljev from the Bridge party and Branimir Bunjac from the Human Shield party.Marko Kosak of the Green Action told reporters that they objected to the proposed ***plan*** because it would not be sufficient to advance the existing waste management system."More than a billion kuna is being invested in processing waste instead of in recycling it," Kosak underscored.He said that the ***plan*** was obviously Mayor Milan Bandic's doing and that it was not in the public interest and was detrimental to environmental protection in Zagreb."The city of Zagreb is one of the worst capitals in the European Union with regard to waste management and this ***plan*** won't change that. Citizens are paying unfair and unlawfulmonthly bills, waste is being thrown into the streets all over the place. Instead of investing in this, to change things, the mayor is once again investing in waste processing and transportation and in murky dealings with waste," Kosaksaid at the protest.Unions opposed to privatisation of primary healthcareZAGREB, April 26(Hina) - The SSSH and MHS trade union federations on Thursday appealed to the Health Ministry and governmentto refrain from privatising primary healthcare which has been announced through the Healthcare Bill and called on citizens to express their opposition to the bill being adopted, whichthe unions claimwill affectthe availability of healthcare services.We appeal to the government and Health Ministry, to Prime Minister Andrej Plenkovic and Health Minister Milan Kujundzic to refrain from its insane intention to privatise the healthcare system, SSSH leader Mladen Novosel told a press conference."We want reforms to be implemented, but those in which competent people in the health ministry will know how to manage Croatia's health system and not those who aren't capable of organising anything, who can't even secure that doctors have even the basic conditions to work and to earn decent pays, and who in this way wish to resolve the problem of doctors leaving Croatia," Novosel said.He warned ofthe danger of introducing private practices - doctors are becoming private businesses aiming for a profit, healthcare will be less accessible, particularly in smaller towns and on the islands and health clinics will become empty because private doctors will be able to open their offices wherever they wish."Once again we appeal for reason and political will by the government, not to make the same mistakes as in the 1990s with the worst example of transition and privatisation. In 1997, the system's privatisation was introduced through the back door.Firstly with the introduction ofleases and later concessions in primary healthcare and now, 20 years later, Kujundzic wants to end that job with the complete privatisation of primary healthcare," Novosel said.Croatian and Slovenian unions to cooperate in quality job creationZAGREB, April 26 (Hina) - The Croatian Federation of Autonomous Trade Unions (SSSH) and the Slovenian Association of Free Trade Unions (ZSSS) on Thursday signed a joint declaration on quality jobs, undertaking to actively participate in the further development of an inclusive labour market and quality job creation.The declaration was signed by SSSH leaderMladen Novosel and his ZSSS counterpart Lidija Jerkic at the Bregana-Obrezje border crossing point as part of the 12th SSSH-ZSSS meeting held under the motto "Trade Unions Without Borders".They noted that EU countries with the best results in reducing unemployment and establishing sustainable social security systems had the most quality jobs.Novosel called for an end tothe rising trend of insecure and underpaid work. "We don't agree that any job is a good job," he said, adding that well-organised and functioning labour markets provided quality jobs, along with social inclusion and combating all forms of discrimination.Jerkic said close cooperation between the trade unions was necessary because workers on both sides of the border were facing the same problems. Cooperation is all the morenecessary as new forms of labour are putting workers in an even more dependent position, she concluded.One month detention set for young hacker from ZapresicZAGREB, April 26, 2018 (Hina) - A 19-year-old Croatian who owns theworld's biggest illegal web server for cyber attacks, Webstresser.org, was given month-long detention for fear of repeating the crime, according to sources atthe County Court in Velika Gorica.The 19-year-oldwas arrested on Wednesday and reportedfor cyber crimes, which carries a sentence of one to eight years in prison.Webstresser.org is the world's biggest online service where users can rent DDoS (Distributed Denial of Service) cyber attackservices to attack owners of web sites across the world. With more than 136,000 registered users and four million cyber attacks, until April 2018 Webstresser posed the biggest threat to key online services offered by banks, the business sector and state institutions around the globe.This way he allegedly illegally gained163.75124693 bitcoins worth approximately HRK 1.45 million.Granic reiterates Hypo Bank deal was arranged by SanaderZAGREB, April 26, 2018 (Hina) - Former foreign minister Mate Granic on Thursday testified at the retrial of former prime minister Ivo Sanader in the Hypo Bank case, reiterating his previous testimony, namely that Sanader, who is on trial for war profiteering over the alleged bribe taking, was in charge of negotiations with Austrian Hypo Bank about a loan to Croatia for the purchase of embassy residencies in the mid-1990s.Ivo Sanader, a former deputy foreign minister and former prime minister, is charged with having received HRK 3.6 million kuna in kickbacks for the loan agreement with the Hypo bank when he was Granic's deputy."I fully stand by my testimony from November 2011 and I am prepared to answer any question," Granic said after his previous testimony was read to him in court.At the request of Sanader's defence team, Granic repeated the chronology of the deal with Hypo Bank. He recalled that everythingstarted with a letter from Austrian Foreign Minister Alois Mock who notified him that "an ambitious bank from Carinthia waswilling to grant a loan to Croatia for the purchase of buildings for its diplomatic mission."It was a time when there were no foreign banks on the Croatian market and the government could not obtain a loan on international financial markets, he added."I did not know of that bank at the time. After that I talked to President Franjo Tudjman and Prime Minister Nikica Valentic and notified deputy Sanader to take over communicationand negotiations.According to Granic's previous testimonies, in 1999 he took out a DM 300,000 housing loan, negotiated by Sanader. Once he left politics, Granic worked as a consultant for Hypo Bank and received EUR200,000 for his services.Sanader's defence again objected to the veracity of Granic's testimony.Sanader had been found guilty in this case, but the final verdict was quashed by the Constitutional Court in 2014 and a retrial was ordered to take place before the Zagreb County Court.Serbia declares Croatian defence minister persona non grataZAGREB, April 26(Hina) - The Serbian government has decided to declare Croatian Defence Minister Damir Krsticevic persona non grata, authorities in Belgrade reported on Thursday."The Serbian government decided at its session on Thursday to adopt reciprocal measures against Croatia, under which Croatian Deputy Prime Minister and Defence Minister Damir Krsticevic is not welcome to Serbia until further notice," the government said in a press release.It said this was a reciprocal measure to counter the Croatian Foreign and European Affairs Ministry's decision of 21 April declaring Serbian Defence Minister Aleksandar Vulin persona non grata in Croatia.Serbia said that Croatia's moves are contrary to the spirit of good neighbourly relations and respect of fundamental European values that include freedom of movement,the statement said.The press release goes on to say that the Serbia government remains committed to building good neighbourly relations with Croatia, refraining from steps that could deteriorate relations with the neighbours.Krsticevic: Serbian government's decision unwarrantedZAGREB, April 26 (Hina) - Croatian Defence Minister Damir Krsticevic said on Thursday that the decision by the Serbian government to declare him persona non grata was unwarranted, adding: "I never offended anyone or said something that was not true. I never went to Serbia or said anything bad.""Serbian Defence Minister Aleksandar Vulin and I are worlds apart. I am focused on developing and strengthening the Croatian military, strengthening the homeland security system in the interest of Croatia. In my job I am always guided by values, by my responsibilities, and most importantly, I never do to others what I wouldn't want others to do to me," Krsticevic told reporters in Zagreb when asked to comment on the Serbian government's decision to declare him persona non grata. "I was like thatduring the Homeland War, after my forced retirement and when I worked in the private sector, and now as defence minister," he added.The Serbian government said in a statement on Thursday this was a reciprocal measure in response to the Croatian Foreign and European Affairs Ministry's decision of 21 April declaring Serbian Defence Minister Aleksandar Vulin persona non grata in Croatia.Krsticevic said that the Croatian decision was justified. "It was our response to provocations by Vulin, and any modern country which protects its sovereignty, dignity and national interests would do the same," he stressed."However, this decision is unjustified. It is a decision made by the Serbian government, I can deal with it, but it speaks much more about them," the Croatian defence minister said.Asked to comment on the reason for the Serbian government's decision, Krsticevic said it could be his involvement in the Homeland War as commander of the 4th Guards Brigade, or many other reasons. "What I did and what I do now is honourably servingCroatia," he said.Asked how he saw further cooperation with Serbia, Krsticevic said he was always in favour of cooperation, adding that the Croatian military was cooperating with everyone, especially with key allies the United States, the United Kingdom, Israel and Sweden."We need to cooperate. We are cooperating with our neighbours. Croatia always wants cooperation and dialogue and wants the focus to be on the future. Croatia is a member of NATO and the EU and is forward-looking," Krsticevic said.He said that he was in touch with Prime Minister Andrej Plenkovic and that he should be asked how Croatia would respond.President declines to comment on Serbia's decisionZAGREB, April 26 (Hina) - Croatian President Kolinda Grabar-Kitarovic on Thursday declined to comment on the Serbian government's decision to declare Croatian Defence Minister Damir Krsticevic persona non grata, a day before a meeting of the Brdo-Brijuni Process which is also expected to be attended by Serbian President Aleksandar Vucic.Earlier on Thursday, the Serbian government decided to declare Croatian Defence Minister Damir Krsticevic persona non grata, saying it was a reciprocal measure to counter the Croatian Foreign and European Affairs Ministry's decision of 21 April declaring Serbian Defence Minister Aleksandar Vulin persona non grata in Croatia.Grabar-Kitarovic, who is on a two-day visit to Macedonia, declined to comment on this decision.Macedonian and Croatian presidents discuss stepping up economic cooperationZAGREB, April 26(Hina) - The objective is for Croatiato become one of Macedonia's five biggest economic partners, Macedonian President Gjorge Ivanov said in Skopje on Thursday after talks with Croatian counterpart Kolinda Grabar-Kitarovic who reiterated Zagreb's support for Macedonia's Euro-Atlantic integration.Grabar-Kitarovic and Ivanov agreed that the two countries' relations are friendly without outstanding issues so a large part of their meeting focused on the strengthening ofeconomic cooperation and Macedonia's aspirations to join NATO and the EU.Croatia-Macedonia trade in 2017 totaled EUR 185.8 million, or3.8% less than in 2016. Since 2012, Croatia has recorded a surplus in trade with Macedonia, withlast year's surplus amounting to HRK 44,5 million, associates of the Croatian president said."I am confident there is unused potential for stronger economic cooperation between the two countries," Ivanov told a joint press conferencewith Grabar-Kitarovic. "The two countries' objective isfor Croatia to become one of Macedonia's five biggest trading partners," he added.Grabar-Kitarovic underscored that many Croatian companies were already doing business in Macedonia and that during her two-day visit she would hold talks withMacedonian officials about possibilities of increasing investments."I am confident there is room for further investment and expansion of trade not only in the food industry butalso in the high techsector andthe construction industry. Croatian companies are interested in taking part in the reconstruction of Macedonian roads and railways, in military and defence cooperation, military technology etc," Grabar-Kitarovic said.She underscored that Croatia's Labour and Pension System Ministry was interested in signing an agreement on seasonal employment with Macedonia, adding that there was potential for a joint presentation of Croatian and Macedonian companies on third markets.EU and NATOIvanov said he appreciated Croatia's support for the Euro-Atlantic aspirations of Macedonia, whose journey is blocked by Greece because of the two countries' dispute over Macedonia's name.He said that the case of Croatia and Slovenia showed that bilateral disputesshould not be an obstacle to memberships of NATO and the EU.Later on Thursday, Slovenian President Borut Pahor is expected to join Ivanov and Grabar-Kitarovic at a meeting of the Brdo-Brijuni Process, which will also be attended by European Council President Donald Tuskand Bulgarian Prime Minister Bojko Borisov.Also announced, but not yet confirmed, are the arrivals of the leaders of other Southeast European countries, including Serbian President Aleksandar Vucic.The Brdo-Brijuni process was launched in 2013by Slovenia and Croatia in order to further stabilise the situationin Southeast Europe through regional cooperation and solving outstanding issues.Ivanov said that the Brdo-Brijuni Process was a strong confirmation of Croatia and Slovenia's commitment to the region.Grabar-Kitarovic welcomed the European Commission's renewed focus on Southeast Europe, stronger involvement and the realisation that the EU enlargement process must continue. A summit will be held in Sofia in May to discuss the EU integration of Southeast European countries.Speaking of NATO membership, Grabar-Kitarovic said she was confident that the Croatian embassy in Skopje, which is the so-called contact point between NATO and Macedonia, would help accelerate Macedonia's path to membership and that following a solution to the dispute with Greece aninvitation would automatically be sent to Skopje.The Croatian president is also scheduled to meet MacedonianParliament Speaker Talat Xhaferi and Prime Minister Zoran Zaev on Thursday. She is also due to meet representatives of the Croat community in Macedonia.On Friday, the president is expected to meet Croatian business people and representatives of the Croatian companies in Macedonia, as well as Croatian police officers, members of the 51st Contingent of the mobile unit for monitoring the state border who have been helping their Macedonian colleagues in preventing illegal migrations since December 2015.Grabar-Kitarovic meets with Croatian community in MacedoniaZAGREB, April 26 (Hina) - Croatian President Kolinda Grabar-Kitarovic told the Croatian community in Macedonia on Thursday that Croatia would continue to help them exercise their rights."Today we have talked with Macedonian officials about you as well and we will continue these talks when it comes to the exercise of your rights, particularly the right to preserve your national heritage, language and culture," Grabar-Kitarovic said during a meeting with representatives of the Croatian minority in Skopje after meeting with President Gjorge Ivanov and Parliament Speaker Talat Xhaferi.According to the 2002 census, 2,686 people in Macedonia identified themselves as ethnic Croats, but unofficial estimates put their number at 4,000. Most of them live in Bitola and Stip, but smaller groups also live in Kumanovo, Ohrid and Tetovo, the President's Office said.Croatian language classes are taught in several Macedonian towns for about 70 students, and their number in the last four years has increased by 40 percent.On the other hand, about 4,100 ethnic Macedonians live in Croatia, mostly in Zagreb, Primorje-Gorski Kotar County and Istria County.Earlier in the day, during the meeting with Ivanov, Grabar-Kitarovic said that the minorities were a bridge connecting the two countries. She noted that the Macedonian minority is recognised by the Croatian constitution, has its representative in the national parliament, and Croatia financially supports the activities of Macedonian associations.Ivanov said that by mentioning them in its constitution Croatia was the first country "to take the Macedonians into the European Union, which is great support that is rarely emphasised."Grabar-Kitarovic said she was pleased that the joint committee for the implementation of the agreement on the protection of the minorities, which Skopje and Zagreb signed in 2007, would soon hold its third meeting, expressing hope that concrete progress would be made.Jandrokovic meets Crown Princess Victoria of SwedenZAGREB, April 26 (Hina) - At the end of his two-day visit to Sweden on Thursday,Croatian Parliament Speaker Gordan Jandrokovicwas received by Crown Princess Victoria of Swedenand invited the Swedish heir apparent to visit Croatia,the parliament said in a press release.Jandrokovic expressed gratitude for the warm welcome offered to the Croatian delegation on theirofficial reciprocal visit to Sweden at the invitation of Swedish Parliament Speaker Urban Ahlin.Jandrokovic underscored the long tradition of friendly relations between the two countries and increasingly intensive cooperation in many areas.During the audience with Princess Victoria, Jandrokovic informed her of Croatia's experiences as a member of the European Union, while in reference to the number of Swedish tourists in Croatia, the talks focused on cooperation intourism between the two countries.Butkovic attends TEN-T transport conferenceZAGREB, April 26 (Hina) - The 9th edition of the TEN-T Days conference on the trans-European transport network began in Ljubljana, Slovenia on Thursday.The event is organised by the European Commission Mobility and Transport Directorate.About 200 participants are attending the conference, including 30 ministers from EU member states among whom is the Croatian Minister of the Sea, Transport and Infrastructure, Oleg Butkovic.European Commission for Transport Violeta Bulc is hosting the conference which will also be attended by Vice President of the European Commission for the Energy Union and Climate Maros Sefcovic, Commissioner for Regional Policy Corina Cretu and European Commissioner for Budget and Human Resources Guenther Oettinger.The conference is dedicated to a better transport connectivity in Europe and is expected to end with a Ljubljana declaration on Friday.The conference will also address investments into motorways and increasing road safety.Slovenian participants warned that Southeast Europe is lagging behind in ***plans*** to introduce vehicles on alternative fuel sources as well as in road maintenance which would improve road safety, and added that funds for that purpose from European mechanisms are being reduced.Bulc said that the Commission was working successfully on introducing a future model for a single digital level for all transport types. That will enable the introduction of a common European integrated fare ticket for all types of air, road, rail and sea transport.Those solutions will mean big changes and improvements in transport and logistics. That contemporary, integrated and ecologically clean solution in transport and logistics could by 2030 account for as much as 8% of Europe's GDP and create 13 million new jobs, Bulc said.Offices of Croatia's Permanent Representation at NATO's new headquarters openedZAGREB, April 27 (Hina) - Croatian Foreign and European Affairs Minister Marija Pejcinovic Buric on Thursday officially opened the offices of Croatia's Permanent Representation to NATO at the alliance's new headquarters in Brussels, the Foreign and European Affairs Ministry said.State-of-the-art offices of the new NATO headquarters are designed to meet the constantly changing tasks which NATO encounters in keeping peace and ensuring freedom for its members, the ministry said in a statement.The new building, with an area of more than 250,000 square metres, provides space for 1,500 people from national delegations, 1,700 international military and civilian employees, 650 employees of NATO agencies, and 500-1,000 visitors daily.The complete relocation of all NATO member-countries' representations is expected before a NATO summit scheduled to take place on July 11-12.Memorandum of Friendship basis of future cooperation between Kotor, Dubrovnik, Mostar and OhridZAGREB, April 26 (Hina) - Representatives ofKotor (Montenegro), Dubrovnik (Croatia), Mostar (Bosnia and Herzegovina) and Ohrid (Macedonia) on Thursday signed a Memorandum of Friendship under which the four cities will apply together for international projects and exchange experiences in the field of culture and sports."We are happy that Dubrovnik, Mostar and Ohrid are here with us today and that we had this opportunity to sign together a Memorandum of Friendship between our four cities. I'm certain that this is a signpost for everyone on how to advance cooperation between cities in the region, particularly between those that share common values and problems," Kotor Mayor Vladimir Jokic said.He said that the memorandum is the first step of what is yet to follow and that is joint projects and applications to international organisations."I'm certain that signing this memorandum is the basis of future cooperation and the way that will bring benefit to the cities and their residents," Jokic said.Dubrovnik MayorMato Frankovic said that the memorandum had not been signed before due to numerous problems and challenges facing UNESCO cities that "we can resolve together and make suggestions to each other on how to work.""At the same time, we can jointly apply to European funds and other possible financing sources for various activities and resolve through cooperation everything that we consider important - promote sports and improve our existing infrastructure through the exchange of experience," Frankovic said.He added that some activities have already been launched when it comes to sustainable tourism."With regard to destination management, we are in very active talks with Kotor about that, how and in what way to work in the future with regard to the issue of guests from cruisers and how to control tourism or how to reconstruct our monumental heritage. We have already held talks and this is confirmation of what we have already worked on. This won't just be signing another document and won't remain at that and cooperation will develop in various segments over the coming months," Frankovic said.The mayors of UNESCO-recognised cities are attending a two-day meeting in Kotor of the directors of theOrganisation of World Heritage Cities (OWHC).Exhibition "The Sixties in Croatia - Myth and Reality" opens in ZagrebZAGREB, April 27 (Hina) - The exhibition "The Sixties in Croatia: Myth and Reality" was opened at Zagreb's Museum or Arts and Crafts on Thursday.The central exhibition of the Museum of Arts and Crafts in 2018 offers an overview of one of the key periods of recent Croatian history from 1958 to 1971.The exhibition's author, Zvonko Makovic, said he considered it was interesting to show how much the 1960s differed from the present."Now we are constantly talking about crisis, depression, stress and lack of energy, while the 1960s were optimistic, people believed that anything was possible, it was a time of innovation," said Makovic.Opening the exhibition, a State Secretary at the Culture Ministry, Ivica Poljicak, said that the 1960s would be remembered as a period of accomplishments whose strong impact was still felt but also as a period when human freedoms were deficient."It was a time when people lived intensively, we were more oriented towards one another and less to gadgets. This exhibition will enable us to establish an emotional connection to that period," Poljicak said.The numerous exhibits, ranging from documents and works of art to photographs and film, TV and music excerpts and objects of everyday use, put emphasis on the more relevant segments of the fields of art, architecture and fashion.They are displayed in 12 halls on an area of more than 1,000 square metres. More than 1,000 exhibits have been borrowed from 62 institutions in five countries and 84 individuals. Around 200 people worked on the exhibition for four years.The event will be open until September 30.Izetbegovic and Covic argue about Peljesac Bridge in front of TuskZAGREB, April 26 (Hina) - The two most senior Bosniak and Croat officials in Bosnia and Herzegovina used European Council President Donald Tusk's visit on Thursday to confront their views on Croatia's ***plan*** to build a bridge between the Peljasac peninsula and the mainland.Tusk visited Sarajevo on Thursday as part of his Western Balkans tour. He held talks with members of the Bosnian collective presidency and attended the signing of an agreement between representatives of the Bosnia and Herzegovina Council of Ministers and the European Investment Bank on loans worth EUR 150 million earmarked for the construction of two new sections of the highway along Corridor Vc connecting Ploce and Budapest.The Chairman of the BH Presidency, Bakir Izetbegovic, used his statement to the press to highlight the issue of the Peljesac Bridge, publicly asking Tusk to "help" find a satisfactory solution.The Croat member of the presidency, Dragan Covic, also broke the protocol, saying that Izetbegovic's position was not the country's official position but his own.Tusk ignored the issue of the Peljesac bridge and focused on the coming EU-Western Balkans summit scheduled for May 17 in Sofia.After Sarajevo, Tusk travelled to the Macedonian capital Skopje, the final destination on his tour.Bosnian Muslim dignitary calls for stronger USengagement in countryZAGREB, April 26(Hina) - Bosnia and Herzegovina is an American investment that will be protected - this is amessage which William Berkley, Director for European Affairs at National Security Council at the White House, conveyed to the visiting Bosnian Grand Mufti Husein Kavazovic in Washington, the press agency of Bosniaand Herzegovina's Islamic Community (MINA) reported on Thursday.The dignitary noted that the vacuum created by the absence of the USA in Bosnia and Herzegovina was being filled by other political factors that hadtheir interests in the country.According to MINA's press release, Berkley asked Kavazovic about his opinion on the impact of foreign factors on the radicalisation of developments in Bosnia and Herzegovina and violent youth extremism.Kavazovic informed USofficials that in Bosnia and Herzegovina as well as in the wider region, the presence of extremist nationalist groups was growing and that they enjoyed the support of some "of the countries that are playing destructive roles in the region."Some of those groups are under the sanctions of the USand other international stakeholders, however, their parades through Bosnia and Herzegovina are being tolerated for some reason, Kavazovic said, alluding to extremist nationalist groups from Serbia and Russia.Kavazovic admitted that the Bosnian Islamic Community itselfhad problems with some Muslims who advocated intolerant and exclusive interpretations of the religion and who belittled traditional institutions and centuries-old models and tenets practiced by Muslim believers in Bosnia and Herzegovina.RSF official says independent media in Serbia facing threat of extinctionZAGREB, April 26 (Hina) - The director of the Reporters Without Borders (RFS) office for the Balkans, Pauline Ades-Mevel, has warned that independent media in Serbia are at risk of disappearing if they are left without the support of international organisations.Ades Mavel was quoted by RadioFree Europeas saying that despite claims by some Serbian office-holders that the situation regarding media has been improving, working conditions for reporters are actually deteriorating and attacks against reporters are more and more frequent.The annual RFS report, which was published on Wednesday,shows that Serbia moved downward by 10 places in the 2018 World Press Freedom Index to 76th place."Under President Aleksandar Vucic, Serbia has become a country where it is unsafe to be a journalist. This is clear from the alarming number of attacks on journalists that have not been investigated, solved, or punished, and the aggressive smear campaigns that pro-government media orchestrate against investigative reporters," the organisation says."Serbia wants to join the European Union, but for the time being it utterly fails to meet EU press freedom standards," the association says."This is clear from the experiences of reporters working in the field. Some courageous journalists continue to cover dangerous subjects such as crime and corruption, but their stories are usually published by online media with a limited reach."Collusion between politicians and media, a high level of ownership concentration, and a lack of pluralism in the print and broadcast media are also a sources of concern," the RFS writes about Serbia.Ades-Mevel accusedSerbia of pretending to be trying to improve its imagebut the situation on the groundis terrible, according to her interview carried by the Belgrade-based Beta news agency.She saidthat in order that independent media outlets in Serbia are enabled to continue operating, it is necessary to ensure the support of international organisations and media. Otherwise, independent media will disappear one by one due to a lack of money, she warned.Administrative Court turns down Strabag's complaintZAGREB, April 26(Hina) -The Administrative Court in Zagreb has dismissed a complaint filed by theAustrian construction company Strabagagainst the selection of the China Road and Bridge Corporation to build the Peljesac Bridge and access roads.The State Commission for Supervision of Public Procurement Procedures (DKOM) stated on Thursday that it had received the Administrative Court ruling, which also turned down Strabag's proposal that the construction of the bridge should be temporarily suspended.In mid-January the state-run road operator Hrvatske Ceste (HC) saidthatof the three bids submitted for the first stage of construction work on the Peljesac Bridge, it had selected the one by the China Road and Bridge Corporation worth HRK 2.08 billion, not including VAT.AnItalian-Turkish consortium offered 2.55 billion kuna for the project andStrabag offered 2.62 billion kuna. Both of them appealed tothe DKOM against the HC decision.In March, the DKOM turned down the appeals as unfounded.On Monday, executives of the HC road operator and the Chinese consortium signed a 2.08 billion kuna contract for the construction of Peljesac Bridge and access roads.The total value of the project is EUR 526 million, including VAT, and the value of eligible costs is EUR 420 million, of which 85% will be covered by the EU.The bridge will be 2.4 kilometres long and 55 metres high and will have four lanes. It will connect the southernmost part of Croatia with the rest of the country and facilitate an unimpeded flow of goods and people throughout the year and especially during the tourist season.Petrokemija at a turning point - new ***strategic*** partner as of autumnZAGREB, April 26 (Hina) - The Kutina-based Petrokemija artificial fertiliser manufacturer is at a turning point and is faced with the most important task of restructuring and modernisation through the injection of fresh capital and we expect the government to finalise negotiations with a potential partner as soon as possible so that as of autumn we head off in a new environment and with a new partner that will be involved in the company's survival, the board chairman Djuro Popijac said on Thursday."We started the activities to look for a ***strategic*** partner mid 2017when our company was visited by about a hundred experts from 12 companies who screened the company from all aspects. Now that bids have been submitted, it is up to the government as the company's owner to finalise concrete negotiations with potential partners and mutual terms and expectations that will ensure that the company survives over the next 50 years. We expect that process to be defined as soon as possible and for it to be completed so that as of autumn we can head in a new environment without any pressure and uncertainty and together with partners who will be involved with Petrokemija's survival," Popijac said signing an agreement of cooperation with the Agrivi company to build a digital platform to be used in research in the field and applying products.Popijac recalledthat the process of recapitalisation wasbeing conducted in cooperation with the government and that he expects both the company and government toeach do what they have to on time.Asked whether the INA oil and gas ***producer*** which is the main energy source for the production of artificial fertilisers, would be a desirable ***strategic*** partner, Popijac said that the Kutina plant had been originally established as part ofthe petrochemical system in INA and that many of its competitors wereco-owned by oil companies.Regardless of the equity ownership, whoever comes to Petrokemija is supposed to develop the company, invest in its and develop trends, he said.Last year the company put 1.2 million tonnes of fertilisers on the market and is continuing with regular supplies for its buyers.Croatia has potential in several key branches and ***agriculture*** is certainly one of them. The need for food in the world will increase by 60% by 2050 and without the use of mineral fertilisers that won't be possible, Popijac said.Petrokemija and Agrivi ink cooperation dealThe cooperation agreement signed with Agrivi should result in the modernisation of mineral fertiliser productionand advancing its use.Agrivi's director Matija Zulj said the aim of the agreement is for Petrokemija to gain an edge and be a step ahead of its competitors. "Our role is to be a mediator in transferring Petrokemija's know-how to farmers which will help them increase yields and improve their production," Zulj said.Agrivi is knowledge-based cloud farm management software that helps fruit, vegetable and grain ***producers*** to improve their productivity and profitability. The company wonthe World Startup Competition held in Seoul, Korea as part of Startup Nations Summit 2014 and already has clients from 150 countries around the world.HTnet profit up nearly 12%, revenues mildly downZAGREB, April 26(Hina) - In the first quarter of 2018 Hrvatski Telekom (HT) earned a net profit in the amount of HRK 166 million, 11.8% more than in the same period of 2017 while its revenues dropped by 1.1% to HRK 1.8 billion, the telecommunications operator said on Thursday."The contribution by Crnogorski Telekom shows net profit realisation increased by HRK 3 million compared to Q1 2017. Excepting the contribution by Crnogorski Telekom, the net profit realised by HT Group in Croatia amounts to HRK 160 million, a 10.1% increase compared to the same period last year," the group said in a financial statement.Total consolidated revenue generated in the first three months of 2018 amounts to HRK 1.798 billion, which is a 1.1% decrease compared to the same period last year."In Q1 2018, EBITDA before exceptional items increased by HRK 11 million, or 1.6%, to HRK 684 million compared to the same period last year. The EBITDA margin is at 38.1%, which is an increase by 1 percentage point. Crnogorski Telekom also contributed to the profitability growth by realising EBITDA in the amount of HRK 50 million, a HRK 5 million increase compared to EBITDA realised in Q1 2017."Excluding Crnogorski Telekom's contribution, HT Group's EBITDA in Croatia increased by 0.9% compared to the same period last year, amounting to HRK 634 million, along with an EBITDA margin at 38.3 %."CAPEX (capital expenditure) realisation increased by 21% compared to Q1 2017, amounting to HRK 442 million, including the contribution by Crnogorski Telekom. Without this effect, HT Group's CAPEX in Croatia increased by 13.8% to HRK 392 million."In the first quarter of 2018, Hrvatski Telekom continued to increase key financial indicators. We saw an increase of EBITDA, net profit, and CAPEX, and we will continue on this path.The focus is on investments in infrastructure, as this way, we are creating the foundations for implementation of 5G technology," said Davor Tomaskovic, president of the Management Board of Hrvatski Telekom.Atlantic Grupa profit up nearly 18% in Q1ZAGREB, April 26, 2018 (Hina) - In the first quarter of 2018, Atlantic Grupa recorded total sales in the amount of HRK 1.143 billionwhich, compared to the same period of the previous year, represents a growth of 3percent.Earnings before interest, taxes, depreciation and amortisation (EBITDA) amount to HRK 121.3 million and are 11.3 percent higher, while net profit after minorities increased by 17.8 percent to HRK 61.7 million.The exceptional results were recorded riding on the growth of distribution operations and own brands equally, whereby the missing revenues from the private label production of sports food, due to selling production plants to the Belgian Aminolabs, were more than compensated for.Not taking the impact of this transaction into consideration, the organic revenue growth in the first quarter would be an impressive 7.2 percent.Ericsson Nikola Tesla Q1 profit risesZAGREB, April 26(Hina) -Ericsson Nikola Tesla (ERNT), specialised indevelopment, design and sales of total communication solutions,posted a net profit of HRK 30.3 million in the first quarter of 2018, which was a 52-percent rise compared to the corresponding period in 2017,this Croatian company, which is an associated company of the Ericsson Group, stated in a report on Thursday.The operating profit rose by 45.1% to HRK 42.4 million. The sales revenues fell year-over-year by 5.4% to HRK 341 million.At the company's Supervisory Board and Managing Director meeting, which washeld on Wednesday, it was proposed that the dividend payment of HRK 32.5 per share should be adopted at the annual general shareholders' meeting is scheduled for June 20.Janaf posts 1.3% higher net profit in Q1ZAGREB, April 26 (Hina) -The Janafoil pipeline operator generated a net profit of HRK 69.4million in Q1 2018, which is an increase of 1.3% compared to the same period last year and37.4% more than ***planned***, the company reported on Thursday.Janaf'sQ1 total revenue amounted to HRK 173.1million or 5.2% down year on year,which the company explained was due to the difference in the foreign currency exchange rate and the American dollar falling by 15% y-o-y.The fall in the exchange rate of the dollar impacted thesales on foreign markets, resulting ina drop of 11.7% or HRK 113.16 million.Income from domestic sales remained almost the same as in Q1 2017 and amounted to HRK 51.75 million.Total expenditure was reduced by 10.7% to HRK 88.5 million y-o-y and19.7% less than ***planned***.The company's gross profit in Q1 amounted to HRK 84.6million, which is 1.3% more on the year and 37.4% higher than ***planned***.The operator'sinvestments in Q1 amounted to 157.5 million, an increase of 88.1% compared to the same period last year when the company invested HRK 83.7 million.The investments were for the most part made for the construction of storage facilities at the Omisalj Terminal, valued at HRK 105.5 million, the company's financial statements for Q1 said.Adris Group proposes dividend of HRK 17.5 per shareZAGREB, April 26 (Hina) - The management and supervisory boards of the Adris tourism and insurance group have made a proposal to the General Assemblyto pay a dividend of HRK 17.5 per share and supported decisions made by the management and legal steps taken to protect the company's interests concerning developments in the ailing Agrokor food and retail conglomerate.Adris proposed that the unallocated retained profit of HRK 287 million be distributed and that HRK 17.50 per share will be paid in dividend.Adris' Supervisory Board examined and presented the group's 2017 financial statements and put them up for adoption.The group's 2017 total revenue amounted to HRK 5.54 billion. Net profit amounted to HRK 374 million whereby profit after minority interests amounted to HRK 293 million.The group achieved a double-digit rise in net profit of HRK 33%.Mercator's retail sales revenues rebound in 2017ZAGREB, April 26 (Hina) - Mercator, a Slovenian retail chain owned by the ailing Croatian Agrokor Group, recorded a positive growth in sales revenues of2.5% to EUR 1.6 billion, however, a one-off revalorisation of its properties offset the positive outcome, resulting in a net loss of 184 million euro, the Ljubljana-based retailer reported on Thursday.The revalorisation of Mercator was conducted by an external consulting company.Last year, Mercator's EBIDTA was EUR 90.6 million, which was 45% or 28 million euro more than in 2016.The company's retail sales revenuesrose for the first time since 2011.ZSE: Turnover shrinks significantlyZAGREB, April 26 (Hina) - The main Zagreb Stock Exchange (ZSE) indices grew amid a significant fall inturnover on Thursday, the highest turnover being recorded by the Podravka food conglomerate.The Crobex increased by 0.41% to1,793.15 points and the specialised Crobex10 grew by 0.62% to 1,043.44 points.Regular turnover amounted to HRK 4.7 million, which is almost HRK 6.8 million less than on Wednesday.The highest turnover, of HRK 1.99 million, was generated by Podravka shares, their price jumping by 1.75% to HRK 290.Noother stock crossed the million kuna mark.(EUR 1 = HRK7.409576)THIS BULLETIN INCLUDES ITEMS RELEASED BY 0830 HOURS FRIDAY. (Hina) vm Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulicev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentic, DirectorEditor in Chief: Serdo Obratov Bulletin Editor: Marija Sestan

ZAGREB, April 26(Hina) - Croatia's government on Thursday endorsed a National Reform ***Programme*** for 2018and a three-year convergence planwith three main goals: boosting thecompetitiveness of the national economy, making the education system congruent with the needs of the labour market, and making public finances sustainable.

ZAGREB, April 26(Hina) - A comprehensive pension system reform with the statutory retirement age being gradually raisedto 67, further easing of the tax burden and removal of administrative barriers, the continuation of the merger of hospitals and the establishment of a national clinical hospital for children as well as new legislation on public sector workers'salaries are some of the measures in a 130-page National Reform ***Programme*** approved by the Croatian government on Thursday.

ZAGREB, April 26(Hina) - Labour and Pension System Minister Marko Pavic said at a government session on Thursday that pension savings in compulsory pension funds would definitely be paid out and that those pension insurance funds were not at risk in the context of their exposure to Agrokor shares.

ZAGREB, April 26(Hina) - The Croatian government on Thursday sent the final bill on the management of state assets to parliament for consideration, with State Assets Minister Goran Maric saying that the new legislation would have an impact on employment and GDP growth.

ZAGREB, April 26(Hina) - Science and Education Minister Blazenka Divjak told reporters on Thursday that reform processes in the sectors of science and education were being implemented in four areas, describing those processes as major headway.

ZAGREB, April 26 (Hina) - Nearly a million euros is expected to be invested in the Croatian tourism industry this year, which is 15 percent more than last year and 40 percent more than in 2016, and most of the investment will go towards 4- and 5-star hotels, Tourism Minister Gari Cappelli said on Thursday.

ZAGREB, April 26 (Hina) - Social Democratic Party (SDP) member of Parliament Branko Grcic said on Thursday that the growth rates projected by the government in its convergence ***programme*** were not enough to ensure a real rise in living standards and lift the country from the bottom of the EU ranking.

ZAGREB, April 26(Hina) - After representatives of some of Croatian minority communities recently boycotted the central state commemoration for the victims of the World War II Jasenovac concentration camp on April 22, Prime Minister Andrej Plenkovic on Thursday called on all social stakeholders in the country, notably politicians, to attend central state commemorations and make effort so "that in the future we could have a single commemoration at Jasenovac."

ZAGREB, April 27 (Hina) - A waste management ***plan*** put to the Zagreb City Council by Mayor Milan Bandic on Thursday was not adopted as a majority of councilors voted against the proposed ***plan***, with 15 votes in favour, 25 against and 7 abstentions.

About a hundred citizens and NGOs held a protest rally outside the Zagreb City Council on Thursday to voice their opposition against the proposed waste management ***plan***.

The protesters were joined by several members of parliament, including Gordan Maras from the Social Democratic Party, Nikola Grmoja and Marko Sladoljev from the Bridge party and Branimir Bunjac from the Human Shield party.

Marko Kosak of the Green Action told reporters that they objected to the proposed ***plan*** because it would not be sufficient to advance the existing waste management system.

"More than a billion kuna is being invested in processing waste instead of in recycling it," Kosak underscored.

He said that the ***plan*** was obviously Mayor Milan Bandic's doing and that it was not in the public interest and was detrimental to environmental protection in Zagreb.

"The city of Zagreb is one of the worst capitals in the European Union with regard to waste management and this ***plan*** won't change that. Citizens are paying unfair and unlawfulmonthly bills, waste is being thrown into the streets all over the place. Instead of investing in this, to change things, the mayor is once again investing in waste processing and transportation and in murky dealings with waste," Kosaksaid at the protest.

ZAGREB, April 26(Hina) - The SSSH and MHS trade union federations on Thursday appealed to the Health Ministry and governmentto refrain from privatising primary healthcare which has been announced through the Healthcare Bill and called on citizens to express their opposition to the bill being adopted, whichthe unions claimwill affectthe availability of healthcare services.

ZAGREB, April 26 (Hina) - The Croatian Federation of Autonomous Trade Unions (SSSH) and the Slovenian Association of Free Trade Unions (ZSSS) on Thursday signed a joint declaration on quality jobs, undertaking to actively participate in the further development of an inclusive labour market and quality job creation.

ZAGREB, April 26, 2018 (Hina) - A 19-year-old Croatian who owns theworld's biggest illegal web server for cyber attacks, Webstresser.org, was given month-long detention for fear of repeating the crime, according to sources atthe County Court in Velika Gorica.

ZAGREB, April 26, 2018 (Hina) - Former foreign minister Mate Granic on Thursday testified at the retrial of former prime minister Ivo Sanader in the Hypo Bank case, reiterating his previous testimony, namely that Sanader, who is on trial for war profiteering over the alleged bribe taking, was in charge of negotiations with Austrian Hypo Bank about a loan to Croatia for the purchase of embassy residencies in the mid-1990s.

ZAGREB, April 26(Hina) - The Serbian government has decided to declare Croatian Defence Minister Damir Krsticevic persona non grata, authorities in Belgrade reported on Thursday.

ZAGREB, April 26 (Hina) - Croatian Defence Minister Damir Krsticevic said on Thursday that the decision by the Serbian government to declare him persona non grata was unwarranted, adding: "I never offended anyone or said something that was not true. I never went to Serbia or said anything bad."

ZAGREB, April 26(Hina) - The objective is for Croatiato become one of Macedonia's five biggest economic partners, Macedonian President Gjorge Ivanov said in Skopje on Thursday after talks with Croatian counterpart Kolinda Grabar-Kitarovic who reiterated Zagreb's support for Macedonia's Euro-Atlantic integration.

ZAGREB, April 26 (Hina) - At the end of his two-day visit to Sweden on Thursday,Croatian Parliament Speaker Gordan Jandrokovicwas received by Crown Princess Victoria of Swedenand invited the Swedish heir apparent to visit Croatia,the parliament said in a press release.

ZAGREB, April 27 (Hina) - Croatian Foreign and European Affairs Minister Marija Pejcinovic Buric on Thursday officially opened the offices of Croatia's Permanent Representation to NATO at the alliance's new headquarters in Brussels, the Foreign and European Affairs Ministry said.

State-of-the-art offices of the new NATO headquarters are designed to meet the constantly changing tasks which NATO encounters in keeping peace and ensuring freedom for its members, the ministry said in a statement.

The new building, with an area of more than 250,000 square metres, provides space for 1,500 people from national delegations, 1,700 international military and civilian employees, 650 employees of NATO agencies, and 500-1,000 visitors daily.

The complete relocation of all NATO member-countries' representations is expected before a NATO summit scheduled to take place on July 11-12.

ZAGREB, April 26 (Hina) - Representatives ofKotor (Montenegro), Dubrovnik (Croatia), Mostar (Bosnia and Herzegovina) and Ohrid (Macedonia) on Thursday signed a Memorandum of Friendship under which the four cities will apply together for international projects and exchange experiences in the field of culture and sports.

ZAGREB, April 26(Hina) - Bosnia and Herzegovina is an American investment that will be protected - this is amessage which William Berkley, Director for European Affairs at National Security Council at the White House, conveyed to the visiting Bosnian Grand Mufti Husein Kavazovic in Washington, the press agency of Bosniaand Herzegovina's Islamic Community (MINA) reported on Thursday.

ZAGREB, April 26 (Hina) - The director of the Reporters Without Borders (RFS) office for the Balkans, Pauline Ades-Mevel, has warned that independent media in Serbia are at risk of disappearing if they are left without the support of international organisations.

ZAGREB, April 26(Hina) -The Administrative Court in Zagreb has dismissed a complaint filed by theAustrian construction company Strabagagainst the selection of the China Road and Bridge Corporation to build the Peljesac Bridge and access roads.

ZAGREB, April 26 (Hina) - The Kutina-based Petrokemija artificial fertiliser manufacturer is at a turning point and is faced with the most important task of restructuring and modernisation through the injection of fresh capital and we expect the government to finalise negotiations with a potential partner as soon as possible so that as of autumn we head off in a new environment and with a new partner that will be involved in the company's survival, the board chairman Djuro Popijac said on Thursday.

ZAGREB, April 26(Hina) - In the first quarter of 2018 Hrvatski Telekom (HT) earned a net profit in the amount of HRK 166 million, 11.8% more than in the same period of 2017 while its revenues dropped by 1.1% to HRK 1.8 billion, the telecommunications operator said on Thursday.

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[***-CanniMed Therapeutics Inc. and Up Cannabis Inc. Enter Definitive Supply Agreement for Medical Cannabis***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RB3-5611-F0K1-N1VG-00000-00&context=1516831)

ENP Newswire

January 3, 2018 Wednesday

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**Body**

SASKATOON, Saskatchewan & OAKVILLE, Ontario - CanniMed Therapeutics Inc. (TSX: CMED) ('CanniMed') and Up Cannabis Inc. (wholly-owned licensed ***producer*** of Newstrike Resources Ltd. TSX-V: HIP) ('Up Cannabis') are pleased to announce that they have entered into a definitive Supply Agreement for a variety of medical cannabis strains.

Among other things, the Supply Agreement will provide the raw material (whole bud material) required to meet the surging domestic and international demand for CanniMed oils and oil derivative products, including capsules. The two companies will also collaborate on a THC-rich, whole dried flower, medical cannabis product, demanded by patients.

Up Cannabis' supply commitment under the agreement will be filled by a combination of its existing inventory of 970 kg of finished cannabis product together with ongoing production at its Brantford facility of the two cannabis strains commencing in early January 2018. Under the terms of the supply agreement, Up Cannabis will ***produce*** and make available to CanniMed up to 1,500 kg of cannabis, conditional on Up Cannabis receiving an amendment to its license to permit the sales of cannabis. The term of the agreement is 15 months, subject to renewal by the parties.

This agreement is just one example of the type of value-added synergies existing between the two companies, which when combined will create enormous benefit for shareholders, patients and, on the opening of the recreational adult-use market, Canadian consumers. It is anticipated over the course of this initial supply agreement, the contract could contribute roughly $ 15 million in revenue to CanniMed from oil sales, based on current market pricing of medical cannabis products.

'This is the first of many anticipated synergies between CanniMed and Up Cannabis, and demonstrates the accretive combined value of the two companies. With sales of CanniMed 1:20 oil surging, this supply agreement allows continued growth to meet increasing demand for our medical cannabis products domestically and internationally,' said Brent Zettl, President and CEO, CanniMed. 'Access to consistent supply is the key differentiator in today's fast-growing medical cannabis market. Between CanniMed's expanding facilities in Saskatoon and Up Cannabis' Ontario operations we can supply both the medical and recreational market, with a projected 2019 combined production capacity of 45,000kg.'

Jay Wilgar, President and CEO of Up Cannabis, stated: 'This supply agreement will allow us to officially begin sales of medical cannabis products under the CanniMed brand and collaborate on the development of new products for the medical market. Together with the CanniMed acquisition, this will position our collective team as a clear market leader. We are excited to embark further on our partnership together and to leverage our growing capabilities in Brantford and Niagara for our combined interests.'

About CanniMed Therapeutics Inc.

CanniMed is a Canadian-based, international plant biopharmaceutical company and a leader in the Canadian medical cannabis industry, with 17 years of pharmaceutical cannabis cultivation experience, state-of-the-art, GMP-compliant production process and world class research and development platforms with a wide range of pharmaceutical-grade cannabis products. In addition, the Company has an active plant biotechnology research and product development ***program*** focused on the production of plant-based materials for pharmaceutical, ***agricultural*** and environmental applications.

CanniMed, through its subsidiaries, was the first ***producer*** to be licensed under the Marihuana for Medical Purposes Regulations, the predecessor to the current Access to Cannabis for Medical Purposes Regulations. It was the sole supplier to Health Canada under the former medical cannabis system for 13 years, and has been ***producing*** safe and consistent medical cannabis for thousands of Canadian patients, with no incident of product diversion or recalls.

About Newstrike and Up Cannabis

Newstrike is the parent company of Up Cannabis, a licensed ***producer*** of cannabis. Newstrike, together with its ***strategic*** partners, is developing a diverse network of high quality cannabis brands.

Notice Regarding Forward Looking Statements

This news release contains forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of CanniMed and Newstrike to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

These forward-looking statements include, but are not limited to, statements relating to our expectations with respect to: the amendment of the cultivation license of Up Cannabis to allow for sales, projected oil sales revenue by CanniMed, the market for cannabis oils, the timing and outcome of the proposed acquisition of all the issued and outstanding common shares of Newstrike; the anticipated benefits of the agreement to the parties and their respective security holders; projected 2019 combined production capacity of 45,000kg of CanniMed and Newstrike and impact of the supply agreement. Often, but not always, forward-looking statements can be identified by the use of words such as '***plans***', 'expects' or 'does not expect', 'is expected', 'estimates', 'intends', 'anticipates' or 'does not anticipate', or 'believes', or variations of such words and phrases or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved. In respect of the forward-looking statements and information concerning the cannabis supply agreement and anticipated benefits and completion of CanniMed's acquisition of Newstrike, CanniMed and Newstrike have provided such statements and information in reliance on certain assumptions that they believe are reasonable at this time, including assumptions as to the amendment of Up Cannabis' cultivation license to allow for sales; the ability of the parties to give effect to the supply agreement in a timely manner; the annual revenue to be generated by CanniMed from oil sales and the receipt of all shareholder, regulatory and court approvals for CanniMed's acquisition of Newstrike. There can be no assurance that the proposed transaction will occur, or that it will occur on the terms and conditions contemplated in this news release. The proposed supply agreement could be modified, restructured or terminated, the amendment of Up Cannabis' license could be delayed, and the revenue to be generated from oil sales could be adversely affected by production or supply delays and changes in market prices. Moreover, the combined 2019 capacity of CanniMed and Newstrike assumes the completion of CanniMed's acquisition of Newstrike and there is no certainty that the acquisition of Newstrike will receive all required approvals or will be completed. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this press release.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on other factors that could affect the operations or financial results of CanniMed and the completion of its acquisition of Newstrike are included in documents on file with applicable securities regulatory authorities, including the management information circular of CanniMed dated December 8, 2017, available on sedar.com.

The forward-looking statements contained in this news release are made as of the date of this release and, accordingly, are subject to change after such date. CanniMed and Newstrike do not assume any obligation to update or revise any forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf, except as required by applicable law.

None of the Toronto Stock Exchange, TSX Venture Exchange and their Regulation Services Providers accept responsibility for the adequacy or accuracy of this release.

Contact:

Dara Willis

Tel: 416-836-9272

Email: [*dhw@cannimed.com*](mailto:dhw@cannimed.com)

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

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**End of Document**



[***Uzbekistan - Q4 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PK6-XC91-JD33-J15V-00000-00&context=1516831)

Uzbekistan Pharmaceuticals & Healthcare Report

October 1, 2017 Sunday

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**Length:** 3935 words

**Highlight:** At least 300 ***producers*** have some degree of presence in Uzbekistan's pharmaceutical market and there are around 125 licensed ***producers***. The 19th Tashkent International Healthcare Exhibition in April 2014 attracted around 150 companies from 22 countries, including both pharmaceutical and medical device manufacturers, providing some additional rough indication of interest in the sector. Most exhibitors (70%) were from foreign countries, including Austria, Belarus, Belgium, the UK, Germany, India, China and Italy.

**Body**

At least 300 ***producers*** have some degree of presence in Uzbekistan's pharmaceutical market, and there are around 125 licensed ***producers***. The 19th Tashkent International Healthcare Exhibition (TIHE) in April 2014 attracted around 150 companies from 22 countries, including both pharmaceutical and medical device manufacturers, providing some additional rough indication of interest in the sector. Most exhibitors (70%) were from foreign countries, including Austria, Belarus, Belgium, the UK, Germany, India, China and Italy.A presidential decree issued in April 2010 limits the validity of licences for pharmaceutical manufacturing to five years, whereas in the past they were indefinite. Despite the general opacity of the market, we believe there are a large number of dormant or marginal ***producers*** and that this re-licensing provision may push some out of the market.In fact, as of July 2015, Uzbekistan's pharmaceutical industry includes 146 local ***producers*** (132 manufacturers of medicines, seven manufacturers of diagnostic tools and seven manufacturers of medical supplies) - as reported by Uzbekistan's authorities at the bilateral Swiss-Uzbek business forum held on July 1 2015 in Zurich, Switzerland. Despite the challenging business environment, foreign firms are present in Uzbekistan's pharmaceutical market.

The government has tried to push through localisation; however, domestically manufactured medicines cater to only 32% of total drug demand by volumes. According to data reported in July 2015 by Uzbekistan authorities, out of the 7,214 registered drugs in the country, only 1,446 are ***produced*** domestically.Despite this, by the end of 2010, over 30 companies from 14 countries had made investments into Uzbekistan's pharmaceutical industry, with a total worth of USD10.6mn. In 9M13, investments in the pharmaceutical industry reached around USD200mn, including USD50mn of foreign direct investment (FDI). Official sources suggest that investments in the sector stood at around USD300mn in November 2014. Turkish and Indian firms have been leading foreign investors. Investments in the pharmaceutical industry are estimated to rise to around USD317mn in 2015, according to the UN Development ***Programme*** and Uzpharmasanoat. The government's ***Programme*** on Priorities of Industrial Development of Uzbekistan in 2011-2015 aims to implement 28 new projects worth USD284.2mn, and launch a number of new drugs by the Uzpharmsanoat companies as part of its ***Programme*** for Development of Pharmaceutical Sector. Investments between 2007 and 2012 under the Uzpharmasanoat holding stood at USD127mn (87.8% based on local bank loans and the companies own resources, with foreign direct investment accounting for the remainder). Foreign capital has a 69% share in the structure of pharmaceutical companies in the country, with local investors accounting for the remainder. In 2012, major FDI operations in the pharmaceutical industry in Uzbekistan were dominated by the UK (60%), Turkey (26%), India (12.5%) and Germany (1.5%). Research-Based Industry

Limited expertise, outdated infrastructure and a weak regulatory environment have mitigated the development of research-based pharmaceutical capacity in the country. The government focus on boosting generics production to meet basic pharmaceutical needs and to increase drug export has driven several manufacturing developments in Uzbekistan in recent year, including through joint ventures (JVs) with foreign players. Innovative or patented drugs, which account for around 30% of the pharmaceutical market in value terms, are to a large extent supported through imports.In fact, relatively high rates of economic growth, rising wages and government investment in healthcare modernisation, are starting to be reflected in increasing per-capita drug expenditure, with the most affluent segments of the population driving demand for high-end pharmaceutical products.As pharmaceutical manufacturing capacity continues to be promoted through several state incentives, including improvements in the regulatory environment and policies aimed at attracting foreign investment and expertise transfer, the process of scaling up through the value chain in drug manufacturing and production standards will continue over the long term.

**Multinational Market Activity**

| **Company** | **Operations** |
| --- | --- |
| AbbVie | AbbVie generates revenues mainly through the sale of pharmaceutical products. These products are targeted at some of the most complex and serious diseases. The company has a strong portfolio of drugs such as *Humira*, *Imbruvica*, *ViekiraPak*, *Creon*, *Synagis*, *Lupron*, *Synthroid*, *Kaletra*, *AndroGel*, *Sevoflurane*, *Duodopa* and dyslipidemia products. |
| AstraZeneca | AstraZeneca is facing a steep drop in sales in coming years. Its priorities include geographic expansion, creating a product portfolio suited to emerging markets and enhancing productivity via the divestment of non-core business operations and restructuring activities. |
| GlaxoSmithKline | GlaxoSmithKline's pharmaceuticals division in Europe has introduced a new business model to enhance its ability to compete in an increasingly challenging environment. The model has established Centres of Excellence for important therapeutic areas, such as respiratory and metabolic, and for business capabilities such as commercial excellence and portfolio management. These centres develop pan-European strategies, which are implemented consistently across the region. |
| Johnson & Johnson | J&J's products are manufactured in Europe and the US, and are sold to officially appointed distributors and hospitals. |
| Merck & Co | Established as an independent company in 1917, US-based Merck & Co focuses on prescription drugs, consumer health medicines and animal care products. The firm conducts research in a range of therapeutic categories such as cardiovascular, infectious diseases, vaccines, cancer, neurology and women's health. The firm topped BMI's Pharmaceutical Research Investment Index (PRII) for 2010, spending 23.9% of its sales (USD11bn) on R&D. Despite a lower R&D expenditure of USD8bn forecast for 2011, CEO of Merck & Co Kenneth Frazier stated that developing the company's pipeline will be essential to bring the firm forward. |
| Novartis | Multinational drugmaker Novartis is one of the leading global manufacturers of innovative medicines, eyecare products, generic pharmaceuticals, consumer health products, preventive vaccines and diagnostic tools. The company was created in 1996 through the merger of Ciba-Geigy and Sandoz. Novartis has presence in Austria through its biomanufacturing facility, BioInject, at Schaftenau. The facility is used to manufacture pre-filled syringes and devices for both Sandoz's biosimilars and Novartis' novel biologics. It will become a central part of Novartis' biomanufacturing network, which also contains facilities in Slovenia, Singapore and France. |
| Pfizer | Following a change of CEO in late 2010, Pfizer has re-focused on original research and development (R&D), which is a sound long-term change of ***strategic*** direction. The company faces numerous near-term challenges, notably the loss of patent protection for the mega-blockbuster Lipitor in developed states. Pfizer is also de-diversifying its business operations. |
| Roche | Roche has two core businesses: pharmaceuticals and diagnostics. Within its pharmaceuticals business, Roche focuses on five therapeutic areas: oncology, virology, inflammation, metabolic disorders and central nervous system. Roche's diagnostics product line caters to patients and scientific and clinical researchers. Roche continues to demonstrate the success of its oncology franchise protection strategy, supporting our view that it should retain its leadership position in the field. |
| Sanofi | Although Sanofi is primarily a branded manufacturer, the firm continues to strengthen its generic activities. In 2013, it reinforced its generics business through the creation of a global Generics division. Through its acquisitions of Zentiva in Central and Eastern Europe, Kendrick in Mexico and Medley in Brazil, it has achieved a significant generic presence in emerging markets. |
| Takeda | Takeda redefined its corporate strategy in early May 2012, in conjunction with the release of its financial results for fiscal 2011. Under its 2012-14 Mid-Range ***Plan***, entitled 'Transformation into a new Takeda', the company will: Consolidate its global position through integrating its recent acquisitions Nycomed and URL Pharma, which give it increased presence in Europe/emerging markets and the US, respectively. |

Source: BMI Generic Drugmakers

Uzbekistan inherited limited and often run-down production facilities from the Soviet era, and foreign companies have dominated the pharmaceutical market since independence. The government has attempted an import-substitution regime aimed at increasing the domestic share of pharmaceutical supply. This ***programme*** aims to increase self-sufficiency in essential medicines, as well as diversify the domestic economy by boosting currently minimal levels of pharmaceutical exports.Indeed, in January 2014 the Times of Central Asia reported that over 140 Uzbek enterprises are unprofitable, which includes a number of companies involved in the pharmaceutical industry. A technical audit revealed that over 30% of equipment is out of date, posing an obstacle to the domestic production and manufacture of medicines.Current import substitution policy seeks to increase the volume of the market covered by domestic ***producers*** from around 20% to 50%, mirroring ***plans*** in neighbouring Kazakhstan. The ***programme*** is focused on self-sufficiency in the production of essential drugs, vaccines and blood transfusion and infusion systems. ***Plans*** include launching the local production of 100 new medicines.Uzbekistan registered an almost two-fold increase in exports of pharmaceutical products in 2013. Pharmaceutical companies in the country ***produced*** more than 1,320 types of medicines in 90 pharmacotherapeutic groups and 30 dosage forms, reports Turkistan press. Uzbekistan's pharmaceutical companies attracted a total investment of USD300mn, of which USD100mn was foreign investment from the early 1990s. CIS Pharma reports that those drugs that are currently exported are ***produced*** in more than 15 forms distributed by 70 pharmacotherapeutical groups.Pharmaceutical products manufactured in Uzbekistan are mainly exported to Commonwealth of Independent States (CIS) and Baltic countries, including Armenia, Azerbaijan, Afghanistan, Georgia, Kazakhstan, India, Mongolia, Turkmenistan, China and Russia, among others. However, the domestic industry continues to suffer from an influx of higher-quality, more costly medicines from Western European and Central European manufacturers. This is in addition to cheaper drugs from India and China, and growing competition from CIS peers, mainly Russia, Ukraine and Kazakhstan. Traditionally, another problem for local ***producers*** has been a lack of domestic capacity to ***produce*** active pharmaceutical ingredients (APIs), which are imported primarily from China. For example, Jurabek Laboratories cites import costs of intravenous fluids as particularly expensive citing the added value of production, and the fact that the cost of travel far exceeds that of drugs themselves. Domestic production is therefore providing new opportunities for both ***producers*** and consumers.We assert, however, that poor governance and corruption will continue to plague the sector and keep out larger players. At the same time, enormous pent-up demand will feed ongoing - if patchy - modernisation. The major difficulties in the market are a lack of transparency, an absence of independent media and market research sources, and the suppression of debate regarding the best routes for the development of the sector due to widespread political repression.With fixed capital investment growing by 7.2% y-o-y, we expect the sector to benefit from steady government expenditure on fixed investment and infrastructure projects. The government's commitment to modernising the economy and shifting its dependence away from hydrocarbons will play an important role in driving growth. Uzbekistan's pharmaceutical industry was to implement 39 new investment projects to ***produce*** 30 new generic drugs for the prevention and treatment of socially significant and socially dangerous diseases. There is a high demand for such products, which come into the country primarily through import contracts.In October 2009 it was announced that Uzpharmsanoat was building a Good Manufacturing Practices-compliant vaccine plant, in cooperation with Hungarian company Omnivest. Sources reported in mid-2010 that the project was under way. Another large project reportedly under way in conjunction with Uzpharmsanoat is the construction of insulin plants by a German company called Diecon, while a project worth up to USD250mn is being developed by Ival, a Switzerland-registered company. The conglomerate announced USD200mn in additional production projects for 2012. All of these projects are aimed at creating the capacity for import-substitution.A number of companies have invested in upgrading their facilities, although an unknown number have closed due to the prohibitive costs of modernisation. Other holders of licences may be dormant and the number of companies will fall further following the introduction of rules limiting the validity of pharmaceutical activity licences to five years. The bulk of production facilities and related research institutes fall under the control of Uzpharmsanoat. **Leading Domestic Players** The most dominant company in the production sector is Uzpharmsanoat, which has 85 manufacturing, research and other sites and exports to 12 countries, with earning totalling USD1.18mn. Uzpharmsanoat has received substantial sums in terms of foreign investment since the mid-1990s, as well as one-off tranches from the state.Domestic ***producers*** outside the Uzpharmsanoat holding include Core Pharmsanoat (focusing on oral and intravenous formulations), Turkish-owned Nobelpharmsanoat (parent company Nobel also owns a generic drugs plant in Kazakhstan) and privately held Jurabek Laboratories. UzGerMed Pharm uses German investment for a new plant to ***produce*** a variety of generic products in the Tashkent region. In addition, RekomedFarm is ***producing*** succinasol, a blood substitute. Nihol Pharmaceuticals manufactures immunobiological compounds. Radix is reportedly ***producing*** influenza treatments.

**List Of Companies In Uzpharmsanoat SJSC (as of October 7 2013)**

| **Research, development and innovation institutes** | |
| --- | --- |
| Tashkent Research Institute of Vaccines and Serums | Oriental Medicine Research Institute |
| Uzbek Research Institute of Chemistry and Pharmaceutics named after A. Sultanov | Spa Vaccine |
| **Manufacturers (medical drugs)** |  |
| A.B. Biokom | Nova Pharm |
| Albi-Pharma | Novopharma Plus |
| Amaliy Med Farm | Orom-Biopreparat |
| Codepharm | Plast Pharm Medical |
| Dentafill Plus | Pspe Radiks |
| Galenika | Reka Med Pharm |
| Gufic Avicenna | Remedy |
| Hansang Pharm | Remedy Group |
| Immunomed | Samo |
| Invest Med Pharm Plus | Samsun-Toshkent Pharm Ltd |
| Innekmed Farm | Salubris Vita |
| Jurabek Laboratories | Tashfarma.I. |
| Lafz | Uzgermedpharm |
| Lekinterkaps | Ultra Health Care |
| Merrymed Farm | Ziyo Nur Farm |
| Nika Pharm | OZkimyofarm |
| Nobelpharmsanoat | Laxisam Pharmaceuticals |
| **Manufacturers (vaccines, serums and diagnostics)** |  |
| Armenia | OjscUzbiopharm |
| Bibinor | Iparbiointer |
| Olam |  |
| **Manufacturers (dressing materials)** |  |
| Elastikum | Xabibullo Global |
| **Manufacturers (supplementary materials)** |  |
| Agro Plast Polimer | Tb Farm Plast |
| Flex Pharm | Tubex |
| Galen Med Pharm | Med Standard Glass |
| Makrofarm-Optima | Mohir Bek |
| Nasa | Campalia |
| Rahim Farm Group |  |
| **Manufacturers (other product types)** |  |
| Agro Bio Kimyo | Ortopediya-Industriya |
| Oil Neft | ***Agricultural*** Company Xorazm Fito Farm |
| Bio Chemical | Vitotex Plus |
| Asia Trade | Xamidobod Imkon |
| Magnum Medikal Servis | Uzgersov |
| Ekoplast Systems | Chori Plast |
| **Cultivation, gathering packaging and/or production of medicinal plants** |  |
| Dorivor OSimliklar | Biomir |
| Glycyrrhiza Glabra | Pharm Product |
| ***Agricultural*** Company Shovot Bo'yoni | Narkar Servis |
| Zamona Rano | Mediofarm |
| **Wholesale trade of pharmaceutical products** |  |
| De Alias Pharma | Sharq Darmon |
| Trade House Alias-Sibir | Sofdil-Fayz |
| Astellas Pharma | Tatmedfarm |
| Bravo Pharm | Sid |
| Fazo-Luxe |  |

Source: The 2013 Investment Guide to Pharmaceutical Industry (Uzbekistan), UN Development ***Programme***, Uzpharmsanoat. **Foreign Pharmaceutical Industry** The 2012 de facto ban on medicine imports, as well as the state's control of pharmaceutical production and procurement, suggests there is little room for drugmakers to enter the market. Given the level of state involvement in the economy, we do not see the government relinquishing control in the short term.Uzbekistan uses an outdated medicine coding system different from the WHO-standardised Anatomical Therapeutic Chemical (ATC) system, under which drugs that are not Uzbek-registered or coded are automatically banned or excluded from hospital and pharmacy purchases. As a result, imports are primarily driven by Uzbek consumers buying drugs in small quantities from neighbouring countries.Investments in the pharmaceutical industry reached around USD200mn, including USD50mn of foreign investment, from 1993 to 2013. Foreign capital has a 69% share in the structure of pharmaceutical companies in the country, with domestic investors accounting for the remainder. In 2011, investment projects conducted in partnership with Uzpharmsanoat included manufacturing of cephalosporins (USD37mn), anti-virals (USD15mn), plasma and blood solutions (USD30mn) and the production of vaccines from biotechnological materials (USD3.2mn).Several foreign companies have a presence in Uzbekistan, with Turkey's Nobel and Singapore's Beacons having developed a substantial manufacturing presence. According to reports in July 2010 Korean Trust Investment Trading has invested in a USD4mn tablet and herbal remedy packaging facility in the Navoi region as part of a JV with Uzpharmsanoat.In September 2011 Nova Pharm, an Indian-Uzbek JV, opened a small, USD2mn production line at a new plant in Termez in the far south of the country. A second line was ***planned***. Initial reports did not specify the types of products to be made by the generic drugs plant. The facility was intended for both the local and export markets - ideally situated for exporting to Afghanistan, as well as Tajikistan; both countries with substantial demand, often funded by international aid organisations.Other CIS companies with branches in Uzbekistan include Russia's Valenta (formerly Otechestvennye Lekarstva), and Ukraine's second largest drugmaker, Arterium. Deva Holding, a local subsidiary of Turkey's EastPharma, opened a representative office in Uzbekistan in January 2008. The office started registering select products from Deva's range of 217 medicines, as well as the products of Saba, the Turkish pharmaceutical ***producer*** acquired by EastPharma in May 2007. Deva also has representative offices in other CIS states, namely Russia, Georgia and Azerbaijan.According to media reports in June 2011, Krueger GmbH from Germany was building a USD25mn vitamin plant in Ferghana, in the Uzbek part of the populous Ferghana Valley. The project is due to be completed in 2014 and the plant will ***produce*** 2mn packages of vitamins a year. The project is a JV, with Uzbekistani institutions providing USD10mn in funds through loans, and Krueger contributing USD15mn.Similarly, according to local media, Indian generic drugmaker Sharon Bio-Medicine announced ***plans*** to build a USD37mn antibiotics plant in the Navoi Free Industrial and Economic Zone, in partnership with Uzpharmsanoat. Uzbekistani banks were to provide loans of USD10mn for the project costs. Local media reported in Q412 that another Indian player, Medicamen Biotech, had signed a memorandum of cooperation for the country's first plant specialised in making oncology drugs. The new plant was due to be built in Tashkent with a budget of USD12mn.Other projects include a JV company, UzGerMed Pharm, which involves German investment in a new plant to ***produce*** a variety of generic products in the Tashkent region. German company Diecon is building an insulin plant near Tashkent, which was due to be completed by 2016. A small player, RekomedFarm, is ***producing*** a blood substitute, succinasol. Radix is reportedly ***producing*** influenza treatments. Pharmaceutical Distribution

Drug distribution and supply was well developed under Soviet rule. In 1994 the monopoly drug distributor Farmatsiya was part-privatised, becoming Dori-Darmon, a joint stock pharmaceutical wholesaler. Currently, there are around 200 enterprises engaged in drug storage and wholesale.Dori-Darmon, which is part-owned by pharmacists and partly by the state, posted 2010 sales of UZS285.5bn (USD181mn). It operates through eight joint-stock companies and 10 subsidiaries, also controlling over 210 pharmacies and 540 pharmacy branches throughout the country. Some 180 of its pharmacies ***produce*** medicines in various forms on the basis of doctors' prescriptions.Dori-Darmon also acts as the main testing centre for mandatory batch testing of imported medicines. It launched an insurance business, DD General Insurance, in Q211, to build on its strong position. Dori used to be the leading supplier of drugs to hospitals. In recent years, however, it has been losing market share to private distributors, and now accounts for around 50% of all hospital purchases, according to WHO data. Privately held Asklepiy Pharmaceutical Company is increasingly challenging Dori-Darmon's position as the leading distributor of medicines.Apart from Asklepiy, main distributors include Lahisam, which was established in 1994, and Ajanta Pharma (a subsidiary of Surkhan Ajanta Pharma) and Reddy Pharmamed (a subsidiary of Indian generic drugs specialist Dr Reddy's, which also has local production facilities). Nika Pharm Service is another large distributor and is working as the local partner for Singapore's Beacons.The other key supplier of the public sector is privately owned Uzmedtechnika, which previously accounted for only 10% of pharmaceutical supplies to public-sector healthcare institutions. Responsible for the public-sector purchasing of foreign drugs, the firm should benefit from investments in healthcare system modernisation. As its name suggests, it is also responsible for purchasing medical equipment for state-owned healthcare institutions, a major focus for current healthcare spending. The Sanitary-Epidemiological Services are responsible for direct distribution of vaccines to hospitals and clinics. Pharmaceutical Retail Sector

Uzbekistan has around 3,500 pharmacies, most of which have been privatised. Private distributors mostly supply private pharmacists, polyclinics and private doctors' practices. The vast majority of drugs dispensed in pharmacies now incur out-of-pocket payments, with many prescription products also available over the counter. Purchasing drugs in the private sector is done on the basis of individual negotiations.E-commerce and mail order systems are not available in Uzbekistan, despite some reported government efforts in this direction, mainly due to low purchasing power and very limited internet penetration. Postal distribution of pharmaceuticals is not regulated, and over-the-counter drugs can be advertised directly to consumers, provided the company receives the approval of the Ministry of Health. Mobile pharmacies, complete with essential equipment, operate in some rural areas of Uzbekistan.

**Load-Date:** September 27, 2017

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[***Myanmar aims for higher yields and inclusive, sustainable expansion of agriculture***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-74VG-00000-00&context=1516831)

Oxford Business Group: Articles

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**Length:** 1537 words

**Body**

In a bid to consolidate various development ***plans*** under one common strategy, the government is working with several development partners to create an ***agriculture*** master ***plan*** for sustainable growth.

Drafted with the help of the Asian Development Bank, the UN Food and ***Agriculture*** Organisation, and the Livelihood and Food Security Trust Fund, the ***Agricultural*** Development Strategy and Investment ***Plan*** (ADS) aims to secure more international market share by increasing cooperation between the private and public sector, while also breeding higher-quality crops through the use of pedigrees. The ***plan*** further aims to provide fertiliser to farmers, promote good ***agricultural*** practices, raise the awareness of pesticide use and improve farmers' access to loans.

According to the fourth draft of the ADS released in September 2017, the ***plan*** will have "profound implications for the ways the Myanmar population will shape their food production and distribution systems". The report goes on to state, "The ADS will ensure that the process of ***agricultural*** transformation is accelerated and moulded according to the aspirations and constraints of Myanmar society."

**Opportunities & Threats**

The country offers a number of opportunities in ***agriculture*** that investors can capitalise upon, including increasing demand for safe and convenient processed food in urban centres, particularly Yangon, Naypyidaw and Mandalay.

Rising global demand for ***agricultural*** goods presents another possibility for boosting Myanmar exports, namely rice, beans and pulses, in which the country has the potential to be competitive. Regional integration with ASEAN neighbours and an increase in economic activity will provide further opportunities for investors who may consider Myanmar as a production base. There is also the possibility for developing more sophisticated and efficient value chains for ***agricultural*** products including rice, pulses, fruit, vegetables, shrimp, cattle, maize, cassava and rubber. In addition to suggesting avenues for growth, the document identifies a number of threats that could derail progress in the sector, including the risk of land seizures, which continues to create social and economic pressure.

The unsustainable use of natural resources has also been cited as an issue that could result in land degradation. In addition, there are concerns regarding production capacity, as the pace of human resource development is currently too slow to sustain reforms. The report also noted the risk of natural disasters, and questioned whether Myanmar's farming community is equipped to compete on a regional level.

**Priority Areas**

In consultations held in preparation for the ADS, a number of key policies were highlighted for inclusive ***agricultural*** development.

The first was the development of an integrated value chain involving smallholder farmers, with a focus on specific male- and female-oriented initiatives, stemming from the fact that the majority of crop farming in Myanmar is done by women. These initiatives aim to reduce rural poverty and inequality while working to enhance economic efficiency.

The expansion of agri-business is also seen as a priority for the sector, with a focus on developing Myanmar's supply chain through storage, processing, packaging, branding and logistics services - all of which will be assigned dedicated budgets. The document also notes the importance of enhancing inputs for the long-term sustainability of the agri-business environment, particularly in relation to access to fertilisers and agro-chemicals, seeds, feed, irrigation equipment and finance, all of which have historically been challenging for the average smallholder farmer to obtain.

Additional areas of the ***plan***'s focus include ***agricultural*** diversification, rice crop intensification, development of the non-farm segment, secure land rights, expansion of rural credit, research to maximise crop yields, the growth of farmer organisations, infrastructure development and targeted budget preparation.

**Targets**

A number of five-year targets will support the overall vision of the ADS to achieve inclusion, competitiveness, food and nutrition security, sustainability and well-being. In terms of inclusion, the ADS aims to increase the income of marginal and landless male farmers by 40% and females by 45%, while reducing overall poverty by 15%. To boost competitiveness, the ADS projects a 40% rise in investment in the agri-food segment, up from a baseline of $530m in FY 2016/17. It also targets 40% growth in the value of ***agricultural*** exports by 2022, from $2bn in FY 2016/17. The ***plan*** further aims to boost value addition in the sector from 30% to 80%, while increasing the share of Myanmar's ***agricultural*** exports to the world market by 30%.

Other targets include raising land and labour productivity by 50%, water use efficiency by 30% and soil fertility by 30%. Overall, the ADS aims for a 50% increase in smallholder male farmers' income, while female farmers' income should rise by 60% by 2022. Coupled with the main vision of the ADS, a number of broad outcomes are expected to be achieved by 2022.

The first of these outcomes is the enhanced governance and capacity of the Ministry of ***Agriculture***, Livestock and Irrigation, and greater capabilities by other ***agricultural*** institutions to design, formulate and implement policies. This task will be managed by the Department of ***Planning***, which has been allocated a budget of MMK135.9bn ($103.8m). The second outcome of increased ***agricultural*** productivity and higher income for smallholder farmers will fall under the remit of the Department of ***Agricultural*** Research, with a budget of MMK1.24trn ($947.1m). Higher yields are expected to result from a number of improvements, such as enhanced research systems for crop, livestock and fisheries; wider application of appropriate mechanisation in the ***agricultural*** value chain (see analysis); more responsive and reliable irrigation and drainage services; and better-fed and more productive animals. "Myanmar's geographic location and huge fishery resources in its coastal waters, rivers and inland reservoirs provide great potential for fisheries exports, especially prior to festive periods such as Chinese New Year," U Maung Maung Nyunt, senior executive officer of Global Treasure Bank, told OBG. "Commercialisation and industrialisation through the use of technology in compliance with food safety standards must be encouraged so that the fisheries industry can enhance export capacity," added fellow senior executive officer U Khin Ko Lay.

Meanwhile, the third outcome - enhanced market linkages and competitiveness of farmers and agro-enterprises - has been allocated a budget of MMK912.6bn ($697.1m), which will be divided between the departments of ***planning***, ***agriculture***, rural development and small-scale industry, and the Myanmar ***Agriculture*** Development Bank. This target will be reached through a series of steps, including an improved business environment along the supply chain; enhanced investment regulations for agri-food investors; higher food quality and safety; upgraded institutional framework for ***planning*** and implementation of rural development ***programmes***; and better access to a range of financial services for farmers and agri-businesses. It is anticipated that 34% of funding, or $593m, will come from the budget at an average of $118m a year. The private sector and farmer organisations will contribute 5%, and the remainder, $1.08bn, will be provided by ADS development partners at $216m per year through to 2022.

**Addressing Gaps**

With support from international institutions and development partners, the ***strategic*** targets of the ADS appear to be within reach. A number of development ***programmes*** in recent years have contributed to production growth in certain segments, and Myanmar can capitalise on some of those production gains by leveraging its low farmgate prices, especially when compared to Vietnam and Thailand. However, this competitive advantage is threatened by high processing and transport costs. Companies and ***producers*** note it is more expensive to move ***agricultural*** goods inside Myanmar - for example, between central Myanmar and the Port of Yangon - than to export them elsewhere by sea. Alongside infrastructure investment, which would contribute to significantly reducing logistical costs, Myanmar could also look more actively at rolling out a land reform ***plan*** capable of strengthening property rights. According to the OECD, more than half of all farms consist of land plots less than 2 ha in size. The scale and structure of ***agriculture*** property in Myanmar remains a primary reason growth is hindered and limited mechanisation has been introduced.

Despite these challenges, the successful implementation of the ADS could mark a turning point in unlocking Myanmar's ***agriculture*** potential. The ***plan*** identifies structural problems and indicates paths with the potential to help transform ***agriculture*** into an engine for growth with the ability to lift millions of people out of poverty. If enacted in a timely and efficient manner, some of the suggested reforms could help support the development of exports by raising production levels and the overall value of Myanmar's agri-food products.

**Load-Date:** March 12, 2020

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[***Uzbekistan - Q1 2018***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RBD-7221-JD33-J0F4-00000-00&context=1516831)

Uzbekistan Pharmaceuticals & Healthcare Report

January 1, 2018 Monday

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**Length:** 3817 words

**Highlight:** At least 300 ***producers*** have some degree of presence in Uzbekistan's pharmaceutical market and there are around 125 licensed ***producers***. The Tashkent International Healthcare Exhibition in April 2017 attracted more than 200 companies from 18 countries, including both pharmaceutical and medical device manufacturers, providing some additional rough indication of interest in the sector. Most exhibitors (59%) were from foreign countries, including Austria, Belarus, Belgium, the UK, Germany, India, China and Italy.

**Body**

At least 300 ***producers*** have some degree of presence in Uzbekistan's pharmaceutical market and there are around 125 licensed ***producers***. The Tashkent International Healthcare Exhibition in April 2017 attracted more than 200 companies from 18 countries, including both pharmaceutical and medical device manufacturers, providing some additional rough indication of interest in the sector. Most exhibitors (59%) were from foreign countries, including Austria, Belarus, Belgium, the UK, Germany, India, China and Italy.A presidential decree issued in April 2010 limits the validity of licences for pharmaceutical manufacturing to five years, whereas in the past they were indefinite. Despite the general opacity of the market, we believe there are a large number of dormant or marginal ***producers*** and that this re-licensing provision may push some out of the market.In fact, as of July 2015, Uzbekistan's pharmaceutical industry includes 146 local ***producers*** (132 manufacturers of medicines, seven manufacturers of diagnostic tools and seven manufacturers of medical supplies) - as reported by Uzbekistan's authorities at the bilateral Swiss-Uzbek business forum held on July 1 2015 in Zurich, Switzerland. Despite the challenging business environment, foreign firms are present in Uzbekistan's pharmaceutical market.

The government has tried to push through localisation; however, domestically manufactured medicines cater to only 32% of total drug demand by volumes. According to data reported in July 2015 by Uzbekistan authorities, out of the 7,214 registered drugs in the country, only 1,446 are ***produced*** domestically.Despite this, by the end of 2010, over 30 companies from 14 countries had made investments into Uzbekistan's pharmaceutical industry, with a total worth of USD10.6mn. In 9M13, investments in the pharmaceutical industry reached around USD200mn, including USD50mn of foreign direct investment (FDI). Official sources suggest that investments in the sector stood at around USD300mn in November 2014. Turkish and Indian firms have been leading foreign investors. Investments in the pharmaceutical industry are estimated to rise to around USD317mn in 2015, according to the UN Development ***Programme*** and Uzpharmasanoat. The government's ***Programme*** on Priorities of Industrial Development of Uzbekistan in 2011-2015 aims to implement 28 new projects worth USD284.2mn, and launch a number of new drugs by the Uzpharmsanoat companies as part of its ***Programme*** for Development of Pharmaceutical Sector. Investments between 2007 and 2012 under the Uzpharmasanoat holding stood at USD127mn (87.8% based on local bank loans and the companies own resources, with foreign direct investment accounting for the remainder). Foreign capital has a 69% share in the structure of pharmaceutical companies in the country, with local investors accounting for the remainder. In 2012, major FDI operations in the pharmaceutical industry in Uzbekistan were dominated by the UK (60%), Turkey (26%), India (12.5%) and Germany (1.5%). Research-Based Industry

Limited expertise, outdated infrastructure and a weak regulatory environment have mitigated the development of research-based pharmaceutical capacity in the country. The government focus on boosting generics production to meet basic pharmaceutical needs and to increase drug export has driven several manufacturing developments in Uzbekistan in recent year, including through joint ventures (JVs) with foreign players. Innovative or patented drugs, which account for around 30% of the pharmaceutical market in value terms, are to a large extent supported through imports.In fact, relatively high rates of economic growth, rising wages and government investment in healthcare modernisation, are starting to be reflected in increasing per-capita drug expenditure, with the most affluent segments of the population driving demand for high-end pharmaceutical products.As pharmaceutical manufacturing capacity continues to be promoted through several state incentives, including improvements in the regulatory environment and policies aimed at attracting foreign investment and expertise transfer, the process of scaling up through the value chain in drug manufacturing and production standards will continue over the long term.

**Multinational Market Activity**

| **Company** | **Operations** |
| --- | --- |
| AbbVie | AbbVie generates revenues mainly through the sale of pharmaceutical products. These products are targeted at some of the most complex and serious diseases. The company has a strong portfolio of drugs such as *Humira*, *Imbruvica*, *ViekiraPak*, *Creon*, *Synagis*, *Lupron*, *Synthroid*, *Kaletra*, *AndroGel*, *Sevoflurane*, *Duodopa* and dyslipidemia products. |
| AstraZeneca | AstraZeneca is facing a steep drop in sales in coming years. Its priorities include geographic expansion, creating a product portfolio suited to emerging markets and enhancing productivity via the divestment of non-core business operations and restructuring activities. |
| GlaxoSmithKline | GlaxoSmithKline's pharmaceuticals division in Europe has introduced a new business model to enhance its ability to compete in an increasingly challenging environment. The model has established Centres of Excellence for important therapeutic areas, such as respiratory and metabolic, and for business capabilities such as commercial excellence and portfolio management. These centres develop pan-European strategies, which are implemented consistently across the region. |
| Johnson & Johnson | J&J's products are manufactured in Europe and the US, and are sold to officially appointed distributors and hospitals. |
| Merck & Co | Established as an independent company in 1917, US-based Merck & Co focuses on prescription drugs, consumer health medicines and animal care products. The firm conducts research in a range of therapeutic categories such as cardiovascular, infectious diseases, vaccines, cancer, neurology and women's health. The firm topped BMI's Pharmaceutical Research Investment Index (PRII) for 2010, spending 23.9% of its sales (USD11bn) on R&D. Despite a lower R&D expenditure of USD8bn forecast for 2011, CEO of Merck & Co Kenneth Frazier stated that developing the company's pipeline will be essential to bring the firm forward. |
| Novartis | Multinational drugmaker Novartis is one of the leading global manufacturers of innovative medicines, eyecare products, generic pharmaceuticals, consumer health products, preventive vaccines and diagnostic tools. The company was created in 1996 through the merger of Ciba-Geigy and Sandoz. Novartis has presence in Austria through its biomanufacturing facility, BioInject, at Schaftenau. The facility is used to manufacture pre-filled syringes and devices for both Sandoz's biosimilars and Novartis' novel biologics. It will become a central part of Novartis' biomanufacturing network, which also contains facilities in Slovenia, Singapore and France. |
| Pfizer | Following a change of CEO in late 2010, Pfizer has re-focused on original research and development (R&D), which is a sound long-term change of ***strategic*** direction. The company faces numerous near-term challenges, notably the loss of patent protection for the mega-blockbuster Lipitor in developed states. Pfizer is also de-diversifying its business operations. |
| Roche | Roche has two core businesses: pharmaceuticals and diagnostics. Within its pharmaceuticals business, Roche focuses on five therapeutic areas: oncology, virology, inflammation, metabolic disorders and central nervous system. Roche's diagnostics product line caters to patients and scientific and clinical researchers. Roche continues to demonstrate the success of its oncology franchise protection strategy, supporting our view that it should retain its leadership position in the field. |
| Sanofi | Although Sanofi is primarily a branded manufacturer, the firm continues to strengthen its generic activities. In 2013, it reinforced its generics business through the creation of a global Generics division. Through its acquisitions of Zentiva in Central and Eastern Europe, Kendrick in Mexico and Medley in Brazil, it has achieved a significant generic presence in emerging markets. |
| Takeda | Takeda redefined its corporate strategy in early May 2012, in conjunction with the release of its financial results for fiscal 2011. Under its 2012-14 Mid-Range ***Plan***, entitled 'Transformation into a new Takeda', the company will: Consolidate its global position through integrating its recent acquisitions Nycomed and URL Pharma, which give it increased presence in Europe/emerging markets and the US, respectively. |

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A technical audit revealed that over 30% of equipment is out of date, posing an obstacle to the domestic production and manufacture of medicines.Current import substitution policy seeks to increase the volume of the market covered by domestic ***producers*** from around 20% to 50%, mirroring ***plans*** in neighbouring Kazakhstan. The ***programme*** is focused on self-sufficiency in the production of essential drugs, vaccines and blood transfusion and infusion systems. ***Plans*** include launching the local production of 100 new medicines.Uzbekistan registered an almost two-fold increase in exports of pharmaceutical products in 2013. Pharmaceutical companies in the country ***produced*** more than 1,320 types of medicines in 90 pharmacotherapeutic groups and 30 dosage forms, reports Turkistan press. Uzbekistan's pharmaceutical companies attracted a total investment of USD300mn, of which USD100mn was foreign investment from the early 1990s. CIS Pharma reports that those drugs that are currently exported are ***produced*** in more than 15 forms distributed by 70 pharmacotherapeutical groups.Pharmaceutical products manufactured in Uzbekistan are mainly exported to Commonwealth of Independent States (CIS) and Baltic countries, including Armenia, Azerbaijan, Afghanistan, Georgia, Kazakhstan, India, Mongolia, Turkmenistan, China and Russia, among others. However, the domestic industry continues to suffer from an influx of higher-quality, more costly medicines from Western European and Central European manufacturers. This is in addition to cheaper drugs from India and China, and growing competition from CIS peers, mainly Russia, Ukraine and Kazakhstan. Traditionally, another problem for local ***producers*** has been a lack of domestic capacity to ***produce*** active pharmaceutical ingredients (APIs), which are imported primarily from China. For example, Jurabek Laboratories cites import costs of intravenous fluids as particularly expensive citing the added value of production, and the fact that the cost of travel far exceeds that of drugs themselves. Domestic production is therefore providing new opportunities for both ***producers*** and consumers.We assert, however, that poor governance and corruption will continue to plague the sector and keep out larger players. At the same time, enormous pent-up demand will feed ongoing - if patchy - modernisation. The major difficulties in the market are a lack of transparency, an absence of independent media and market research sources, and the suppression of debate regarding the best routes for the development of the sector due to widespread political repression.With fixed capital investment growing by 7.2% y-o-y, we expect the sector to benefit from steady government expenditure on fixed investment and infrastructure projects. The government's commitment to modernising the economy and shifting its dependence away from hydrocarbons will play an important role in driving growth. Uzbekistan's pharmaceutical industry was to implement 39 new investment projects to ***produce*** 30 new generic drugs for the prevention and treatment of socially significant and socially dangerous diseases. There is a high demand for such products, which come into the country primarily through import contracts.A number of companies have invested in upgrading their facilities, although an unknown number have closed due to the prohibitive costs of modernisation. Other holders of licences may be dormant and the number of companies will fall further following the introduction of rules limiting the validity of pharmaceutical activity licences to five years. The bulk of production facilities and related research institutes fall under the control of Uzpharmsanoat. **Leading Domestic Players** The most dominant company in the production sector is Uzpharmsanoat, which has 85 manufacturing, research and other sites and exports to 12 countries, with earnings totalling USD1.18mn. Uzpharmsanoat has received substantial sums in terms of foreign investment since the mid-1990s, as well as one-off tranches from the state.Domestic ***producers*** outside the Uzpharmsanoat holding include Core Pharmsanoat (focusing on oral and intravenous formulations), Turkish-owned Nobelpharmsanoat (parent company Nobel also owns a generic drugs plant in Kazakhstan) and privately held Jurabek Laboratories. UzGerMed Pharm uses German investment for a new plant to ***produce*** a variety of generic products in the Tashkent region. In addition, RekomedFarm is ***producing*** succinasol, a blood substitute. Nihol Pharmaceuticals manufactures immunobiological compounds. Radix is reportedly ***producing*** influenza treatments.

**List Of Companies In Uzpharmsanoat SJSC (as of October 7 2013)**

| **Research, development and innovation institutes** | |
| --- | --- |
| Tashkent Research Institute of Vaccines and Serums | Oriental Medicine Research Institute |
| Uzbek Research Institute of Chemistry and Pharmaceutics named after A. Sultanov | Spa Vaccine |
| **Manufacturers (medical drugs)** |  |
| A.B. Biokom | Nova Pharm |
| Albi-Pharma | Novopharma Plus |
| Amaliy Med Farm | Orom-Biopreparat |
| Codepharm | Plast Pharm Medical |
| Dentafill Plus | Pspe Radiks |
| Galenika | Reka Med Pharm |
| Gufic Avicenna | Remedy |
| Hansang Pharm | Remedy Group |
| Immunomed | Samo |
| Invest Med Pharm Plus | Samsun-Toshkent Pharm Ltd |
| Innekmed Farm | Salubris Vita |
| Jurabek Laboratories | Tashfarma.I. |
| Lafz | Uzgermedpharm |
| Lekinterkaps | Ultra Health Care |
| Merrymed Farm | Ziyo Nur Farm |
| Nika Pharm | OZkimyofarm |
| Nobelpharmsanoat | Laxisam Pharmaceuticals |
| **Manufacturers (vaccines, serums and diagnostics)** |  |
| Armenia | OjscUzbiopharm |
| Bibinor | Iparbiointer |
| Olam |  |
| **Manufacturers (dressing materials)** |  |
| Elastikum | Xabibullo Global |
| **Manufacturers (supplementary materials)** |  |
| Agro Plast Polimer | Tb Farm Plast |
| Flex Pharm | Tubex |
| Galen Med Pharm | Med Standard Glass |
| Makrofarm-Optima | Mohir Bek |
| Nasa | Campalia |
| Rahim Farm Group |  |
| **Manufacturers (other product types)** |  |
| Agro Bio Kimyo | Ortopediya-Industriya |
| Oil Neft | ***Agricultural*** Company Xorazm Fito Farm |
| Bio Chemical | Vitotex Plus |
| Asia Trade | Xamidobod Imkon |
| Magnum Medikal Servis | Uzgersov |
| Ekoplast Systems | Chori Plast |
| **Cultivation, gathering packaging and/or production of medicinal plants** |  |
| Dorivor OSimliklar | Biomir |
| Glycyrrhiza Glabra | Pharm Product |
| ***Agricultural*** Company Shovot Bo'yoni | Narkar Servis |
| Zamona Rano | Mediofarm |
| **Wholesale trade of pharmaceutical products** |  |
| De Alias Pharma | Sharq Darmon |
| Trade House Alias-Sibir | Sofdil-Fayz |
| Astellas Pharma | Tatmedfarm |
| Bravo Pharm | Sid |
| Fazo-Luxe |  |

Source: The 2013 Investment Guide to Pharmaceutical Industry (Uzbekistan), UN Development ***Programme***, Uzpharmsanoat. **Foreign Pharmaceutical Industry** The 2012 de facto ban on medicine imports, as well as the state's control of pharmaceutical production and procurement, suggests there is little room for drugmakers to enter the market. Given the level of state involvement in the economy, we do not see the government relinquishing control in the short term.Uzbekistan uses an outdated medicine coding system different from the WHO-standardised Anatomical Therapeutic Chemical (ATC) system, under which drugs that are not Uzbek-registered or coded are automatically banned or excluded from hospital and pharmacy purchases. As a result, imports are primarily driven by Uzbek consumers buying drugs in small quantities from neighbouring countries.Investments in the pharmaceutical industry reached around USD200mn, including USD50mn of foreign investment, from 1993 to 2013. Foreign capital has a 69% share in the structure of pharmaceutical companies in the country, with domestic investors accounting for the remainder. In 2011, investment projects conducted in partnership with Uzpharmsanoat included manufacturing of cephalosporins (USD37mn), anti-virals (USD15mn), plasma and blood solutions (USD30mn) and the production of vaccines from biotechnological materials (USD3.2mn).Several foreign companies have a presence in Uzbekistan, with Turkey's Nobel and Singapore's Beacons having developed a substantial manufacturing presence. According to reports in July 2010 Korean Trust Investment Trading has invested in a USD4mn tablet and herbal remedy packaging facility in the Navoi region as part of a JV with Uzpharmsanoat.In September 2011 Nova Pharm, an Indian-Uzbek JV, opened a small, USD2mn production line at a new plant in Termez in the far south of the country. A second line was ***planned***. Initial reports did not specify the types of products to be made by the generic drugs plant. The facility was intended for both the local and export markets - ideally situated for exporting to Afghanistan, as well as Tajikistan; both countries with substantial demand, often funded by international aid organisations.Other CIS companies with branches in Uzbekistan include Russia's Valenta (formerly Otechestvennye Lekarstva), and Ukraine's second largest drugmaker, Arterium. Deva Holding, a local subsidiary of Turkey's EastPharma, opened a representative office in Uzbekistan in January 2008. The office started registering select products from Deva's range of 217 medicines, as well as the products of Saba, the Turkish pharmaceutical ***producer*** acquired by EastPharma in May 2007. Deva also has representative offices in other CIS states, namely Russia, Georgia and Azerbaijan.According to media reports in June 2011, Krueger GmbH from Germany was building a USD25mn vitamin plant with a capacity to ***produce*** 2mn packages of vitamins a year in the Uzbek part of the populous Ferghana Valley. The project was a JV, with Uzbekistani institutions providing USD10mn in funds through loans, and Krueger contributing USD15mn.Similarly, according to local media, Indian generic drugmaker Sharon Bio-Medicine announced ***plans*** to build a USD37mn antibiotics plant in the Navoi Free Industrial and Economic Zone, in partnership with Uzpharmsanoat. Uzbekistani banks were to provide loans of USD10mn for the project costs. Local media reported in Q412 that another Indian player, Medicamen Biotech, had signed a memorandum of cooperation for the country's first plant specialised in making oncology drugs. The new plant was due to be built in Tashkent with a budget of USD12mn.Other projects include a JV company, UzGerMed Pharm, which involves German investment in a new plant to ***produce*** a variety of generic products in the Tashkent region. German company Diecon was building an insulin plant near Tashkent, according to reports in 2011. A small player, RekomedFarm, is ***producing*** a blood substitute, succinasol. Radix is reportedly ***producing*** influenza treatments. Pharmaceutical Distribution

Drug distribution and supply was well developed under Soviet rule. In 1994 the monopoly drug distributor Farmatsiya was part-privatised, becoming Dori-Darmon, a joint stock pharmaceutical wholesaler. Currently, there are around 200 enterprises engaged in drug storage and wholesale.Dori-Darmon, which is part-owned by pharmacists and partly by the state, posted 2010 sales of UZS285.5bn (USD181mn). It operates through eight joint-stock companies and 10 subsidiaries, also controlling over 210 pharmacies and 540 pharmacy branches throughout the country. Some 180 of its pharmacies ***produce*** medicines in various forms on the basis of doctors' prescriptions.Dori-Darmon also acts as the main testing centre for mandatory batch testing of imported medicines. It launched an insurance business, DD General Insurance, in Q211, to build on its strong position. Dori used to be the leading supplier of drugs to hospitals. In recent years, however, it has been losing market share to private distributors, and now accounts for around 50% of all hospital purchases, according to WHO data. Privately held Asklepiy Pharmaceutical Company is increasingly challenging Dori-Darmon's position as the leading distributor of medicines.Apart from Asklepiy, main distributors include Lahisam, which was established in 1994, and Ajanta Pharma (a subsidiary of Surkhan Ajanta Pharma) and Reddy Pharmamed (a subsidiary of Indian generic drugs specialist Dr Reddy's, which also has local production facilities). Nika Pharm Service is another large distributor and is working as the local partner for Singapore's Beacons.The other key supplier of the public sector is privately owned Uzmedtechnika, which previously accounted for only 10% of pharmaceutical supplies to public-sector healthcare institutions. Responsible for the public-sector purchasing of foreign drugs, the firm should benefit from investments in healthcare system modernisation. As its name suggests, it is also responsible for purchasing medical equipment for state-owned healthcare institutions, a major focus for current healthcare spending. The Sanitary-Epidemiological Services are responsible for direct distribution of vaccines to hospitals and clinics. Pharmaceutical Retail Sector

Uzbekistan has around 3,500 pharmacies, most of which have been privatised. Private distributors mostly supply private pharmacists, polyclinics and private doctors' practices. The vast majority of drugs dispensed in pharmacies now incur out-of-pocket payments, with many prescription products also available over the counter. Purchasing drugs in the private sector is done on the basis of individual negotiations.E-commerce and mail order systems are not available in Uzbekistan, despite some reported government efforts in this direction, mainly due to low purchasing power and very limited internet penetration. Postal distribution of pharmaceuticals is not regulated, and over-the-counter drugs can be advertised directly to consumers, provided the company receives the approval of the Ministry of Health. Mobile pharmacies, complete with essential equipment, operate in some rural areas of Uzbekistan.

**Load-Date:** January 4, 2018

**End of Document**



[***M and A Navigator: Deal pipeline â(EURO)"7 June***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NR9-4271-JD3Y-Y524-00000-00&context=1516831)

FinancialWire

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**Body**

The following is a list of deals covered in detail by M and A Navigator this week:

-ROYAL ADHESIVES/SEALANTS ACQUIRES GRACO'S BALL GROUND SEALANT ASSETS

Indiana, US-based adhesive and sealant developer Royal Adhesives and Sealants LLC, a portfolio company of American Securities LLC, has acquired the business assets of Graco Supply's Georgia, US-based aircraft sealant repackaging business Ball Ground to expand Royal's global aircraft sealant business, the company said.

The Ball Ground business provides point of use pre-mixed and frozen aircraft sealants and other unique packaging and application kits to aircraft manufacturers and their subcontractors. Ball Ground has achieved AS 9100, ISO 9001 and NADCAP quality approvals. The Ball Ground business will be integrated into and operate under the name Royal Adhesives and Sealants LLC.

Status: Closed

-COMROD ACQUIRES SWEDISH SOFTWARE AND CONSULTING FIRM FRONT END STRATEGY

Norway based communications systems company Comrod Communication Group has acquired Sweden-based software and consulting company Front End Strategy AB to expand Comrod's tactical communication portfolio, the company said.

Front End Strategy will become a subsidiary of Comrod Mission Systems AB where it will operate the company's consulting business. Comrod will bring Front End's mission ***planning*** software into the company portfolio.

Status: Closed

-ACCESSPOINT ACQUIRES US HR OUTSOURCING FIRM YOURSOURCE MANAGEMENT GROUP

Michigan, US-based outsourcing solutions company AccessPoint has acquired Michigan, US-based outsourcing solutions firm YourSource Management Group (YMG) as well as its headquarters to establish presence in Oakland County, Michigan, US for its business units, the company said.

The partnership combines two Michigan, US-based HR outsourcing solutions to offer clients more options to better align with their needs and ***strategic*** goals. The acquisition enhances Access Points unbundled human resources outsourcing service platform. AccessPoint said product offerings of both companies are complementary to each other with little overlap.

Status: Closed

-PERISCOPE ACQUIRES CHICAGO AGENCY ANTHEM MARKETING SOLUTIONS

Minnesota, US-based full-service marketing firm Periscope has agreed to acquire Chicago, US-based data-driven marketing agency Anthem Marketing Solutions, to deepen data and analytics capabilities, the company said.

With the acquisition of Anthem, Periscope adds both data and analytics strategy expertise, and the knowledge of Anthem's leadership team. Anthem's founder will be joining Periscope's executive committee in the newly created role of EVP/Marketing Analytics, and will lead the growing analytics team from Chicago.

Status: Closed

-GERMANY'S WIRSOL SELLS UK SOLAR PROJECT TO ROCKFIRE CAPITAL

Nigeria-based renewable energy development and advisory boutique Emel Solar Ltd. has facilitated the sale of a UK-based 105mw portfolio of UK-based solar projects between Germany based solar power company Wirsol to a unit of UK-based financial institution Rockfire Capital, the company said.

The 19 UK-based solar sites, each ranging between 2.5mwp and 20.5mwp, ***produce*** enough energy to generate almost 100gwh per year, sufficient to supply power to about 30,000 UK households and corresponds to a saving of almost 60 tons of carbon dioxide per year. The completion of the deal takes Rockfire's installed solar PV assets to 300mw of installed solar PV capacity across ground-mounted and rooftop installations.

Status: Closed

-AURORA CAPITAL PARTNERS COMPLETES ACQUISITION OF RANDALL-REALLY FROM INVESTCORP

California, US-based private equity firm Aurora Capital Partners has completed the acquisition of Alabama, US-based B2B marketing services company Randall-Reilly, LLC from Bahrain-based alternative investment firm Investcorp (Bahrain Bourse: INVCORP), the company said.

Randall-Reilly said Aurora's operating resources and experience with companies in the software and information services sector make them an ideal partner as the company continues to evolve its business model, add new capabilities and build out its platform.

Status: Closed

-AXALTA COATINGS CLOSES ACQUISITION OF SPENCER COATINGS

Pennsylvania, US-based coatings supplier Axalta Coating Systems (NYSE: AXTA), has agreed to acquire UK-based industrial coatings manufacturer Spencer Coatings Group, to expand into new geographies and provide new product offerings, the company said.

Manufactured in facilities in the UK, Spencer's line of industrial products will join Axalta's portfolio of Performance Coatings for industrial customers. Axalta said Spencer's industry product technologies fit within Axalta's current industrial portfolio. With the acquisition of Spencer, the company ***plans*** to accelerate its growth ***plans***.

Status: Closed

-UCB PHARMA HAS ACQUIRED CRO BERYLLIUM DISCOVERY

UK-based biopharmaceutical company UCB Pharma, Ltd. has acquired privately held contract research organisation Beryllium Discovery, LLC, the company said.

Beryllium, a specialised drug discovery contract research organisation, provides research services and engages in collaborations with pharmaceutical, biotechnology, and academic partners based on its drug discovery platform.

Status: Closed

-SHAREHOLDERS OF CANCER DIAGNOSTICS SPECIALISTS TRANSGENOMIC, PRECIPIO APPROVE MERGER

Shareholders of US-based cancer diagnostics specialists Transgenomic, Inc. (NASDAQ: TBIO) and Precipio Diagnostics, LLC have approved the companies' deal under which Precipio will become a wholly owned subsidiary of Transgenomic, and Transgenomic will be renamed Precipio, Inc., the companies said.

Status: Agreed

-AMERICAN VANGUARD CLOSES ACQUISITION OF US CROP PROTECTION ASSETS FROM ADAMA ***AGRICULTURAL***

US-based ***agricultural*** products company AMVAC Chemical Corp, an operating subsidiary of US-based American Vanguard Corp. (NYSE: AVD), has closed the acquisition of certain US assets relating to the three crop protection product lines from subsidiaries of Israel-based Adama ***Agricultural*** Solutions Ltd., which had been part of the China-based China National Chemical Corp., the company said.

This deal was announced in April. The acquired protection product lines are Abamectin, Chlorothalonil and Paraquat. The acquisition is part of a consent agreement between the Federal Trade Commission (FTC) and ChemChina and Syngenta AG under which ChemChina is required to divest these assets as a pre-condition for ChemChina's proposed acquisition of Syngenta AG.

Status: Closed

-MUELLER INDUSTRIES ACQUIRES PLUMBING AND HEATING SYSTEMS MAKER HEATLINK

US-based industrial company Mueller Industries Inc. (NYSE: MLI) has acquired Canadian plumbing and heating manufacturing firm HeatLink Group Inc. and its affiliated PEX-a tubing manufacturing facility PexCor Manufacturing Co Inc., the company said.

Co-owners Manfred and Garry Schmidt will continue to lead the company with the goal of growing the company's product platform and geographical footprint. HeatLink and PexCor will complement the range of products that comprise the Piping Systems Group of Mueller Industries. The acquisition of HeatLink supports Mueller's strategy to expand in the pressure plastic products arena with innovative piping and flow control solutions.

Status: Closed

-HIGHCROFT INVESTMENTS ACQUIRES FREEHOLD INTEREST OF CORNWALL, UK INDUSTRIAL PROPERTY

UK-based closed-end fund Highcroft Investments plc (LSE: HCFT) has acquired, through its property owning subsidiary Rodenhurst Estates Ltd., the freehold interest of an industrial investment near St Austell, Cornwall, the fund said.

The property comprises two industrial units totalling approximately 250,000 sq ft, plus a vacant site, let to Wyndeham Roche Ltd. on a single lease expiring in April 2021 ***producing*** an income of GBP 500,000 per annum. The purchase price was GBP 4.2m (USD 5.42m) representing a net yield of 11.23%. The property was acquired from St Ives Plc.

Status: Closed

-MECHAN CONTROLS CLOSES SALE OF BUSINESS TO TECHNICAL DIRECTOR FARRAH

UK-based safety switch manufacturer Mechan Controls plc's board has closed the sale of the business and assets of Mechan Controls plc (other than the shares in its subsidiary Nirvana Engineering Ltd.) to Mechan Controls Ltd., a new company ultimately controlled by Mabruk Farrah, the current technical director of the company, Mechan said.

Under the deal, which was announced in May, Mechan sold the business and assets of the company to the buyer for the "purchase price" being a minimum sum of GBP 1.64m up to a maximum of GBP 2m (USD 2.59m). The sale of business and assets is conditional on approval by shareholders as it is a disposal of a substantial non-cash asset to a director.

Status: Closed

-THE FILA GROUP ACQUIRES US IT FIRM NEXT DIGITAL SOLUTIONS

US-based IT consulting company The Fila Group, LLC has acquired US-based information technology firm Next Digital Solutions, LLC, the company said.

In the transaction, Ravi Shankar was named chief executive officer of Fila Group and Jonathan Keough was named president and chief operating officer. Next Digital Solutions currently provides cloud strategy and cloud transformation services to its federal and commercial customers.

The firm's services include cloud infrastructure support, application migration services to the cloud, and cloud security. Next Digital Solutions is a certified ServiceNow Partner. Fila Group is headquartered in Leesburg, Virginia.

Status: Closed

-MURATA ACQUIRES ITALIAN RFID SYSTEM INTEGRATOR ID-SOLUTIONS

Japan-based electronics components and solutions maker Murata Manufacturing Co., Ltd. (TOKYO: 6981) (ISIN: JP3914400001) has acquired Italian RFID system integrator ID-Solutions S.r.l., the company said.

ID-Solutions provides added value traceability solutions. The company started from a consultancy and has since developed its own middleware and application software. ID-Solutions is a spin-off company of the University of Parma, a charter technology partner of RFID Lab Parma and specialises in providing RFID solutions for supply chains with a focus on the retail, food, and healthcare industries.

Status: Closed

-EUROFINS TO ACQUIRE GERMAN DNA SEQUENCING EXPERT GATC

Luxembourg-based bio-analytical testing company Eurofins Scientific (PAR: ERF) (EUFI.PA) has signed an agreement to acquire German DNA sequencing expert GATC Biotech AG, the company said. The transaction is expected to close in July, subject to the fulfilment of customary closing conditions.

Founded in 1990, GATC has achieved a strong recognition for DNA and RNA sequencing, as well as bioinformatics in Europe. The company employs 140 staff across 2 sites, and serves over 10,000 institutional and academic customers, generating annual revenues of about EUR 20m.

Status: Agreed

-ICAHN AUTOMOTIVE TO ACQUIRE US SERVICE BUSINESS PRECISION AUTO CARE

US-based investment firm Icahn Enterprises L.P.'s (NASDAQ: IEP) Icahn Automotive Group LLC subsidiary has entered into a definitive agreement to acquire US-based automotive service company Precision Auto Care, Inc and its Precision Tune Auto Care subsidiary, the firm said.

Precision Auto Care, in business for more than 40 years, has service locations in 26 states, with concentrations in Georgia, North Carolina and South Carolina. Icahn Automotive Group was formed by its parent, Icahn Enterprises, to invest in and operate businesses involved in aftermarket parts distribution and service.

Status: Agreed

-CHRISTINA REAL ESTATE INVESTORS 2 ACQUIRES WEST HOLLYWOOD, CALIFORNIA PROPERTY

California, US-based property investor Christina Real Estate Investors 2, LLC has acquired Crescent Hill Lofts, a 19-unit multi-family project located at 1216 North Crescent Heights Boulevard in West Hollywood, California, the company said.

Crescent Hill Lofts is a courtyard style multi-story building situated on a large land parcel with secured subterranean parking. The project was extensively renovated in 2016. Christina Real Estate Investors 2 is a private real estate investment, development and property management company founded in 1977 and headquartered in Malibu, California.

Status: Closed

-NEW ENGLAND ENERGY COMPANY EVERSOURCE ENERGY TO ACQUIRE AQUARION WATER

New England, US-based energy company Eversource Energy (NYSE: ES) has reached an agreement to acquire US-based water utility operator Aquarion Water Co for an enterprise value of USD 1.675bn, comprised of USD 880m in cash and USD 795m of assumed Aquarion debt, the company said.

Aquarion has more than 300 employees operating a regional water system. Eversource's 8,000 employees provide energy solutions, serving 3.7m electric and natural gas customers in Connecticut, Massachusetts and New Hampshire. Aquarion serves nearly 230,000 customers in the same states.

Status: Agreed

-SEVION THERAPEUTICS TO ACQUIRE ISRAELI GENETIC DISEASE SPECIALIST ELOXX PHARMACEUTICLS

US-based drugmaker Sevion Therapeutics, Inc., (OTCQB: SVON) has agreed to acquire Israel-based genetic disease specialist Eloxx Pharmaceuticals Ltd, the company said. Upon completion of the transaction, Sevion will change its name to Eloxx Pharmaceuticals, Inc. and intends to apply to have its shares listed for trading on NASDAQ.

Under the terms of the agreement, Eloxx shareholders will receive shares of Sevion's common stock reflecting approximately 70% of Sevion's issued and outstanding share capital, subject to further adjustment. The parties expect to raise at least USD 24m in private equity investment rounds as a condition prior to consummation of the acquisition transaction.

Status: Agreed

-CAREY WATERMARK INVESTORS 2 ACQUIRES CHARLOTTE MARRIOTT CITY CENTER IN NORTH CAROLINA, USA

US-based REIT Carey Watermark Investors 2 Inc. has acquired the Charlotte Marriott City Center in Uptown, Charlotte, North Carolina's central business district, the company said. According to the Charlotte Business Journal, the property sold for USD 152.2m.

CWI 2 said that more than USD 40m of capital improvements to the property were completed in 2016 to reposition it as the most technologically advanced full-service property within the Marriott Hotels system. Now dubbed the "Beta Hotel" for its concepts, the recent renovations have transformed the upscale property into an ultra-modern hotel, featuring innovative guest rooms, public space, event space and ***programming***.

Status: Closed

-SPECIALTY ***PROGRAM*** ACQUIRES CALIFORNIA MOVING AND STORAGE, DELIVERY INSURANCE SPECIALIST

New Jersey, US-based specialty insurance underwriting facilities holding company Specialty ***Program*** Group has acquired the assets of California, US-based national insurance ***programme*** administrator Paul Hanson Partners (PHP) and its affiliate, PHP International, the company said.

Established in 1993 and based in Napa, California, PHP is a national ***programme*** administrator specialising in providing risk management and insurance solutions to the transportation industry, specifically the moving and storage and last mile delivery segments. PHP operates under the Movers Choice and Biz Choice brands.

Status: Closed

-MDCORP TO ACQUIRE EUROPEAN MEDICAL DISTRIBUTION BUSINESS TERRAMED

US-based mobile electronics, conventional auto parts, and accessories provider MDCorp (OTC: MDCX) has executed an LOI to acquire 100% equity stake in European medical distribution businesses Terramed, Ltd., Intellemed Ltd. and Neuraxon, Ltd., the group said. These businesses, the EDMS group, shall upon successful acquisition, if completed, become a wholly owned subsidiary of MDCorp.

EDMS represents a trio of European Medical distribution companies headed by Pantelis Stanitsas historically covering six countries in the European Union with sales channels into the United Kingdom, Greece, Cyprus, Romania, Bulgaria, and Kazakhstan. Revenues currently in the neighbourhood of EUR 5m are expected to expand with additional CAPEX funding.

Status: Agreed

-AT/T TO ACQUIRE VYATTA NETWORK OPERATING SOFTWARE TECHNOLOGY FROM BROCADE

US-based telecommunications company AT/T (NYSE: T) has agreed to buy the Vyatta network operating system and associated assets of US-based networking solutions firm Brocade Communications Systems, the company said.

This platform includes the vRouter product line. AT/T said it also intends to hire certain Brocade employees associated with that business. The deal is expected to close in early summer, subject to closing conditions and prior to the closing of the previously announced proposed acquisition of Brocade by Broadcom Ltd.

Status: Agreed

-MAPLETREE INVESTMENTS ACQUIRES PORTFOLIO OF STUDENT HOUSING BEDS FROM KAYNE REAL ESTATE

Singapore-based real estate development, investment and capital management company Mapletree Investments Pte Ltd has acquired another portfolio of assets from US-based alternative investment firm Kayne Anderson Real Estate Advisors, the company said.

The acquisition comprises eight purpose-built student housing assets with 3,611 beds in the United States (US) and 140 beds in Canada, and four multi-family assets with 1,388 units in the US. Mapletree said the eight student housing assets are well located abutting university campuses, on average 0.2 miles (320 metres) to their respective universities, the majority of which are ranked as Tier 1. These assets are purpose-built, well designed and have strong occupancy above 90%.

Status: Closed

-SPANISH BANK SANTANDER ACQUIRES RIVAL POPULAR FOR EUR 1

Spanish banking group Banco Santander (NYSE: SAN) has acquired rival Banco Popular the group said on Wednesday. This followed a finding by European regulatory authorities that Banco Popular was nearing insolvency.

The acquisition takes place following an auction conducted by the Single Resolution Board and FROB in which Santander was selected as the successful bidder, paying a notional consideration of EUR 1. As part of the transaction Santander will complete a rights issue for a total amount of EUR 7bn. This will cover the capital and provisions required to strengthen Popular's balance sheet. Existing shareholders will be given preferential subscription rights. The rights issue is underwritten.

Status: Closed

-BAYER REDUCES STAKE IN COVESTRO SUBSIDIARY

German drugmaker Bayer AG has reduced its holding in its Covestro plastics and chemicals subsidiary by way of an accelerated bookbuilding procedure with a targeted volume of EUR 1bn, the company said on Wednesday.

In addition, Bayer AG offered EUR 1bn of bonds exchangeable into Covestro shares maturing in 2020.  The two placements started on Tuesday after the stock market close and are addressed to institutional investors only. Barclays and Morgan Stanley are acting as joint bookrunners. In the context of the placements, Bayer has agreed to a lock-up period of 90 days. With the move, Bayer has reduced its direct holding in Covestro from 53.3% to 44.8%.

Status: Closed

-POVLSEN'S BRIGHTFOLK TO BUY STAKE IN SWEDISH PAYMENTS FIRM KLARNA

Denmark-based Brightfolk A/S, a company held by Anders Holch Povlsen, has agreed to acquire a ***strategic*** equity stake in Swedish e-commerce payments firm Klarna, the company said on Wednesday. Anders Holch Povlsen is the owner of Bestseller, which is one of Europe's largest fashion companies, with brands such as Jack and Jones, Vero Moda, Only and Selected.

Beside this, Anders Holch Povlsen has significant holdings in e-commerce fashion sites, e.g. Asos and Zalando. Anders Holch Povlsen will, upon receipt of approval from the Swedish Financial Supervisory Authority (Finansinspektionen), acquire shares from existing shareholders General Atlantic, DST Global and Niklas Adalberth, all of whom will continue to retain a stake in Klarna.

Status: Agreed

-PRIVATE EQUITY FIRM EQT BUYS 85.2% OF SWEDISH TELECOMMUNICATIONS FIRM DGC ONE; MAKES OFFER FOR REMAINDER

Swedish private equity firm EQT has acquired shares corresponding to 85.2% of the total number of shares and votes in Swedish telecommunications company DGC One AB (STO: DGC), the firm said on Wednesday.

With this, the deal passed a mandatory bid threshold. EQT has acquired the shares at a price of SEK 250 per share, valuing DGC One to approximately SEK 2.3bn (USD 260m). The firm has now launched a mandatory takeover offer for the remaining shares in DGC. EQT is a group of private equity funds with operations in Northern Europe, Eastern Europe, US and China.

Status: Closed

-BREGAL SAGEMOUNT ACQUIRES MARKET INTELLIGENCE PROVIDER LUX RESEARCH

New York, US-based private equity firm Bregal Sagemount has acquired Boston, US-based market intelligence services provider Lux Research, the firm said.

Lux said its partnership with Sagemount will enable the company to make further ***strategic*** investments so it can serve clients with the most actionable and relevant content, data, and technology. Sagemount said the acquisition allows it to build upon the company's track record and momentum.

Status: Closed

-PROMETHEUS ACQUIRES US IT GROUP PIPELINE, AUSTRALIAN SAFE WORK SOLUTIONS FIRM SAGE

North Carolina, US-based software solutions provider Prometheus Group has acquired California, US-based information technology holding company Pipeine Group, Inc. and Australia-based safe work solutions provider Sage Technology to offer unified ***planning***, scheduling and work management solutions for industrial work in asset-intensive industries, the company said.

Prometheus Group said the combination of Sage's digital safe work solution with Prometheus Group's existing product suite enables the company to bridge the gap between maintenance and operations teams, while improving safety and efficiency on the plant floor.

Status: Closed

-EMERGENCY COMMUNICATIONS NETWORK FORMS ONSOLVE WITH ACQUISITION OF ENTERPRISE NOTIFICATION SOLUTIONS FIRM SEND WORD NOW

Florida, US-based S-a-a-S emergency notification systems provider Emergency Communications Network (ECN) has acquired New Jersey, US-based enterprise notification solutions firm Send Word Now to merge into OnSolve, a new emergency messaging group, the company said.

ECN said that through this acquisition and the 2016 acquisition of MIR3, OnSolve is positioned to address the accelerating demand for standalone software-based communications solutions, and notification and alerting functionality that can be integrated directly into other critical business systems. The merger of Send Word Now into the OnSolve product extends the company's market position and accelerates its ability to capture projected growth in demand.

Status: Closed

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[***Register of Commission documents: Juncker Commission's ten priorities: State of play in early 2018 Document date: 2018-01-26 EPRS\_IDA(2018)614679 In-Depth Analysis***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RK3-P7W1-JDG9-Y14R-00000-00&context=1516831)

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IN-DEPTH ANALYSIS EPRS | European Parliamentary Research Service Authors: Étienne Bassot and Wolfgang Hiller January 2018 — PE 614.679 EN The Juncker Commission's ten priorities State of play in early 2018 This publication provides an up-to-date overview and analysis of the state of play in the delivery by the European Commission of the various legislative and other political initiatives flowing from the ten priorities asserted by its President, Jean-Claude Juncker, at the time of his election by the European Parliament in July 2014. This in-depth analysis draws on a wide range of EPRS publications, and it updates a previous edition, The Europe Commission at mid-term – State of play of President Juncker's ten priorities, published in July 2017. It has been compiled and edited by Isabelle Gaudeul-Ehrhart, with contributions and support from across the Members' Research Service and the Directorate for Impact Assessment and European Added Value of EPRS, in particular from the following policy analysts: Piotr Bakowski, Angelos Delivorias, Gregor Erbach, Roderick Harte, Elena Lazarou, Tambiama Madiega, Nora Milotay, Shara Monteleone, Anita Orav, Christian Scheinert, Andrej Stuchlik, Marcin Szczepanski, Laura Tilindyte and Sofija Voronova. The graphics have been prepared by Giulio Sabbati, and are derived from the on-line 'Legislative Train Schedule' application, launched by Parliament to track progress on the Commission's legislative proposals.

PE 614.679 ISBN 978-92-846-2574-1 doi:10.2861/501774 QA-02-18-067-EN-N Original manuscript, in English, completed in January 2018. Disclaimer This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2018. Photo credits: © European Union, 2017; EP – Mathieu Cugnot. [*eprs@ep.europa.eu*](mailto:eprs@ep.europa.eu) [*http://www.eprs.ep.parl.union.eu*](http://www.eprs.ep.parl.union.eu) (Intranet)   [*http://www.europarl.europa.eu/thinktank*](http://www.europarl.europa.eu/thinktank) (Internet)   [*http://epthinktank.eu*](http://epthinktank.eu) (Blog) The Juncker Commission's ten priorities State of play in early 2018 Page 1 of 36 EXECUTIVE SUMMARY The Juncker Commission has now been in office for more than three years. With only one full calendar year to go until the end of its mandate, many consider that 2018 will be judged as 'the year of delivery'. What is the state of play of the various legislative and other initiatives that the European Commission has announced on, and since, taking office in 2014? How many of the commitments made have led to formal proposals so far? And how many of those proposals – whether in the form of legislation, other major political initiative, or international agreement – have been brought to fruition, so demonstrating that the EU institutions have collectively 'delivered'? The analysis in this paper tracks all these developments, with both a statistical breakdown and a qualitative evaluation, using a cut-off date of December 2017. It also takes stock of what the Commission has done – or not done – in response to explicit requests for action from the European Parliament. Our analysis suggests that overall, three years after taking office, the college of Commissioners has now submitted eight in ten of the initiatives it has announced – 368 out of 460 – and that 171 of these (or 37 %) have been enacted or otherwise adopted. These global figures of course cover a variety of situations: in some priority areas, such as the digital single market, almost all of the initiatives originally announced have already been presented (94 per cent) and many adopted (41 %), whilst in others, such as energy, progress in adoption at least is somewhat slower (28 % adopted). Overall, however, evidence suggests that, step by step, the European institutions are collectively enacting the 'Juncker ***plan***'. They are also aware that, with little over one year to go until the next European Parliament elections, they need to show that Europe can deliver for its citizens when and where it matters. This is why, in a joint declaration on the EU's legislative priorities signed on 14 December 2017, the three main EU institutions have set out specific initiatives and areas to which they commit to 'give priority treatment in the legislative process … to ensure substantial progress and, where possible, delivery before the European elections of 2019'. This study seeks to provide an independent, objective and authoritative tool for Members of the European Parliament and those interested more widely to assess the performance to date of the current Commission. It is both exhaustive – in covering all the ten priority areas the Commission set itself – and selective – as it focuses, for each priority, on the main legislative proposals or initiatives and on the latest developments. It aims to be both quantitative and qualitative: for each of the ten chapters, covering one of the ten priorities, it offers a qualitative overview prepared by the European Parliamentary Research Service's in-house experts, complemented by a quantitative graphic providing a snapshot of the various initiatives at the key stages of their adoption. These snapshots are regularly updated on the 'Legislative Train Schedule' on the European Parliament’s website. Étienne Bassot and Wolfgang Hiller European Parliamentary Research Service (EPRS) January 2018 The Juncker Commission's ten priorities State of play in early 2018 Page 2 of 36 TABLE OF CONTENTS 1. Introduction................................................................................................................ 3 2. Main developments in the implementation of the ten political guidelines .............. 5 Priority 1: A new boost for jobs, growth and investment................................................. 5 Priority 2: A connected digital single market .................................................................... 8 Priority 3: A resilient energy union with a forward-looking climate change policy....... 11 Priority 4: A deeper and fairer internal market with a strengthened industrial base ... 14 Priority 5: A deeper and fairer economic and monetary union...................................... 17 Priority 6: A balanced and progressive trade policy to harness globalisation ............... 20 Priority 7: An area of justice and fundamental rights based on mutual trust................ 23 Priority 8: Towards a new policy on migration................................................................ 26 Priority 9: A stronger global actor.................................................................................... 29 Priority 10: A union of democratic change...................................................................... 32 3. Joint declaration on the EU's legislative priorities for 2018-19............................... 35 4. Main references ....................................................................................................... 36 Terminology used in this analysis Commission proposals currently foreseen: Legislative proposals, and to a lesser extent initiatives such as communications and action ***plans***, announced by the European Commission in its annual work ***programmes*** or State of the Union addresses. Proposals still to be submitted: Legislative proposals, and to a lesser extent initiatives such as communications and action ***plans***, announced by the European Commission in its annual work ***programmes*** or State of the Union addresses but which have not yet been tabled. Proposals so far submitted: European Commission initiatives that have been tabled and on which the co-legislators - European Parliament and Council - have begun working. Proposals submitted but not yet adopted: this category includes: Proposals proceeding normally: Proposals which are under consideration by the European Parliament and Council in the normal course of the legislative procedure. Proposals close to adoption: Legislative proposals close to finalisation (for example, when agreement is reached at trilogue level). Proposals proceeding slowly or blocked: Initiatives blocked by an institution or under negotiation for more than two years; or legislative initiatives or legislative proposals announced by the European Commission but with no follow-up for more than nine months. Proposals so far adopted: Legislative proposals finalised and adopted by the two co-legislators, the European Parliament and the Council. Legislation withdrawn: Legislative proposals withdrawn by the European Commission. Proposals requested by the European Parliament but not yet proposed: European Parliament requests for legislative action, notably in the context of legislative initiative reports in the policy fields covered by the Juncker Commission's ten priorities, but not yet followed up by the European Commission. The Juncker Commission's ten priorities State of play in early 2018 Page 3 of 36 1. Introduction More than three years after the Juncker Commission took office and with only one full calendar year to go under its five-year mandate, this In-depth Analysis looks in detail at the state-of-play of the various initiatives announced by the current European Commission. It reviews what the Commission has delivered so far, assessing what has been tabled compared to what has been announced, and examining what the EU institutions have been able – or so far unable – to collectively enact. Setting ten priorities Prior to his election as President of the European Commission in July 2014, Jean-Claude Juncker set out the policy priorities which would serve as the political mandate for his five-year term in office. With the stated aim of focusing on the 'big things', he outlined the following ten key areas in which he wanted the EU to make a difference and deliver concrete results for citizens: 1. A new boost for jobs, growth and investment 2. A connected digital single market 3. A resilient energy union with a forward-looking climate change policy 4. A deeper and fairer internal market with a strengthened industrial base 5. A deeper and fairer economic and monetary union (EMU) 6. A reasonable and balanced free trade agreement with the United States 7. An area of justice and fundamental rights based on mutual trust 8. Towards a new policy on migration 9. Europe as a stronger global actor 10. A union of democratic change. Adapting to an ever-changing environment Since it took office, the European Commission has worked and delivered along these guidelines, adopting a detailed work ***programme*** every year, announcing additional initiatives on the occasion of the annual State of the Union addresses, and withdrawing certain proposals when it has deemed it appropriate. It follows that the figures presented in the graphs that appear in this regularly updated publication vary from one edition to another. With the average adoption time under the ordinary legislative procedure being some 16 months, it is also inevitable that the rate of proposals adopted by the co-legislators will take time to catch up with the rate of submission of proposals by the Commission. To clarify the picture, the categories used in the analysis have been further refined since the previous edition. The new categories and subcategories are defined above (see page 2). As with any exercise of this kind, but particularly in the light of this evolving environment, caution should be exercised when seeking to rate progress or make comparisons. Overall, however, this in-depth analysis reveals that the areas where most proposals have been submitted are the digital single market (priority 2), strong global actor (priority 9) and Union of democratic change (priority 10). By contrast, it is in the key areas of jobs, growth and investment (priority 1), economic and monetary union (priority 5), and the area of justice and fundamental rights (priority 7) that the Parliament and Council are still waiting for proposals that the Commission has announced but not yet tabled. The Juncker Commission's ten priorities State of play in early 2018 Page 4 of 36 Our overview also shows that there are some areas where the European Parliament has requested specific action but where the European Commission had not followed up by the end of 2017. This is typically the case for the internal market (priority 4) and justice and fundamental rights (priority 7). Playing by interinstitutional rules and practices The three institutions involved in the legislative process (the European Parliament, the Council of the European Union and the European Commission) are aware that with only one full calendar year to go until the next European elections – which they consider as 'a central democratic moment for voters to assess the effectiveness of the Union' – delivery is of the essence. As initiated following the 2016 Interinstitutional Agreement on Better Law-Making, the Presidents of the three institutions again signed a joint declaration, in December 2017, on the EU’s legislative priorities for the coming year (see below under section 3). In it, they confirmed their commitment 'to deliver a positive agenda for a more inclusive and more united EU' and to 'give priority treatment to ensuring substantial progress and, where possible, delivery before the European elections' of a number of key initiatives. Our research has been designed for both complete and selective reading: the various chapters can be read separately and in any order. To go deeper, hyperlinks lead to more specific websites and pages. A section on main references gathers useful sources, including the previous editions of this six-monthly publication, which tell the story from 2014 onwards. Important issues which do not necessarily fall under one of the ten priorities – such as Brexit or other challenges for the European Union for 2018 – are extensively covered in other EPRS publications available on the EP Think Tank website. Detailed EPRS material on specific legislative files referred to below can also be found on the EP Think Tank. In addition, the latest state of play on individual initiatives coming under the ten priorities can be monitored via the regularly updated Legislative Train Schedule on the Parliament's website. The Juncker Commission's ten priorities State of play in early 2018 Page 5 of 36 2. Main developments in the implementation of the ten political guidelines Priority 1: A new boost for jobs, growth and investment The first priority of the 2014 political guidelines, concerning 'jobs, growth and investment', encompasses three main elements: the European semester, the investment ***plan*** for Europe, put forward in November 2014, and the circular economy package, proposed in December 2015 with an update in 2017. The European Semester The European Semester is the framework for economic and fiscal policy coordination within the EU. It starts each November when the Commission sets the priorities for the year to come and ends in October of the following year, when Member States submit their draft budgetary ***plans***. In this context, the European Commission adopted on 22 November 2017 the following documents: 1. the annual growth survey 2018, in which the Commission calls on Member States to increase investment (see below: 'The investment ***plan***') and to undertake further structural reforms; 2. the alert mechanism report 2018, in which the Commission proposes to draft indepth reviews for 12 countries by February 2018, identifying possible macroeconomic imbalances and assessing their severity; 3. a recommendation for a Council recommendation on the economic policy of the euro area, urging Member States to aim at a broadly neutral fiscal stance at aggregate level for the euro area, implement labour market reforms, continue the work to complete the Banking Union and make progress in completing the economic and monetary union; 4. a draft joint employment report, which for the first time presents the social scoreboard for the European pillar of social rights; 5. a proposal for a Council decision on guidelines for the employment policies of the Member States, in which it presents common priorities and targets for the national employment policies; 6. and lastly, a communication on the 2018 Draft Budgetary ***Plans*** of the euro area. The investment ***plan*** for Europe The purpose of the European Commission's investment ***plan*** is to mobilise and support investment. This is achieved mainly through the European Fund for ***Strategic*** Investment (EFSI) proposed in January 2015, but also through initiatives such as the digital single market, the energy union and the capital markets union (see priorities 2, 3 and 4). Originally endowed with €16 billion in guarantees from the European Union (EU) budget and €5 billion from the European Investment Bank (EIB), EFSI aims to encourage private investors to participate in new investment projects focused on developing infrastructure and innovation – managed by the EIB – and on providing support for small and mediumsized enterprises (SMEs) – managed by the European Investment Fund (EIF). By taking on part of the risk through a first-loss liability, EFSI was meant to allow more than €315 billion of additional investment to be mobilised during a three-year investment period, thereby helping create 2.1 million jobs. To that end, the EU budget included €2.7 billion in commitments for EFSI in 2017 and €2.038 billion in 2018. The Juncker Commission's ten priorities State of play in early 2018 Page 6 of 36 As of December 2017, deals approved under EFSI amounted to €51.1 billion in financing and are expected to trigger €256.1 billion in investments in 28 Member States, mainly in the areas of SMEs, energy and research, development and innovation. These positive trends in investment, which were already visible in summer 2016 and are expected to add 0.7 % to the EU GDP by 2020, encouraged the Commission to adopt a proposal, on 14 September 2016, to double the duration of the fund (until 2020) and increase its financial capacity to €500 billion of investments, by increasing the guarantees to €26 billion and the EIB contribution to €7.5 billion. On 12 December 2017, the European Parliament and the Council adopted the amended proposal and the final act was published in the official journal on 27 December 2017. Another legislative proposal of interest in this context, also adopted by the Commission on 14 September 2016, aims to simplify the financial rules applicable to the general budget of the EU (often referred to as 'Omnibus proposal'). Among other things, the proposal aims to facilitate the combination of European Structural and Investment Funds (ESIF) funding with financial instruments and the European Fund for ***Strategic*** Investments (EFSI). In December 2017, it was still under trilogue discussions. Towards a circular economy The package on the circular economy is meant to contribute to enhancing EU industry sustainability and competitiveness, to fostering sustainable economic growth, and to generating new jobs. This would be achieved by preserving resources (and thus saving costs), by helping businesses to make and export clean products and services around the globe, and by creating local low- and high‐skilled jobs, as well as opportunities for social integration and cohesion. It is estimated that the transition would increase GDP by one to seven percentage points by 2030 and also have an overall positive impact on employment, although jobs in specific sectors could be threatened. Over €650 million in funding was ***planned*** for the package under Horizon 2020, as well as €5.5 billion under the structural funds. The package was originally composed of proposals for four directives on waste, on packaging waste, on landfill of waste and on electrical and electronic waste, and for one regulation on marked fertilising products. In December 2017, these four proposals were under trilogue discussions. On 26 January 2017, the European Commission added to the package a proposal to amend Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment. The proposal was approved by the colegislators in October 2017 and the directive published in the Official Journal on 21 November 2017. On 26 January, the Commission also published a report on the implementation of the circular economy action ***plan*** and a communication on the role of waste-to-energy in the circular economy. The report summarised a number of important initiatives undertaken by the Commission in the context of the circular economy action ***plan***, including the adoption of the Ecodesign working ***plan*** 2016-2019 (November 2016). The working ***plan*** involves the review of existing measures, the launch of preparatory studies for certain products, and initiatives taken in the context of food waste. In this last area, the Commission adopted on 16 October 2017, EU guidelines for food donation, which aim to ease the compliance of providers and recipients of surplus food with requirements (such as traceability, hygiene, or safety) set in EU law, and to contribute to the common interpretation by Member States' regulatory authorities of the relevant European Union rules applying to the redistribution of surplus food. The Juncker Commission's ten priorities State of play in early 2018 Page 7 of 36 The report also announced key initiatives that should be adopted by the Commission in 2017, including a plastics strategy (originally ***planned*** for December but postponed to January 2018) 'to improve the economics, quality and uptake of plastic recycling and reuse, to reduce plastic leakage in the environment and to decouple plastics production from fossil fuels', and a legislative proposal on minimum quality requirements to promote the safe reuse of treated waste water 'while ensuring the health and environmental safety of water reuse practices and free trade of food products in the EU'. Other measures The European Commission aims to complement its existing initiatives on youth, skills and jobs. This is why, as the legal follow-up of its December 2016 communication 'A European solidarity corps' – which aims to create opportunities for young people to 'contribute actively to society in a spirit of solidarity, and acquire new skills and experience, including language skills, in the process' – the European Commission adopted a proposal on 30 May 2017 for a regulation laying down the legal framework of the European solidarity corps. The proposal sets out the objectives, activities and criteria for participation for individuals and organisations; provisions for the monitoring, reporting and evaluation of the performance of the European Solidarity Corps; as well as a management, audit and control system. The Commission defines the budgetary envelope (€341.5 million for the 2018-2020 period), seeking to enable 100 000 young Europeans to take part by the end of 2020. Most of the amount (€294.2 million) concerns redeployed funds from Erasmus+ and other ***programmes***, while the rest is expected to come from contributions from the European Social Fund, the Union civil protection mechanism, the LIFE ***programme*** and the European ***agricultural*** fund for rural development. In December 2017, the proposal was under discussion in Parliament, with a Committee vote scheduled for the plenary in January 2018. The Juncker Commission's ten priorities State of play in early 2018 Page 8 of 36 Priority 2: A connected digital single market An effective digital economy can provide impetus for European markets and open up prospects for new employment. To succeed in this endeavour, Europe needs to overcome legislative fragmentation, offer EU consumers an improved product by removing online barriers, and help businesses expand their online sales. Success depends on the creation of a fully integrated digital single market (DSM), on the basis of the national markets of the Member States. Accordingly, the European Commission adopted the EU DSM strategy in May 2015. This strategy is based on three pillars – developed below – that involve a number of legislative and non-legislative initiatives. In the mid-term review of the DSM strategy published in May 2017, the Commission announced that it had put forward 35 legislative proposals and policy initiatives, and that the focus would shift to obtaining the Parliament and Council's political agreement to them. The Commission intends to propose an initiative on accessibility and re-use of public and publicly funded data in 2018, and would examine possible measures allowing public sector bodies to access and use data of public interest held by private sector entities. Furthermore, in its work ***programme*** for 2018, the Commission announced that in early 2018, it would present a legislative proposal on fairness in platform-to-business relations and a non-legislative text addressing online platform challenges, as regards the spreading of fake information, as well as the revision of the guidelines on market analysis and assessment of significant market power. First pillar: Improving access to digital goods and services for consumers and businesses Modernisation of the copyright rules is an important step under the first pillar, as highlighted in the communication on copyright reform adopted in December 2015. In June 2017, the co-legislators adopted the Regulation on cross-border portability, which enables consumers to access their online subscriptions for content services when they travel across the EU and are temporarily outside their Member State of residence. The European Commission adopted a comprehensive legislative package to further harmonise EU copyright rules and adapt them to the digital environment on 14 September 2016. The European Parliament and the Council adopted a regulation and a directive for implementing in the EU the provisions of the Marrakesh Treaty aiming to facilitate access to published works for people who are blind, visually impaired or print disabled, in July 2017. Furthermore, the Parliament agreed on amending the Commission's proposal for a new regulation laying down rules for online transmissions and retransmissions of television and radio ***programmes*** and to start the trilogue negotiations in November 2017. The proposal for a new directive on copyright in the DSM is, however, still under consideration in the Parliament and Council without noticeable progress yet. To improve consumer protection when shopping online, and to help EU businesses boost their online sales, the Commission adopted two proposals in December 2015: a first proposal on the supply of digital content, and a second proposal on the online sale of goods. Both texts tackle the fragmentation of the current DSM legal framework. The Parliament decided to amend the proposal on the supply of digital content and to start negotiations with the Council in November 2017. Following the initial discussions with the Parliament and the Council, the Commission adopted in October 2017 an amended proposal on the online sale of goods in order to cover also face-to-face sales. To address geo-blocking, in May 2016, the Commission adopted a proposal for a new regulation to prevent traders from discriminating between online customers on the basis The Juncker Commission's ten priorities State of play in early 2018 Page 9 of 36 of their nationality, place of residence, or place of establishment within the EU. A provisional agreement prohibiting unjustified geoblocking was reached in November 2017, opening the door to final adoption by the Council and the Parliament to finalise the legislative process. The European Commission adopted a proposal reforming the Consumer Protection Cooperation Regulation, which aims at increasing the powers of national authorities to better reinforce consumer rights, in May 2016. The Commission also submitted a proposal for a regulation on cross-border delivery of parcel services, to increase price transparency and improve regulatory oversight in the sector. In addition, the new simplified VAT rules to support e-commerce and online businesses was adopted in December 2017, which will streamline tax procedures for distant sales. Second pillar: Creating growth-conducive conditions and a level playing field for digital networks and innovative services Data protection and privacy rights play an important role in the context of the second pillar. The new comprehensive rules in this area were adopted in April 2016. To complement these rules, the Commission adopted a proposal for a regulation aimed at revising and updating the e-Privacy Directive in January 2017. The objectives of the review include: enhancing security and confidentiality of e-communications also by extending the scope of the legislation to 'over the top' service (e.g Skype, Facebook, or Whatsapp); clarifying rules on tracking tools such as cookies; and achieving greater harmonisation between Member States. The European Parliament adopted its position at first reading in October 2017, although by a small majority. The file is far from being concluded as discussions are still ongoing in the Council. Concerns (especially from the industry) relate in particular to the grounds for data processing. The Commission has also announced its guidelines for the implementation of the general data protection rules for early 2018. In April 2017, the co-legislators adopted a decision for a long-term strategy for the use of the 694-790 MHz frequency band, reallocating bandwidth to mobile internet services, rather than television broadcasting. Under the agreement, EU countries will reassign this high-quality frequency band to wireless broadband services by 30 June 2020. To improve connectivity in the EU, the Commission proposed a set of measures under the gigabit society initiative, in September 2016. They include a proposal for the overhaul of telecom rules under the new European electronic communications code; a proposal for a regulation on the Body of European Regulators of Electronic Communications (BEREC); and a proposal for a regulation on the promotion of internet connectivity in local communities and public spaces (WIFI4EU) – which was adopted in September 2017 – as well as communication on a 5G action ***plan***. On the rules for wholesale roaming markets, the European Parliament approved the agreement in April 2017 and the regulation was published on 9 June 2017. As a result, since 15 June 2017, when travelling in the EU, consumers have been able to roam like at home. Further ongoing developments include a review of the Audiovisual Media Services Directive aiming to introduce more flexible and future-proof rules, which is at the trilogue negotiations stage. The Juncker Commission's ten priorities State of play in early 2018 Page 10 of 36 In September 2017, the Commission adopted a cybersecurity package, which would establish a European cybersecurity research and competence centre to support the development of technology and industrial capabilities in cybersecurity, create an EU cybersecurity agency to help Member States deal with cybersecurity attacks, as well as an EU-wide certification scheme for secure products and services. Third pillar: Maximising the growth potential of the digital economy In April 2016, the European Commission adopted a set of communications on digitising European industry, the European cloud initiative, the e-government action ***plan*** for 2016-2020, and the priorities of ICT standardisation. These strategies intend to support initiatives for a dig

ital transformation of industry and related services; boost investment through ***strategic*** partnerships and networks; accelerate the development of common standards in priority areas (such as 5G communication networks); and modernise public services. The Commission's communications were complemented in 2017 by a new European interoperability framework, which will improve coordination of the digitisation of public administrations in the EU, as well as by the proposal for a single digital gateway – an access point for businesses and citizens to information, online administrative procedures and assistance services. In September 2017, the Commission adopted a proposal for a regulation on the free flow of non-personal data that will enable data to circulate freely across borders and create a genuine common European data space. The Juncker Commission's ten priorities State of play in early 2018 Page 11 of 36 Priority 3: A resilient energy union with a forward-looking climate change policy In line with the EU's commitment to provide its citizens and businesses with secure and affordable energy, while also addressing the causes of climate change, the European Commission launched its European energy union strategy in February 2015, which was endorsed by the European Council in March 2015. The strategy builds on the 2030 policy framework for climate change and energy, which laid down three key targets for the EU by 2030: a minimum 40 % cut in greenhouse gas emissions compared to 1990; at least a 27 % market share for renewable energy; and an improvement in energy efficiency of not less than 27 %. The energy union strategy has five inter-related dimensions covered in the sections below. To address this priority, the European Commission adopted a series of packages:  a summer energy package of legislative proposals on energy efficiency labelling and emissions trading, and communications on energy markets and consumers, in 2015;  a sustainable energy security package, in February 2016;  a package focused on addressing climate issues falling outside the emissions trading system (ETS) sector, in July 2016.  a 'clean energy for all Europeans' package, in November 2016. It includes, amongst others, a proposal for a regulation on the governance of the energy union that aims at enhancing the transparency and coordination of energy policies between Member States. This would oblige Member States to prepare national energy and climate ***plans***, as well as long-term low-emission strategies, and to ***produce*** regular progress reports.  On 8 November 2017, the Commission adopted the clean mobility package, which includes proposals to foster low-carbon solutions in the transport sector. The third state of the energy union report, published on 24 November 2017, notes that almost all Commission initiatives were delivered, highlights the importance of engagement with Member States and society as a whole and urges Member States to deliver their post-2020 draft integrated national energy and climate ***plans*** by early 2018. The Commission's 2018 work ***programme*** envisages a communication on the future of EU energy and climate policies, covering also the Euratom treaty, by mid- 2018. Energy security, solidarity and trust The Regulation on the security of gas supply was adopted in October 2017. To ensure that intergovernmental agreements (IGA) with non-EU countries in the field of energy are compatible with EU law, the decision on IGAs requiring Member States to submit draft IGAs for an ex-ante check, came into force in May 2017. In addition, the Commission adopted a legislative proposal on risk preparedness in the electricity sector in November 2016. The Commission adopted a proposal to amend the Gas Directive to extend common EU gas rules to import pipelines. International climate change agreements The European Union played a leading role in the negotiations leading to the Paris Agreement, a global climate agreement concluded in December 2015 at the UN Climate Change Conference (COP21). A European Parliament delegation took part in these negotiations. The Paris Agreement entered into force in November 2016. In 2016, international agreements to reduce greenhouse gas emissions were also concluded in the International Civil Aviation Organization (ICAO) for the aviation sector, and under the Montreal Protocol for fluorinated greenhouse gases. The EU ratified the Doha amendment to the Kyoto Protocol in December 2017. The Juncker Commission's ten priorities State of play in early 2018 Page 12 of 36 Fully integrated European energy market In July 2015, the Commission adopted an initial set of proposals to deliver a new deal for energy consumers. The 2016 Regulation on energy price statistics aims at improving the collection and comparability of gas and electricity price statistics in Member States. A European energy market needs physical interconnections to transport gas and electricity between Member States. In February 2015, the Commission issued a communication on electricity interconnections describing measures needed to reach the target of 10 % electricity interconnection by 2020. The third list of PCI – key energy infrastructure projects that receive financial support from the Connecting Europe Facility (CEF) and the European Fund for ***Strategic*** Investment (EFSI) – was adopted in November 2017. A communication on strengthening Europe's energy networks calls on all stakeholders to maintain commitment and accelerate the building of key energy networks. The Commission adopted legislative proposals for a new electricity market design in November 2016, consisting of a proposal for a directive and a proposal for a regulation, as well as a proposal for a recast regulation on the role of the European Agency for the Cooperation of Energy Regulators (ACER). This was accompanied by a report on the Commission's sector inquiry on capacity mechanisms. Energy efficiency contributing to moderation of demand The European Commission promotes 'energy efficiency first' as a principle, meaning that energy efficiency should be given consideration before taking steps to expand production, import or transport capacity. The Regulation on energy efficiency labelling, which aims to make energy labels easier for consumers to understand, was adopted in June 2017 and entered into force in August 2017. In December 2017, a trilogue agreement was reached on the November 2016 proposal for a revision of the Energy Performance of Buildings Directive. The Commission also proposed a revision of the Energy Efficiency Directive in November 2016. At the same time, it adopted an ecodesign working ***plan*** and implementing legislation on verification procedures, eco-design requirements for air heating and cooling products, and guidelines on industry self-regulation. Decarbonising the economy This priority is focused on the transition towards a low-carbon economy to meet the EU's climate targets. The July 2015 proposal for reform of the EU ETS in line with the EU's 2030 greenhouse gas reduction target reached a trilogue agreement in November 2017. In December 2017, trilogue agreements were reached on a legislative proposal concerning effort sharing for greenhouse gas reduction in the sectors outside the ETS, and on new rules for accounting for and reducing greenhouse gas emissions from land use and forestry. The February 2017 proposal for a regulation concerning post-2020 emissions trading for the aviation sector, taking account of the development of a global market-based measure in the ICAO, was adopted by Parliament and Council in December 2017. The Commission's latest progress report on climate action, entitled 'Two years after Paris', concludes that the EU has succeeded in decoupling its economic growth from its emissions. To decarbonise the transport sector, the Commission presented a European strategy for low emission mobility in July 2016 and a European strategy on cooperative, intelligent transport systems in November 2016. On 31 May 2017, it proposed a regulation for The Juncker Commission's ten priorities State of play in early 2018 Page 13 of 36 monitoring and reporting CO2 emissions from heavy-duty vehicles, as part of its 'Europe on the move' package. Legislative proposals for post-2020 CO2 targets for cars and vans and for promoting public procurement of clean vehicles were adopted in November 2017, along with an action ***plan*** for alternative fuels infrastructures. The first-ever CO2 targets for heavy-duty vehicles are ***planned*** for the second quarter of 2018. Research, innovation and competitiveness The Commission revised the ***strategic*** energy technology (SET) ***plan*** to promote research and innovation in September 2015. In November 2016, it presented a communication on accelerating clean energy innovation. As part of its renewed EU industrial policy strategy, the Commission launched a battery initiative in October 2017, with the aim of establishing a full value chain of batteries in Europe. European Parliament position The Parliament set out its views on the energy union in its resolution of December 2015, reiterating its calls for more ambitious targets for energy efficiency and renewable energy. It adopted resolutions on delivering a new deal for energy consumers in May 2016; on the renewable energy progress report in June 2016; on EU strategy on heating and cooling in September 2016; and on an EU strategy for liquefied natural gas and gas storage in October 2016. In addition, the Parliament set out its positions ahead of certain major legislative proposals through own-initiative reports: on energy efficiency, in June 2016; and energy market design, in September 2016. A parliamentary delegation participated in the UN climate negotiations in Lima, Paris, Marrakesh and Bonn. On 4 October 2017, the Parliament adopted a resolution on COP23, emphasising the need for ambitious climate action. The Juncker Commission's ten priorities State of play in early 2018 Page 14 of 36 Priority 4: A deeper and fairer internal market with a strengthened industrial base In his 2014 political guidelines, the President of the European Commission, Jean-Claude Juncker, made the political commitment to unleash the full potential of the single market and make it the platform of a sustainable, competitive European economy on the global stage. The further completion of the EU single market that supports innovation, digitisation and industrial transformation requires a multi-pronged approach. Capital markets union Through the establishment of a capital markets union (CMU) by 2019, the Commission aims to diversify and improve access to funding for enterprises, especially small and medium-sized enterprises (SMEs), and to increase the European economy's shock absorption capacity. European businesses are still heavily dependent on banks for their funding, and much less so on capital markets, and therefore face higher costs. The co-legislators adopted a series of legislative proposals in 2017. To facilitate SME access to market-based investments and promote long-term projects, they adopted the Regulation amending legislation on European venture capital funds (EuVECA) and on European social entrepreneurship funds (EuSEF), both on 25 October 2017. To improve the lending capacity of banks, they adopted two amending proposals: the Regulation laying down common rules on securitisation and the Regulation on prudential requirements for credit institutions and investment firms, both on 12 December 2017. To make it easier for companies to enter and raise capital on public markets, they had adopted the Prospectus Regulation on 14 June 2017. For preventive restructuring and second chance for entrepreneurs, the Commission adopted in November 2016 a proposal on business insolvency, which would help reinforcing trust in cross-border investments. The Commission presented the main achievements in the mid-term review of the capital markets union action ***plan***, on 8 June 2017. New priorities, partly emerging as a response to issues such as the United Kingdom's withdrawal from the EU (Brexit), aim at strengthening the effectiveness of supervision, enhancing the proportionality of rules to support SMEs' initial access to public markets, adapting the existing prudential and supervisory requirements to investment firms, harnessing the potential of FinTech, fostering sustainable finance, tackling the non-performing loans issue, and facilitating cross-border investment. As a first follow-up of the review, the Commission adopted a comprehensive package on 20 September 2017. It includes a communication entitled 'Reinforcing integrated financial supervision', a proposal amending the Regulation establishing the European Supervisory Authorities (ESAs), a proposal amending the Regulation establishing the European Systemic Risk Board (ESRB), and amendments to some supervisory provisions set out in existing and pending regulations. Tax measures To ensure a better business environment and sustainable revenues, everybody needs to contribute their fair share. Addressing corporate tax evasion and tax fraud is a necessity. As regards transparency, four revisions to the Directive on administrative cooperation (DAC) were adopted between 2014 and 2016. The proposal adopted by the European Commission on 21 June 2017 to impose an obligation on e-tax intermediaries to report on cross-border arrangements is currently being negotiated. The Juncker Commission's ten priorities State of play in early 2018 Page 15 of 36 As for the tax base, two proposals on the re-launch of the common consolidated corporate tax base (CCCTB), adopted by the Commission on 25 October 2016, are under discussion (common corporate tax base (CCTB) and common consolidated corporate tax base proposals). As regards tax avoidance, the Directive on rules against tax avoidance practices was adopted by the co-legislators in July 2016 and the Directive on hybrid mismatches – amending the latter – was adopted on 21 June 2017. When it comes to the value added tax system, the Commission adopted the action ***plan*** on VAT: towards a single EU VAT area on 7 April 2016. The ***plan*** includes setting principles for a future single European VAT system, updating the framework for VAT rates, measures to tackle VAT fraud, updating the framework for VAT rates, and the modernisation of VAT rules for e-commerce. On 4 October 2017, the Commission launched its ***plans*** for the biggest VAT reform that should help to overcome VAT fraud and create a simpler and more robust system for companies to use and at the same time draw all the benefits from the single market in a global context. The reform envisages a future VAT system where VAT would be charged on sales that are made across borders to another country in the EU. To adapt VAT systems to the digital economy, on 5 December 2017, the Commission adopted the VAT digital single market package to facilitate cross-border trade, combat VAT fraud, ensure fair competition for EU businesses, and to provide equal treatment for online publications. Upgrading the single market A number of obstacles continue to hamper the single market, including with regard to enabling citizens to live and work wherever they like across the EU. On 10 January 2017, the Commission made three legislative proposals and published a communication. The proposal for a new European services e-card provides a simplified electronic procedure for completing administrative formalities when intending to provide services abroad. The one on proportionality assessment of national rules on professional services aims to ensure that Member States undertake a comprehensive and transparent proportionality test prior to setting national rules on professional services. Finally, the proposal on improved notification of draft national laws on services intends to allow both European authorities and Member States to raise potential concerns about legal incompatibilities between EU and national law at an early stage of national law making. A communication provides guidance for national reforms in regulation of professions, with the aim of opening up the services markets. On 2 May 2017, the Commission presented its compliance package, with proposals for a single digital gateway, a single market information tool (SMIT), and an action ***plan*** on the reinforcement of Solvit. While SMIT will allow the Commission to access, in targeted cases, some available data from companies, Solvit aims to provide people and companies with access to high quality information, online administrative procedures, and assistance services, through a single digital entry point. Finally, the renewed EU industrial policy strategy from September 2017, touching upon cybersecurity, free flow of non-personal data, trade and foreign investment, raw materials and public procurement, offers a holistic approach to industry, combining both existing and new horizontal and sector-specific initiatives. Labour mobility package Enabling labour mobility to counterbalance skills mismatches is imperative to reach the full potential of the single market. Labour mobility needs to go hand in hand with fair labour markets and equal social rights for all workers. These, in turn, should contribute to more growth, jobs and upward social convergence. The labour mobility package comprises: (i) supporting labour mobility and tackling abuse by means of better social The Juncker Commission's ten priorities State of play in early 2018 Page 16 of 36 security system coordination, for which the Commission made a proposal on 13 December 2016; (ii) the targeted review of the Posting of Workers Directive, for which a Commission proposal was put forward on 8 March 2016; and (iii) enhanced European employment services (EURES) thanks to a regulation adopted in April 2016, which is intended to facilitate the freedom of movement of workers within the EU. The aim of the first legislative proposal is to ensure that the rules coordinating social security schemes respond to recent social, economic and political developments in the EU. The proposal focuses in particular on areas that have not been satisfactorily covered to date and where improvements are required: economically inactive citizens' access to social benefits, long-term care benefits, unemployment benefits and family. In this process, the French Senate submitted a reasoned opinion on 20 March 2017 for non-compliance with the principle of subsidiarity. In the case of the second legislative proposal, the revision of the Posting of Workers Directive, 11 Member States' parliaments declared themselves against the Commission proposal, triggering the 'yellow card' procedure. In June 2016, after careful consideration of the Member States' views, the European Commission concluded that the proposal does not constitute a breach of the subsidiarity principle and decided to maintain it, opening the way to the trilogue negotiations. In addition, the joint proclamation on the European Pillar of Social Rights – with 20 principles and rights in relation to equal opportunities and access to the labour market, fair working conditions and social protection and inclusion – was signed by the Commission, Council and Parliament at the Gothenburg Social Summit on 17 November 2017. The main challenge remains bringing this reference framework to all citizens across the EU. Due to limited EU competence in the social field, implementation of the social pillar is for the Member States, in cooperation with social partners, while the European Commission will monitor the process via the European Semester. How to make the EU's role as effective as possible in the implementation process is currently under further discussion among the three institutions and the stakeholders. The Juncker Commission's ten priorities State of play in early 2018 Page 17 of 36 Priority 5: A deeper and fairer economic and monetary union This fifth priority reflects the understanding that, through the completion of EU economic and monetary union (EMU), Europe can build a stronger and more efficient European economy, prepare for the global challenges that lie ahead, and provide conditions for Member States to prosper. Completion of economic and monetary union In line with the 2014 political guidelines, European Commission President Jean-Claude Juncker, in close cooperation with the then presidents of, respectively, the European Council, Donald Tusk; the Eurogroup, Jeroen Dijsselbloem; the European Central Bank, Mario Draghi; and the European Parliament, Martin Schulz; prepared a report on completing Europe's economic and monetary union (the 'Five Presidents' Report'). Presented on 22 June 2015, it reflects the personal deliberations and discussions of the five presidents, provides ideas on to how to deepen EMU, and advises on possible stages for implementation, beginning from July 2015. Stage 1, entitled 'deepening by doing' (1 July 2015-30 June 2017), prescribes building on existing instruments and treaties to boost competitiveness and structural convergence, complete the financial union, achieve responsible fiscal policies at national and euro area level, and enhance democratic accountability. Stage 2, 'completing EMU', proposes far-reaching measures to make the convergence process more binding, in particular through a set of commonly agreed benchmarks that could be given a legal nature, with the final stage with a fully-fledged EMU to be reached at the latest by 2025. The European Parliament's contributions were based on its past and current positions, in particular those set out in its resolution of 24 June 2015 on 'review of the economic governance framework: stocktaking and challenges'. In this resolution, Parliament placed particular emphasis on the democratic legitimacy and accountability of the European semester, and the proposal for a fiscal capacity within the euro area. The Parliament furthermore demanded that the European stability mechanism (ESM) and the fiscal compact (the fiscal part of the Treaty on Stability, Coordination and Governance, TSCG), 'be fully integrated into the Community framework', making it formally accountable to Parliament. The European Parliament monitors the process closely and, in February 2017, adopted resolutions first on a budgetary capacity for the euro area, second on improving the functioning of the European Union: building on the potential of the Lisbon Treaty, and third on possible evolutions of and adjustments to the current institutional set-up of the European Union. On 21 October 2015, in line with the 'five Presidents' report' (Stage 1), the Commission presented specific steps to complete EMU. The texts contain a recommendation for a Council recommendation on a euro area system of national competitiveness authorities and a European Commission decision establishing an independent advisory European fiscal board. This board is intended to focus on 'the horizontal consistency of the decisions and implementation of budgetary surveillance', and advise on the 'appropriate fiscal stance for the euro area'. Moreover, the Commission set out a roadmap towards a more efficient external representation of the EMU in relation to multilateral financial institutions such as the International Monetary Fund (IMF), while also reinforcing democratic accountability and legitimacy before the European Parliament. As to economic governance, the Commission 'revamped' the European semester process as of 2016-2017, by strengthening democratic accountability and by addressing EMU issues prior to country-specific recommendations. The Juncker Commission's ten priorities State of play in early 2018 Page 18 of 36 On 24 November 2015, the European Commission proposed a regulation for a European deposit insurance scheme (EDIS), to create the 'third pillar' of banking union. The proposal aims at reducing the potential spill-over risk from local bank failures on financial stability in the economic and monetary union as a whole. In view of the rather slow advancement of the dossier, the Commission advocated in a communication published on 11 October 2017, to introduce EDIS in two phases, linking the final introduction of EDIS to further risk reduction in the banking sector, including an asset quality review as a condition to access to loss coverage by EDIS. The Commission already addressed some of these risks in its banking reform package, adopted on 23 November 2016. The first and second pillar of banking union, banking supervision and resolution, were put to a first test in early June 2017. On 7 June 2017, reacting to an ECB statement, the Single Resolution Board adopted a resolution decision for the first time, transferring the Spanish bank Banco Popular to Banco Santander, and putting the EU's new bank resolution framework into practice. European pillar of social rights On 8 March 2016, the Commission launched a debate on a European pillar of social rights for the euro area. This initiative set out to identify common principles and benchmarks with a view to achieving greater convergence in employment and social performance over time. The proclamation of the European Pillar of Social Rights was signed during the Gothenburg Social Summit of 17 November 2017. The pillar is a collection of 20 non-binding principles and rights supporting the renewal of current labour markets and welfare systems. Next steps On 1 March 2017, the Commission published a white paper proposing five options for the future of Europe and launched a 'reflection paper' process. The reflection paper on deepening of economic and monetary union of 31 May 2017 assesses progress made so far and outlines next steps in two phases: 2017 to 2019, and 2020 to 2025. It describes possible action to be taken by the next elections in 2019 (mainly completing banking union and capital markets union), and delivers a 'series of options' for the following years. After 2020, the Commission envisages euro area options for a common issuance of debt ('European safe asset') as well as a macroeconomic stabilisation function, such as a 'European investment protection scheme'. However, and contrary to what was initially expected, the document did not include specific legal measures to complete the EMU. The Commission became more specific with President Juncker's State of the Union speech and the accompanying letter of intent of 13 September 2017, followed by the Commission work ***programme*** 2018, which was published on 24 October 2017. The intergovernmental Treaty on Stability, Governance and Growth (TSCG) is to be integrated into Community law, and similarly the intergovernmental European Stability Mechanism (ESM) is to be transformed into a European Monetary Fund (EMF), also under Community law. The EU budget would be given a strong EMU dimension, with dedicated euro area budget lines that would offer (i) structural reforms assistance, (ii) a stabilisation function, (iii) a backstop for the Banking Union's single resolution mechanism, and (iv) EMU pre-accession assistance. With a 2025 perspective, euro area safe assets may be developed, and a European finance and economy minister, possibly in the form of a Commission Vice-President, who could also chair the Eurogroup, may be created. Further steps to strengthen the banking union were also announced. The Commission is considering use of the Treaty's 'passerelle clause' to move from unanimity to majority voting in fields such as taxation. The Juncker Commission's ten priorities State of play in early 2018 Page 19 of 36 On 6 December 2017, the Commission set out a roadmap for deepening Europe's economic and monetary union, and adopted proposals on the integration of the TSCG into Community law, as well as the transformation of the ESM into an EMF anchored in the Union legal framework. A proposal was made to start a pilot phase using the performance reserve, in the current European Structural and Investment Funds (ESIF), to support reforms instead of specific projects, in order to mobilise funds in support of national reforms. Another proposal seeks to increase the financial envelope of the structural reforms support ***programme***. The European Commission also adopted a communication on the possible creation of a European Minister of Economy and Finance, and another on new budgetary instruments for a stable Euro area. Others have started adding their voices to the discussion, most notably French President Macron, mainly with his Sorbonne speech of 26 September 2017. He advocates an approach that also comprises strong intergovernmental elements, such as a separate parliament for the euro, as well as a dedicated budget for the euro area, to be created outside the existing EU budget. A number of European Council meetings have been ***planned***, starting with a first discussion on 14-15 December 2017, and a possible culmination at the meeting of Leaders in Sibiu on 9 May 2019, where important decisions on the future of Europe may be taken. However, at the time of writing, no government had been formed in Germany, something which seriously disrupted the choreography. At the European Council meeting of 14-15 December 2017, it was decided to continue discussing the euro area reform, especially concentrating on the completion of the banking union and the transformation of the ESM, and to convene the next Euro summit for March 2018. The Juncker Commission's ten priorities State of play in early 2018 Page 20 of 36 Priority 6: A balanced and progressive trade policy to harness globalisation A new narrative President Juncker's sixth priority originally focused on the Transatlantic Trade and Investment Partnership (TTIP) with the United States. However, in the second half of 2017, the Commission decided to update this priority and make it geographically neutral to reflect political changes and shifting concerns on both sides of the Atlantic. The updated priority now encompasses the EU's entire trade policy and links it to the broader issue of globalisation. Several documents reflect the Commission’s rationale behind and move towards updating this priority. The first is the Commission's communication 'Trade for all – Towards a more responsible trade and investment policy', adopted in October 2015. This new trade strategy emphasises the importance of an effective and transparent trade policy that is based on values and helps shape globalisation. A second important document is the Commission's 'reflection paper on harnessing globalisation' of May 2017 in which the Commission discusses ways to respond to the opportunities and challenges of globalisation. This reflection paper was followed by a Commission communication in September 2017 that outlines a number of new initiatives in EU trade policy ('the September 2017 trade package'). The Commission's main work on trade negotiations, legislative files and implementation of its 'trade for all' strategy is set out below. The state of play of trade negotiations One of the Juncker Commission's biggest achievements so far has been the provisional entry into force of the EU-Canada Comprehensive Economic and Trade Agreement (CETA) in September 2017. The Commission is also working on finalising free trade agreements (FTAs) with Singapore and Vietnam. In May 2017, the EU-Singapore FTA was the subject of an opinion of the Court of Justice of the EU (CJEU). As a result, both parties are now determining how to proceed with the signing and ratification process. The EU-Vietnam FTA is undergoing legal review and will likely also be impacted by the CJEU opinion. As regards ongoing FTA negotiations, the Commission reached a final agreement with Japan on an Economic Partnership Agreement (EPA) in early December 2017 that built on their earlier political agreement in principle of July 2017. Negotiations with Japan on investment protection are still ongoing. The Commission's trade negotiations with Mexico (as part of the modernisation of the 2000 Global Agreement) and with Mercosur are both at a very advanced stage and could be finalised early 2018. Various other FTA-negotiations have also taken place, including with Indonesia and the Philippines. The Commission has simultaneously been working on several new initiatives. In November 2017, for example, it launched negotiations with Chile to modernise the 2003 Association Agreement. Just before that, in September 2017, the Commission also proposed starting FTA negotiations with Australia and New Zealand. It is currently waiting for the approval by Council of the proposed negotiating mandates before it can formally launch these negotiations. The Juncker Commission is also actively pursuing a reform of international investment protection. In response to opposition to Investor-State Dispute Settlement (ISDS) mechanisms in existing and ***planned*** FTAs (including from the Parliament), the Commission has been laying the groundwork for an alternative approach by proposing The Juncker Commission's ten priorities State of play in early 2018 Page 21 of 36 the creation of a new investment court system (ICS). The envisioned Multilateral Investment Court (MIC) builds on innovations in CETA and the EU-Vietnam FTA, which already include the ICS. As part of its September 2017 trade package, the Commission adopted a recommendation for a Council decision authorising the opening of these negotiations. Separately, the Commission has also held bilateral investment negotiations with China and is preparing to launch similar talks with Taiwan and Hong Kong. There has been less success in other areas. The TTIP-negotiations with the US came to a halt with the election of US President Donald Trump in November 2016 (although an EU-US agreement on mutual recognition of inspections of medicine manufacturers was concluded in March 2017 and another agreement on insurance and reinsurance is expected to be approved early 2018). Plurilateral negotiations on a Trade in Services Agreement (TiSA) were put on hold for similar reasons and talks on an Environmental Goods Agreement (EGA) have so far not been successful either. Furthermore, the two ***planned*** Economic Partnership Agreements (EPAs) with Western African countries and the East African Community have not been signed by some Africans countries that have taken part in the negotiations despite the fact that both negotiations were finalised back in 2014. Lastly, while the 10th World Trade Organization (WTO) Ministerial Conference (MC) in 2015 resulted in the adoption of the Nairobi Package, the 11th MC in December 2017 in Buenos Aires did not ***produce*** any significant results for multilateral trade relations. The state of play of legislative files The co-legislators adopted an amending regulation to a 2005 regulation on export of goods that could be used for capital punishment and torture (Anti-torture Regulation) in November 2016 and a new regulation on trade in conflict minerals was adopted in May 2017. The Commission also adopted a proposal on a new anti-dumping calculation methodology in November 2016, which was approved by the co-legislators in late 2017 and entered into force on 20 December 2017. This proposal is complementary to a 2013 Commission proposal on a complete modernisation of EU trade defence instruments (TDI). An interinstitutional political agreement on this TDI reform was reached in December 2017 and is expected to be formally approved by the Parliament and the Council in 2018. Other legislative proposals of the Juncker Commission currently awaiting approval include: the 2016 amended proposal for a regulation on International Procurement Instrument (based on a proposal from 2012); a proposal on a European framework to screen foreign direct investment (submitted as part of the Commission's September 2017 trade package); and a proposal on the import of cultural goods (adopted in July 2017). Implementation of the 'Trade for all' strategy In September 2017, the Juncker Commission presented a report on the implementation of its 'Trade for all' strategy. As regards a progressive EU trade policy, the Commission managed to introduce several new issues in some of the EU's FTAs. These include energy and raw materials in its Vietnam and Ukraine agreements, the creation of a new investment court system (ICS) in CETA and the EU-Vietnam FTA, and mobility of professionals in CETA and the EU-Japan FTA. In November 2017, the Commission also released its annual report on the implementation of FTAs, which comes on top of existing implementation reports on specific FTAs (such as EU-South Korea). The Juncker Commission's ten priorities State of play in early 2018 Page 22 of 36 In relation to the effectiveness of EU trade policy, the Commission tackled a number of trade barriers via the Market Access Partnership through which it coordinates its activities with Member States and businesses. In 2016, for example, the Commission resolved 20 cases affecting €4.2 billion worth of EU exports. In the WTO, the Commission is currently pursuing 21 complaints against 10 different trading partners on behalf of the EU. It considers that WTO rulings have secured fair trading conditions in a number of cases, including on refrigerator exports to Russia and raw material imports from China. As regards the transparency of EU trade policy, the Commission has instituted a transparency in action website containing all published documents on the various negotiations (although market access offers will remain confidential). As part of its September 2017 trade package, the Commission also announced the creation of an advisory group on EU trade agreements in order to foster an inclusive trade policy, and decided to henceforth publish its recommendations for Council negotiating directives. This is in line with repeated calls from the Parliament to increase transparency at all stages of trade negotiations. Regarding values in EU trade policy, the Commission initiated a debate in July 2017 on sustainable development chapters in its FTAs and what could be done to improve them. Moreover, the Commission is ***planning*** to launch a review of sustainable development provisions in CETA. It has also tabled proposals on anti-corruption provisions in its negotiations with Mexico and ***plans*** to do the same in its negotiations with Chile. Moreover, the Commission has suspended negotiations with Thailand because of concerns over fundamental rights. The EU has also adopted the aforementioned amended Anti-torture Regulation and new Conflict Minerals Regulation under the Juncker Commission. The Juncker Commission's ten priorities State of play in early 2018 Page 23 of 36 Priority 7: An area of justice and fundamental rights based on mutual trust Continuing the focus on security President Juncker's 2014 political guidelines were ambitious in relation to strengthening justice and fundamental rights across the EU. However, over the last three years, the EU has been increasingly confronted with major security challenges, necessitating a shift in the focus of EU measures within the area of freedom, security and justice, with security issues increasingly dominant. In particular, a series of recent terrorist attacks have resulted in issues such as radicalisation, terrorism financing and information sharing figuring higher than ever on both national and EU agendas. Combating terrorism Two important counter-terrorism instruments, adopted in 2017, will have to be transposed by Member States in 2018: a revised Firearms Directive, as part of a package of measures aiming at stronger firearms control, and a Directive on combating terrorism, aimed at implementing new international standards as regards the criminalisation of a wide range of terrorist activities, including travelling for terrorist purposes and receiving terrorist training. The implementation of the action ***plan*** to fight terrorist financing is ongoing and several legislative proposals are close to adoption. While a political agreement was reached on 20 December 2017 on targeted amendments to the 2015 Fourth Anti-Money-Laundering Directive, work is also progressing on proposals regarding the harmonisation of criminal sanctions for money laundering, controls on cash entering or leaving the Union, and the mutual recognition of criminal asset freezing and confiscation orders, adopted by the Commission in December 2016. With a view to better information sharing, significant attention has been devoted to improving the existing EU information systems, and developing new complementary tools. Two recent Commission proposals on information systems focusing on the security dimension of border management are close to agreement by the Parliament and the Council: the proposal for a European travel information and authorisation system (ETIAS) and the package of proposals for regulations on the Schengen information system, including one on its establishment, operation and use in the field of police cooperation and judicial cooperation in criminal matters. Moreover, trilogue negotiations are close to starting on the Commission proposal to upgrade the European criminal records information system (ECRIS), complemented in June 2017 by a supplementary proposal aimed at establishing a centralised system for the identification of convicted thirdcountry nationals (ECRIS-TCN). To enhance operation of the existing and new systems, the Commission has developed a new approach to their management, based on the recommendations formulated in the final report of the high-level expert group on information systems and interoperability (HLEG) in May 2017, and in line with the Council conclusions of June 2017. The new approach integrates interoperability solutions, such as a European search portal, shared biometric matching service and a common identity repository. On 12 December 2017, the Commission adopted two legislative proposals in this regard: one for police and judicial cooperation, asylum and migration, and another one for borders and visa. From the technical point of view, the development of interoperability solutions as well as centralised management of existing and new EU information systems will be the task of the EU agency for the operational management of large scale IT systems (eu-LISA): the extension of its mandate is on the agenda of the trilogue negotiations expected to start soon. The Juncker Commission's ten priorities State of play in early 2018 Page 24 of 36 With regard to information and intelligence-sharing in counter-terrorism, Europol is playing a central role, namely with the creation, within its structure, of the European Counter-Terrorist Centre (ECTC) in January 2016 and the entry into force of the new Europol Regulation in May 2017. The ECTC pools and streamlines Europol's resources and expertise in terrorism travel and financing, illegal arms trafficking and countering online terrorist propaganda. As for the latter, the creation of the EU Internet Referral Unit (EU IRU), which is part of the ECTC, and of the EU internet forum, bringing together Europol, national governments, and technology companies to counter terrorist content and hate speech online, are among the most important developments. In September 2017, the Commission published a communication on tackling illegal content online, calling on the online platforms to act more proactively to remove such content and prevent its re-appearance. In its broader efforts to tackle radicalisation, the Commission set up a dedicated high-level expert group (HLCEG), which published its first interim report in December 2017. This and further steps to counter radicalisation were announced as part of a package of anti-terrorism measures, adopted in October 2017 and including action ***plans*** on the protection of public spaces and on chemical, biological, radiological and nuclear (CBRN) risks, a recommendation on explosive precursors, as well as proposals on strengthening the external dimension of EU action. The latter include accessing, on behalf of the EU, the Council of Europe Convention on the Prevention of Terrorism and its Additional Protocol, as well as opening the negotiations for a revised passenger name record (PNR) agreement with Canada. Progress in the area of justice and fundamental rights Although the progress in the area of justice proved to be rather slow, some key instruments were (or came close to being) adopted in 2017, while preparatory work is ongoing in new areas, such as criminal justice in cyberspace.  Legislative developments in criminal justice Even though no agreement could be reached in the Council on the proposal concerning the European Public Prosecutor's Office (EPPO), in October 2017, 20 Member States adopted the regulation under enhanced cooperation, having received the Parliament’s consent. The EPPO will investigate, prosecute and bring to judgment by national courts the perpetrators of offences defined by the Directive on the fight against fraud to the Union's financial interests by means of criminal law ('PIF Directive'), adopted in July 2017. In October 2017, the Civil Liberties, Justice and Home Affairs (LIBE) Committee adopted a report on the proposal on Eurojust, until then blocked in the Parliament due to the lack of progress on the related EPPO file. This proposal includes provisions on the relationship between these two EU bodies. The Commission made significant progress in its work on a common EU approach to enforcement of jurisdiction in cyberspace. Building on the conclusions of the expert process launched in 2016, the Commission has carried out preparatory work on a legislative proposal on cross-border access to electronic evidence to be presented in early 2018 and proposed a set of technical measures to support authorities facing the use of encryption by criminals.  Harmonising data protection As a follow-up to the reform package on EU data protection adopted in April 2016, and in parallel to the proposal for a regulation repealing the e-Privacy Directive (see Priority 2), in January 2017 the Commission adopted a proposal on the processing of personal data by EU institutions. Its aim is to align the existing rules (Regulation (EC) No 45/2001), with the more stringent ones set out in the General Data Protection The Juncker Commission's ten priorities State of play in early 2018 Page 25 of 36 Regulation so as to ensure that personal data processed by EU institutions or agencies benefits from higher standards of protection, while reducing administrative burden. After the Council adopted a general approach in June 2017 under the Maltese Presidency, trilogue negotiations have been advancing, although divergences exist: while the Parliament, which adopted its position in October 2017, insists on including data processing by agencies such as Europol and Eurojust in the scope of the regulation, the Council wants to exclude them. Regarding transatlantic data transfer for commercial purposes, following the Schrems case and the adoption by the Commission of its adequacy decision on the EU-US 'Privacy Shield', a joint EU-US review of this new framework took place in September 2017. Although improvements were recognised, unresolved issues have to be addressed in 2018 to avoid another court case. The Parliament has expressed its concerns on several occasions, for instance in its resolution of April 2017. The Commission also intends to adopt new adequacy decisions concerning Japan and Korea.  Addressing violence against women The EU accession to the Council of Europe Convention to fight violence against women and domestic violence (the Istanbul Convention signed by all 28 EU Member States and ratified by 17) has reached its final stage, with the adoption by the Council, in May 2017, of two decisions on the signing of the Istanbul Convention and with its signature by Commissioner Věra Jourová on behalf of the EU, on 13 June 2017. The last step to be made is the adoption of the Council decision on its conclusion, to which the Parliament gave its consent in September 2017. It had previously called for EU accession to this convention, and for its ratification by Member States, for example in its resolutions from 2014, 2015, 2016 and 2017. The Juncker Commission's ten priorities State of play in early 2018 Page 26 of 36 Priority 8: Towards a new policy on migration The migratory flows to the European Union that peaked in 2015 had started to subside by the end of 2017, but while the pressure on Greek islands via Turkey has reduced, the number of sea arrivals to Italy and Spain have increased. Considering the global context, migratory pressure is not expected to decrease in the coming years. This is due to ongoing international and internal conflicts, climate change and other global factors that continue to push people on the move and to seek protection in Europe. The number of new asylum applications in the EU in 2017 – 407 000 – is still substantial. The Commission set out both short- and long-term measures for EU action in the European Agenda on Migration presented in May 2015. Relocation and resettlement Despite the two Council decisions adopted to allow Greece and Italy to benefit from temporary relocation of a total of 160 000 asylum-seekers to other Member States, the targets of relocation were not met by the end of the schemes in September 2017, despite repeated calls from the Commission and the European Parliament. On 15 November 2017, the Commission asserted in its progress report on the European agenda on migration that Member States' legal obligations will continue for a reasonable time and urged them to keep relocating. According to the latest data available, 31 503 asylumseekers were relocated by 9 November 2017. On 7 December 2017, the Commission referred the Czech Republic, Hungary and Poland to the Court of Justice of the EU (CJEU) for failing to contribute to relocation in breach of their legal obligations, the validity of the relocation scheme having been confirmed by the CJEU in September 2017. The Commission has also given a new impetus to the EU resettlement policy. As of 10 November 2017, EU Member States had resettled 25 739 refugees directly from third countries under the EU urgency resettlement scheme of July 2015 as well as the EU-Turkey statement. However, this number remains modest when the projected global resettlement needs reach 1.2 million. The Commission has therefore recommended that Member States resettle additionally at least 50 000 vulnerable persons by October 2019. In its progress report, the Commission announced that following the recommendation, 16 Member States have pledged for a total of more than 34 400 resettlement places. The Commission has set aside €500 million for this initiative that is intended to cover the period until the proposed permanent Union Resettlement Framework is adopted. Border management The European Council of 15 October 2015 focused on securing the European Union's external borders, in particular through developing a European border and coast guard system. With the adoption of the regulation on 14 September 2016, the new system was due to become fully operational in 2017. The Commission reported in November 2017 that the European border and coast guard team has deployed around 1 500 extra officers, and formed a mandatory rapid reaction pool of 1 110 border guards, representing 74 % of the pool. However, significant gaps remain for most technical equipment, with only 14 Member States continuing to contribute. Following the identification of serious deficiencies in external border management in Greece in 2015, and in response to the temporary reintroduction of internal border controls by several Member States, the Commission adopted the communication 'Back to Schengen – a roadmap' on 4 March 2016, setting out ways to re-establish proper Schengen area function. Based on three consecutive Council implementing decisions, Austria, Denmark, Germany, Norway and Sweden were allowed to maintain temporary internal border controls until 11 November 2017. Considering that prolongation was no The Juncker Commission's ten priorities State of play in early 2018 Page 27 of 36 longer possible under current EU rules, and in line with the roadmap, the Commission proposed on 27 September 2017 an update to the Schengen Borders Code, which would prolong the maximum time limit in case of foreseeable events and identified threats from six months to one year. The proposal is now before the co-legislators. The Commission also aimed to strengthen the external border management through its revised proposal for a regulation establishing an entry-exit system. The so-called 'smart borders' would modernise the current system of manual stamping of passports by more automated controls, improve border security and improve the interoperability of EU information systems. The regulation was adopted by the co-legislators on 30 November 2017, and the system is due to become fully functional by 2020. Reform of the common European asylum system In April 2016, the European Parliament advocated substantial reform of the Dublin Regulation and a centralised EU asylum system. The Commission presented proposals to reform the Common European Asylum System (CEAS) in spring-summer 2016, suggesting to amend the Dublin Regulation, create a European Union Agency for Asylum, reinforce the Eurodac system for fingerprinting migrants, replace the Asylum Procedures Directive and the Qualification Directive with directly applicable regulations; and to reform the Reception Conditions Directive. The proposals, which do not entail a complete overhaul of the system, but rather address the lack of harmonisation and implementation, are currently being negotiated by the European Parliament and the Council. The Commission has included them among its priority pending proposals in the 2018 work ***programme***. Legal migration In June 2016, the Commission presented a communication on the action ***plan*** on the integration of third-country nationals, and a proposal for a revised EU Blue Card Directive. The proposal for a revised directive, aimed at attracting and retaining highly skilled workers, is expected to be adopted in 2018. Cooperation framework with third countries Since 2015, the EU has increasingly sought ways to increase cooperation with third countries on migration. Dialogue frameworks among European and African governments have been in place for more than 10 years at both continental and regional levels. These include the Africa-EU migration and mobility dialogue as well as the Khartoum and Rabat processes with key countries. The new partnership framework with third countries proposed by the Commission in June 2016 is intended to address the root causes of irregular migration, combat human smuggling, and motivate third countries to cooperate more on return and readmission. A series of compacts have been concluded with namely Jordan and Lebanon, and five priority African states: Ethiopia, Mali, Niger, Nigeria and Senegal. The new partnerships are linked to incentives, ranging from positive ones such as visa facilitation, to negative ones, such as conditionality on development cooperation. The 28 EU Heads of State or Government, noting that irregular arrivals via the Central Mediterranean route remained high, agreed in the Malta Declaration on measures to stem the flow of irregular migrants from Libya to Italy. The same aim was pursued by the memorandum of understanding signed between Italy and Libya a day earlier, and the EU action ***plan*** of July 2017 to support Italy and assist the Libyan coast guard in intercepting and returning migrants in the Mediterranean. This course of action has recently been criticised by the United Nations High Commissioner for Human Rights. The Juncker Commission's ten priorities State of play in early 2018 Page 28 of 36 Noting that return rates of irregular migrants remain low, the Commission adopted a renewed EU action ***plan*** on return, accompanied by a recommendation to Member States on making returns more effective. On 9 June 2017, the Justice and Home Affairs Council adopted conclusions on enhancing return and readmission of irregular migrants, emphasising the need to link these negotiations to the visa policy. The Commission intends to review the common visa code as well as the visa information system in 2018. At the same time, the EU must ensure compliance with human rights and respect for the principle of non-refoulement when working in or with third countries, as also set out in the guidance by the European Fundamental Rights Agency. In its mid-term review, as well as in the progress report on the European Agenda on Migration, the Commission acknowledged the need for improving the situation of refugees and migrants in third countries. To this end, the EU could make more use of its liaison officers, and increase its human rights monitoring in third countries. EU-Turkey statement In March 2016, the EU and Turkey issued a statement on their ***plans*** to increase cooperation to stem irregular migration from Turkey to the EU. The Commission has published regular progress reports on its implementation as well as a joint action ***plan*** in November 2017, stating that more efforts are needed, both in terms of reception conditions and return rates. At the same time, human rights organisations remain critical of the arrangement, calling for protection gaps to be addressed and for the provision of significant funding to help Turkey meet the most basic needs of asylum-seekers. The Juncker Commission's ten priorities State of play in early 2018 Page 29 of 36 Priority 9: A stronger global actor In his 2014 political guidelines, Commission President Juncker observed: 'We need a stronger Europe when it comes to foreign policy'. This priority covers all aspects of external engagement. Neighbourhood policy Following a joint consultation on the future of the European neighbourhood policy (ENP) in March 2015 and the European Parliament's subsequent resolution in July 2015, the European Commission adopted a communication on review of the ENP. The Council adopted conclusions on this review in December 2015. Parliament and Council adopted a decision on EU participation in a partnership for research and innovation in the Mediterranean area (PRIMA) on 4 July 2017. Development In February 2015, the European Commission issued a communication on a global partnership for poverty eradication and sustainable development after 2015. The European Parliament welcomed the communication in a resolution of May 2015, but regretted a certain lack of commitment concerning the timeline for future financial targets. One week later, the Council adopted its conclusions on this issue. An agreement was reached at the UN Conference in Addis Ababa in July 2015, providing a basis for implementing the global sustainable development agenda, which world leaders adopted in September 2015. In its resolution on the Commission work ***programme*** (CWP) 2016, Parliament called on the Commission to deliver a follow-up action ***plan*** to the European consensus on humanitarian aid, and to focus on fragile states, peace-building and state-building. On 12 December 2017, the European Parliament and the Council adopted a regulation to facilitate EU budgetary support for capacity-building ***programmes*** in third countries. The CWP 2016 also envisaged a recommendation to open negotiations in anticipation of the expiration of the Cotonou Partnership Agreement in 2020. The European Commission adopted a joint communication on renewed partnership with the African, Caribbean and Pacific Group of States (ACP) countries in November 2016. In December 2016, the Plenary ACP-EU Joint Parliamentary Assembly issued a declaration on the parliamentary dimension of ACP-EU relations in the post-Cotonou framework. In November 2016, the European Commission adopted the communication 'proposal for a new European consensus on development – Our world, our dignity, our future' aiming at integrating the Agenda 2030 sustainable development goals (SDGs) into the EU development framework. Based on its resolution of 14 February 2017, the European Parliament has actively participated in interinstitutional negotiations that led to the signature of the new consensus on development on 7 June 2017. As requested by the Parliament, poverty eradication remains the main objective of EU development policy, which should contribute to the overall objectives of EU external action, including building resilience and addressing the root causes of migration. Boosting investment in developing countries, with the help of the new European external investment ***plan***, will be one of the ways to tackle those issues. On 26 September 2017, the European Parliament and the Council adopted a regulation establishing the European Fund for Sustainable Development (EFSD) which will scale up resources in order to address the root causes of migration and to contribute to the achievement of the SDGs based on existing facilities. The Juncker Commission's ten priorities State of play in early 2018 Page 30 of 36 Security and defence The European Council of 28 June 2016 welcomed the High Representative for Foreign Affairs and Security Policy/Vice-President (HR/VP) of the European Commission, Federica Mogherini's Global Strategy: shared vision, common action: a stronger Europe. On 14 November 2016, the HR/VP presented an implementation ***plan*** on security and defence aspects of the Global Strategy to the Council, which encouraged the Commission to support Member States in implementing defence capability priorities. Alongside the European defence action ***plan*** and the EU-NATO joint declaration, the ***plan*** constitutes one of three parts of the HR/VP's 'defence package'. The CWP 2016 included several additional initiatives in the area of security, such as an EU-wide ***strategic*** framework for supporting security sector reform (SSR) and a European defence action ***plan***. In July 2016, the European Commission and the HR/VP presented a joint communication entitled 'elements for an EU-wide ***strategic*** framework to support security sector reform'. The same month, the Commission presented a proposal amending the regulation of March 2014 establishing an instrument contributing to stability and peace (IcSP). It aimed to adapt the existing regulation to revised reporting directives on official development assistance (ODA) on peace and security and strengthen the EU's role as a security provider by providing new funding opportunities for military capacity building in third countries. The European Parliament adopted this proposal on 30 November 2017 and the Council on 7 December 2017. The revised instrument introduces the possibility for the EU to finance measures in support of capacity building for security and development (CBSD) of military actors in partner countries, with the objective of contributing to sustainable development and in particular the achievement of peaceful and inclusive societies. The European Commission presented the European defence action ***plan*** (EDAP) in November 2016, proposing a European Defence Fund (EDF) to support collaborative research projects and joint development of defence capabilities, support small- and medium-sized enterprises (SMEs) through fostering investments and providing more cross-border opportunities in defence supply chains, and ensure Europe has an open and competitive single market for defence. The implementation of the EDAP was included in the CWP 2017. In its March 2017 resolution, the European Parliament welcomed the EDAP and called on the Commission and the Member States to clarify thoroughly the governance, financing and objectives of the possible EDF, notably the capability and research 'windows'. The EDF was launched on 7 June 2017 with two strands: on the one hand research, on the other development and acquisition. Research would be funded directly by the EU, with €500 million each year starting in 2020, and €25 million already for 2017 and €90 million until the end of 2019. The Commission also adopted a proposal for a regulation establishing a European Defence Industrial Development ***Programme*** through which the EU will offer co-financing from the EU budget. The Commission asked the co-legislators to give the proposal a priority treatment with a view to reaching the agreement in early 2018, so that first projects could be financed in 2019. The CWP 2017 included the implementation of the Global Strategy, several aspects of which advanced considerably in 2017. On 8 June 2017, the Council established the military ***planning*** and conduct capability (MPCC) within the EU military staff (EUMS). The MPCC will assume command of EU non-executive military missions. Moreover, on 13 November 2017, the Council welcomed the common notification by 23 Member States of their intention to participate in the Permanent Structured Cooperation (PESCO), in the field of defence. PESCO is a permanent framework for defence cooperation, which The Juncker Commission's ten priorities State of play in early 2018 Page 31 of 36 will allow participating Member States to jointly develop defence capabilities, invest in shared projects, or enhance the operational readiness of their armed forces. On the same day, the Council also welcomed the launch of the trial run of the Coordinated Annual Review on Defence (CARD) and the presentation of the joint communication on military mobility from the HR/VP and the Commission. In addition, on 5 December 2017, the Council welcomed further progress made in EU-NATO cooperation. The European Parliament supports the development of a strong Common Security and Defence Policy (CSDP) and defence cooperation, but with reservations expressed in three resolutions adopted in May 2015. Parliament adopted an important resolution on a European defence union in November 2016. On 16 March 2017, it urged the Council to take concrete steps towards the harmonisation and standardisation of the European armed forces and called on the Council and the HR/VP to elaborate an EU White Book on security and defence. The Juncker Commission's ten priorities State of play in early 2018 Page 32 of 36 Priority 10: A union of democratic change Commission President Juncker's 2014 political guidelines expressed an intention to make the EU more democratic, open and accountable. This was to be achieved by, inter alia, revitalising the 'special partnership' with the European Parliament, enhancing transparency, strengthening political dialogue with EU legislators, and improving cooperation with national parliaments. Since this Commission took office, transparency and better law-making, including an interinstitutional agreement (IIA) to that end, have been at the core of initiatives falling under this priority. In September 2017, the Commission presented two proposals relating to the democratic functioning of the EU: revision of the Regulation on funding of European political parties and foundations and of the European Citizens' Initiative Regulation respectively. Interinstitutional Agreement on Better Law-Making In May 2015, the Commission presented a comprehensive better regulation package which, inter alia, created a more independent Regulatory Scrutiny Board (RSB), expanded stakeholder involvement and strengthened the commitment to review and evaluate Union legislation. It also proposed an interinstitutional agreement (IIA), which entered into force on 13 April 2016. The IIA's provisions cover different aspects of the policy cycle including ***programming***, better law-making tools (impact assessment, stakeholder consultation and ex-post evaluation), delegated and implementing acts, transparency and implementation. Just over one and a half years since the agreement's entry into force, it is too early to comment in great detail on the implementation and broader implications of the IIA. Nevertheless, experience suggests that the degree of such implementation varies depending on the area concerned. There have been significant developments with regard, for example, to annual ***programming*** (with the 'joint declarations' on the EU's legislative priorities), joint register of delegated acts, launched on 12 December 2017, or alignment of 'regulatory procedure with scrutiny' (RPS) measures that have not yet been aligned to the post-Lisbon system of delegated and implementing acts, under Articles 290 and 291 of the Treaty on the Functioning of the European Union (TFEU)). In other cases, progress has been slow (e.g improved practical arrangements regarding the conclusion of international agreements or delineation criteria for delegated and implementing acts). With regard to legal acts providing for the use of the regulatory procedure with scrutiny, the Commission – as envisaged in the IIA and demanded by Parliament – presented a proposal for alignment of pre-Lisbon legislation with the system of delegated and implementing acts. Work on the proposal is ongoing before the Parliament's Legal Affairs Committee, with rapporteur József Szájer (EPP, Hungary). The kick-off meeting to start interinstitutional negotiations with a view to establishing nonbinding delineation criteria for delegated and implementing acts took place on 12 September 2017. The European Parliament had proposed a number of criteria in its owninitiative resolution of 25 February 2014, which remains Parliament's position on this question. The institutions have taken steps to adapt their internal procedures to the provisions of the new IIA, and the Parliament's general overhaul of its rules of procedure incorporated the changes needed to fulfil this aim. Further political guidance regarding the implementation and application of the IIA is expected in an own-initiative report by the Parliament's committees on Constitutional Affairs (AFCO) and Legal Affairs (JURI) with rapporteurs Pavel Svoboda (EPP, Czech Republic) and Richard Corbett (S&D, United Kingdom). The Juncker Commission's ten priorities State of play in early 2018 Page 33 of 36 Regarding the adoption of implementing acts, the Commission proposed changes to Regulation (EU) 182/2011 ('Comitology Regulation'), aiming to increase transparency and accountability of the decision-making process and reducing the risk of so-called 'no-opinion' scenarios in 'comitology committees'. Transposition, application, and enforcement of EU legislation in Member States The IIA, and the better regulation package in general, placed a new emphasis on the question of how EU law is being transposed, applied, and enforced 'on the ground' by Member States. Regarding transposition, the Commission repeatedly urged Member States to avoid going beyond strictly required measures, risking unnecessary costs mistakenly associated with EU legislation ('gold-plating' of EU rules). The IIA calls upon the Member States to 'communicate clearly' to their public when transposing Union legislation. Regarding the issue of 'gold-plating', the European Parliament emphasised, in its resolution of 12 April 2016 on the regulatory fitness and performance ***programme*** (REFIT), that the adoption of higher standards of social, environmental or consumer protection in cases of 'minimum-harmonisation directives' should not be regarded as 'gold-plating'. Parliament called upon national authorities to be aware of the potential consequences of 'gold-plating', which may lead to unnecessary burdens and misconceptions regarding EU legislative activity. However, both defining the concept of gold-plating and acquiring data regarding the actual extent of the practice at national level remain a challenge. Transparency and interest representation Increased transparency is among the main prerequisites for making the Union more accountable and democratic, as envisaged in the 2014 political guidelines. Among several initiatives taken with this aim (including Commission decisions requiring Commissioners, their cabinets and Directors-General to make public all information concerning their meetings with lobbyists, and updated rules on expert groups), the Commission submitted a proposal for an interinstitutional agreement on a mandatory transparency register on 28 September 2016. The register, when adopted, would include the Council, in addition to the Commission and the Parliament, and, on a voluntary basis, other EU bodies and agencies. The proposal would make certain types of interactions between EU institutions and interest representatives conditional upon prior registration, including, on the Parliament's side, meetings with Members of the European Parliament, the Secretary-General, directors-general and secretaries-general of political groups. Negotiations on the register are ongoing. Democratic functioning of the EU: representation and participation Albeit not foreseen in its work ***programme***, on 13 September 2017, the Commission presented two proposals to revise (i) the Regulation on Funding European Political Parties and Foundations and (ii) the European Citizens' Initiative Regulation. Given the central role of (European) political parties as the link between citizens and the political system, the stated aims of the first proposal are fostering transparency for citizens regarding the link between European and national parties, enhancing legitimacy, and addressing certain 'loopholes' that make the current rules 'prone to abuse'. Accordingly, the proposal would require national parties to publish the ***programmes*** and logos of the European political parties to which they are affiliated. It would strengthen the link between funding and representation by allocating 95 % of EU funding (instead of the current 85 %) to European political parties according to their actual share of elected members of the European Parliament. The proposal to reform the European Citizens' Initiative Regulation responds to the numerous calls by various actors (including the Parliament, European Ombudsman, the The Juncker Commission's ten priorities State of play in early 2018 Page 34 of 36 EU advisory committees and many others) to improve the functioning of the ECI. With the aim of making it a more user-friendly and effective tool for citizen participation, the proposal introduces several changes, among which limiting personal liability of ECI organisers, partial registration of initiatives by the Commission, lowering the minimum age to support an initiative to 16, and simplifying data requirements for signatories. Both initiatives respond to Parliament's demands – in its resolutions of 15 June 2017 on the funding of political parties and political foundations at European level and of 28 October 2015 on the European Citizens' Initiative – to submit appropriate reform proposals, and are listed in the Commission work ***programme*** 2018 among the priority pending proposals to be finalised by the end of the year. The Juncker Commission's ten priorities State of play in early 2018 Page 35 of 36 3. Joint declaration on the EU's legislative priorities for 2018-19 The European Parliament, the Council of the European Union and the European Commission signed the Interinstitutional Agreement on Better Law-making on 13 April 2016. They agreed to reinforce the Union’s annual and multiannual ***programming***, and the Commission committed to engaging in a dialogue with the co-legislators, both before and after the adoption of its annual work ***programme***. The European Commission's 2018 work ***programme*** was the second to be adopted under these new rules. On 14 December 2017, the Presidents of the three institutions signed a joint declaration on the EU’s legislative priorities for 2018-19, reproduced below. The institutions recognised the value of this tool for maintaining political attention on the key proposals where results are most needed and renewed it for the period running until the European elections. The Juncker Commission's ten priorities State of play in early 2018 Page 36 of 36 4. Main references European Commission's 2018 work ***programme***. European Commission's 2017 work ***programme***. European Commission's 2016 work ***programme***. European Commission's 2015 work ***programme***. Bassot, E., and Hiller, W., The European Commission at mid-term: State of play of President Juncker's ten priorities, EPRS, European Parliament, July 2017. 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As the European Commission, under its President, Jean-Claude Juncker, starts the last full calendar year of its five-year mandate, this publication seeks to provide an up-to-date overview of the state of play of delivery by the Commission on each of the ten priorities he asserted on taking office in 2014. The analysis is intended to respond to the growing interest in assessing progress towards the targets that the Commission has set itself, and to identify areas in which difficulties have been, or are being, encountered, as the EU institutions prepare for the 2019 European elections. This is a publication of the Members' Research Service and Directorate for Impact Assessment and European Added Value Directorate-General for Parliamentary Research Services, European Parliament This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament. PE 614.679 ISBN 978-92-846-2574-1 doi:10.2861/501774 QA-02-18-067-EN-N

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IN-DEPTH ANALYSIS EPRS | European Parliamentary Research Service Authors: Étienne Bassot and Wolfgang Hiller January 2018 — PE 614.679 EN The Juncker Commission's ten priorities State of play in early 2018 This publication provides an up-to-date overview and analysis of the state of play in the delivery by the European Commission of the various legislative and other political initiatives flowing from the ten priorities asserted by its President, Jean-Claude Juncker, at the time of his election by the European Parliament in July 2014. This in-depth analysis draws on a wide range of EPRS publications, and it updates a previous edition, The Europe Commission at mid-term – State of play of President Juncker's ten priorities, published in July 2017. It has been compiled and edited by Isabelle Gaudeul-Ehrhart, with contributions and support from across the Members' Research Service and the Directorate for Impact Assessment and European Added Value of EPRS, in particular from the following policy analysts: Piotr Bakowski, Angelos Delivorias, Gregor Erbach, Roderick Harte, Elena Lazarou, Tambiama Madiega, Nora Milotay, Shara Monteleone, Anita Orav, Christian Scheinert, Andrej Stuchlik, Marcin Szczepanski, Laura Tilindyte and Sofija Voronova. The graphics have been prepared by Giulio Sabbati, and are derived from the on-line 'Legislative Train Schedule' application, launched by Parliament to track progress on the Commission's legislative proposals.

PE 614.679 ISBN 978-92-846-2574-1 doi:10.2861/501774 QA-02-18-067-EN-N Original manuscript, in English, completed in January 2018. Disclaimer This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2018. Photo credits: © European Union, 2017; EP – Mathieu Cugnot. [*eprs@ep.europa.eu*](mailto:eprs@ep.europa.eu) [*http://www.eprs.ep.parl.union.eu*](http://www.eprs.ep.parl.union.eu) (Intranet)   [*http://www.europarl.europa.eu/thinktank*](http://www.europarl.europa.eu/thinktank) (Internet)   [*http://epthinktank.eu*](http://epthinktank.eu) (Blog) The Juncker Commission's ten priorities State of play in early 2018 Page 1 of 36 EXECUTIVE SUMMARY The Juncker Commission has now been in office for more than three years. With only one full calendar year to go until the end of its mandate, many consider that 2018 will be judged as 'the year of delivery'. What is the state of play of the various legislative and other initiatives that the European Commission has announced on, and since, taking office in 2014? How many of the commitments made have led to formal proposals so far? And how many of those proposals – whether in the form of legislation, other major political initiative, or international agreement – have been brought to fruition, so demonstrating that the EU institutions have collectively 'delivered'? The analysis in this paper tracks all these developments, with both a statistical breakdown and a qualitative evaluation, using a cut-off date of December 2017. It also takes stock of what the Commission has done – or not done – in response to explicit requests for action from the European Parliament. Our analysis suggests that overall, three years after taking office, the college of Commissioners has now submitted eight in ten of the initiatives it has announced – 368 out of 460 – and that 171 of these (or 37 %) have been enacted or otherwise adopted. These global figures of course cover a variety of situations: in some priority areas, such as the digital single market, almost all of the initiatives originally announced have already been presented (94 per cent) and many adopted (41 %), whilst in others, such as energy, progress in adoption at least is somewhat slower (28 % adopted). Overall, however, evidence suggests that, step by step, the European institutions are collectively enacting the 'Juncker ***plan***'. They are also aware that, with little over one year to go until the next European Parliament elections, they need to show that Europe can deliver for its citizens when and where it matters. This is why, in a joint declaration on the EU's legislative priorities signed on 14 December 2017, the three main EU institutions have set out specific initiatives and areas to which they commit to 'give priority treatment in the legislative process … to ensure substantial progress and, where possible, delivery before the European elections of 2019'. This study seeks to provide an independent, objective and authoritative tool for Members of the European Parliament and those interested more widely to assess the performance to date of the current Commission. It is both exhaustive – in covering all the ten priority areas the Commission set itself – and selective – as it focuses, for each priority, on the main legislative proposals or initiatives and on the latest developments. It aims to be both quantitative and qualitative: for each of the ten chapters, covering one of the ten priorities, it offers a qualitative overview prepared by the European Parliamentary Research Service's in-house experts, complemented by a quantitative graphic providing a snapshot of the various initiatives at the key stages of their adoption. These snapshots are regularly updated on the 'Legislative Train Schedule' on the European Parliament’s website. Étienne Bassot and Wolfgang Hiller European Parliamentary Research Service (EPRS) January 2018 The Juncker Commission's ten priorities State of play in early 2018 Page 2 of 36 TABLE OF CONTENTS 1. Introduction................................................................................................................ 3 2. Main developments in the implementation of the ten political guidelines .............. 5 Priority 1: A new boost for jobs, growth and investment................................................. 5 Priority 2: A connected digital single market .................................................................... 8 Priority 3: A resilient energy union with a forward-looking climate change policy....... 11 Priority 4: A deeper and fairer internal market with a strengthened industrial base ... 14 Priority 5: A deeper and fairer economic and monetary union...................................... 17 Priority 6: A balanced and progressive trade policy to harness globalisation ............... 20 Priority 7: An area of justice and fundamental rights based on mutual trust................ 23 Priority 8: Towards a new policy on migration................................................................ 26 Priority 9: A stronger global actor.................................................................................... 29 Priority 10: A union of democratic change...................................................................... 32 3. Joint declaration on the EU's legislative priorities for 2018-19............................... 35 4. Main references ....................................................................................................... 36 Terminology used in this analysis Commission proposals currently foreseen: Legislative proposals, and to a lesser extent initiatives such as communications and action ***plans***, announced by the European Commission in its annual work ***programmes*** or State of the Union addresses. Proposals still to be submitted: Legislative proposals, and to a lesser extent initiatives such as communications and action ***plans***, announced by the European Commission in its annual work ***programmes*** or State of the Union addresses but which have not yet been tabled. Proposals so far submitted: European Commission initiatives that have been tabled and on which the co-legislators - European Parliament and Council - have begun working. Proposals submitted but not yet adopted: this category includes: Proposals proceeding normally: Proposals which are under consideration by the European Parliament and Council in the normal course of the legislative procedure. Proposals close to adoption: Legislative proposals close to finalisation (for example, when agreement is reached at trilogue level). Proposals proceeding slowly or blocked: Initiatives blocked by an institution or under negotiation for more than two years; or legislative initiatives or legislative proposals announced by the European Commission but with no follow-up for more than nine months. Proposals so far adopted: Legislative proposals finalised and adopted by the two co-legislators, the European Parliament and the Council. Legislation withdrawn: Legislative proposals withdrawn by the European Commission. Proposals requested by the European Parliament but not yet proposed: European Parliament requests for legislative action, notably in the context of legislative initiative reports in the policy fields covered by the Juncker Commission's ten priorities, but not yet followed up by the European Commission. The Juncker Commission's ten priorities State of play in early 2018 Page 3 of 36 1. Introduction More than three years after the Juncker Commission took office and with only one full calendar year to go under its five-year mandate, this In-depth Analysis looks in detail at the state-of-play of the various initiatives announced by the current European Commission. It reviews what the Commission has delivered so far, assessing what has been tabled compared to what has been announced, and examining what the EU institutions have been able – or so far unable – to collectively enact. Setting ten priorities Prior to his election as President of the European Commission in July 2014, Jean-Claude Juncker set out the policy priorities which would serve as the political mandate for his five-year term in office. With the stated aim of focusing on the 'big things', he outlined the following ten key areas in which he wanted the EU to make a difference and deliver concrete results for citizens: 1. A new boost for jobs, growth and investment 2. A connected digital single market 3. A resilient energy union with a forward-looking climate change policy 4. A deeper and fairer internal market with a strengthened industrial base 5. A deeper and fairer economic and monetary union (EMU) 6. A reasonable and balanced free trade agreement with the United States 7. An area of justice and fundamental rights based on mutual trust 8. Towards a new policy on migration 9. Europe as a stronger global actor 10. A union of democratic change. Adapting to an ever-changing environment Since it took office, the European Commission has worked and delivered along these guidelines, adopting a detailed work ***programme*** every year, announcing additional initiatives on the occasion of the annual State of the Union addresses, and withdrawing certain proposals when it has deemed it appropriate. It follows that the figures presented in the graphs that appear in this regularly updated publication vary from one edition to another. With the average adoption time under the ordinary legislative procedure being some 16 months, it is also inevitable that the rate of proposals adopted by the co-legislators will take time to catch up with the rate of submission of proposals by the Commission. To clarify the picture, the categories used in the analysis have been further refined since the previous edition. The new categories and subcategories are defined above (see page 2). As with any exercise of this kind, but particularly in the light of this evolving environment, caution should be exercised when seeking to rate progress or make comparisons. Overall, however, this in-depth analysis reveals that the areas where most proposals have been submitted are the digital single market (priority 2), strong global actor (priority 9) and Union of democratic change (priority 10). By contrast, it is in the key areas of jobs, growth and investment (priority 1), economic and monetary union (priority 5), and the area of justice and fundamental rights (priority 7) that the Parliament and Council are still waiting for proposals that the Commission has announced but not yet tabled. The Juncker Commission's ten priorities State of play in early 2018 Page 4 of 36 Our overview also shows that there are some areas where the European Parliament has requested specific action but where the European Commission had not followed up by the end of 2017. This is typically the case for the internal market (priority 4) and justice and fundamental rights (priority 7). Playing by interinstitutional rules and practices The three institutions involved in the legislative process (the European Parliament, the Council of the European Union and the European Commission) are aware that with only one full calendar year to go until the next European elections – which they consider as 'a central democratic moment for voters to assess the effectiveness of the Union' – delivery is of the essence. As initiated following the 2016 Interinstitutional Agreement on Better Law-Making, the Presidents of the three institutions again signed a joint declaration, in December 2017, on the EU’s legislative priorities for the coming year (see below under section 3). In it, they confirmed their commitment 'to deliver a positive agenda for a more inclusive and more united EU' and to 'give priority treatment to ensuring substantial progress and, where possible, delivery before the European elections' of a number of key initiatives. Our research has been designed for both complete and selective reading: the various chapters can be read separately and in any order. To go deeper, hyperlinks lead to more specific websites and pages. A section on main references gathers useful sources, including the previous editions of this six-monthly publication, which tell the story from 2014 onwards. Important issues which do not necessarily fall under one of the ten priorities – such as Brexit or other challenges for the European Union for 2018 – are extensively covered in other EPRS publications available on the EP Think Tank website. Detailed EPRS material on specific legislative files referred to below can also be found on the EP Think Tank. In addition, the latest state of play on individual initiatives coming under the ten priorities can be monitored via the regularly updated Legislative Train Schedule on the Parliament's website. The Juncker Commission's ten priorities State of play in early 2018 Page 5 of 36 2. Main developments in the implementation of the ten political guidelines Priority 1: A new boost for jobs, growth and investment The first priority of the 2014 political guidelines, concerning 'jobs, growth and investment', encompasses three main elements: the European semester, the investment ***plan*** for Europe, put forward in November 2014, and the circular economy package, proposed in December 2015 with an update in 2017. The European Semester The European Semester is the framework for economic and fiscal policy coordination within the EU. It starts each November when the Commission sets the priorities for the year to come and ends in October of the following year, when Member States submit their draft budgetary ***plans***. In this context, the European Commission adopted on 22 November 2017 the following documents: 1. the annual growth survey 2018, in which the Commission calls on Member States to increase investment (see below: 'The investment ***plan***') and to undertake further structural reforms; 2. the alert mechanism report 2018, in which the Commission proposes to draft indepth reviews for 12 countries by February 2018, identifying possible macroeconomic imbalances and assessing their severity; 3. a recommendation for a Council recommendation on the economic policy of the euro area, urging Member States to aim at a broadly neutral fiscal stance at aggregate level for the euro area, implement labour market reforms, continue the work to complete the Banking Union and make progress in completing the economic and monetary union; 4. a draft joint employment report, which for the first time presents the social scoreboard for the European pillar of social rights; 5. a proposal for a Council decision on guidelines for the employment policies of the Member States, in which it presents common priorities and targets for the national employment policies; 6. and lastly, a communication on the 2018 Draft Budgetary ***Plans*** of the euro area. The investment ***plan*** for Europe The purpose of the European Commission's investment ***plan*** is to mobilise and support investment. This is achieved mainly through the European Fund for ***Strategic*** Investment (EFSI) proposed in January 2015, but also through initiatives such as the digital single market, the energy union and the capital markets union (see priorities 2, 3 and 4). Originally endowed with €16 billion in guarantees from the European Union (EU) budget and €5 billion from the European Investment Bank (EIB), EFSI aims to encourage private investors to participate in new investment projects focused on developing infrastructure and innovation – managed by the EIB – and on providing support for small and mediumsized enterprises (SMEs) – managed by the European Investment Fund (EIF). By taking on part of the risk through a first-loss liability, EFSI was meant to allow more than €315 billion of additional investment to be mobilised during a three-year investment period, thereby helping create 2.1 million jobs. To that end, the EU budget included €2.7 billion in commitments for EFSI in 2017 and €2.038 billion in 2018. The Juncker Commission's ten priorities State of play in early 2018 Page 6 of 36 As of December 2017, deals approved under EFSI amounted to €51.1 billion in financing and are expected to trigger €256.1 billion in investments in 28 Member States, mainly in the areas of SMEs, energy and research, development and innovation. These positive trends in investment, which were already visible in summer 2016 and are expected to add 0.7 % to the EU GDP by 2020, encouraged the Commission to adopt a proposal, on 14 September 2016, to double the duration of the fund (until 2020) and increase its financial capacity to €500 billion of investments, by increasing the guarantees to €26 billion and the EIB contribution to €7.5 billion. On 12 December 2017, the European Parliament and the Council adopted the amended proposal and the final act was published in the official journal on 27 December 2017. Another legislative proposal of interest in this context, also adopted by the Commission on 14 September 2016, aims to simplify the financial rules applicable to the general budget of the EU (often referred to as 'Omnibus proposal'). Among other things, the proposal aims to facilitate the combination of European Structural and Investment Funds (ESIF) funding with financial instruments and the European Fund for ***Strategic*** Investments (EFSI). In December 2017, it was still under trilogue discussions. Towards a circular economy The package on the circular economy is meant to contribute to enhancing EU industry sustainability and competitiveness, to fostering sustainable economic growth, and to generating new jobs. This would be achieved by preserving resources (and thus saving costs), by helping businesses to make and export clean products and services around the globe, and by creating local low- and high‐skilled jobs, as well as opportunities for social integration and cohesion. It is estimated that the transition would increase GDP by one to seven percentage points by 2030 and also have an overall positive impact on employment, although jobs in specific sectors could be threatened. Over €650 million in funding was ***planned*** for the package under Horizon 2020, as well as €5.5 billion under the structural funds. The package was originally composed of proposals for four directives on waste, on packaging waste, on landfill of waste and on electrical and electronic waste, and for one regulation on marked fertilising products. In December 2017, these four proposals were under trilogue discussions. On 26 January 2017, the European Commission added to the package a proposal to amend Directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment. The proposal was approved by the colegislators in October 2017 and the directive published in the Official Journal on 21 November 2017. On 26 January, the Commission also published a report on the implementation of the circular economy action ***plan*** and a communication on the role of waste-to-energy in the circular economy. The report summarised a number of important initiatives undertaken by the Commission in the context of the circular economy action ***plan***, including the adoption of the Ecodesign working ***plan*** 2016-2019 (November 2016). The working ***plan*** involves the review of existing measures, the launch of preparatory studies for certain products, and initiatives taken in the context of food waste. In this last area, the Commission adopted on 16 October 2017, EU guidelines for food donation, which aim to ease the compliance of providers and recipients of surplus food with requirements (such as traceability, hygiene, or safety) set in EU law, and to contribute to the common interpretation by Member States' regulatory authorities of the relevant European Union rules applying to the redistribution of surplus food. The Juncker Commission's ten priorities State of play in early 2018 Page 7 of 36 The report also announced key initiatives that should be adopted by the Commission in 2017, including a plastics strategy (originally ***planned*** for December but postponed to January 2018) 'to improve the economics, quality and uptake of plastic recycling and reuse, to reduce plastic leakage in the environment and to decouple plastics production from fossil fuels', and a legislative proposal on minimum quality requirements to promote the safe reuse of treated waste water 'while ensuring the health and environmental safety of water reuse practices and free trade of food products in the EU'. Other measures The European Commission aims to complement its existing initiatives on youth, skills and jobs. This is why, as the legal follow-up of its December 2016 communication 'A European solidarity corps' – which aims to create opportunities for young people to 'contribute actively to society in a spirit of solidarity, and acquire new skills and experience, including language skills, in the process' – the European Commission adopted a proposal on 30 May 2017 for a regulation laying down the legal framework of the European solidarity corps. The proposal sets out the objectives, activities and criteria for participation for individuals and organisations; provisions for the monitoring, reporting and evaluation of the performance of the European Solidarity Corps; as well as a management, audit and control system. The Commission defines the budgetary envelope (€341.5 million for the 2018-2020 period), seeking to enable 100 000 young Europeans to take part by the end of 2020. Most of the amount (€294.2 million) concerns redeployed funds from Erasmus+ and other ***programmes***, while the rest is expected to come from contributions from the European Social Fund, the Union civil protection mechanism, the LIFE ***programme*** and the European ***agricultural*** fund for rural development. In December 2017, the proposal was under discussion in Parliament, with a Committee vote scheduled for the plenary in January 2018. The Juncker Commission's ten priorities State of play in early 2018 Page 8 of 36 Priority 2: A connected digital single market An effective digital economy can provide impetus for European markets and open up prospects for new employment. To succeed in this endeavour, Europe needs to overcome legislative fragmentation, offer EU consumers an improved product by removing online barriers, and help businesses expand their online sales. Success depends on the creation of a fully integrated digital single market (DSM), on the basis of the national markets of the Member States. Accordingly, the European Commission adopted the EU DSM strategy in May 2015. This strategy is based on three pillars – developed below – that involve a number of legislative and non-legislative initiatives. In the mid-term review of the DSM strategy published in May 2017, the Commission announced that it had put forward 35 legislative proposals and policy initiatives, and that the focus would shift to obtaining the Parliament and Council's political agreement to them. The Commission intends to propose an initiative on accessibility and re-use of public and publicly funded data in 2018, and would examine possible measures allowing public sector bodies to access and use data of public interest held by private sector entities. Furthermore, in its work ***programme*** for 2018, the Commission announced that in early 2018, it would present a legislative proposal on fairness in platform-to-business relations and a non-legislative text addressing online platform challenges, as regards the spreading of fake information, as well as the revision of the guidelines on market analysis and assessment of significant market power. First pillar: Improving access to digital goods and services for consumers and businesses Modernisation of the copyright rules is an important step under the first pillar, as highlighted in the communication on copyright reform adopted in December 2015. In June 2017, the co-legislators adopted the Regulation on cross-border portability, which enables consumers to access their online subscriptions for content services when they travel across the EU and are temporarily outside their Member State of residence. The European Commission adopted a comprehensive legislative package to further harmonise EU copyright rules and adapt them to the digital environment on 14 September 2016. The European Parliament and the Council adopted a regulation and a directive for implementing in the EU the provisions of the Marrakesh Treaty aiming to facilitate access to published works for people who are blind, visually impaired or print disabled, in July 2017. Furthermore, the Parliament agreed on amending the Commission's proposal for a new regulation laying down rules for online transmissions and retransmissions of television and radio ***programmes*** and to start the trilogue negotiations in November 2017. The proposal for a new directive on copyright in the DSM is, however, still under consideration in the Parliament and Council without noticeable progress yet. To improve consumer protection when shopping online, and to help EU businesses boost their online sales, the Commission adopted two proposals in December 2015: a first proposal on the supply of digital content, and a second proposal on the online sale of goods. Both texts tackle the fragmentation of the current DSM legal framework. The Parliament decided to amend the proposal on the supply of digital content and to start negotiations with the Council in November 2017. Following the initial discussions with the Parliament and the Council, the Commission adopted in October 2017 an amended proposal on the online sale of goods in order to cover also face-to-face sales. To address geo-blocking, in May 2016, the Commission adopted a proposal for a new regulation to prevent traders from discriminating between online customers on the basis The Juncker Commission's ten priorities State of play in early 2018 Page 9 of 36 of their nationality, place of residence, or place of establishment within the EU. A provisional agreement prohibiting unjustified geoblocking was reached in November 2017, opening the door to final adoption by the Council and the Parliament to finalise the legislative process. The European Commission adopted a proposal reforming the Consumer Protection Cooperation Regulation, which aims at increasing the powers of national authorities to better reinforce consumer rights, in May 2016. The Commission also submitted a proposal for a regulation on cross-border delivery of parcel services, to increase price transparency and improve regulatory oversight in the sector. In addition, the new simplified VAT rules to support e-commerce and online businesses was adopted in December 2017, which will streamline tax procedures for distant sales. Second pillar: Creating growth-conducive conditions and a level playing field for digital networks and innovative services Data protection and privacy rights play an important role in the context of the second pillar. The new comprehensive rules in this area were adopted in April 2016. To complement these rules, the Commission adopted a proposal for a regulation aimed at revising and updating the e-Privacy Directive in January 2017. The objectives of the review include: enhancing security and confidentiality of e-communications also by extending the scope of the legislation to 'over the top' service (e.g Skype, Facebook, or Whatsapp); clarifying rules on tracking tools such as cookies; and achieving greater harmonisation between Member States. The European Parliament adopted its position at first reading in October 2017, although by a small majority. The file is far from being concluded as discussions are still ongoing in the Council. Concerns (especially from the industry) relate in particular to the grounds for data processing. The Commission has also announced its guidelines for the implementation of the general data protection rules for early 2018. In April 2017, the co-legislators adopted a decision for a long-term strategy for the use of the 694-790 MHz frequency band, reallocating bandwidth to mobile internet services, rather than television broadcasting. Under the agreement, EU countries will reassign this high-quality frequency band to wireless broadband services by 30 June 2020. To improve connectivity in the EU, the Commission proposed a set of measures under the gigabit society initiative, in September 2016. They include a proposal for the overhaul of telecom rules under the new European electronic communications code; a proposal for a regulation on the Body of European Regulators of Electronic Communications (BEREC); and a proposal for a regulation on the promotion of internet connectivity in local communities and public spaces (WIFI4EU) – which was adopted in September 2017 – as well as communication on a 5G action ***plan***. On the rules for wholesale roaming markets, the European Parliament approved the agreement in April 2017 and the regulation was published on 9 June 2017. As a result, since 15 June 2017, when travelling in the EU, consumers have been able to roam like at home. Further ongoing developments include a review of the Audiovisual Media Services Directive aiming to introduce more flexible and future-proof rules, which is at the trilogue negotiations stage. The Juncker Commission's ten priorities State of play in early 2018 Page 10 of 36 In September 2017, the Commission adopted a cybersecurity package, which would establish a European cybersecurity research and competence centre to support the development of technology and industrial capabilities in cybersecurity, create an EU cybersecurity agency to help Member States deal with cybersecurity attacks, as well as an EU-wide certification scheme for secure products and services. Third pillar: Maximising the growth potential of the digital economy In April 2016, the European Commission adopted a set of communications on digitising European industry, the European cloud initiative, the e-government action ***plan*** for 2016-2020, and the priorities of ICT standardisation. These strategies intend to support initiatives for a dig

ital transformation of industry and related services; boost investment through ***strategic*** partnerships and networks; accelerate the development of common standards in priority areas (such as 5G communication networks); and modernise public services. The Commission's communications were complemented in 2017 by a new European interoperability framework, which will improve coordination of the digitisation of public administrations in the EU, as well as by the proposal for a single digital gateway – an access point for businesses and citizens to information, online administrative procedures and assistance services. In September 2017, the Commission adopted a proposal for a regulation on the free flow of non-personal data that will enable data to circulate freely across borders and create a genuine common European data space. The Juncker Commission's ten priorities State of play in early 2018 Page 11 of 36 Priority 3: A resilient energy union with a forward-looking climate change policy In line with the EU's commitment to provide its citizens and businesses with secure and affordable energy, while also addressing the causes of climate change, the European Commission launched its European energy union strategy in February 2015, which was endorsed by the European Council in March 2015. The strategy builds on the 2030 policy framework for climate change and energy, which laid down three key targets for the EU by 2030: a minimum 40 % cut in greenhouse gas emissions compared to 1990; at least a 27 % market share for renewable energy; and an improvement in energy efficiency of not less than 27 %. The energy union strategy has five inter-related dimensions covered in the sections below. To address this priority, the European Commission adopted a series of packages:  a summer energy package of legislative proposals on energy efficiency labelling and emissions trading, and communications on energy markets and consumers, in 2015;  a sustainable energy security package, in February 2016;  a package focused on addressing climate issues falling outside the emissions trading system (ETS) sector, in July 2016.  a 'clean energy for all Europeans' package, in November 2016. It includes, amongst others, a proposal for a regulation on the governance of the energy union that aims at enhancing the transparency and coordination of energy policies between Member States. This would oblige Member States to prepare national energy and climate ***plans***, as well as long-term low-emission strategies, and to ***produce*** regular progress reports.  On 8 November 2017, the Commission adopted the clean mobility package, which includes proposals to foster low-carbon solutions in the transport sector. The third state of the energy union report, published on 24 November 2017, notes that almost all Commission initiatives were delivered, highlights the importance of engagement with Member States and society as a whole and urges Member States to deliver their post-2020 draft integrated national energy and climate ***plans*** by early 2018. The Commission's 2018 work ***programme*** envisages a communication on the future of EU energy and climate policies, covering also the Euratom treaty, by mid- 2018. Energy security, solidarity and trust The Regulation on the security of gas supply was adopted in October 2017. To ensure that intergovernmental agreements (IGA) with non-EU countries in the field of energy are compatible with EU law, the decision on IGAs requiring Member States to submit draft IGAs for an ex-ante check, came into force in May 2017. In addition, the Commission adopted a legislative proposal on risk preparedness in the electricity sector in November 2016. The Commission adopted a proposal to amend the Gas Directive to extend common EU gas rules to import pipelines. International climate change agreements The European Union played a leading role in the negotiations leading to the Paris Agreement, a global climate agreement concluded in December 2015 at the UN Climate Change Conference (COP21). A European Parliament delegation took part in these negotiations. The Paris Agreement entered into force in November 2016. In 2016, international agreements to reduce greenhouse gas emissions were also concluded in the International Civil Aviation Organization (ICAO) for the aviation sector, and under the Montreal Protocol for fluorinated greenhouse gases. The EU ratified the Doha amendment to the Kyoto Protocol in December 2017. The Juncker Commission's ten priorities State of play in early 2018 Page 12 of 36 Fully integrated European energy market In July 2015, the Commission adopted an initial set of proposals to deliver a new deal for energy consumers. The 2016 Regulation on energy price statistics aims at improving the collection and comparability of gas and electricity price statistics in Member States. A European energy market needs physical interconnections to transport gas and electricity between Member States. In February 2015, the Commission issued a communication on electricity interconnections describing measures needed to reach the target of 10 % electricity interconnection by 2020. The third list of PCI – key energy infrastructure projects that receive financial support from the Connecting Europe Facility (CEF) and the European Fund for ***Strategic*** Investment (EFSI) – was adopted in November 2017. A communication on strengthening Europe's energy networks calls on all stakeholders to maintain commitment and accelerate the building of key energy networks. The Commission adopted legislative proposals for a new electricity market design in November 2016, consisting of a proposal for a directive and a proposal for a regulation, as well as a proposal for a recast regulation on the role of the European Agency for the Cooperation of Energy Regulators (ACER). This was accompanied by a report on the Commission's sector inquiry on capacity mechanisms. Energy efficiency contributing to moderation of demand The European Commission promotes 'energy efficiency first' as a principle, meaning that energy efficiency should be given consideration before taking steps to expand production, import or transport capacity. The Regulation on energy efficiency labelling, which aims to make energy labels easier for consumers to understand, was adopted in June 2017 and entered into force in August 2017. In December 2017, a trilogue agreement was reached on the November 2016 proposal for a revision of the Energy Performance of Buildings Directive. The Commission also proposed a revision of the Energy Efficiency Directive in November 2016. At the same time, it adopted an ecodesign working ***plan*** and implementing legislation on verification procedures, eco-design requirements for air heating and cooling products, and guidelines on industry self-regulation. Decarbonising the economy This priority is focused on the transition towards a low-carbon economy to meet the EU's climate targets. The July 2015 proposal for reform of the EU ETS in line with the EU's 2030 greenhouse gas reduction target reached a trilogue agreement in November 2017. In December 2017, trilogue agreements were reached on a legislative proposal concerning effort sharing for greenhouse gas reduction in the sectors outside the ETS, and on new rules for accounting for and reducing greenhouse gas emissions from land use and forestry. The February 2017 proposal for a regulation concerning post-2020 emissions trading for the aviation sector, taking account of the development of a global market-based measure in the ICAO, was adopted by Parliament and Council in December 2017. The Commission's latest progress report on climate action, entitled 'Two years after Paris', concludes that the EU has succeeded in decoupling its economic growth from its emissions. To decarbonise the transport sector, the Commission presented a European strategy for low emission mobility in July 2016 and a European strategy on cooperative, intelligent transport systems in November 2016. On 31 May 2017, it proposed a regulation for The Juncker Commission's ten priorities State of play in early 2018 Page 13 of 36 monitoring and reporting CO2 emissions from heavy-duty vehicles, as part of its 'Europe on the move' package. Legislative proposals for post-2020 CO2 targets for cars and vans and for promoting public procurement of clean vehicles were adopted in November 2017, along with an action ***plan*** for alternative fuels infrastructures. The first-ever CO2 targets for heavy-duty vehicles are ***planned*** for the second quarter of 2018. Research, innovation and competitiveness The Commission revised the ***strategic*** energy technology (SET) ***plan*** to promote research and innovation in September 2015. In November 2016, it presented a communication on accelerating clean energy innovation. As part of its renewed EU industrial policy strategy, the Commission launched a battery initiative in October 2017, with the aim of establishing a full value chain of batteries in Europe. European Parliament position The Parliament set out its views on the energy union in its resolution of December 2015, reiterating its calls for more ambitious targets for energy efficiency and renewable energy. It adopted resolutions on delivering a new deal for energy consumers in May 2016; on the renewable energy progress report in June 2016; on EU strategy on heating and cooling in September 2016; and on an EU strategy for liquefied natural gas and gas storage in October 2016. In addition, the Parliament set out its positions ahead of certain major legislative proposals through own-initiative reports: on energy efficiency, in June 2016; and energy market design, in September 2016. A parliamentary delegation participated in the UN climate negotiations in Lima, Paris, Marrakesh and Bonn. On 4 October 2017, the Parliament adopted a resolution on COP23, emphasising the need for ambitious climate action. The Juncker Commission's ten priorities State of play in early 2018 Page 14 of 36 Priority 4: A deeper and fairer internal market with a strengthened industrial base In his 2014 political guidelines, the President of the European Commission, Jean-Claude Juncker, made the political commitment to unleash the full potential of the single market and make it the platform of a sustainable, competitive European economy on the global stage. The further completion of the EU single market that supports innovation, digitisation and industrial transformation requires a multi-pronged approach. Capital markets union Through the establishment of a capital markets union (CMU) by 2019, the Commission aims to diversify and improve access to funding for enterprises, especially small and medium-sized enterprises (SMEs), and to increase the European economy's shock absorption capacity. European businesses are still heavily dependent on banks for their funding, and much less so on capital markets, and therefore face higher costs. The co-legislators adopted a series of legislative proposals in 2017. To facilitate SME access to market-based investments and promote long-term projects, they adopted the Regulation amending legislation on European venture capital funds (EuVECA) and on European social entrepreneurship funds (EuSEF), both on 25 October 2017. To improve the lending capacity of banks, they adopted two amending proposals: the Regulation laying down common rules on securitisation and the Regulation on prudential requirements for credit institutions and investment firms, both on 12 December 2017. To make it easier for companies to enter and raise capital on public markets, they had adopted the Prospectus Regulation on 14 June 2017. For preventive restructuring and second chance for entrepreneurs, the Commission adopted in November 2016 a proposal on business insolvency, which would help reinforcing trust in cross-border investments. The Commission presented the main achievements in the mid-term review of the capital markets union action ***plan***, on 8 June 2017. New priorities, partly emerging as a response to issues such as the United Kingdom's withdrawal from the EU (Brexit), aim at strengthening the effectiveness of supervision, enhancing the proportionality of rules to support SMEs' initial access to public markets, adapting the existing prudential and supervisory requirements to investment firms, harnessing the potential of FinTech, fostering sustainable finance, tackling the non-performing loans issue, and facilitating cross-border investment. As a first follow-up of the review, the Commission adopted a comprehensive package on 20 September 2017. It includes a communication entitled 'Reinforcing integrated financial supervision', a proposal amending the Regulation establishing the European Supervisory Authorities (ESAs), a proposal amending the Regulation establishing the European Systemic Risk Board (ESRB), and amendments to some supervisory provisions set out in existing and pending regulations. Tax measures To ensure a better business environment and sustainable revenues, everybody needs to contribute their fair share. Addressing corporate tax evasion and tax fraud is a necessity. As regards transparency, four revisions to the Directive on administrative cooperation (DAC) were adopted between 2014 and 2016. The proposal adopted by the European Commission on 21 June 2017 to impose an obligation on e-tax intermediaries to report on cross-border arrangements is currently being negotiated. The Juncker Commission's ten priorities State of play in early 2018 Page 15 of 36 As for the tax base, two proposals on the re-launch of the common consolidated corporate tax base (CCCTB), adopted by the Commission on 25 October 2016, are under discussion (common corporate tax base (CCTB) and common consolidated corporate tax base proposals). As regards tax avoidance, the Directive on rules against tax avoidance practices was adopted by the co-legislators in July 2016 and the Directive on hybrid mismatches – amending the latter – was adopted on 21 June 2017. When it comes to the value added tax system, the Commission adopted the action ***plan*** on VAT: towards a single EU VAT area on 7 April 2016. The ***plan*** includes setting principles for a future single European VAT system, updating the framework for VAT rates, measures to tackle VAT fraud, updating the framework for VAT rates, and the modernisation of VAT rules for e-commerce. On 4 October 2017, the Commission launched its ***plans*** for the biggest VAT reform that should help to overcome VAT fraud and create a simpler and more robust system for companies to use and at the same time draw all the benefits from the single market in a global context. The reform envisages a future VAT system where VAT would be charged on sales that are made across borders to another country in the EU. To adapt VAT systems to the digital economy, on 5 December 2017, the Commission adopted the VAT digital single market package to facilitate cross-border trade, combat VAT fraud, ensure fair competition for EU businesses, and to provide equal treatment for online publications. Upgrading the single market A number of obstacles continue to hamper the single market, including with regard to enabling citizens to live and work wherever they like across the EU. On 10 January 2017, the Commission made three legislative proposals and published a communication. The proposal for a new European services e-card provides a simplified electronic procedure for completing administrative formalities when intending to provide services abroad. The one on proportionality assessment of national rules on professional services aims to ensure that Member States undertake a comprehensive and transparent proportionality test prior to setting national rules on professional services. Finally, the proposal on improved notification of draft national laws on services intends to allow both European authorities and Member States to raise potential concerns about legal incompatibilities between EU and national law at an early stage of national law making. A communication provides guidance for national reforms in regulation of professions, with the aim of opening up the services markets. On 2 May 2017, the Commission presented its compliance package, with proposals for a single digital gateway, a single market information tool (SMIT), and an action ***plan*** on the reinforcement of Solvit. While SMIT will allow the Commission to access, in targeted cases, some available data from companies, Solvit aims to provide people and companies with access to high quality information, online administrative procedures, and assistance services, through a single digital entry point. Finally, the renewed EU industrial policy strategy from September 2017, touching upon cybersecurity, free flow of non-personal data, trade and foreign investment, raw materials and public procurement, offers a holistic approach to industry, combining both existing and new horizontal and sector-specific initiatives. Labour mobility package Enabling labour mobility to counterbalance skills mismatches is imperative to reach the full potential of the single market. Labour mobility needs to go hand in hand with fair labour markets and equal social rights for all workers. These, in turn, should contribute to more growth, jobs and upward social convergence. The labour mobility package comprises: (i) supporting labour mobility and tackling abuse by means of better social The Juncker Commission's ten priorities State of play in early 2018 Page 16 of 36 security system coordination, for which the Commission made a proposal on 13 December 2016; (ii) the targeted review of the Posting of Workers Directive, for which a Commission proposal was put forward on 8 March 2016; and (iii) enhanced European employment services (EURES) thanks to a regulation adopted in April 2016, which is intended to facilitate the freedom of movement of workers within the EU. The aim of the first legislative proposal is to ensure that the rules coordinating social security schemes respond to recent social, economic and political developments in the EU. The proposal focuses in particular on areas that have not been satisfactorily covered to date and where improvements are required: economically inactive citizens' access to social benefits, long-term care benefits, unemployment benefits and family. In this process, the French Senate submitted a reasoned opinion on 20 March 2017 for non-compliance with the principle of subsidiarity. In the case of the second legislative proposal, the revision of the Posting of Workers Directive, 11 Member States' parliaments declared themselves against the Commission proposal, triggering the 'yellow card' procedure. In June 2016, after careful consideration of the Member States' views, the European Commission concluded that the proposal does not constitute a breach of the subsidiarity principle and decided to maintain it, opening the way to the trilogue negotiations. In addition, the joint proclamation on the European Pillar of Social Rights – with 20 principles and rights in relation to equal opportunities and access to the labour market, fair working conditions and social protection and inclusion – was signed by the Commission, Council and Parliament at the Gothenburg Social Summit on 17 November 2017. The main challenge remains bringing this reference framework to all citizens across the EU. Due to limited EU competence in the social field, implementation of the social pillar is for the Member States, in cooperation with social partners, while the European Commission will monitor the process via the European Semester. How to make the EU's role as effective as possible in the implementation process is currently under further discussion among the three institutions and the stakeholders. The Juncker Commission's ten priorities State of play in early 2018 Page 17 of 36 Priority 5: A deeper and fairer economic and monetary union This fifth priority reflects the understanding that, through the completion of EU economic and monetary union (EMU), Europe can build a stronger and more efficient European economy, prepare for the global challenges that lie ahead, and provide conditions for Member States to prosper. Completion of economic and monetary union In line with the 2014 political guidelines, European Commission President Jean-Claude Juncker, in close cooperation with the then presidents of, respectively, the European Council, Donald Tusk; the Eurogroup, Jeroen Dijsselbloem; the European Central Bank, Mario Draghi; and the European Parliament, Martin Schulz; prepared a report on completing Europe's economic and monetary union (the 'Five Presidents' Report'). Presented on 22 June 2015, it reflects the personal deliberations and discussions of the five presidents, provides ideas on to how to deepen EMU, and advises on possible stages for implementation, beginning from July 2015. Stage 1, entitled 'deepening by doing' (1 July 2015-30 June 2017), prescribes building on existing instruments and treaties to boost competitiveness and structural convergence, complete the financial union, achieve responsible fiscal policies at national and euro area level, and enhance democratic accountability. Stage 2, 'completing EMU', proposes far-reaching measures to make the convergence process more binding, in particular through a set of commonly agreed benchmarks that could be given a legal nature, with the final stage with a fully-fledged EMU to be reached at the latest by 2025. The European Parliament's contributions were based on its past and current positions, in particular those set out in its resolution of 24 June 2015 on 'review of the economic governance framework: stocktaking and challenges'. In this resolution, Parliament placed particular emphasis on the democratic legitimacy and accountability of the European semester, and the proposal for a fiscal capacity within the euro area. The Parliament furthermore demanded that the European stability mechanism (ESM) and the fiscal compact (the fiscal part of the Treaty on Stability, Coordination and Governance, TSCG), 'be fully integrated into the Community framework', making it formally accountable to Parliament. The European Parliament monitors the process closely and, in February 2017, adopted resolutions first on a budgetary capacity for the euro area, second on improving the functioning of the European Union: building on the potential of the Lisbon Treaty, and third on possible evolutions of and adjustments to the current institutional set-up of the European Union. On 21 October 2015, in line with the 'five Presidents' report' (Stage 1), the Commission presented specific steps to complete EMU. The texts contain a recommendation for a Council recommendation on a euro area system of national competitiveness authorities and a European Commission decision establishing an independent advisory European fiscal board. This board is intended to focus on 'the horizontal consistency of the decisions and implementation of budgetary surveillance', and advise on the 'appropriate fiscal stance for the euro area'. Moreover, the Commission set out a roadmap towards a more efficient external representation of the EMU in relation to multilateral financial institutions such as the International Monetary Fund (IMF), while also reinforcing democratic accountability and legitimacy before the European Parliament. As to economic governance, the Commission 'revamped' the European semester process as of 2016-2017, by strengthening democratic accountability and by addressing EMU issues prior to country-specific recommendations. The Juncker Commission's ten priorities State of play in early 2018 Page 18 of 36 On 24 November 2015, the European Commission proposed a regulation for a European deposit insurance scheme (EDIS), to create the 'third pillar' of banking union. The proposal aims at reducing the potential spill-over risk from local bank failures on financial stability in the economic and monetary union as a whole. In view of the rather slow advancement of the dossier, the Commission advocated in a communication published on 11 October 2017, to introduce EDIS in two phases, linking the final introduction of EDIS to further risk reduction in the banking sector, including an asset quality review as a condition to access to loss coverage by EDIS. The Commission already addressed some of these risks in its banking reform package, adopted on 23 November 2016. The first and second pillar of banking union, banking supervision and resolution, were put to a first test in early June 2017. On 7 June 2017, reacting to an ECB statement, the Single Resolution Board adopted a resolution decision for the first time, transferring the Spanish bank Banco Popular to Banco Santander, and putting the EU's new bank resolution framework into practice. European pillar of social rights On 8 March 2016, the Commission launched a debate on a European pillar of social rights for the euro area. This initiative set out to identify common principles and benchmarks with a view to achieving greater convergence in employment and social performance over time. The proclamation of the European Pillar of Social Rights was signed during the Gothenburg Social Summit of 17 November 2017. The pillar is a collection of 20 non-binding principles and rights supporting the renewal of current labour markets and welfare systems. Next steps On 1 March 2017, the Commission published a white paper proposing five options for the future of Europe and launched a 'reflection paper' process. The reflection paper on deepening of economic and monetary union of 31 May 2017 assesses progress made so far and outlines next steps in two phases: 2017 to 2019, and 2020 to 2025. It describes possible action to be taken by the next elections in 2019 (mainly completing banking union and capital markets union), and delivers a 'series of options' for the following years. After 2020, the Commission envisages euro area options for a common issuance of debt ('European safe asset') as well as a macroeconomic stabilisation function, such as a 'European investment protection scheme'. However, and contrary to what was initially expected, the document did not include specific legal measures to complete the EMU. The Commission became more specific with President Juncker's State of the Union speech and the accompanying letter of intent of 13 September 2017, followed by the Commission work ***programme*** 2018, which was published on 24 October 2017. The intergovernmental Treaty on Stability, Governance and Growth (TSCG) is to be integrated into Community law, and similarly the intergovernmental European Stability Mechanism (ESM) is to be transformed into a European Monetary Fund (EMF), also under Community law. The EU budget would be given a strong EMU dimension, with dedicated euro area budget lines that would offer (i) structural reforms assistance, (ii) a stabilisation function, (iii) a backstop for the Banking Union's single resolution mechanism, and (iv) EMU pre-accession assistance. With a 2025 perspective, euro area safe assets may be developed, and a European finance and economy minister, possibly in the form of a Commission Vice-President, who could also chair the Eurogroup, may be created. Further steps to strengthen the banking union were also announced. The Commission is considering use of the Treaty's 'passerelle clause' to move from unanimity to majority voting in fields such as taxation. The Juncker Commission's ten priorities State of play in early 2018 Page 19 of 36 On 6 December 2017, the Commission set out a roadmap for deepening Europe's economic and monetary union, and adopted proposals on the integration of the TSCG into Community law, as well as the transformation of the ESM into an EMF anchored in the Union legal framework. A proposal was made to start a pilot phase using the performance reserve, in the current European Structural and Investment Funds (ESIF), to support reforms instead of specific projects, in order to mobilise funds in support of national reforms. Another proposal seeks to increase the financial envelope of the structural reforms support ***programme***. The European Commission also adopted a communication on the possible creation of a European Minister of Economy and Finance, and another on new budgetary instruments for a stable Euro area. Others have started adding their voices to the discussion, most notably French President Macron, mainly with his Sorbonne speech of 26 September 2017. He advocates an approach that also comprises strong intergovernmental elements, such as a separate parliament for the euro, as well as a dedicated budget for the euro area, to be created outside the existing EU budget. A number of European Council meetings have been ***planned***, starting with a first discussion on 14-15 December 2017, and a possible culmination at the meeting of Leaders in Sibiu on 9 May 2019, where important decisions on the future of Europe may be taken. However, at the time of writing, no government had been formed in Germany, something which seriously disrupted the choreography. At the European Council meeting of 14-15 December 2017, it was decided to continue discussing the euro area reform, especially concentrating on the completion of the banking union and the transformation of the ESM, and to convene the next Euro summit for March 2018. The Juncker Commission's ten priorities State of play in early 2018 Page 20 of 36 Priority 6: A balanced and progressive trade policy to harness globalisation A new narrative President Juncker's sixth priority originally focused on the Transatlantic Trade and Investment Partnership (TTIP) with the United States. However, in the second half of 2017, the Commission decided to update this priority and make it geographically neutral to reflect political changes and shifting concerns on both sides of the Atlantic. The updated priority now encompasses the EU's entire trade policy and links it to the broader issue of globalisation. Several documents reflect the Commission’s rationale behind and move towards updating this priority. The first is the Commission's communication 'Trade for all – Towards a more responsible trade and investment policy', adopted in October 2015. This new trade strategy emphasises the importance of an effective and transparent trade policy that is based on values and helps shape globalisation. A second important document is the Commission's 'reflection paper on harnessing globalisation' of May 2017 in which the Commission discusses ways to respond to the opportunities and challenges of globalisation. This reflection paper was followed by a Commission communication in September 2017 that outlines a number of new initiatives in EU trade policy ('the September 2017 trade package'). The Commission's main work on trade negotiations, legislative files and implementation of its 'trade for all' strategy is set out below. The state of play of trade negotiations One of the Juncker Commission's biggest achievements so far has been the provisional entry into force of the EU-Canada Comprehensive Economic and Trade Agreement (CETA) in September 2017. The Commission is also working on finalising free trade agreements (FTAs) with Singapore and Vietnam. In May 2017, the EU-Singapore FTA was the subject of an opinion of the Court of Justice of the EU (CJEU). As a result, both parties are now determining how to proceed with the signing and ratification process. The EU-Vietnam FTA is undergoing legal review and will likely also be impacted by the CJEU opinion. As regards ongoing FTA negotiations, the Commission reached a final agreement with Japan on an Economic Partnership Agreement (EPA) in early December 2017 that built on their earlier political agreement in principle of July 2017. Negotiations with Japan on investment protection are still ongoing. The Commission's trade negotiations with Mexico (as part of the modernisation of the 2000 Global Agreement) and with Mercosur are both at a very advanced stage and could be finalised early 2018. Various other FTA-negotiations have also taken place, including with Indonesia and the Philippines. The Commission has simultaneously been working on several new initiatives. In November 2017, for example, it launched negotiations with Chile to modernise the 2003 Association Agreement. Just before that, in September 2017, the Commission also proposed starting FTA negotiations with Australia and New Zealand. It is currently waiting for the approval by Council of the proposed negotiating mandates before it can formally launch these negotiations. The Juncker Commission is also actively pursuing a reform of international investment protection. In response to opposition to Investor-State Dispute Settlement (ISDS) mechanisms in existing and ***planned*** FTAs (including from the Parliament), the Commission has been laying the groundwork for an alternative approach by proposing The Juncker Commission's ten priorities State of play in early 2018 Page 21 of 36 the creation of a new investment court system (ICS). The envisioned Multilateral Investment Court (MIC) builds on innovations in CETA and the EU-Vietnam FTA, which already include the ICS. As part of its September 2017 trade package, the Commission adopted a recommendation for a Council decision authorising the opening of these negotiations. Separately, the Commission has also held bilateral investment negotiations with China and is preparing to launch similar talks with Taiwan and Hong Kong. There has been less success in other areas. The TTIP-negotiations with the US came to a halt with the election of US President Donald Trump in November 2016 (although an EU-US agreement on mutual recognition of inspections of medicine manufacturers was concluded in March 2017 and another agreement on insurance and reinsurance is expected to be approved early 2018). Plurilateral negotiations on a Trade in Services Agreement (TiSA) were put on hold for similar reasons and talks on an Environmental Goods Agreement (EGA) have so far not been successful either. Furthermore, the two ***planned*** Economic Partnership Agreements (EPAs) with Western African countries and the East African Community have not been signed by some Africans countries that have taken part in the negotiations despite the fact that both negotiations were finalised back in 2014. Lastly, while the 10th World Trade Organization (WTO) Ministerial Conference (MC) in 2015 resulted in the adoption of the Nairobi Package, the 11th MC in December 2017 in Buenos Aires did not ***produce*** any significant results for multilateral trade relations. The state of play of legislative files The co-legislators adopted an amending regulation to a 2005 regulation on export of goods that could be used for capital punishment and torture (Anti-torture Regulation) in November 2016 and a new regulation on trade in conflict minerals was adopted in May 2017. The Commission also adopted a proposal on a new anti-dumping calculation methodology in November 2016, which was approved by the co-legislators in late 2017 and entered into force on 20 December 2017. This proposal is complementary to a 2013 Commission proposal on a complete modernisation of EU trade defence instruments (TDI). An interinstitutional political agreement on this TDI reform was reached in December 2017 and is expected to be formally approved by the Parliament and the Council in 2018. Other legislative proposals of the Juncker Commission currently awaiting approval include: the 2016 amended proposal for a regulation on International Procurement Instrument (based on a proposal from 2012); a proposal on a European framework to screen foreign direct investment (submitted as part of the Commission's September 2017 trade package); and a proposal on the import of cultural goods (adopted in July 2017). Implementation of the 'Trade for all' strategy In September 2017, the Juncker Commission presented a report on the implementation of its 'Trade for all' strategy. As regards a progressive EU trade policy, the Commission managed to introduce several new issues in some of the EU's FTAs. These include energy and raw materials in its Vietnam and Ukraine agreements, the creation of a new investment court system (ICS) in CETA and the EU-Vietnam FTA, and mobility of professionals in CETA and the EU-Japan FTA. In November 2017, the Commission also released its annual report on the implementation of FTAs, which comes on top of existing implementation reports on specific FTAs (such as EU-South Korea). The Juncker Commission's ten priorities State of play in early 2018 Page 22 of 36 In relation to the effectiveness of EU trade policy, the Commission tackled a number of trade barriers via the Market Access Partnership through which it coordinates its activities with Member States and businesses. In 2016, for example, the Commission resolved 20 cases affecting €4.2 billion worth of EU exports. In the WTO, the Commission is currently pursuing 21 complaints against 10 different trading partners on behalf of the EU. It considers that WTO rulings have secured fair trading conditions in a number of cases, including on refrigerator exports to Russia and raw material imports from China. As regards the transparency of EU trade policy, the Commission has instituted a transparency in action website containing all published documents on the various negotiations (although market access offers will remain confidential). As part of its September 2017 trade package, the Commission also announced the creation of an advisory group on EU trade agreements in order to foster an inclusive trade policy, and decided to henceforth publish its recommendations for Council negotiating directives. This is in line with repeated calls from the Parliament to increase transparency at all stages of trade negotiations. Regarding values in EU trade policy, the Commission initiated a debate in July 2017 on sustainable development chapters in its FTAs and what could be done to improve them. Moreover, the Commission is ***planning*** to launch a review of sustainable development provisions in CETA. It has also tabled proposals on anti-corruption provisions in its negotiations with Mexico and ***plans*** to do the same in its negotiations with Chile. Moreover, the Commission has suspended negotiations with Thailand because of concerns over fundamental rights. The EU has also adopted the aforementioned amended Anti-torture Regulation and new Conflict Minerals Regulation under the Juncker Commission. The Juncker Commission's ten priorities State of play in early 2018 Page 23 of 36 Priority 7: An area of justice and fundamental rights based on mutual trust Continuing the focus on security President Juncker's 2014 political guidelines were ambitious in relation to strengthening justice and fundamental rights across the EU. However, over the last three years, the EU has been increasingly confronted with major security challenges, necessitating a shift in the focus of EU measures within the area of freedom, security and justice, with security issues increasingly dominant. In particular, a series of recent terrorist attacks have resulted in issues such as radicalisation, terrorism financing and information sharing figuring higher than ever on both national and EU agendas. Combating terrorism Two important counter-terrorism instruments, adopted in 2017, will have to be transposed by Member States in 2018: a revised Firearms Directive, as part of a package of measures aiming at stronger firearms control, and a Directive on combating terrorism, aimed at implementing new international standards as regards the criminalisation of a wide range of terrorist activities, including travelling for terrorist purposes and receiving terrorist training. The implementation of the action ***plan*** to fight terrorist financing is ongoing and several legislative proposals are close to adoption. While a political agreement was reached on 20 December 2017 on targeted amendments to the 2015 Fourth Anti-Money-Laundering Directive, work is also progressing on proposals regarding the harmonisation of criminal sanctions for money laundering, controls on cash entering or leaving the Union, and the mutual recognition of criminal asset freezing and confiscation orders, adopted by the Commission in December 2016. With a view to better information sharing, significant attention has been devoted to improving the existing EU information systems, and developing new complementary tools. Two recent Commission proposals on information systems focusing on the security dimension of border management are close to agreement by the Parliament and the Council: the proposal for a European travel information and authorisation system (ETIAS) and the package of proposals for regulations on the Schengen information system, including one on its establishment, operation and use in the field of police cooperation and judicial cooperation in criminal matters. Moreover, trilogue negotiations are close to starting on the Commission proposal to upgrade the European criminal records information system (ECRIS), complemented in June 2017 by a supplementary proposal aimed at establishing a centralised system for the identification of convicted thirdcountry nationals (ECRIS-TCN). To enhance operation of the existing and new systems, the Commission has developed a new approach to their management, based on the recommendations formulated in the final report of the high-level expert group on information systems and interoperability (HLEG) in May 2017, and in line with the Council conclusions of June 2017. The new approach integrates interoperability solutions, such as a European search portal, shared biometric matching service and a common identity repository. On 12 December 2017, the Commission adopted two legislative proposals in this regard: one for police and judicial cooperation, asylum and migration, and another one for borders and visa. From the technical point of view, the development of interoperability solutions as well as centralised management of existing and new EU information systems will be the task of the EU agency for the operational management of large scale IT systems (eu-LISA): the extension of its mandate is on the agenda of the trilogue negotiations expected to start soon. The Juncker Commission's ten priorities State of play in early 2018 Page 24 of 36 With regard to information and intelligence-sharing in counter-terrorism, Europol is playing a central role, namely with the creation, within its structure, of the European Counter-Terrorist Centre (ECTC) in January 2016 and the entry into force of the new Europol Regulation in May 2017. The ECTC pools and streamlines Europol's resources and expertise in terrorism travel and financing, illegal arms trafficking and countering online terrorist propaganda. As for the latter, the creation of the EU Internet Referral Unit (EU IRU), which is part of the ECTC, and of the EU internet forum, bringing together Europol, national governments, and technology companies to counter terrorist content and hate speech online, are among the most important developments. In September 2017, the Commission published a communication on tackling illegal content online, calling on the online platforms to act more proactively to remove such content and prevent its re-appearance. In its broader efforts to tackle radicalisation, the Commission set up a dedicated high-level expert group (HLCEG), which published its first interim report in December 2017. This and further steps to counter radicalisation were announced as part of a package of anti-terrorism measures, adopted in October 2017 and including action ***plans*** on the protection of public spaces and on chemical, biological, radiological and nuclear (CBRN) risks, a recommendation on explosive precursors, as well as proposals on strengthening the external dimension of EU action. The latter include accessing, on behalf of the EU, the Council of Europe Convention on the Prevention of Terrorism and its Additional Protocol, as well as opening the negotiations for a revised passenger name record (PNR) agreement with Canada. Progress in the area of justice and fundamental rights Although the progress in the area of justice proved to be rather slow, some key instruments were (or came close to being) adopted in 2017, while preparatory work is ongoing in new areas, such as criminal justice in cyberspace.  Legislative developments in criminal justice Even though no agreement could be reached in the Council on the proposal concerning the European Public Prosecutor's Office (EPPO), in October 2017, 20 Member States adopted the regulation under enhanced cooperation, having received the Parliament’s consent. The EPPO will investigate, prosecute and bring to judgment by national courts the perpetrators of offences defined by the Directive on the fight against fraud to the Union's financial interests by means of criminal law ('PIF Directive'), adopted in July 2017. In October 2017, the Civil Liberties, Justice and Home Affairs (LIBE) Committee adopted a report on the proposal on Eurojust, until then blocked in the Parliament due to the lack of progress on the related EPPO file. This proposal includes provisions on the relationship between these two EU bodies. The Commission made significant progress in its work on a common EU approach to enforcement of jurisdiction in cyberspace. Building on the conclusions of the expert process launched in 2016, the Commission has carried out preparatory work on a legislative proposal on cross-border access to electronic evidence to be presented in early 2018 and proposed a set of technical measures to support authorities facing the use of encryption by criminals.  Harmonising data protection As a follow-up to the reform package on EU data protection adopted in April 2016, and in parallel to the proposal for a regulation repealing the e-Privacy Directive (see Priority 2), in January 2017 the Commission adopted a proposal on the processing of personal data by EU institutions. Its aim is to align the existing rules (Regulation (EC) No 45/2001), with the more stringent ones set out in the General Data Protection The Juncker Commission's ten priorities State of play in early 2018 Page 25 of 36 Regulation so as to ensure that personal data processed by EU institutions or agencies benefits from higher standards of protection, while reducing administrative burden. After the Council adopted a general approach in June 2017 under the Maltese Presidency, trilogue negotiations have been advancing, although divergences exist: while the Parliament, which adopted its position in October 2017, insists on including data processing by agencies such as Europol and Eurojust in the scope of the regulation, the Council wants to exclude them. Regarding transatlantic data transfer for commercial purposes, following the Schrems case and the adoption by the Commission of its adequacy decision on the EU-US 'Privacy Shield', a joint EU-US review of this new framework took place in September 2017. Although improvements were recognised, unresolved issues have to be addressed in 2018 to avoid another court case. The Parliament has expressed its concerns on several occasions, for instance in its resolution of April 2017. The Commission also intends to adopt new adequacy decisions concerning Japan and Korea.  Addressing violence against women The EU accession to the Council of Europe Convention to fight violence against women and domestic violence (the Istanbul Convention signed by all 28 EU Member States and ratified by 17) has reached its final stage, with the adoption by the Council, in May 2017, of two decisions on the signing of the Istanbul Convention and with its signature by Commissioner Věra Jourová on behalf of the EU, on 13 June 2017. The last step to be made is the adoption of the Council decision on its conclusion, to which the Parliament gave its consent in September 2017. It had previously called for EU accession to this convention, and for its ratification by Member States, for example in its resolutions from 2014, 2015, 2016 and 2017. The Juncker Commission's ten priorities State of play in early 2018 Page 26 of 36 Priority 8: Towards a new policy on migration The migratory flows to the European Union that peaked in 2015 had started to subside by the end of 2017, but while the pressure on Greek islands via Turkey has reduced, the number of sea arrivals to Italy and Spain have increased. Considering the global context, migratory pressure is not expected to decrease in the coming years. This is due to ongoing international and internal conflicts, climate change and other global factors that continue to push people on the move and to seek protection in Europe. The number of new asylum applications in the EU in 2017 – 407 000 – is still substantial. The Commission set out both short- and long-term measures for EU action in the European Agenda on Migration presented in May 2015. Relocation and resettlement Despite the two Council decisions adopted to allow Greece and Italy to benefit from temporary relocation of a total of 160 000 asylum-seekers to other Member States, the targets of relocation were not met by the end of the schemes in September 2017, despite repeated calls from the Commission and the European Parliament. On 15 November 2017, the Commission asserted in its progress report on the European agenda on migration that Member States' legal obligations will continue for a reasonable time and urged them to keep relocating. According to the latest data available, 31 503 asylumseekers were relocated by 9 November 2017. On 7 December 2017, the Commission referred the Czech Republic, Hungary and Poland to the Court of Justice of the EU (CJEU) for failing to contribute to relocation in breach of their legal obligations, the validity of the relocation scheme having been confirmed by the CJEU in September 2017. The Commission has also given a new impetus to the EU resettlement policy. As of 10 November 2017, EU Member States had resettled 25 739 refugees directly from third countries under the EU urgency resettlement scheme of July 2015 as well as the EU-Turkey statement. However, this number remains modest when the projected global resettlement needs reach 1.2 million. The Commission has therefore recommended that Member States resettle additionally at least 50 000 vulnerable persons by October 2019. In its progress report, the Commission announced that following the recommendation, 16 Member States have pledged for a total of more than 34 400 resettlement places. The Commission has set aside €500 million for this initiative that is intended to cover the period until the proposed permanent Union Resettlement Framework is adopted. Border management The European Council of 15 October 2015 focused on securing the European Union's external borders, in particular through developing a European border and coast guard system. With the adoption of the regulation on 14 September 2016, the new system was due to become fully operational in 2017. The Commission reported in November 2017 that the European border and coast guard team has deployed around 1 500 extra officers, and formed a mandatory rapid reaction pool of 1 110 border guards, representing 74 % of the pool. However, significant gaps remain for most technical equipment, with only 14 Member States continuing to contribute. Following the identification of serious deficiencies in external border management in Greece in 2015, and in response to the temporary reintroduction of internal border controls by several Member States, the Commission adopted the communication 'Back to Schengen – a roadmap' on 4 March 2016, setting out ways to re-establish proper Schengen area function. Based on three consecutive Council implementing decisions, Austria, Denmark, Germany, Norway and Sweden were allowed to maintain temporary internal border controls until 11 November 2017. Considering that prolongation was no The Juncker Commission's ten priorities State of play in early 2018 Page 27 of 36 longer possible under current EU rules, and in line with the roadmap, the Commission proposed on 27 September 2017 an update to the Schengen Borders Code, which would prolong the maximum time limit in case of foreseeable events and identified threats from six months to one year. The proposal is now before the co-legislators. The Commission also aimed to strengthen the external border management through its revised proposal for a regulation establishing an entry-exit system. The so-called 'smart borders' would modernise the current system of manual stamping of passports by more automated controls, improve border security and improve the interoperability of EU information systems. The regulation was adopted by the co-legislators on 30 November 2017, and the system is due to become fully functional by 2020. Reform of the common European asylum system In April 2016, the European Parliament advocated substantial reform of the Dublin Regulation and a centralised EU asylum system. The Commission presented proposals to reform the Common European Asylum System (CEAS) in spring-summer 2016, suggesting to amend the Dublin Regulation, create a European Union Agency for Asylum, reinforce the Eurodac system for fingerprinting migrants, replace the Asylum Procedures Directive and the Qualification Directive with directly applicable regulations; and to reform the Reception Conditions Directive. The proposals, which do not entail a complete overhaul of the system, but rather address the lack of harmonisation and implementation, are currently being negotiated by the European Parliament and the Council. The Commission has included them among its priority pending proposals in the 2018 work ***programme***. Legal migration In June 2016, the Commission presented a communication on the action ***plan*** on the integration of third-country nationals, and a proposal for a revised EU Blue Card Directive. The proposal for a revised directive, aimed at attracting and retaining highly skilled workers, is expected to be adopted in 2018. Cooperation framework with third countries Since 2015, the EU has increasingly sought ways to increase cooperation with third countries on migration. Dialogue frameworks among European and African governments have been in place for more than 10 years at both continental and regional levels. These include the Africa-EU migration and mobility dialogue as well as the Khartoum and Rabat processes with key countries. The new partnership framework with third countries proposed by the Commission in June 2016 is intended to address the root causes of irregular migration, combat human smuggling, and motivate third countries to cooperate more on return and readmission. A series of compacts have been concluded with namely Jordan and Lebanon, and five priority African states: Ethiopia, Mali, Niger, Nigeria and Senegal. The new partnerships are linked to incentives, ranging from positive ones such as visa facilitation, to negative ones, such as conditionality on development cooperation. The 28 EU Heads of State or Government, noting that irregular arrivals via the Central Mediterranean route remained high, agreed in the Malta Declaration on measures to stem the flow of irregular migrants from Libya to Italy. The same aim was pursued by the memorandum of understanding signed between Italy and Libya a day earlier, and the EU action ***plan*** of July 2017 to support Italy and assist the Libyan coast guard in intercepting and returning migrants in the Mediterranean. This course of action has recently been criticised by the United Nations High Commissioner for Human Rights. The Juncker Commission's ten priorities State of play in early 2018 Page 28 of 36 Noting that return rates of irregular migrants remain low, the Commission adopted a renewed EU action ***plan*** on return, accompanied by a recommendation to Member States on making returns more effective. On 9 June 2017, the Justice and Home Affairs Council adopted conclusions on enhancing return and readmission of irregular migrants, emphasising the need to link these negotiations to the visa policy. The Commission intends to review the common visa code as well as the visa information system in 2018. At the same time, the EU must ensure compliance with human rights and respect for the principle of non-refoulement when working in or with third countries, as also set out in the guidance by the European Fundamental Rights Agency. In its mid-term review, as well as in the progress report on the European Agenda on Migration, the Commission acknowledged the need for improving the situation of refugees and migrants in third countries. To this end, the EU could make more use of its liaison officers, and increase its human rights monitoring in third countries. EU-Turkey statement In March 2016, the EU and Turkey issued a statement on their ***plans*** to increase cooperation to stem irregular migration from Turkey to the EU. The Commission has published regular progress reports on its implementation as well as a joint action ***plan*** in November 2017, stating that more efforts are needed, both in terms of reception conditions and return rates. At the same time, human rights organisations remain critical of the arrangement, calling for protection gaps to be addressed and for the provision of significant funding to help Turkey meet the most basic needs of asylum-seekers. The Juncker Commission's ten priorities State of play in early 2018 Page 29 of 36 Priority 9: A stronger global actor In his 2014 political guidelines, Commission President Juncker observed: 'We need a stronger Europe when it comes to foreign policy'. This priority covers all aspects of external engagement. Neighbourhood policy Following a joint consultation on the future of the European neighbourhood policy (ENP) in March 2015 and the European Parliament's subsequent resolution in July 2015, the European Commission adopted a communication on review of the ENP. The Council adopted conclusions on this review in December 2015. Parliament and Council adopted a decision on EU participation in a partnership for research and innovation in the Mediterranean area (PRIMA) on 4 July 2017. Development In February 2015, the European Commission issued a communication on a global partnership for poverty eradication and sustainable development after 2015. The European Parliament welcomed the communication in a resolution of May 2015, but regretted a certain lack of commitment concerning the timeline for future financial targets. One week later, the Council adopted its conclusions on this issue. An agreement was reached at the UN Conference in Addis Ababa in July 2015, providing a basis for implementing the global sustainable development agenda, which world leaders adopted in September 2015. In its resolution on the Commission work ***programme*** (CWP) 2016, Parliament called on the Commission to deliver a follow-up action ***plan*** to the European consensus on humanitarian aid, and to focus on fragile states, peace-building and state-building. On 12 December 2017, the European Parliament and the Council adopted a regulation to facilitate EU budgetary support for capacity-building ***programmes*** in third countries. The CWP 2016 also envisaged a recommendation to open negotiations in anticipation of the expiration of the Cotonou Partnership Agreement in 2020. The European Commission adopted a joint communication on renewed partnership with the African, Caribbean and Pacific Group of States (ACP) countries in November 2016. In December 2016, the Plenary ACP-EU Joint Parliamentary Assembly issued a declaration on the parliamentary dimension of ACP-EU relations in the post-Cotonou framework. In November 2016, the European Commission adopted the communication 'proposal for a new European consensus on development – Our world, our dignity, our future' aiming at integrating the Agenda 2030 sustainable development goals (SDGs) into the EU development framework. Based on its resolution of 14 February 2017, the European Parliament has actively participated in interinstitutional negotiations that led to the signature of the new consensus on development on 7 June 2017. As requested by the Parliament, poverty eradication remains the main objective of EU development policy, which should contribute to the overall objectives of EU external action, including building resilience and addressing the root causes of migration. Boosting investment in developing countries, with the help of the new European external investment ***plan***, will be one of the ways to tackle those issues. On 26 September 2017, the European Parliament and the Council adopted a regulation establishing the European Fund for Sustainable Development (EFSD) which will scale up resources in order to address the root causes of migration and to contribute to the achievement of the SDGs based on existing facilities. The Juncker Commission's ten priorities State of play in early 2018 Page 30 of 36 Security and defence The European Council of 28 June 2016 welcomed the High Representative for Foreign Affairs and Security Policy/Vice-President (HR/VP) of the European Commission, Federica Mogherini's Global Strategy: shared vision, common action: a stronger Europe. On 14 November 2016, the HR/VP presented an implementation ***plan*** on security and defence aspects of the Global Strategy to the Council, which encouraged the Commission to support Member States in implementing defence capability priorities. Alongside the European defence action ***plan*** and the EU-NATO joint declaration, the ***plan*** constitutes one of three parts of the HR/VP's 'defence package'. The CWP 2016 included several additional initiatives in the area of security, such as an EU-wide ***strategic*** framework for supporting security sector reform (SSR) and a European defence action ***plan***. In July 2016, the European Commission and the HR/VP presented a joint communication entitled 'elements for an EU-wide ***strategic*** framework to support security sector reform'. The same month, the Commission presented a proposal amending the regulation of March 2014 establishing an instrument contributing to stability and peace (IcSP). It aimed to adapt the existing regulation to revised reporting directives on official development assistance (ODA) on peace and security and strengthen the EU's role as a security provider by providing new funding opportunities for military capacity building in third countries. The European Parliament adopted this proposal on 30 November 2017 and the Council on 7 December 2017. The revised instrument introduces the possibility for the EU to finance measures in support of capacity building for security and development (CBSD) of military actors in partner countries, with the objective of contributing to sustainable development and in particular the achievement of peaceful and inclusive societies. The European Commission presented the European defence action ***plan*** (EDAP) in November 2016, proposing a European Defence Fund (EDF) to support collaborative research projects and joint development of defence capabilities, support small- and medium-sized enterprises (SMEs) through fostering investments and providing more cross-border opportunities in defence supply chains, and ensure Europe has an open and competitive single market for defence. The implementation of the EDAP was included in the CWP 2017. In its March 2017 resolution, the European Parliament welcomed the EDAP and called on the Commission and the Member States to clarify thoroughly the governance, financing and objectives of the possible EDF, notably the capability and research 'windows'. The EDF was launched on 7 June 2017 with two strands: on the one hand research, on the other development and acquisition. Research would be funded directly by the EU, with €500 million each year starting in 2020, and €25 million already for 2017 and €90 million until the end of 2019. The Commission also adopted a proposal for a regulation establishing a European Defence Industrial Development ***Programme*** through which the EU will offer co-financing from the EU budget. The Commission asked the co-legislators to give the proposal a priority treatment with a view to reaching the agreement in early 2018, so that first projects could be financed in 2019. The CWP 2017 included the implementation of the Global Strategy, several aspects of which advanced considerably in 2017. On 8 June 2017, the Council established the military ***planning*** and conduct capability (MPCC) within the EU military staff (EUMS). The MPCC will assume command of EU non-executive military missions. Moreover, on 13 November 2017, the Council welcomed the common notification by 23 Member States of their intention to participate in the Permanent Structured Cooperation (PESCO), in the field of defence. PESCO is a permanent framework for defence cooperation, which The Juncker Commission's ten priorities State of play in early 2018 Page 31 of 36 will allow participating Member States to jointly develop defence capabilities, invest in shared projects, or enhance the operational readiness of their armed forces. On the same day, the Council also welcomed the launch of the trial run of the Coordinated Annual Review on Defence (CARD) and the presentation of the joint communication on military mobility from the HR/VP and the Commission. In addition, on 5 December 2017, the Council welcomed further progress made in EU-NATO cooperation. The European Parliament supports the development of a strong Common Security and Defence Policy (CSDP) and defence cooperation, but with reservations expressed in three resolutions adopted in May 2015. Parliament adopted an important resolution on a European defence union in November 2016. On 16 March 2017, it urged the Council to take concrete steps towards the harmonisation and standardisation of the European armed forces and called on the Council and the HR/VP to elaborate an EU White Book on security and defence. The Juncker Commission's ten priorities State of play in early 2018 Page 32 of 36 Priority 10: A union of democratic change Commission President Juncker's 2014 political guidelines expressed an intention to make the EU more democratic, open and accountable. This was to be achieved by, inter alia, revitalising the 'special partnership' with the European Parliament, enhancing transparency, strengthening political dialogue with EU legislators, and improving cooperation with national parliaments. Since this Commission took office, transparency and better law-making, including an interinstitutional agreement (IIA) to that end, have been at the core of initiatives falling under this priority. In September 2017, the Commission presented two proposals relating to the democratic functioning of the EU: revision of the Regulation on funding of European political parties and foundations and of the European Citizens' Initiative Regulation respectively. Interinstitutional Agreement on Better Law-Making In May 2015, the Commission presented a comprehensive better regulation package which, inter alia, created a more independent Regulatory Scrutiny Board (RSB), expanded stakeholder involvement and strengthened the commitment to review and evaluate Union legislation. It also proposed an interinstitutional agreement (IIA), which entered into force on 13 April 2016. The IIA's provisions cover different aspects of the policy cycle including ***programming***, better law-making tools (impact assessment, stakeholder consultation and ex-post evaluation), delegated and implementing acts, transparency and implementation. Just over one and a half years since the agreement's entry into force, it is too early to comment in great detail on the implementation and broader implications of the IIA. Nevertheless, experience suggests that the degree of such implementation varies depending on the area concerned. There have been significant developments with regard, for example, to annual ***programming*** (with the 'joint declarations' on the EU's legislative priorities), joint register of delegated acts, launched on 12 December 2017, or alignment of 'regulatory procedure with scrutiny' (RPS) measures that have not yet been aligned to the post-Lisbon system of delegated and implementing acts, under Articles 290 and 291 of the Treaty on the Functioning of the European Union (TFEU)). In other cases, progress has been slow (e.g improved practical arrangements regarding the conclusion of international agreements or delineation criteria for delegated and implementing acts). With regard to legal acts providing for the use of the regulatory procedure with scrutiny, the Commission – as envisaged in the IIA and demanded by Parliament – presented a proposal for alignment of pre-Lisbon legislation with the system of delegated and implementing acts. Work on the proposal is ongoing before the Parliament's Legal Affairs Committee, with rapporteur József Szájer (EPP, Hungary). The kick-off meeting to start interinstitutional negotiations with a view to establishing nonbinding delineation criteria for delegated and implementing acts took place on 12 September 2017. The European Parliament had proposed a number of criteria in its owninitiative resolution of 25 February 2014, which remains Parliament's position on this question. The institutions have taken steps to adapt their internal procedures to the provisions of the new IIA, and the Parliament's general overhaul of its rules of procedure incorporated the changes needed to fulfil this aim. Further political guidance regarding the implementation and application of the IIA is expected in an own-initiative report by the Parliament's committees on Constitutional Affairs (AFCO) and Legal Affairs (JURI) with rapporteurs Pavel Svoboda (EPP, Czech Republic) and Richard Corbett (S&D, United Kingdom). The Juncker Commission's ten priorities State of play in early 2018 Page 33 of 36 Regarding the adoption of implementing acts, the Commission proposed changes to Regulation (EU) 182/2011 ('Comitology Regulation'), aiming to increase transparency and accountability of the decision-making process and reducing the risk of so-called 'no-opinion' scenarios in 'comitology committees'. Transposition, application, and enforcement of EU legislation in Member States The IIA, and the better regulation package in general, placed a new emphasis on the question of how EU law is being transposed, applied, and enforced 'on the ground' by Member States. Regarding transposition, the Commission repeatedly urged Member States to avoid going beyond strictly required measures, risking unnecessary costs mistakenly associated with EU legislation ('gold-plating' of EU rules). The IIA calls upon the Member States to 'communicate clearly' to their public when transposing Union legislation. Regarding the issue of 'gold-plating', the European Parliament emphasised, in its resolution of 12 April 2016 on the regulatory fitness and performance ***programme*** (REFIT), that the adoption of higher standards of social, environmental or consumer protection in cases of 'minimum-harmonisation directives' should not be regarded as 'gold-plating'. Parliament called upon national authorities to be aware of the potential consequences of 'gold-plating', which may lead to unnecessary burdens and misconceptions regarding EU legislative activity. However, both defining the concept of gold-plating and acquiring data regarding the actual extent of the practice at national level remain a challenge. Transparency and interest representation Increased transparency is among the main prerequisites for making the Union more accountable and democratic, as envisaged in the 2014 political guidelines. Among several initiatives taken with this aim (including Commission decisions requiring Commissioners, their cabinets and Directors-General to make public all information concerning their meetings with lobbyists, and updated rules on expert groups), the Commission submitted a proposal for an interinstitutional agreement on a mandatory transparency register on 28 September 2016. The register, when adopted, would include the Council, in addition to the Commission and the Parliament, and, on a voluntary basis, other EU bodies and agencies. The proposal would make certain types of interactions between EU institutions and interest representatives conditional upon prior registration, including, on the Parliament's side, meetings with Members of the European Parliament, the Secretary-General, directors-general and secretaries-general of political groups. Negotiations on the register are ongoing. Democratic functioning of the EU: representation and participation Albeit not foreseen in its work ***programme***, on 13 September 2017, the Commission presented two proposals to revise (i) the Regulation on Funding European Political Parties and Foundations and (ii) the European Citizens' Initiative Regulation. Given the central role of (European) political parties as the link between citizens and the political system, the stated aims of the first proposal are fostering transparency for citizens regarding the link between European and national parties, enhancing legitimacy, and addressing certain 'loopholes' that make the current rules 'prone to abuse'. Accordingly, the proposal would require national parties to publish the ***programmes*** and logos of the European political parties to which they are affiliated. It would strengthen the link between funding and representation by allocating 95 % of EU funding (instead of the current 85 %) to European political parties according to their actual share of elected members of the European Parliament. The proposal to reform the European Citizens' Initiative Regulation responds to the numerous calls by various actors (including the Parliament, European Ombudsman, the The Juncker Commission's ten priorities State of play in early 2018 Page 34 of 36 EU advisory committees and many others) to improve the functioning of the ECI. With the aim of making it a more user-friendly and effective tool for citizen participation, the proposal introduces several changes, among which limiting personal liability of ECI organisers, partial registration of initiatives by the Commission, lowering the minimum age to support an initiative to 16, and simplifying data requirements for signatories. Both initiatives respond to Parliament's demands – in its resolutions of 15 June 2017 on the funding of political parties and political foundations at European level and of 28 October 2015 on the European Citizens' Initiative – to submit appropriate reform proposals, and are listed in the Commission work ***programme*** 2018 among the priority pending proposals to be finalised by the end of the year. The Juncker Commission's ten priorities State of play in early 2018 Page 35 of 36 3. Joint declaration on the EU's legislative priorities for 2018-19 The European Parliament, the Council of the European Union and the European Commission signed the Interinstitutional Agreement on Better Law-making on 13 April 2016. They agreed to reinforce the Union’s annual and multiannual ***programming***, and the Commission committed to engaging in a dialogue with the co-legislators, both before and after the adoption of its annual work ***programme***. The European Commission's 2018 work ***programme*** was the second to be adopted under these new rules. On 14 December 2017, the Presidents of the three institutions signed a joint declaration on the EU’s legislative priorities for 2018-19, reproduced below. The institutions recognised the value of this tool for maintaining political attention on the key proposals where results are most needed and renewed it for the period running until the European elections. The Juncker Commission's ten priorities State of play in early 2018 Page 36 of 36 4. Main references European Commission's 2018 work ***programme***. European Commission's 2017 work ***programme***. European Commission's 2016 work ***programme***. European Commission's 2015 work ***programme***. Bassot, E., and Hiller, W., The European Commission at mid-term: State of play of President Juncker's ten priorities, EPRS, European Parliament, July 2017. 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As the European Commission, under its President, Jean-Claude Juncker, starts the last full calendar year of its five-year mandate, this publication seeks to provide an up-to-date overview of the state of play of delivery by the Commission on each of the ten priorities he asserted on taking office in 2014. The analysis is intended to respond to the growing interest in assessing progress towards the targets that the Commission has set itself, and to identify areas in which difficulties have been, or are being, encountered, as the EU institutions prepare for the 2019 European elections. This is a publication of the Members' Research Service and Directorate for Impact Assessment and European Added Value Directorate-General for Parliamentary Research Services, European Parliament This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament. PE 614.679 ISBN 978-92-846-2574-1 doi:10.2861/501774 QA-02-18-067-EN-N

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Uzbekistan Pharmaceuticals & Healthcare Report

July 1, 2017 Saturday

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**Length:** 3935 words

**Highlight:** At least 300 ***producers*** have some degree of presence in Uzbekistan's pharmaceutical market, and there are around 125 licensed ***producers***. The 19th Tashkent International Healthcare Exhibition in April 2014 attracted around 150 companies from 22 countries, including both pharmaceutical and medical device manufacturers, providing some additional rough indication of interest in the sector. Most exhibitors (70%) were from foreign countries, including Austria, Belarus, Belgium, the UK, Germany, India, China and Italy.

**Body**

At least 300 ***producers*** have some degree of presence in Uzbekistan's pharmaceutical market, and there are around 125 licensed ***producers***. The 19th Tashkent International Healthcare Exhibition (TIHE) in April 2014 attracted around 150 companies from 22 countries, including both pharmaceutical and medical device manufacturers, providing some additional rough indication of interest in the sector. Most exhibitors (70%) were from foreign countries, including Austria, Belarus, Belgium, the UK, Germany, India, China and Italy.A presidential decree issued in April 2010 limits the validity of licences for pharmaceutical manufacturing to five years, whereas in the past they were indefinite. Despite the general opacity of the market, we believe there are a large number of dormant or marginal ***producers*** and that this re-licensing provision may push some out of the market.In fact, as of July 2015, Uzbekistan's pharmaceutical industry includes 146 local ***producers*** (132 manufacturers of medicines, seven manufacturers of diagnostic tools and seven manufacturers of medical supplies) - as reported by Uzbekistan's authorities at the bilateral Swiss-Uzbek business forum held on July 1 2015 in Zurich, Switzerland. Despite the challenging business environment, foreign firms are present in Uzbekistan's pharmaceutical market.

The government has tried to push through localisation; however, domestically manufactured medicines cater to only 32% of total drug demand by volumes. According to data reported in July 2015 by Uzbekistan authorities, out of the 7,214 registered drugs in the country, only 1,446 are ***produced*** domestically.Despite this, by the end of 2010, over 30 companies from 14 countries had made investments into Uzbekistan's pharmaceutical industry, with a total worth of USD10.6mn. In 9M13, investments in the pharmaceutical industry reached around USD200mn, including USD50mn of foreign direct investment (FDI). Official sources suggest that investments in the sector stood at around USD300mn in November 2014. Turkish and Indian firms have been leading foreign investors. Investments in the pharmaceutical industry are estimated to rise to around USD317mn in 2015, according to the UN Development ***Programme*** and Uzpharmasanoat. The government's ***Programme*** on Priorities of Industrial Development of Uzbekistan in 2011-2015 aims to implement 28 new projects worth USD284.2mn, and launch a number of new drugs by the Uzpharmsanoat companies as part of its ***Programme*** for Development of Pharmaceutical Sector. Investments between 2007 and 2012 under the Uzpharmasanoat holding stood at USD127mn (87.8% based on local bank loans and the companies own resources, with foreign direct investment accounting for the remainder). Foreign capital has a 69% share in the structure of pharmaceutical companies in the country, with local investors accounting for the remainder. In 2012, major FDI operations in the pharmaceutical industry in Uzbekistan were dominated by the UK (60%), Turkey (26%), India (12.5%) and Germany (1.5%). Research-Based Industry

Limited expertise, outdated infrastructure and a weak regulatory environment have mitigated the development of research-based pharmaceutical capacity in the country. The government focus on boosting generics production to meet basic pharmaceutical needs and to increase drug export has driven several manufacturing developments in Uzbekistan in recent year, including through joint ventures (JVs) with foreign players. Innovative or patented drugs, which account for around 30% of the pharmaceutical market in value terms, are to a large extent supported through imports.In fact, relatively high rates of economic growth, rising wages and government investment in healthcare modernisation, are starting to be reflected in increasing per-capita drug expenditure, with the most affluent segments of the population driving demand for high-end pharmaceutical products.As pharmaceutical manufacturing capacity continues to be promoted through several state incentives, including improvements in the regulatory environment and policies aimed at attracting foreign investment and expertise transfer, the process of scaling up through the value chain in drug manufacturing and production standards will continue over the long term.

**Multinational Market Activity**

| **Company** | **Operations** |
| --- | --- |
| Novartis | Multinational drugmaker Novartis is one of the leading global manufacturers of innovative medicines, eyecare products, generic pharmaceuticals, consumer health products, preventive vaccines and diagnostic tools. The company was created in 1996 through the merger of Ciba-Geigy and Sandoz. Novartis has presence in Austria through its biomanufacturing facility, BioInject, at Schaftenau. The facility is used to manufacture pre-filled syringes and devices for both Sandoz's biosimilars and Novartis' novel biologics. It will become a central part of Novartis' biomanufacturing network, which also contains facilities in Slovenia, Singapore and France. |
| Pfizer | Following a change of CEO in late 2010, Pfizer has re-focused on original research and development (R&D), which is a sound long-term change of ***strategic*** direction. The company faces numerous near-term challenges, notably the loss of patent protection for the mega-blockbuster Lipitor in developed states. Pfizer is also de-diversifying its business operations. |
| Roche | Roche has two core businesses: pharmaceuticals and diagnostics. Within its pharmaceuticals business, Roche focuses on five therapeutic areas: oncology, virology, inflammation, metabolic disorders and central nervous system. Roche's diagnostics product line caters to patients and scientific and clinical researchers. Roche continues to demonstrate the success of its oncology franchise protection strategy, supporting our view that it should retain its leadership position in the field. |
| Sanofi | Although Sanofi is primarily a branded manufacturer, the firm continues to strengthen its generic activities. In 2013, it reinforced its generics business through the creation of a global Generics division. Through its acquisitions of Zentiva in Central and Eastern Europe, Kendrick in Mexico and Medley in Brazil, it has achieved a significant generic presence in emerging markets. |
| Merck & Co | Established as an independent company in 1917, US-based Merck & Co focuses on prescription drugs, consumer health medicines and animal care products. The firm conducts research in a range of therapeutic categories such as cardiovascular, infectious diseases, vaccines, cancer, neurology and women's health. The firm topped BMI's Pharmaceutical Research Investment Index (PRII) for 2010, spending 23.9% of its sales (USD11bn) on R&D. Despite a lower R&D expenditure of USD8bn forecast for 2011, CEO of Merck & Co Kenneth Frazier stated that developing the company's pipeline will be essential to bring the firm forward. |
| Johnson & Johnson | J&J's products are manufactured in Europe and the US, and are sold to officially appointed distributors and hospitals. |
| GlaxoSmithKline | GlaxoSmithKline's pharmaceuticals division in Europe has introduced a new business model to enhance its ability to compete in an increasingly challenging environment. The model has established Centres of Excellence for important therapeutic areas, such as respiratory and metabolic, and for business capabilities such as commercial excellence and portfolio management. These centres develop pan-European strategies, which are implemented consistently across the region. |
| AstraZeneca | AstraZeneca is facing a steep drop in sales in coming years. Its priorities include geographic expansion, creating a product portfolio suited to emerging markets and enhancing productivity via the divestment of non-core business operations and restructuring activities. |
| Takeda | Takeda redefined its corporate strategy in early May 2012, in conjunction with the release of its financial results for fiscal 2011. Under its 2012-14 Mid-Range ***Plan***, entitled 'Transformation into a new Takeda', the company will: Consolidate its global position through integrating its recent acquisitions Nycomed and URL Pharma, which give it increased presence in Europe/emerging markets and the US, respectively. |
| AbbVie | AbbVie generates revenues mainly through the sale of pharmaceutical products. These products are targeted at some of the most complex and serious diseases. The company has a strong portfolio of drugs such as *Humira*, *Imbruvica*, *ViekiraPak*, *Creon*, *Synagis*, *Lupron*, *Synthroid*, *Kaletra*, *AndroGel*, *Sevoflurane*, *Duodopa* and dyslipidemia products. |

Source: BMI Generic Drugmakers

Uzbekistan inherited limited and often run-down production facilities from the Soviet era, and foreign companies have dominated the pharmaceutical market since independence. The government has attempted an import-substitution regime aimed at increasing the domestic share of pharmaceutical supply. This ***programme*** aims to increase self-sufficiency in essential medicines, as well as diversify the domestic economy by boosting currently minimal levels of pharmaceutical exports.Indeed, in January 2014 the Times of Central Asia reported that over 140 Uzbek enterprises are unprofitable, which includes a number of companies involved in the pharmaceutical industry. A technical audit revealed that over 30% of equipment is out of date, posing an obstacle to the domestic production and manufacture of medicines.Current import substitution policy seeks to increase the volume of the market covered by domestic ***producers*** from around 20% to 50%, mirroring ***plans*** in neighbouring Kazakhstan. The ***programme*** is focused on self-sufficiency in the production of essential drugs, vaccines and blood transfusion and infusion systems. ***Plans*** include launching the local production of 100 new medicines.Uzbekistan registered an almost two-fold increase in exports of pharmaceutical products in 2013. Pharmaceutical companies in the country ***produced*** more than 1,320 types of medicines in 90 pharmacotherapeutic groups and 30 dosage forms, reports Turkistan press. Uzbekistan's pharmaceutical companies attracted a total investment of USD300mn, of which USD100mn was foreign investment from the early 1990s. CIS Pharma reports that those drugs that are currently exported are ***produced*** in more than 15 forms distributed by 70 pharmacotherapeutical groups.Pharmaceutical products manufactured in Uzbekistan are mainly exported to Commonwealth of Independent States (CIS) and Baltic countries, including Armenia, Azerbaijan, Afghanistan, Georgia, Kazakhstan, India, Mongolia, Turkmenistan, China and Russia, among others. However, the domestic industry continues to suffer from an influx of higher-quality, more costly medicines from Western European and Central European manufacturers. This is in addition to cheaper drugs from India and China, and growing competition from CIS peers, mainly Russia, Ukraine and Kazakhstan. Traditionally, another problem for local ***producers*** has been a lack of domestic capacity to ***produce*** active pharmaceutical ingredients (APIs), which are imported primarily from China. For example, Jurabek Laboratories cites import costs of intravenous fluids as particularly expensive citing the added value of production, and the fact that the cost of travel far exceeds that of drugs themselves. Domestic production is therefore providing new opportunities for both ***producers*** and consumers.We assert, however, that poor governance and corruption will continue to plague the sector and keep out larger players. At the same time, enormous pent-up demand will feed ongoing - if patchy - modernisation. The major difficulties in the market are a lack of transparency, an absence of independent media and market research sources, and the suppression of debate regarding the best routes for the development of the sector due to widespread political repression.With fixed capital investment growing by 7.2% y-o-y, we expect the sector to benefit from steady government expenditure on fixed investment and infrastructure projects. The government's commitment to modernising the economy and shifting its dependence away from hydrocarbons will play an important role in driving growth. Uzbekistan's pharmaceutical industry was to implement 39 new investment projects to ***produce*** 30 new generic drugs for the prevention and treatment of socially significant and socially dangerous diseases. There is a high demand for such products, which come into the country primarily through import contracts.In October 2009 it was announced that Uzpharmsanoat was building a Good Manufacturing Practices-compliant vaccine plant, in cooperation with Hungarian company Omnivest. Sources reported in mid-2010 that the project was under way. Another large project reportedly under way in conjunction with Uzpharmsanoat is the construction of insulin plants by a German company called Diecon, while a project worth up to USD250mn is being developed by Ival, a Switzerland-registered company. The conglomerate announced USD200mn in additional production projects for 2012. As we mentioned earlier, all are aimed at creating the capacity for import-substitution.A number of companies have invested in upgrading their facilities, although an unknown number have closed due to the prohibitive costs of modernisation. Other holders of licences may be dormant and the number of companies will fall further following the introduction of rules limiting the validity of pharmaceutical activity licences to five years. The bulk of production facilities and related research institutes fall under the control of Uzpharmsanoat. **Leading Domestic Players** The most dominant company in the production sector is Uzpharmsanoat, which has 85 manufacturing, research and other sites and exports to 12 countries, with earning totalling USD1.18mn. Uzpharmsanoat has received substantial sums in terms of foreign investment since the mid-1990s, as well as one-off tranches from the state.Domestic ***producers*** outside the Uzpharmsanoat holding include Core Pharmsanoat (focusing on oral and intravenous formulations), Turkish-owned Nobelpharmsanoat (parent company Nobel also owns a generic drugs plant in Kazakhstan) and privately held Jurabek Laboratories. UzGerMed Pharm uses German investment for a new plant to ***produce*** a variety of generic products in the Tashkent region. In addition, RekomedFarm is ***producing*** succinasol, a blood substitute. Nihol Pharmaceuticals manufactures immunobiological compounds. Radix is reportedly ***producing*** influenza treatments.

**List Of Companies In Uzpharmsanoat SJSC (as of October 7 2013)**

| **Research, development and innovation institutes** | |
| --- | --- |
| Tashkent Research Institute of Vaccines and Serums | Oriental Medicine Research Institute |
| Uzbek Research Institute of Chemistry and Pharmaceutics named after A. Sultanov | Spa Vaccine |
| **Manufacturers (medical drugs)** |  |
| A.B. Biokom | Nova Pharm |
| Albi-Pharma | Novopharma Plus |
| Amaliy Med Farm | Orom-Biopreparat |
| Codepharm | Plast Pharm Medical |
| Dentafill Plus | Pspe Radiks |
| Galenika | Reka Med Pharm |
| Gufic Avicenna | Remedy |
| Hansang Pharm | Remedy Group |
| Immunomed | Samo |
| Invest Med Pharm Plus | Samsun-Toshkent Pharm Ltd |
| Innekmed Farm | Salubris Vita |
| Jurabek Laboratories | Tashfarma.I. |
| Lafz | Uzgermedpharm |
| Lekinterkaps | Ultra Health Care |
| Merrymed Farm | Ziyo Nur Farm |
| Nika Pharm | OZkimyofarm |
| Nobelpharmsanoat | Laxisam Pharmaceuticals |
| **Manufacturers (vaccines, serums and diagnostics)** |  |
| Armenia | OjscUzbiopharm |
| Bibinor | Iparbiointer |
| Olam |  |
| **Manufacturers (dressing materials)** |  |
| Elastikum | Xabibullo Global |
| **Manufacturers (supplementary materials)** |  |
| Agro Plast Polimer | Tb Farm Plast |
| Flex Pharm | Tubex |
| Galen Med Pharm | Med Standard Glass |
| Makrofarm-Optima | Mohir Bek |
| Nasa | Campalia |
| Rahim Farm Group |  |
| **Manufacturers (other product types)** |  |
| Agro Bio Kimyo | Ortopediya-Industriya |
| Oil Neft | ***Agricultural*** Company Xorazm Fito Farm |
| Bio Chemical | Vitotex Plus |
| Asia Trade | Xamidobod Imkon |
| Magnum Medikal Servis | Uzgersov |
| Ekoplast Systems | Chori Plast |
| **Cultivation, gathering packaging and/or production of medicinal plants** |  |
| Dorivor OSimliklar | Biomir |
| Glycyrrhiza Glabra | Pharm Product |
| ***Agricultural*** Company Shovot Bo'yoni | Narkar Servis |
| Zamona Rano | Mediofarm |
| **Wholesale trade of pharmaceutical products** |  |
| De Alias Pharma | Sharq Darmon |
| Trade House Alias-Sibir | Sofdil-Fayz |
| Astellas Pharma | Tatmedfarm |
| Bravo Pharm | Sid |
| Fazo-Luxe |  |

Source: The 2013 Investment Guide to Pharmaceutical Industry (Uzbekistan), UN Development ***Programme***, Uzpharmsanoat. **Foreign Pharmaceutical Industry** The 2012 de facto ban on medicine imports, as well as the state's control of pharmaceutical production and procurement, suggests there is little room for drugmakers to enter the market. Given the level of state involvement in the economy, we do not see the government relinquishing control in the short term.Uzbekistan uses an outdated medicine coding system different from the WHO-standardised Anatomical Therapeutic Chemical (ATC) system, under which drugs that are not Uzbek-registered or coded are automatically banned or excluded from hospital and pharmacy purchases. As a result, imports are primarily driven by Uzbek consumers buying drugs in small quantities from neighbouring countries.Investments in the pharmaceutical industry reached around USD200mn, including USD50mn of foreign investment, from 1993 to 2013. Foreign capital has a 69% share in the structure of pharmaceutical companies in the country, with domestic investors accounting for the remainder. In 2011, investment projects conducted in partnership with Uzpharmsanoat included manufacturing of cephalosporins (USD37mn), anti-virals (USD15mn), plasma and blood solutions (USD30mn) and the production of vaccines from biotechnological materials (USD3.2mn).Several foreign companies have a presence in Uzbekistan, with Turkey's Nobel and Singapore's Beacons having developed a substantial manufacturing presence. According to reports in July 2010 Korean Trust Investment Trading has invested in a USD4mn tablet and herbal remedy packaging facility in the Navoi region as part of a JV with Uzpharmsanoat.In September 2011 Nova Pharm, an Indian-Uzbek JV, opened a small, USD2mn production line at a new plant in Termez in the far south of the country. A second line was ***planned***. Initial reports did not specify the types of products to be made by the generic drugs plant. The facility was intended for both the local and export markets - ideally situated for exporting to Afghanistan, as well as Tajikistan; both countries with substantial demand, often funded by international aid organisations.Other CIS companies with branches in Uzbekistan include Russia's Valenta (formerly Otechestvennye Lekarstva), and Ukraine's second largest drugmaker, Arterium. Deva Holding, a local subsidiary of Turkey's EastPharma, opened a representative office in Uzbekistan in January 2008. The office started registering select products from Deva's range of 217 medicines, as well as the products of Saba, the Turkish pharmaceutical ***producer*** acquired by EastPharma in May 2007. Deva also has representative offices in other CIS states, namely Russia, Georgia and Azerbaijan.According to media reports in June 2011, Krueger GmbH from Germany was building a USD25mn vitamin plant in Ferghana, in the Uzbek part of the populous Ferghana Valley. The project is due to be completed in 2014 and the plant will ***produce*** 2mn packages of vitamins a year. The project is a JV, with Uzbekistani institutions providing USD10mn in funds through loans, and Krueger contributing USD15mn.Similarly, according to local media, Indian generic drugmaker Sharon Bio-Medicine announced ***plans*** to build a USD37mn antibiotics plant in the Navoi Free Industrial and Economic Zone, in partnership with Uzpharmsanoat. Uzbekistani banks were to provide loans of USD10mn for the project costs. Local media reported in Q412 that another Indian player, Medicamen Biotech, had signed a memorandum of cooperation for the country's first plant specialised in making oncology drugs. The new plant was due to be built in Tashkent with a budget of USD12mn.Other projects include a JV company, UzGerMed Pharm, which involves German investment in a new plant to ***produce*** a variety of generic products in the Tashkent region. German company Diecon is building an insulin plant near Tashkent, due to be completed by 2016. A small player, RekomedFarm, is ***producing*** a blood substitute, succinasol. Radix is reportedly ***producing*** influenza treatments. Pharmaceutical Distribution

Drug distribution and supply was well developed under Soviet rule. In 1994 the monopoly drug distributor Farmatsiya was part-privatised, becoming Dori-Darmon, a joint stock pharmaceutical wholesaler. Currently, there are around 200 enterprises engaged in drug storage and wholesale.Dori-Darmon, which is part-owned by pharmacists and partly by the state, posted 2010 sales of UZS285.5bn (USD181mn). It operates through eight joint-stock companies and 10 subsidiaries, also controlling over 210 pharmacies and 540 pharmacy branches throughout the country. Some 180 of its pharmacies ***produce*** medicines in various forms on the basis of doctors' prescriptions.Dori-Darmon also acts as the main testing centre for mandatory batch testing of imported medicines. It launched an insurance business, DD General Insurance, in Q211, to build on its strong position. Dori used to be the leading supplier of drugs to hospitals. In recent years, however, it has been losing market share to private distributors, and now accounts for around 50% of all hospital purchases, according to WHO data. Privately held Asklepiy Pharmaceutical Company is increasingly challenging Dori-Darmon's position as the leading distributor of medicines.Apart from Asklepiy, main distributors include Lahisam, which was established in 1994, and Ajanta Pharma (a subsidiary of Surkhan Ajanta Pharma) and Reddy Pharmamed (a subsidiary of Indian generic drugs specialist Dr Reddy's, which also has local production facilities). Nika Pharm Service is another large distributor and is working as the local partner for Singapore's Beacons.The other key supplier of the public sector is privately owned Uzmedtechnika, which previously accounted for only 10% of pharmaceutical supplies to public-sector healthcare institutions. Responsible for the public-sector purchasing of foreign drugs, the firm should benefit from investments in healthcare system modernisation. As its name suggests, it is also responsible for purchasing medical equipment for state-owned healthcare institutions, a major focus for current healthcare spending. The Sanitary-Epidemiological Services are responsible for direct distribution of vaccines to hospitals and clinics. Pharmaceutical Retail Sector

Uzbekistan has around 3,500 pharmacies, most of which have been privatised. Private distributors mostly supply private pharmacists, polyclinics and private doctors' practices. The vast majority of drugs dispensed in pharmacies now incur out-of-pocket payments, with many prescription products also available over the counter. Purchasing drugs in the private sector is done on the basis of individual negotiations.E-commerce and mail order systems are not available in Uzbekistan, despite some reported government efforts in this direction, mainly due to low purchasing power and very limited internet penetration. Postal distribution of pharmaceuticals is not regulated, and over-the-counter drugs can be advertised directly to consumers, provided the company receives the approval of the Ministry of Health. Mobile pharmacies, complete with essential equipment, operate in some rural areas of Uzbekistan.

**Load-Date:** June 29, 2017

**End of Document**



[***-Focus provides update on Bayovar 12 test work and product marketing***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RFG-PBS1-F0K1-N4T5-00000-00&context=1516831)

ENP Newswire

January 19, 2018 Friday

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**Length:** 1371 words

**Body**

Vancouver, Canada - Focus Ventures Ltd. (TSXV: FCV) is pleased to report on the results of recent beneficiation work completed on its Bayovar 12 phosphate project by Jacobs Engineering Group Inc.

Jacobs conducted bench scale testing on phosphate beds from the Bayovar 12 deposit based on the beneficiation flowsheet developed by Jacobs from previous test work done for Focus.

The test work ***produced*** three concentrates which are classified in the high solubility rock range and suitable for use as a direct application fertilizer for organic farmers. Additionally, the P2O5 grade obtained for each product is suitable for production of phosphoric acid fertilizer with a MER less than 0.1 and with commercially acceptable levels of impurities.

Focus's President, Gordon Tainton, commented: 'We are pleased with the excellent results of the Jacob's testing ***program***. The results have enabled the Company to initiate business opportunities in the added-value industrial phosphorus market and Row Crop and Speciality Crop Life Science Nutrient industries which will further develop our growing and diversified potential customer base in Latin America, Europe, North America and Asia.'

Business Development Summary

Focus has signed two Memorandums of Understanding (MOU) with key distributors / traders of phosphate rock for double the total volume of its ***planned*** production at Bayovar 12. The MOUs create the platform for Focus's 30% P2O5 rock to have market access into South and Central America, the U.S Gulf, Asia (excluding China) and Oceania. With the ***planned*** production volume set out in the Company's PFS, Bayovar 12 will have the maximum exposure to the phosphoric acid, organic & direct application, SSP/TSP, industrial usage of phosphorus, and added value nutrient sectors.

As a potential primary ***producer*** of phosphate rock on the west coast of South America, Focus is well located to compete for market share in India, Argentina, Brazil, Mexico, U.S. Gulf, Malaysia and Indonesia. Transporting product from our Bayovar export location to these market destinations could position Focus to attain some of the highest price netbacks in the seaborne trade of phosphate rock.

Focus has also begun ***strategic*** discussions with potential North American and European industrial users of elemental phosphorus in the framework of a joint venture or potential equity investment to develop a production facility at Bayovar 12.

To complement this, a broader development strategy has been created using crop trials to investigate the potential to work with Life Science Nutrient groups who have developed and ***produce*** nutrient management, efficiency technologies, nutritionals and micronutrients for ***agriculture***.

Jacob's Test Work

The beneficiation test work flowsheet was based on the following steps:

Drum scrubbing

De-sliming at 270 mesh

Attrition scrubbing the +270 mesh

Sizing the attrition product at 28 mesh

Attrition scrubbing the +28 mesh followed by desliming at 270 mesh

Sizing the -28 mesh fraction at 100 mesh followed by desliming the -100 mesh fraction at 270 mesh

Two wash products are generated: +28 mesh and -28/+100 mesh

The -100/+270 mesh fraction is the flotation feed

Reverse flotation for silica removal

Filtration with fresh water rising step to remove chlorines

Drying

The main purpose of the test work was to generate a washed product (+100 mesh material) from each composite. Further representative sampling and tests will be performed when Focus conducts a bankable feasibility study on Bayovar 12.

In addition to generating washed product, the sized material from high grade and low grade composites (-100/+270 mesh) was combined and tested for flotation.

The test work showed that head assay of the high grade composite was 17.4% P2O5 and 29.7% acid insoluble (Al or Silica), and the low grade composite was 13.6% P2O5 and 35.7% acid insoluble. Detailed results were:

The overall wash product +100 mesh (+28 and 28/100 mesh) ***produced*** from high grade composite assayed 30.1% P2O5and 3.9% Al with 25.6% weight recovered and 44.3% phosphate recovery. The low grade composite assayed 29.4% P2O5 and 5.6% Al with 15.3% weight recovered and 33.2% phosphate recovery.

The overall flotation product from the combined feed of high and low grade material assayed 30.46% P2O5 and 4.45% Al with 80.0% weight recovered and 94.6% phosphate recovery of the flotation feed.

About Focus

Focus is developing the Bayovar 12 phosphate deposit located 40 km from the coast in the Sechura District of northern Peru. Bayovar 12 hosts a large resource of highly-reactive sedimentary phosphate rock - a key raw material input for phosphate fertilizers and vital to world food production. Reactive phosphate rock from Sechura is a natural, slow-release source of phosphorus that can be applied directly to crops. One of Focus's objectives is to supply direct application phosphate rock to the ***agricultural*** regions of Central and South America and Southeast Asia.

Contact:

Gordon Tainton

Tel: 604-248-8380

Fax: 604-682-1514

Email: [*info@focusventuresltd.com*](mailto:info@focusventuresltd.com)

Web: [*www.focusventuresltd.com*](http://www.focusventuresltd.com)

Forward-Looking Statements

Certain statements contained in this news release constitute forward-looking statements within the meaning of Canadian securities legislation. All statements included herein, other than statements of historical fact, are forward-looking statements and include, without limitation, statements about the Bayovar 12 Project. Often, but not always, these forward looking statements can be identified by the use of words such as 'estimate', 'estimates', 'estimated', 'potential', 'open', 'future', 'assumed', 'projected', 'used', 'detailed', 'has been', 'gain', 'upgraded', 'offset', 'limited', 'contained', 'reflecting', 'containing', 'remaining', 'to be', 'periodically', or statements that events, 'could' or 'should' occur or be achieved and similar expressions, including negative variations.

Forward-looking Statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any results, performance or achievements expressed or implied by forward-looking statements. Such uncertainties and factors relate to, among other things, whether the Bayovar 12 Project will commence production and the potential results therefrom will be attained; changes in general economic conditions and financial markets; the Company or any joint venture partner not having the financial ability to meet its exploration and development goals; risks associated with the results of exploration and development activities, estimation of mineral resources and the geology, grade and continuity of mineral deposits; unanticipated costs and expenses and such other risks detailed from time to time in the Company's quarterly and annual filings with securities regulators and available under the Company's profile on SEDAR at   [*www.sedar.com*](http://www.sedar.com). Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended.

Forward-looking statements contained herein are based on the assumptions, beliefs, expectations and opinions of management, including but not limited to: that production will commence at the Bayovar 12 Project and the potential returns therefrom will be attained as anticipated; that there will be no material adverse change affecting the Company or its properties and such other assumptions as set out herein. Forward-looking statements are made as of the date hereof and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by law. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, investors should not place undue reliance on forward-looking statements.

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** January 19, 2018

**End of Document**



[***Famous Cegielski plant fixes trains for local operator; The owner of the trains is Polski Tabor Szynowy (Polish Rolling Stock), a company owned by the Industrial Development Agency.***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:64RF-TNT1-JCG5-H1M0-00000-00&context=1516831)

PAP English News Service

June 27, 2017 Tuesday 2:20 PM CET

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**Length:** 488 words

**Byline:** Anczura Andrzej

**Highlight:** Polish industrial company H. Cegielski Poznan (HCP) will deliver two modernised Feniks 57 passenger trains to Polregio regional train operator under a deal struck on Tuesday.

**Body**

The owner of the trains is Polski Tabor Szynowy (Polish Rolling Stock), a company owned by the Industrial Development Agency.

In all, the Poznan plant has modernised 20 Feniks 57 trains bought by the Polish Rolling Stock which the company offers also to all other rail operators.

The modernised Feniks 57 trains have a modern internal design and numerous convenient solutions for passengers and train drivers, including an integrated passenger information system, air-conditioning and monitoring.

One of the priorities of the Industrial Development Agency is to support restructuring processes and development of Polish enterprises, Marcin Chludzinski said on Tuesday.

Established in 1846 in the western city of Poznan, HCP first ***produced*** ***agricultural*** machines, train engines and rolling stock. Later the company became a renowned manufacturer of ship engines and power generators. The enterprise also has a long-standing tradition in special production. Starting in the years of WWI, it manufactured shells, rifles, cannons and even armoured trains.

Currently it has been implementing a technology of electric motors for the automotive, railway and tram sectors. HCP also offers renewable resources and environmental engineering products and services.

The Polish Development Fund ***plans*** to invest, as part of the government Responsible Development ***Programme***, PLN 40 million (EUR 9.5 mln) in the H.Cegielski-Poznan plant to help the company implement its new development strategy. Thanks to the investment, HCP will be able to adjust its machinery park to the production of modern electric drives for electric vehicles and for energy sector products.

The investment is also ***planned*** to increase the company's attractiveness in relations with potential ***strategic*** business partners. (PAP)

aa/

NOTE: Wednesday, June 28, will mark 61 years since Cegielski workers revolted against the country's communist government in 1956, a protest that was brutally suppressed by the communist-era police and military.

The events went down in history as the "Poznan Uprising" or "Poznan June".

The main anniversary commemorations will take place in Poznan on Wednesday.

On 28 June, 1956, workers at the Cegielski engineering plant, which at that time was named after Soviet leader Josef Stalin, went on strike and took to the streets in protest against the communist government's policies.

The street protests were bloodily suppressed by the communist police and military. At least 58 people - 50 civilians, four soldiers, three security service officers and a policeman, according to official data - were killed in the clashes, which lasted two days. At least 239 people were injured and about 850 were detained and arrested in the aftermath of the revolt.

According to Polish historians, the Poznan events of 1956 paved the way to further anti-communist protests in the country in the 1970s and the emergence of the Solidarity freedom movement in 1980. (PAP)

**Load-Date:** February 23, 2022

**End of Document**



[***Register of Commission documents: Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions A Europe that protects: Clean air for all Document date: 2018-05-17 COM\_COM(2018)0330 COM documents***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SG1-SXD1-JDG9-Y362-00000-00&context=1516831)

Impact News Service

June 1, 2018 Friday

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**Length:** 6425 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

EN EN EUROPEAN COMMISSION Brussels, 17.5.2018 COM(2018) 330 final COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS A Europe that protects: Clean air for all 1 1. THE AIR QUALITY CHALLENGE Air quality has improved in the European Union (EU) over the last decades, thanks to joint efforts by the EU and the national, regional and local authorities. As a result, since 2000, the EU's GDP grew by 32% while emissions of the main air pollutants decreased by 10% to 70% depending on the pollutant1. However, in most Member States, the quality of life of EU citizens remains hampered, as air quality standards are still not being met. The situation is especially severe in urban areas, where a majority of Europeans live. Air pollution is a cause of both chronic and serious diseases such as asthma, cardiovascular problems and lung cancer. According to the latest data by the World Health Organisation2, air pollution levels remain dangerously high in many parts of the world, with 9 out of 10 people breathing air containing high levels of pollutants.

Air pollution continues to be the number one environmental cause of early death in the EU, with estimates of more than 400,000 premature deaths per year3. This all comes at a high price to society with high external health-related costs4. Public awareness about air pollution is high and citizens expect authorities to act. In a recent opinion poll on the environment in the EU, air pollution was cited as the issue of most concern for citizens after climate change5. They have legitimate expectations that effective action will be taken at all levels to reduce air pollution and protect them from its harmful effects. To address this, the EU has set, by means of legislation agreed by the Member States and the European Parliament, the goal to achieve levels of air quality that do not give rise to negative impacts on, and risks to, human health and the environment. To meet this objective, effective air quality policies require action and cooperation at global, European, national and local levels. In line with the principle of subsidiarity, implementation largely relies on national, regional and local measures tailored to specific needs and circumstances. This Communication sets out wide-ranging policy efforts of the EU to support and facilitate the necessary measures of the Member States to meet their targets, and the enforcement action being taken to help ensure that the common objective of clean air for all Europeans is achieved and maintained across the EU. 1 EEA (2017) Air Quality in Europe – 2017 Report: between 2000 and 2015 emissions decreased in the EU between 8% (ammonia) and 72% (for sulphur oxides). 2 [*http://www.who.int/news-room/detail/02-05-2018-9-out-of-10-people-worldwide-breathe-polluted-air-but-more-countries-are-taking-action*](http://www.who.int/news-room/detail/02-05-2018-9-out-of-10-people-worldwide-breathe-polluted-air-but-more-countries-are-taking-action) 3 EEA (2017). Air Quality in Europe – 2017 Report. European Environment Agency. 4 Estimated in the range of EUR 330-940 billion per year (Impact Assessment underpinning the Clean Air ***Programme*** for Europe, SWD(2013)532). 5 Special Eurobarometer 468: Attitudes of European citizens towards the environment. 2 2. EU CLEAN AIR POLICY The EU has been working for decades to improve air quality by controlling emissions of harmful substances into the atmosphere, improving fuel quality, and by integrating environmental protection requirements into the transport, industrial and energy sectors. The aim is to reduce air pollution to levels which minimise harmful effects on human health and the environment over the EU territory. Air pollution travels across national boundaries so coordination at EU level is important. EU law leaves the choice of means to comply with limit values agreed at EU level to the Member States. For key sources of pollution, EU-level standards are applied to ensure efficient internal market functioning. The 2013 Clean Air ***Programme*** for Europe6 reconfirmed the objective to achieve full compliance with existing air quality standards across the EU as soon as possible and set objectives for 2020 and 2030. As such, EU policy efforts rest on three main pillars. The first pillar comprises the ambient air quality standards set out in the Ambient Air Quality Directives7 for ground level ozone, particulate matter, nitrogen oxides, dangerous heavy metals and a number of other pollutants8. These air quality standards were to be attained by all Member States across their territories from – depending on the pollutant – 2005 or 2010 onwards9. If the set limit values are exceeded, Member States are required to adopt air quality ***plans*** detailing measures apt to keep the exceedance period as short as possible. The second pillar consists of national emission reduction targets established in the National Emissions Ceiling Directive for the most important trans-boundary air pollutants: sulphur oxides, nitrogen oxides, ammonia, volatile organic compounds and particulate matter10. The national emission reduction targets were recently revised to include new limits that need to be met in 2020 and 2030, and an additional pollutant – fine particulate matter (PM2.5). Member States have to develop National Air Pollution Control ***Programmes*** by 2019 with a view to complying with their emission reduction commitments. The third pillar comprises emissions standards for key sources of pollution, from vehicle and ship emissions to energy and industry. These standards are set out at EU level in legislation targeting industrial emissions11, emissions from power plants12, vehicles13 and transport fuels14, as well as the energy performance of products15. 6 COM(2013)918. 7 Directives 2004/107/EC and 2008/50/EC. 8 Altogether, 12 pollutants are covered by this legislation: sulphur dioxide, nitrogen dioxide and nitrogen oxides, particulate matter (PM10 and PM2.5), ozone, benzene, lead, carbon monoxide, arsenic, cadmium, nickel, and benzo(a)pyrene. 9 Postponing the deadline (until 2015 for nitrogen dioxide and benzene and until June 2011 for particulate matter) was possible under specific circumstances. 10 Directive 2001/81/EC as replaced by Directive 2016/2284/EU. 11 Industrial Emissions Directive 2010/75/EU. 12 Industrial Emissions Directive 2010/75/EU and EU Medium Combustion Plant Directive 2015/2193/EU. 13 Regulation (EC) No 443/209 setting CO2 emission standards for new passenger cars and Regulation (EC) No 510/2011 setting CO2 emission standards for new light commercial vehicles, Regulations on CO2 emission standards for new cars and light duty vehicles. 14 Fuel Quality Directive 97/70EC 3 Moreover, in the aftermath of the vehicles emissions scandal in 2015, the package of Real Driving Emissions rules16 was put in place to ensure air pollutant emissions standards are properly implemented and type approval requirements are reinforced. This package includes tests for nitrogen oxides and particulate matter emissions as well as upcoming new in-service conformity rules to improve testing of vehicles already in service. Latest changes were adopted on 3 May to further reduce margins of technical uncertainty in Real Driving Emissions testing, increase emissions checks of cars already in circulation and introduce testing by independent and accredited third parties. Moreover, since September 2017 new types of light-duty vehicles types have to comply with a new test procedure for type approval laboratory testing which is closer to real driving conditions17. The European Commission has also proposed new CO2 emission standards for cars and vans to help manufacturers to further embrace innovation and supply significantly more low- and zero-emission vehicles to the market18. The first ever European Commission’s legislative proposal on CO2 emissions standards for new heavy-duty vehicles presented as part of the third Mobility Package is also expected to have long-term indirect effects on air quality by further improving fuel efficiency and greenhouse gas emissions in this segment, and by providing incentives for the placing on the market of low- and zero-emission heavy-duty vehicles, including buses, with positive knock-on effects on air pollutant emissions. Furthermore, the EU has been protecting the health and safety of workers across Europe through its legislation establishing minimum requirements for the quality of air in the workplaces19, which includes the establishment of occupational exposure limit values for a number of dangerous chemical substances. This Commission has been particularly active with a series of proposals amending the Carcinogens and Mutagens Directive by setting limit values aimed at improving protection for millions of workers against occupational cancer – the first killer at workplaces20. 3. EXAMPLES OF MEASURES TO REDUCE AIR POLLUTION Different sets of measures have been taken throughout the years at EU, Member State and local levels to successfully reduce emissions of air pollutants, including from large combustion plants, industrial installations, and transport, including road vehicles (e.g via fuel quality improvements and the successive Euro emission standards). This shows that cost-effective solutions exist and can support innovation and have a positive net impact on EU 15 Ecodesign Directive 2009/125/EC. 16 Regulation (EU) 2016/427, Regulation (EU) 2016/646, Regulation (EU) 2017/1154. 17 The so-called Worldwide harmonised Light vehicles Test Procedure (WLTP). 18 Proposal for a Regulation setting emission performance standards for new passenger cars and for new light commercial vehicles (COM(2017)676. 19 Framework Directive 89/391/EEC (OJ L 183, 29.06.89, p.1), supplemented in particular by Directive 89/654/EEC on workplaces (OJ L393, 30.12.89, p.1), Directive 98/24/EC on chemical agents (OJ L 131, 05.05.1998, p.11) and Directive 2004/37/EC on carcinogens and mutagens at work (OJ L 158, 30.04.2004, p.50). 20 So far, three proposals have been submitted (COM(2016) 248, COM(2017) 11 and COM (2018) 171), the first meanwhile adopted by the European Parliament and the Council as Directive (EU) 2017/2398, OJ L, 27.12.2017, p. 8. 4 competitiveness, in line with broader European Commission priorities on sustainable growth and job-creation21. 3.1 Measures to reduce emissions from the transport sector Based on latest available data, the transport sector is the largest contributor to nitrogen oxide emissions, and a significant contributor to particulate matter emissions22. Measures to further reduce emissions can aim at technical improvements, behaviour change and demand management (promoting cleaner modes of transportation via urban ***planning*** or car-sharing options), or at infrastructure investment (e.g for alternative fuelling or public transport). To support authorities in taking these measures, the European Commission presented two Mobility packages last year. In the first Mobility Package, the European Commission proposed updating the EU rules on road pricing and extending their scope to buses, vans and passenger cars23, promoting proportionate distance-based road charging differentiated according to the environmental performance of both heavy and light vehicles with a view to internalising the real cost of their use. The second Mobility Package included measures for promoting better integrated and cleaner public transport, for shifting long-distance freight from road to rail, inland waterways, or short-sea shipping, and for accelerated shifting to low- and zero-emissions vehicles through the new CO2 emission standards for cars and vans and via public procurement24, including in particular for zero-emission city buses. The European Commission also presented an action plan25, supported by additional finance, for the trans-European deployment of infrastructure for alternative fuels, including charging points for electric vehicles. In addition, in the context of the Third Mobility Package, the European Commission proposed CO2 emission standards for heavy-duty vehicles, including incentives for zero- and low-emission vehicles. It also presented a ***strategic*** action ***plan*** to create a competitive and sustainable battery eco-system in Europe with a major focus on cell manufacturing. Europe-based, competitive production of batteries will be key for the EU automotive industry to build its competitive advantage for low- and zero-emissions vehicles. Finally, the European Commission is preparing non-binding guidance with recommendations and best practices that can support local administrators in addressing aspects concerning urban vehicle access restrictions. For example, there are different ways in which low emission zones can be enforced, beyond using manual stickers, such as through modern information technologies. The European Commission is engaging with stakeholders and with national and local authorities to foster consistency and information on access regulations and is supporting cities in the provision of information/data related to them. In any event, it is important that any ***plans*** for access restrictions are not designed in isolation but are part of a comprehensive Sustainable Urban Mobility ***Plan*** and duly integrated in local air quality ***plans*** established under Directive 2008/50/EU. 21 Impact Assessment underpinning the Clean Air ***Programme*** for Europe, SWD(2013)532, Annex 9). 22 EEA (2017). Air Quality in Europe – 2017 Report. European Environment Agency. 23 Proposal for a Directive of the European Parliament and of the Council amending Directive 1999/62/EC on the charging of heavy goods vehicles for the use of certain infrastructures (COM(2017)275). 24 Proposal for a review of Directive on the promotion of clean and energy-efficient road transport vehicles - COM(2017)653. 25 COM(2017)652. 5 Events such as the European Mobility Week campaign, often culminating in a car-free day, can be a useful tool to raise awareness of the benefits of clean air through walking and cycling. 3.2 Measures to reduce emissions from power and heat Fuel combustion by power plants, industries and households for generating power and heat is the largest contributor to particulate matter and sulphur dioxide emissions26. Measures to reduce air pollutant emissions from power and heat generation often go hand in hand with efforts to reduce greenhouse gas emissions. They include an increased use of renewable combustion-free power sources (such as solar, wind or hydropower), cogeneration of heat and power, distributed energy generation (e.g mini-grids and rooftop solar power generation), schemes, including fiscal incentives, to replace older and less efficient boilers in households, district heating and cooling, or – in some cases – solid fuel bans. These measures are highly effective in reducing particulate matter emissions. The EU State aid rules provide a framework that allows Member States to facilitate investments in such measures. 3.3 Measures to reduce emissions from industry Measures to reduce emissions from industry – the second largest contributor of particulate matter emissions and the largest contributor to volatile organic compounds – are mainly achieved through the implementation of ‘Best Available Techniques’ (BAT) established under the EU Industrial Emissions Directive27. In practice, EU-based large industrial installations – including large combustion power plants – must apply the most effective techniques for preventing or reducing emissions that are technically feasible and economically viable within the sector. Such measures are already delivering important benefits for air quality and the implementation of the new EU environmental standards for large combustion plants adopted in 2017 will further reduce sulphur dioxide and nitrogen dioxide emissions across Europe. 3.4 Measures to reduce emissions from the ***agricultural*** sector The ***agricultural*** sector is an important source of air pollutants such as ammonia, which is a key precursor to particulate matter, with significant impacts at urban level. Measures to mitigate such emissions include agronomic measures (aiming at reducing the need for nitrogen fertilisers), livestock measures (closed storage of manure, improved application of manure and urea fertiliser, improved livestock feeding strategies so that animals ***produce*** less ammonia-rich manure, as well as anaerobic digestion for large farms), or energy measures (such as developing photovoltaic installations or reducing fuel consumption).These measures are already available and technically and economically viable and should be applied more widely. 4. WORKING TOGETHER TO DELIVER CLEAN AIR FOR ALL EUROPEANS Air quality standards were agreed by both the Member States in the Council and the European Parliament, to address the legitimate concerns of citizens for their health. Common air quality 26 EEA (2017). Air Quality in Europe – 2017 Report. European Environment Agency. 27 Directive 2010/75/EU. 6 standards ensure that each person enjoys a minimum level of air quality anywhere in the EU, and create a level playing field for industry across the EU. A precondition for their efficient implementation is to build effective action at national, regional and local level across administrative boundaries between public authorities. When lack of action leads to non-compliance with EU air quality legislation, the national courts have jurisdiction to rule on the matter, as recently illustrated by decisions taken by courts in a number of Member States28. EU financial support and close co-operation between Member States' authorities and the European Commission are also indispensable. The European Commission has therefore intensified engagement with Member States to facilitate their efforts through various initiatives and measures. The European Commission is ready to further step up this co-operation, including on the basis of the National Energy and Climate ***Plans***. 4.1 Stepping up cooperation with Member States via Clean Air Dialogues The European Commission has already held several Clean Air Dialogues with Member States to support their implementation efforts. It is also seeking synergies with Energy Union and Climate Change policies, including the Clean Mobility Package, as well as with dialogue initiatives, such as the Platform for Coal Regions in Transition set-up under the 'Clean Energy for All Europeans' framework29. In addition, the European Commission is ready to engage in further discussions with the Member States, including through a tour of capital cities to carry out 'Clean Air Dialogues' with Member States that face significant implementation gaps. The goal is to facilitate full implementation of EU and national air pollution policies across all economic sectors, whilst raising awareness and allowing citizens to directly engage on the steps being taken to improve their air quality. It will ensure high-level political representation at these dialogues, and calls on Member States to make use of these dialogues for developing an integrated approach to addressing the air quality challenge, across levels of governance and across economic sectors. This will complement existing co-operation which is taking place in the context of the Environmental Implementation Review and the 'Peer-to-Peer tool' which were both launched in 2017 to improve implementation of environmental legislation in the EU. With the same purpose, and in order to foster action at Member States' level for tackling air quality exceedances, the European Commission will make use of the newly established Compliance and Governance Forum30. 4.2 Bringing together Member States, regions and cities The EU Urban Agenda and Urban Innovative Actions will further facilitate the cooperation with and among city actors across the EU to address air pollution in urban areas, with an associated budget of EUR 372 million over the current financing period31. This seeks to 28 In detailing how national courts should address legal challenges from individuals and associations, the Commission's Notice on access to justice in environmental matters (C2017)2616 final) refers to important case-law of the Court of Justice on EU air quality requirements (C-237/07 Janecek, C404/13 Client Earth). 29   [*https://ec.europa.eu/info/news/no-region-left-behind-launch-platform-coal-regions-transition-2017-dec-08\_en*](https://ec.europa.eu/info/news/no-region-left-behind-launch-platform-coal-regions-transition-2017-dec-08_en). 30 C(2018)10.- Commission Decision of 18.1.2018 setting up a group of experts on environmental compliance and governance. 31 In the area of air quality the relevant Air Quality Action ***Plan*** was already adopted:   [*https://ec.europa.eu/futurium/en/air-quality*](https://ec.europa.eu/futurium/en/air-quality). 7 support concrete measures to address urban challenges ranging from fighting pollution, to mobility and sustainable urban development. The Clean Air Forum launched by the European Commission in November 2017 in Paris, as well as the 2018 Green Week32 devoted to urban challenges, provide a basis for exchanges of good practices across all public and private actors whilst enhancing the capacity of relevant stakeholders to improve air quality. This will also strengthen the cohesiveness of action across all governance levels. To facilitate investment in sustainable projects in European cities – including those supporting the clean air agenda – the European Commission and the European Investment Bank put in place URBIS, a new dedicated advisory initiative for urban authorities33. URBIS has been established to improve cities' access to technical and financial advice needed to develop urban investment projects, ***programmes*** and innovative financing/investment platforms. It is already clear that there is significant demand from the urban authorities for this type of service. Synergies could also be looked for with the Global Covenant of Mayors, successfully contributing to reducing greenhouse gas emissions and promoting a low-carbon economy transition and resilience at urban level. 4.3 Making available EU funding to support measures to improve air quality EU funding under various financial streams has been made available and successfully used by Member States to address the air quality challenge, by either directly supporting air quality projects, or effectively mainstreaming air quality objectives in other investments (e.g infrastructure, ***agriculture*** and rural and regional development). The European Commission will step up its work with Member States to help them make optimal use of the remaining funds available under this ***programming*** period. In the current ***programming*** period 2014-2020, Member States have allocated EUR 1.8 billion to support air quality measures under the European Structural and Investment Funds. In addition, further indirect contributions potentially beneficial to clean air are expected to come from the 2014-2020 European Structural and Investment Funds' investments in the low-carbon economy (EUR 45 billion), environmental protection and resource efficiency (totalling EUR 63 billion) and network infrastructure (totalling EUR 58 billion), notably supporting vulnerable regions and citizens. As of now, a third of all the investments under the European Fund for ***Strategic*** Investments (around EUR 80 billion) went into energy, transport and environment. All this has indirect positive effect on air quality. In addition, the EU's research and development ***programme*** Horizon 2020 indirectly benefits emission reductions and air quality. Funding includes research components for cleaner transport solutions. The European Commission recently proposed to invest EUR 1 billion in 39 clean transport projects to upgrade Europe's rail network, further develop alternative fuels infrastructure and pave the way for zero emission water transport. The Commission’s contribution will unlock a total of EUR 4.5 billion of public and private co-financing under the Connecting Europe Facility. In the context of the recently closed Blending call for alternative fuels infrastructure and cleaner mobility, 69 project proposals have been submitted requesting three times the 32   [*https://www.eugreenweek.eu/*](https://www.eugreenweek.eu/). 33   [*http://eiah.eib.org/about/initiative-urbis.htm*](http://eiah.eib.org/about/initiative-urbis.htm) 8 available grant amount of EUR 350 million, for a total investment value of EUR 4.2 bn. Results are expected by October 2018. These investments will help promote cleaner transport in Europe, and thus further reduce emissions. The LIFE ***programme*** has also been instrumental in delivering clean air benefits. For example, the LIFE Integrated Project ‘Małopolska in a healthy atmosphere’ – which had an initial budget of around EUR 16 million and leveraged more than EUR 800 million – facilitated the implementation of the Małopolska region's air quality ***plan*** and improved quality of life for some 20 million citizens, in Malopolska and in Silesia in Poland but also in other Member States such as Slovakia and the Czech Republic. Integrated air quality projects under the LIFE ***programme*** will be particularly encouraged in upcoming calls. The Multiannual Financial Framework for 2021-2027, as proposed by the European Commission34, will continue to support measures to improve air quality, including through the target of 25% of EU expenditure contributing to climate objectives, a strengthening of the LIFE ***programme***, which will also support measures promoting clean energy, energy efficiency and a reformed Common ***Agricultural*** Policy. 4.4 State aids to facilitate domestic investments in low and zero emission mobility To facilitate domestic funding schemes, the EU State aid rules provide a framework that allows Member States to facilitate investments in low and zero emission mobility, for the benefit of clean air and fighting climate change, while promoting the competitiveness of our industry. Member States (at national, regional or local level) can make use of these rules to effectively tackle emissions, for example from road transport. The state aid scheme in Germany approved in February 2018 gives just one among many examples of how EU rules help Member States facilitate investments in the purchase of electric and plug-in-hybrid buses and the associated recharging infrastructure to limit air pollution35. 4.5 Continued enforcement action The European Commission has worked intensively with national authorities throughout the past years, even before limit values entered into force, to steer progressive changes and to help them deliver compliance with air quality legislation. This has led to improvements, but some core problems remain. The European Commission is particularly concerned that persistent exceedances of limit values continue for two key pollutants with significant health impacts – nitrogen dioxide, which is mostly a result of road traffic36 and industry, and particulate matter, which is mainly present in emissions from industry, traffic, domestic heating and ***agriculture***. The European Commission is committed to continue working in partnership with the Member States to achieve the agreed air quality standards alongside the use of its legal powers to enforce the relevant EU legislation. 34 COM(2018)321 35   [*http://europa.eu/rapid/press-release\_IP-18-1222\_en.htm*](http://europa.eu/rapid/press-release_IP-18-1222_en.htm) 36 Road traffic is responsible for around 40% of nitrogen oxides emissions in the EU. Of the total emitted nitrogen oxides from traffic, around 80% comes from diesel powered vehicles. 9 Excessive air pollution due to particulate matter and to nitrogen dioxide State of play For particulate matter, compliance with EU limit values was due as of 1 January 2005. Concentrations of particulate matter continue to exceed these values in large parts of Europe – with exceedances reported37 in 19 out of 28 Member States. Based on the latest available data, 19% of the urban population in the EU has been exposed to particulate matter levels above the EU daily limit value and about half was exposed to concentrations exceeding the stricter recommendations by the World Health Organisation38. The European Commission has been pursuing infringement procedures for persistent excessive particulate matter (PM10) levels against 16 Member States (Belgium, Bulgaria, the Czech Republic, Germany, Greece, Spain, France, Hungary, Italy, Latvia, Portugal, Poland, Romania, Sweden, Slovakia and Slovenia). In 201739 and 201840, respectively, the Court of Justice of the EU has already handed down judgments on two of the most severe particulate matter exceedances in Europe, namely in Bulgaria and Poland. These judgments confirm the European Commission’s view that persistent exceedances require more effective measures to be taken by the Member States concerned to limit the exceedances to the shortest possible period41. In addition, an infringement procedure related to the exceedances of the sulphur dioxide limit value was launched against Bulgaria. As pollution by sulphur dioxide is mainly caused by industry, progress made on reducing particulate matter would have positive effects for sulphur dioxide as well. For nitrogen dioxide, compliance with EU limit values was due as of 1 January 2010. The annual limit value continues to be widely exceeded across Europe – with exceedances reported42 in a total of 22 out of 28 Member States. Based on the latest available data, 9% of the urban population in the EU has been exposed to nitrogen dioxide levels above the annual limit value43. To date, infringement procedures for persistent exceedances of nitrogen dioxide levels have been launched against 13 Member States (Austria, Belgium, the Czech Republic, Germany, Denmark, France, Spain, Hungary, Italy, Luxembourg, Poland, Portugal, and the United Kingdom). Further action On 30 January 2018, the European Commission invited nine Member States (the Czech Republic, Germany, France, Spain, Hungary, Italy, Romania, Slovakia and the United Kingdom) concerned by pending infringement procedures regarding excessive air pollution 37 Through at least one monitoring station. 38 EEA (2017). Air Quality in Europe – 2017 Report. European Environment Agency. 39 Judgment of the Court of Justice of 5 April 2017 in C-488/15, Commission v Bulgaria. 40 Judgment of the Court of Justice of 22 February 2018 in C-336/16, Commission v Poland. 41   [*http://curia.europa.eu/juris/liste.jsf?num=C-488/15*](http://curia.europa.eu/juris/liste.jsf?num=C-488/15) and   [*http://curia.europa.eu/juris/liste.jsf?num=C-336/16*](http://curia.europa.eu/juris/liste.jsf?num=C-336/16) 42 Through at least one monitoring station. 43 EEA (2017). Air Quality in Europe – 2017 Report. European Environment Agency. 10 due to particulate matter or nitrogen dioxide and for which the next procedural step would be a referral to the Court of Justice of the EU to an air quality summit in Brussels. The purpose of this meeting was to call upon the Member States concerned to present additional binding commitments for timely, effective and credible measures to address the sources of the current exceedances and bring forward compliance as soon as possible in all agglomerations. Having assessed the additional information provided by these Member States following this meeting, the European Commission concludes that the measures adopted or ***planned*** by six of these Member States44 would not keep exceedance periods as short as possible, as required by the case-law of the Court of Justice of the EU. Consequently, the Commission has decided to refer these Member States to the Court of Justice of the EU45. In addition to the above, ensuring proper monitoring of air quality throughout the whole territory of Member States is essential. This includes, for instance, placing sampling points in areas where the highest pollutant concentrations occur to which the population is likely to be exposed for a significant period in relation to the relevant limit value(s). In that respect, where there was evidence that the monitoring and reporting is not done properly and measures to put in place adequate systems have not been taken, such as in Romania, Slovakia, Belgium and Luxembourg, the Commission addressed this in infringement procedures. Should appropriate measures not be taken by the Member States concerned, the Commission will proceed to the next step in these infringement procedures. Ensuring full compliance with vehicle pollutant emission standards Member State compliance with existing rules In the aftermath of the diesel vehicles emissions scandal in 2015, the European Commission asked Member States to take action and, in particular, enforce EU legislation. EU action was taken in light of in particular a) the insufficient rate of recalls of cars equipped with defeat devices prohibited by EU legislation; and b) the lack of administrative fines – namely penalties – towards car manufacturers as a result of the breach of EU law following cheated emissions tests. In this respect, the European Commission asked EU Member States to conduct mandatory and/or voluntary recalls across the EU. The European Commission further asked Member States to investigate the option of additional hardware fixes on top of software updates in order to make sure that emissions of the concerned cars are fully in line with EU legislation. The European Commission is also taking decisive action against EU Member States on the grounds of failing to fulfil the obligations under EU vehicle type approval legislation. Three types of concerns have been addressed regarding, on the one hand, the penalties for use of illegal defeat devices and, on the other hand, the corrective measures to be taken by the Member States. A number of infringement procedures are still on-going46. One set of 44 France, Germany, and the United Kingdom – for NO2, as well as Italy, Hungary and Romania – for PM10, 45 See press release   [*http://europa.eu/rapid/press-release\_IP-18-3450\_en.htm*](http://europa.eu/rapid/press-release_IP-18-3450_en.htm) 46 Procedures launched in December 2016 against Czech Republic, Germany, Greece, Lithuania, Luxembourg, Spain and the United Kingdom.   [*http://europa.eu/rapid/press-release\_IP-16-4214\_en.htm*](http://europa.eu/rapid/press-release_IP-16-4214_en.htm) The case against Lithuania was closed in July 2017. With respect to five Member States, these procedures were followed-up in July 2017 in the form of a complementary letter of formal notice (   [*http://europa.eu/rapid/press-release\_MEMO-17-1935\_EN.htm*](http://europa.eu/rapid/press-release_MEMO-17-1935_EN.htm)). 11 infringements procedures concerns the absence of penalty systems in the respective national legislations. The second set concerns the Member States that issued type approvals for a car manufacturer in the EU and is based on the suspected non-application of their national provisions on penalties despite the company's use of illegal defeat device software. The third enforcement procedure against one Member State concerns the emission control strategies employed by a car manufacturer, including the absence of imposed penalties47. The European Commission, jointly with the Member States, is addressing the phenomenon of second-hand trade of vehicles subject to recall actions. Further action With respect to the pending infringement procedures mentioned above, and in the context of the on-going dialogue with the Member States concerned, the European Commission has now decided to send two sets of complementary letters of formal notice. A set, addressed to three Member States48, seeks additional clarifications on the reasons for the absence of final decisions on penalties in light of one car manufacturing group’s use of illegal defeat device software. A complementary letter of formal notice is sent49 to one Member State to seek clarifications on the recent steps taken by that Member State regarding the emission control strategies employed in certain vehicles of one car manufacturer including the absence of a final decision on penalties. The information to be submitted by the Member States in response to these complementary letters of formal notice will be assessed by the European Commission in view of the next steps, as appropriate. New rules to strengthen market surveillance Looking forward, the EU agreed new rules to raise the quality and independence of vehicle type-approval and testing, increase checks of cars that are already on the EU market, and strengthen the overall system with European oversight. The rules will become mandatory in September 2020 and will ensure that vehicles on the EU market, including those with diesel engines, comply with the Euro vehicle emission standards (Euro 5/6)50. The new rules will allow the European Commission to take direct enforcement actions against manufacturers who do not respect EU legislation, including on emissions, if Member States fail to act. In particular, the European Commission would be able to initiate EU-wide recalls and impose penalties on manufacturers or technical service providers of up to EUR 30,000 per non-compliant car. Member States would also be obliged to perform mandatory (pollutant emission) checks of cars that are already on the EU market. 47 In May 2017, the Commission initiated infringement procedures against Italy (   [*http://europa.eu/rapid/press-release\_IP-17-1288\_en.htm*](http://europa.eu/rapid/press-release_IP-17-1288_en.htm)). 48 Second complementary letters of formal notice addressed to Germany, Luxembourg and the United Kingdom. See press release   [*http://europa.eu/rapid/press-release\_IP-18-3450\_en.htm*](http://europa.eu/rapid/press-release_IP-18-3450_en.htm) In view of the developments which have taken place in the Czech Republic, Greece and Spain which aim to address Commission's concerns, the three procedures do not require taking next steps within the infringement process at this stage. 49 Complementary letter of formal notice to Italy, see press release   [*http://europa.eu/rapid/press-release\_IP-18-3450\_en.htm*](http://europa.eu/rapid/press-release_IP-18-3450_en.htm) 50   [*http://europa.eu/rapid/press-release\_IP-17-5131\_en.htm*](http://europa.eu/rapid/press-release_IP-17-5131_en.htm) 12 5. THE WAY FORWARD There is an urgent need to improve air quality in Europe through the full implementation of the air quality standards agreed by the Member States and the European Parliament more than a decade ago. This requires action at all levels (national, regional, local) and the European Commission is supporting such action by means of all the tools at its disposal. Improving air quality remains a challenge for Europe also in the long-term. This requires a comprehensive approach across different sectors, from transport, energy, to local ***planning***, bringing together all the different actors concerned. For its part the European Commission will continue to support Member States such as via the Clean Air Dialogues. Poor air quality reduces quality of life and is of great cost to the economy. There is no time to waste. Cost-effective solutions to improve air quality exist and are widely available. There is a need to act now to scale them up and implement them without delay across the EU to the benefit of the half a billion European citizens.

**Load-Date:** June 2, 2018

**End of Document**



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PAP Market Insider

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**Length:** 1635 words

**Byline:** Dybinska Katarzyna

**Highlight:** Following is a digest of the day's top news as compiled by PAP Market Insider.

**Body**

BUSINESS & EQUITY MARKET NEWS

POWER/ TAURON - Listed power group Tauron posted a consolidated net profit of PLN 189 mln in Q4, slightly below PLN 194 mln preliminary estimate and up by 103% y/y, while confirming Q4 EBITDA take at PLN 667 mln, 2017 financial statements showed.

BANKING/ ALIOR - Listed lender Alior Bank tapped deputy CEO Katarzyna Sulkowska to take the top seat, pending the approval of regulator KNF, following the resignation of acting CEO Michal Chyczewski, Alior said in a market filing.

COAL, POWER/ ENEA, BOGDANKA - Poland is undertaking building an IGCC power block next to the Bogdanka coal mine, Energy Minister Krzysztof Tchorzewski told catholic broadcaster Radio Maryja.

BANKING/ ALIOR, PEKAO - Alior Bank, a banking unit of PZU group, will continue talks on cooperation with Pekao, another bank controlled by PZU, and will seek a solution that would be value accretive for all shareholders, newly appointed deputy CEO Katarzyna Sulkowska told PAP.

BANKS, DIVIDENDS - Poland's financial market regulator KNF will publish mid-term dividend policy assumptions for commercial banks on Wednesday, February 14, at 8:30 local time, KNF said in a statement.

COAL/ JSW - Coking coal group JSW is working on long-term financing to be ready for a downturn on coking coal market but sees no risk for prices short-term, CEO Daniel Ozon told a news conference.

COAL/ JSW - Coking coal group JSW would like to make a dividend payment from 2018 profits, in line with the dividend policy, CEO Daniel Ozon told a news conference.

COAL/ JSW - Listed coal miner JSW ***plans*** to tap the US market with a bond issue to end-Q2'2018, CEO Daniel Ozon told media representatives.

POWER/ TAURON - Power group Tauron is realizing its 910 MW power block project in Jaworzno power plant in line with the schedule and the investment was completed in 54% at the end of 2017, CEO Filip Grzegorczyk said, as quoted in Tauron's press statement.

INVESTMENT FUNDS - Polish investment funds enjoyed nearly PLN 1.6 bln net inflows in February, below the January record level of PLN 2.4 bln, with the positive result driven by retail funds inflows, researcher Analizy Online said in a report.

REAL ESTATE/ I2 - Listed real estate developer i2 Development decided to conduct a ***strategic*** options review, including finding a ***strategic*** investor or a ***strategic*** partner, the company said in a market filing.

HEALTH/ MEDICALGORITHMICS - Listed cardio monitoring firm Medicalgorithmics submitted 7346 insurance claims in February in the US for the PocketECG product run by its US unit Medi-Lynx Cardiac Monitoring, Medicalgorithmics said in a market filing.

INVESTMENT FUNDS - Poland's investment funds likely sold net PLN 530 mln in Polish equities in February, according to estimates by DM Trigon.

CONSTRUCTION/ TORPOL - Listed builder Torpol will make PLN 11.4 mln impairments related to its Norwegian operations and will book them in 2017 standalone financial report, the company said in a market filing. Of the total sum, PLN 3.4 mln write-off related to deferred tax at Torpol Norge NUF will also affect the consolidated financial report, the company said.

PAPER/ ARCTIC - Listed paper ***producer*** Arctic Paper decided to launch some PLN 29 mln expansion of the hydropower plant at its Swedish facility in Munkedal, the company said in a market filing.

HEALTHCARE/ ENEL-MED - Listed health care provider Enel-Med saw its CEO Adam Rozwadowski declare unwillingness to seek another term after the current one ends with firm's 2018 AGM, the company said in a market filing.

MACHINERY/ URSUS - Ursus Bus SA, 60%-owned by WSE-listed tractor manufacturer Ursus, obtained PLN 108 mln in credit from the state development bank BGK for realization of five contracts secured by the firm and Consortium Ursus Bus with Ursus as a participant to deliver public transport vehicles to several Polish cities, Ursus Bus said in a communique.

CLOTHING / REDAN, TXM - Listed discount clothing stores chain TXM, unit of fashion retailer Redan, wants to improve sales in 2018, including sales per square meter, while at the same time increase its margin and optimize costs, CEO Marcin Gregorowicz told PAP. TXM will abstain from opening new stores in 2018 as it wants to improve the functioning of the already existing ones, he added.

COAL/ PGG - Coal miner PGG management invited the unions to negotiate the size of wage hikes after the unions called for a 10% hike, PGG spokesperson Tomasz Glogowski told PAP.

INSURANCE/ AVIVA - Insurer Aviva expects a decline in prices of mandatory communication liability insurance OC in 2018, while seeing no price pressure on life insurance policy, CEO Adam Uszpolewicz told a conference.

INSURANCE/ PENSION/ AVIVA, PPK - Insurer Aviva wants to participate in the government ***program*** of employer-sponsored pension saving ***plans*** PPK, CEO Adam Uszpolewicz told a conference. Aviva is preparing itself for the task and ***plans*** to stick to pension-related product offer, hoping for Poles' increased willingness to financially ***plan*** their retirement as a result of PPK campaign, Uszpolewicz added.

INDUSTRY / APATOR - Listed measuring devices ***producer*** Apator saw its PLN 24.8 mln offer chosen as the best one in a tender for power meters delivery to the distribution unit of listed power utility PGE, PGE Dystrybucja, Apator said in a market filing. Under the terms of the tender, the value of the order could be increased by PLN 32.5 mln, bringing the total contract value to PLN 57.3 mln, Apator said.

INDUSTRY / M&A / CHEMOSERVIS-DWORY - Listed provider of services for the chemical, petrochemical and power sector Chemoservis-Dwory took over 99.9% of shares in the industrial waste company EnergoAsh to the total value of PLN 4.28 mln, along with the firm's PLN 1.72 mln worth of debt, Chemoservis-Dwory said in a market filing. Chemoservis-Dwory intends to settle the deal to May 28, with a share issue to be conducted to April 28, the filing specified.

INSURANCE/ GENERALI - Insurer Generali was fined PLN 560k by financial market regulator KNF, KNF said in a press statement.

CONSTRUCTION/ RAWLPLUG - Listed construction firm Rawlplug saw Quercus TFI-managed funds increase their share in the company to 5.053% of its share capital from 4.997% held before, Rawlplug said in a market filing.

RAILWAY, INFRASTRUCTURE, INVESTMENTS - Poland's railway infrastructure manager PKP PLK launched a PLN 89.8 mln net worth of tender for designing and performing reconstruction works on a section of the railway no. 285, PKP PLK said in a communique.

ECONOMIC & FINANCIAL NEWS

MONETARY POLICY - Poland's Monetary Policy Council may yet decide to hike interest rates in 2018 and the rate council will have to monitor inflation, core inflation, labor market as well as the ECB, rate setter Lukasz Hardt told radio broadcaster TOK FM.

LABOR MARKET - Poland's seasonally adjusted net employment forecast for Q2 2018 held flat q/q at 11%, and thus remained at the highest level in the last seven years, a survey by work agency Manpower showed.

SENTIMENT - Polish consumer sentiment weakened mildly in March m/m as assessment of current and future household conditions deteriorated m/m, while current conditions at work and respective forecasts edged marginally up m/m, a sentiment report by CBOS polling agency showed.

GDP - Poland's goal is to achieve stable growth of 4-5% in the long term, Investments and Development Minister Jerzy Kwiecinski told PAP.

***AGRICULTURE***, EU FUNDS - Poland and the Baltic States called for equalizing the level of direct payments among the EU Member States under the block's Common ***Agricultural*** Policy post-2020, according to a joint declaration signed by ***agriculture*** ministers of Poland, Estonia, Latvia and Lithuania in Riga.

NATGAS - pPoland could become a regional gas hub after 2022 when it diversifies its nat gas supplies, government pointperson for ***strategic*** energy infrastructure Piotr Naimski said on Tuesday.

INNOVATIONS - Poland appointed Grzegorz Brona as new head of Polish Space Agency (PAK), according to information published by the Ministry of Business and Technology on Twitter. Brona is a physicist and a former employee of the European Organization for Nuclear Research CERN.

FINANCIAL MARKETS

T-BOND SUPPLY - Poland will offer its 2Y zero-coupon benchmark paper, 5Y and 10Y fixed-rate benchmarks as well as WIBOR based papers at a switching auction slated for March 15, bidding on papers maturing in 2018, the Finance Ministry said in a statement.

FX, FI - The Polish zloty continues to trade above 4.20 against the euro and will remain in the side trend vs. the euro to end-week, while T-bonds might keep losing, especially on the long end, according to local players.

FX & FI SPOT MARKET PRICES

|  |  |  |  |
| --- | --- | --- | --- |
| Tue | Tue | Mon |  |
| 16:26 | 09:36 | 16:06 |  |
| EUR/PLN | 4.210 | 4.206 | 4.205 |
| USD/PLN | 3.397 | 3.412 | 3.412 |
| PS0420 | 1.55 | 1.55 | 1.55 |
| PS0123 | 2.51 | 2.51 | 2.48 |
| WS0428 | 3.34 | 3.32 | 3.29 |

EQUITY MARKET

Poland's blue chip index WIG20 closed down by 1.08% amid declines on major European markets and after losing ground mainly in the final hour of trade. The index was dragged down by an almost 3.2% decline for most traded stock Pekao, followed by a 1.3% decline for peer PKO BP.

WSE INDEXES

|  |  |  |
| --- | --- | --- |
| Index | Value | Change |
| WIG | 61740,09 | -0,81% |
| WIG20 | 2353,02 | -1,08% |
| WIG-MEDIA | 5023,67 | +0,30% |
| WIG30 | 2721,27 | -0,94% |
| mWIG40 | 4801,50 | -0,35% |
| sWIG80 | 14551,49 | -0,08% |

MOST ACTIVES

|  |  |  |  |
| --- | --- | --- | --- |
| Company | Price | Change | Turnover |
| PLN | (%) | PLN mln |  |
| PEKAO | 125,50 | -3,16 | 137,1 |
| PKOBP | 41,75 | -1,28 | 110,0 |
| JSW | 98,18 | 0,29 | 80,5 |
| PKNORLEN | 94,72 | -1,09 | 70,9 |
| PZU | 43,98 | -0,18 | 48,1 |
| PGE | 10,31 | -4,18 | 47,6 |
| CCC | 258,20 | -1,97 | 41,2 |
| KGHM | 102,65 | 0,10 | 35,5 |
| ALIOR | 77,00 | -1,28 | 31,4 |
| CDPROJEKT | 114,30 | -0,17 | 30,5 |
| BZWBK | 375,00 | 0,32 | 20,2 |

POLITICAL & GOVERNMENT NEWS

CABINET - Cabinet's standing committee will discuss on Wednesday draft bills aimed at altering the structure of the government, with deputy secretary of states moved to the public service, PM chancellery head Michal Dworczyk told public broadcaster TVP.

mbn/ kd/ maf

**Load-Date:** February 25, 2022

**End of Document**



[***-Boehringer Ingelheim supports collaboration and knowledge sharing in the livestock industry***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SCX-HXT1-JD3Y-Y4S9-00000-00&context=1516831)

ENP Newswire

May 22, 2018 Tuesday

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**Length:** 642 words

**Body**

Ingelheim - For the next edition of its annual Expert Forum on Farm Animal Well-Being, Boehringer Ingelheim is bringing together veterinary practitioners and welfare specialists, this time to reflect on the welfare standards associated with international trade of animal products.

The 11th Forum will take place in Sydney, Australia on 31st May and 1st June. This year, the company is expecting a larger audience of participants from Australasia who will come to share ideas and opinions on how improved welfare standards for livestock benefits animals, ***producers***, industry and the consumer all around the world.

Steve Williams, Head of Boehringer Ingelheim's ***Strategic*** Business Unit for Ruminants, shared: 'Over the past decade, this series of conferences has repeatedly shown that paying attention to farm animal well-being is the right thing to do.

'Therefore, as a company, we have made a pledge to build and share scientific knowledge around farm animal well-being, and show where effective pain management benefits livestock and rewards farmers, while satisfying the social demands for responsible farming.'

The upcoming Forum will be attended by about 100 people, including veterinarians, animal scientists, farmers, food ***producers***, and retailers. They will bring different perspectives on the science of animal welfare and the economic, social and political forces that drive changes in the ***agriculture*** industry. However, they all share an understanding of the need to satisfy the increasing demands of consumers that their food is ***produced*** in an ethical and sustainable manner.

This 11th annual meeting offers a timely opportunity to review the progress made by the livestock industry on developing welfare standards and metrics associated with the trade of animal products, with a special focus on export of live animals.

Boehringer Ingelheim also maintains a website dedicated to farm animal well-being ([*www.farmanimalwellbeing.com*](http://www.farmanimalwellbeing.com)(link is external)) which contains all information, including the ***programme*** of papers to be presented in Sydney as well as details of previous meetings.

Boehringer Ingelheim

Improving the health and quality of life of patients is the goal of the research-driven pharmaceutical company Boehringer Ingelheim. The focus in doing so is on diseases for which no satisfactory treatment option exists to date. The company therefore concentrates on developing innovative therapies that can extend patients' lives. In animal health, Boehringer Ingelheim stands for advanced prevention.

Family-owned since it was established in 1885, Boehringer Ingelheim is one of the pharmaceutical industry's top 20 companies. Some 50,000 employees create value through innovation daily for the three business areas human pharmaceuticals, animal health and biopharmaceuticals. In 2017, Boehringer Ingelheim achieved net sales of nearly 18.1 billion euros. RD expenditure, exceeding three billion euros, corresponded to 17.0 per cent of net sales.

As a family-owned company, Boehringer Ingelheim ***plans*** in generations and focuses on long-term success, rather than short-term profit. The company therefore aims at organic growth from its own resources with simultaneous openness to partnerships and ***strategic*** alliances in research. In everything it does, Boehringer Ingelheim naturally adopts responsibility towards mankind and the environment.

Boehringer Ingelheim Animal Health Business Unit

Boehringer Ingelheim is the second largest animal health business in the world. We are committed to creating animal wellbeing through our large portfolio of advanced, preventive healthcare products and services. With net sales of EUR3.9 billion and around 10,000 employees worldwide, we are present in more than 150 markets.

Media Contact:

Animal Health

Tel: +49 6132 77-184817

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** May 23, 2018

**End of Document**



[***The country can have no future without land in Hungarian ownership***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R7H-H731-F00C-61V9-00000-00&context=1516831)

Hungarian Official News Digest

December 21, 2017 Thursday

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**Length:** 898 words

**Body**

In the Parliament Building on Wednesday, at the founding meeting of the national assembly of delegates of the Hungarian Chamber of ***Agriculture***, Prime Minister Viktor Orban stated that Hungary can have no future without land owned by Hungarians.

The Prime Minister said that the Hungarian economy has three treasures: the Hungarian people, land and water. He remarked that a primary obligation of the government of the day is to protect and enhance these treasures.

Speaking about the need to keep ***agricultural*** land in Hungarian ownership, Mr. Orban declared that Hungary shall not be the 'front garden' of any other nation, adding that 'The ABC of our life as a nation is the following: this is our land and our work; we are entitled to it and we must also profit from it'.

There are countries, he continued, where conservative estimates suggest that around one third to half of all ***agricultural*** land is in foreign ownership. Mr. Orban said: 'The local farmer simply stands there, watching the foreign landowner doing just what he himself can do equally well [] The local farmer will just stand there, and with a dismissive wave of his hand and a heavy heart go off to Spain to pick strawberries as a guest worker. This is just what cannot be allowed to happen in Hungary - at least while I am prime minister'.

The Prime Minister referred to the Chamber of ***Agriculture*** as one of the pillars of Hungary's future, adding that, together with the Chamber, 'we fought side by side to keep land in Hungarian ownership'.

In his speech Mr. Orban also stressed that in a referendum initiative some twenty years ago the National Association of Hungarian Farmers' Circles and Farmers' Cooperatives (MAGOSZ) joined forces with civic circles to prevent land sales which had been ***planned*** by the government in office at that time. 'This is an old and tested alliance', he said, stating that in the decades to come each government - at least if it regards itself as a national government - must continue the political tradition of smallholders.

Mr. Orban said that he envisages a bright future for Hungarian ***agriculture***, although he noted that it faces threats from Brussels 'bureaucrats with a gleam in their eye', who want to allocate ever more funds from the EU budget to a variety of goals - such as ad hoc responses to problems caused by illegal immigration. He observed that Brussels is urging for money to be taken away from the traditional development funds, including those of the Common ***Agricultural*** Policy. He stated that 'We have a situation in which they are bringing here millions of people whom we did not invite - and on top of that, they even want us to foot the bill'. This, he pointed out, is unacceptable.

At the same time he indicated that the Hungarian Ministry of ***Agriculture*** has fought well, as the majority of Member States have accepted the Hungarian position, and the ***agricultural*** funds for this financial term are not in danger. After 2020, however, major struggles on this matter can be expected, he pointed out, adding that the Hungarian government believes in the need for a common ***agricultural*** policy that in the future will continue to receive adequate funding.

Mr. Orban also observed that since 2010 Hungary has been among the top three EU Member States in terms of the growth of its ***agricultural*** sector: from 2010-2017 ***agricultural*** output has increased by more than 25 per cent in real terms, and by more than 50 per cent nominally.

He said that in the past seven years an extensive subsidy scheme has been introduced, and its direct subsidies have given local ***producers*** access to a total of HUF 396 billion: 52 per cent more than in 2010.

Mr. Orban went on to highlight that in the period leading up to 2020 the highest possible level of national funding will be allocated to the beef, dairy, sheep and tobacco sectors. At the same time, there has also been a focus on areas which are not subsidised by the EU: since 2010 subsidies for the poultry and pork sectors have tripled.

He described the ageing demography of those working in farming as a major challenge, however. In order to reverse this process, efforts are being made to help well-trained young farmers in the development of their businesses.

The Prime Minister also said that, as a result of the Government's ***agricultural*** estate policy, state-owned plots have been transferred from large farmers to small- and medium-sized holders.

He stressed the ***strategic*** national importance of countering the dumping of inferior-quality foreign goods on Central Europe, as 'we Hungarians are able to ***produce*** high-quality Hungarian food products'.

Towards the end of his speech Mr. Orban said that the Cabinet is providing the Hungarian Chamber of ***Agriculture*** with funding of HUF 9 billion, which will be used to launch information ***programmes*** and a national frost damage protection scheme.

He told the delegates that 'If in April 2018 the Hungarian people once again authorise us to form a government, you can rely on us, and together we can implement our ***programme*** for your profession'.

Hungary is fundamentally an ***agricultural*** country, the Prime Minister said, and therefore ***agriculture*** must remain a driving sector. In closing, he stated that 'Strengthening Hungarian ***agriculture*** is the cornerstone of Hungary's sovereignty and independence. Hungarian farmers are the chief custodians of Hungarian independence and Hungarian freedom'.

**Load-Date:** December 22, 2017

**End of Document**



[***LiDAR Market To Be Driven By Increasing Demand For 3D Images In Several Applications Including Topographical Surveys And Defense Till 2024: Grand View Research, Inc.***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RVK-5TC1-JD3Y-Y18H-00000-00&context=1516831)

M2 PressWIRE

March 12, 2018 Monday

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**Length:** 1055 words

**Body**

March 12, 2018

According to new report published by Grand View Research, the global LiDAR market will reach USD 1.34 billion by 2024. Factors such as growing government support and high adoption in automobile safety application as well as environmental mapping can further propel the market for Light Detection and Ranging.

According to a report by Grand View Research, Inc., the worldwide LiDAR market is projected to reach USD 1.34 billion by 2024. Increasing demand for 3D images in several applications including civil engineering, topographical surveys, corridor mapping, and military and defense can propel the market over the forecast period (2014 to 2024). The textured 3D images are useful in many applications such as photo realistic fly, 3D mapping, and city ***planning***. In addition, factors such as growing government support and high adoption in automobile safety application as well as environmental mapping can further propel the market for Light Detection and Ranging (LiDAR).

Advancements of automation in LiDAR in order to reduce human efforts and to improve efficiency can boost the market for LiDAR in the forthcoming years. Long-term reliability of several important components like diodes in vacuum, optics, and optical coatings is anticipated to impel the demand for LiDAR systems during the forecast period. The demand for installations based on safety feature has increased progressively over the past few years. Technologies such as emergency call systems, alcohol ignition interlocks, accident data recorder system can have a positive impact on the market over the forecast period.

LiDAR based systems also play an important role in the development of tropospheric pollution monitoring stations. These LiDAR stations are crucial for monitoring the ash ***produced*** from volcanic explosions that can impede air travel. The technology is also expected to be used in the oil sands monitoring system. Additionally, technological progression in spatial resolution of digital terrain models that are built using LiDAR techniques offer greater accuracy in applications like water runoff for ***agriculture*** and change identification of hillsides.

Full Research Report On LiDAR Market Analysis: [*https://www.grandviewresearch.com/industry-analysis/lidar-light-detection-and-ranging-market*](https://www.grandviewresearch.com/industry-analysis/lidar-light-detection-and-ranging-market)

However, the lack of learned customers is anticipated to restrict the LiDAR market growth during the forecast period. Hence, customer education is important is touted crucial for reducing the implementing costs. It is anticipated to encourage market players to execute customer awareness ***programs***.

The worldwide LiDAR market can be segmented on the basis of product, application, component type, and region. Based on product, the market can be segmented into airborne, mobile and unmanned aerial vehicle (UAV), and terrestrial. As per application, the market can be categorized into corridor mapping, engineering, environment, exploration, advanced driver assistance systems (ADAS), and others. The ADAS application is projected to show high growth at a CAGR of 24.5% over the projected period. Based on component types, the market can be classified into laser scanner, global positioning system (GPS), navigation, and others. Laser scanner segment is anticipated to rise at a CAGR of 20.3% over the forecast period.

View More Reports Of This Category By Grand View Research At:   [*https://www.grandviewresearch.com/industry/emerging-and-next-generation-technologies*](https://www.grandviewresearch.com/industry/emerging-and-next-generation-technologies)

Geographically, the LiDAR market can be divided into North America, Latin America, Asia Pacific, Europe, and Middle East & Africa. North America is projected to display massive growth in the forthcoming years. This growth can be associated with growing expenditure for research and development (R&D), high utilization for environmental scanning. Rise in modeling activities, adoption of administrative procedures, and mandatory installation of certain automation safety technologies in light and heavy motor vehicles can further propel regional growth.

High deployment of safety technologies in automotive sector including automatic emergency braking (AEB) systems and ADAS will boost the market growth. The top regional market players are spending high on development of ADAS systems and driverless cars. This is expected to create scope for small, multipurpose, and cost-effective LiDAR systems. Airborne LiDAR systems may witness significant rise in demand in the United States and Canada. Europe is expected to showcase significant growth through 20214 due to existence of many top companies. Asia Pacific is anticipated to grow rapidly at a CAGR of 25.9% from 2016 to 2024.

Prominent players operating in the market for LiDAT include RIEGL USA, Inc.; Velodyne LiDAR, Inc.; Quantum Spatial, Inc.; Faro Technologies, Inc.; and Velodyne LiDAR, Inc. The market is highly competition with top players trying to maintain their dominance through quality improvement and product variation. Major competitors in the LiDAR market are likely to provide innovative offerings that can help consumers in their business practices and security requirements. Also, many market participants are expected to form ***strategic*** associations with suppliers and distributors to expand their worldwide presence.

Access Full Press Release Of This Report By Grand View Research:   [*https://www.grandviewresearch.com/press-release/global-lidar-market*](https://www.grandviewresearch.com/press-release/global-lidar-market)

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Media Contact

Company Name: Grand View Research, Inc.

Contact Person: Sherry James, Corporate Sales Specialist - U.S.A.

Email: [*sales@grandviewresearch.com*](mailto:sales@grandviewresearch.com)

Phone: 1-415-349-0058, Toll Free: 1-888-202-9519

Address:28 2nd Street, Suite 3036

City: San Francisco

State: California

Country: United States

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**Load-Date:** March 12, 2018

**End of Document**



[***Register of Commission documents: Region Annex 2 EU-Bhutan Trade Support Document date: 2017-07-28 COM-AC\_DR(2017)D051788-02(ANN02) Comitology - Right of scrutiny***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PKK-HMD1-F0YC-N3JY-00000-00&context=1516831)

Impact News Service

September 28, 2017 Thursday

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**Length:** 11473 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

1 This action is funded by the European Union ANNEX 2 of the Commission Implementing Decision on the Annual Action ***Programme*** 2017 Part II and 2018 Part I Action Document for 'EU-Bhutan Trade Support' 1. Title/basic act/ CRIS number EU-Bhutan Trade Support CRIS number: ACA/2017/039-571 financed under the Development Cooperation Instrument 2. Zone benefiting from the action/location Bhutan (Asia) The action shall be carried out countrywide 3. ***Programming*** document Multiannual Regional Indicative ***Programme*** for Asia for the period 2014-2020 4. Sector of concentration/ thematic area Focal sector 1 (ASEAN): Connectivity through Sustainable and Inclusive Economic Integration and Trade DEV. Aid: YES 5. Amounts concerned Total estimated cost: EUR 4 000 000 Total amount of EU budget contribution: EUR 4 000 000 6. Aid modality(ies) and implementation modality(ies) Project Modality Indirect management with the International Trade Centre – ITC 7. a) DAC code(s) 33110 – Trade policy and administrative management b) Main delivery Channel 41000 – United Nations agency, fund or commission (UN) – International Trade Centre 8. Markers (from CRIS DAC form) General policy objective Not targeted Significant objective Main objective Participation development/good governance ☐ ☐ Aid to environment ☐ ☐ Gender equality (including Women In Development) ☐ ☐ Ref.

Ares(2017)3082593 - 20/06/2017 2 Trade Development ☐ ☐ Reproductive, Maternal, New born and child health ☐ ☐ RIO Convention markers Not targeted Significant objective Main objective Biological diversity ☐ ☐ Combat desertification ☐ ☐ Climate change mitigation ☐ ☐ Climate change adaptation ☐ ☐ 9. Global Public Goods and Challenges (GPGC) thematic flagships Trade integration for green and inclusive growth 10. SDGs Main SDG Goal: goal 8 – promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all Secondary SDG Goals: goal 17 – strengthen the means of implementation and revitalize the global partnerships for sustainable development Summary The Royal Government of Bhutan (RGoB) is committed to economic reforms and removing constraints to growth within the concept of Gross National Happiness. The overall Bhutan Vision 2020, the current 11th Five Year ***Plan*** (FYP) 2013-2018, as well as the Economic Development Policy (2010, revised in 2016) outline policies on developing trade and investment for sustainable economic growth and poverty reduction. A Diagnostic Trade Integration Study (DTIS) was carried out in 2012 which includes a National Export Strategy, and identifies details on how trade and investment could contribute to the efforts of the RGoB for economic development and poverty reduction. The Multiannual Indicative ***Programme*** (MIP) 2014-2020 of the EU for Bhutan focuses on two sectors: (a) rural development and climate change as well as (b) governance, including local government, public finance management and civil society. The regional Multi-annual Indicative ***Programme*** for Asia 2014-2020 foresees complementary support to ensure that the country can benefit from enhanced trade with regional and global markets. The overall objective of the proposed action is to contribute to Bhutan’s economic growth and poverty reduction. The specific objective of the action is to increase export diversification, possibly contributing to and drawing upon the implementation of the “Brand Bhutan” initiative, by improving the capacities of trade and investment policy formulation and implementation, and increasing exports in selected value chains, i.e horticulture and textile handicrafts. 3 The Action will focus on two value chains, horticulture and textile handicrafts, as well as cross-cutting trade policy issues. It is expected to achieve the following outputs:  Enhanced capacity in formulation and implementation of trade and investment policy and regulations;  Increased export of high value horticulture products (including organic);  Increased export of high value handicraft textile products. The value chain approach will benefit in particular woman and youth. These priorities were identified during project identification (June and November 2016) and confirmed during project formulation (January 2017). Broad consultations with the Government of Bhutan, other development partners, and other stakeholders took place to ensure an integrated approach. It is proposed to implement the proposed Action through a project modality with an International Organisation. The International Trade Centre (ITC) has been identified as the preferred organisation to implement the project. 1. CONTEXT 1.1 COUNTRY CONTEXT Bhutan is a small, land-locked and least developed country (LDC) situated between two large neighbours, i.e India and China. The total population is currently about 765,000 persons. Bhutan has a total land area of 38,394 km2 of which 72.5% are covered by forest. According to 2015 national data, the population below the poverty line, i.e with a per capita income below USD 1.25 per day, stands at 12%. Bhutan’s economy is traditionally based on ***agriculture*** and forestry which provide the main livelihood for more than 60% of its population. ***Agriculture*** consists largely of subsistence farming and animal husbandry. Most of the industrial sectors are of the cottage industry type. Rugged mountains dominate the terrain and make it very difficult and expensive to build and maintain transport, energy and other infrastructure. In recent years, Bhutan has embarked upon a peaceful modernization and democratization process. Bhutan has also gradually embraced international trade and investment in order to achieve economic self-reliance and inclusive green socio-economic development. Under the 11th Five Year ***Plan*** 2013-2018 (FYP), Bhutan has set up ambitious goals to achieve full employment and graduate from the LDC status by 2020. Bhutan's exports are highly concentrated, with over 70% of exports consisting of only 10 commodities, and India accounting for more than 80% of exports by destination in 2015. The main export products include hydropower-generated electricity and primary products to India. This high degree of concentration leaves Bhutan economically vulnerable and dependent. Furthermore, Bhutan's trade deficit has been consistently large and growing and is currently estimated at 32,808 million Ngultrum (Nu) including electricity, and 44,682 million Nu, excluding 4 electricity in 20151. Bhutan must increase its trade competitiveness and diversify its export markets in order to mitigate the risks associated with concentrated exports and a growing and unsustainable trade deficit. In the last two decades, Bhutan has experienced structural changes to develop its industrial and services sectors. The attempt has, however, yet to result into productive employment opportunities, vibrant private sector growth, and economic and trade diversification. The Bhutanese economy continues to provide very limited employment opportunities for the population, particularly for youth and women. 1.2 PUBLIC POLICY ASSESSMENT AND EU POLICY FRAMEWORK Bhutan has recently gone through the transition from an absolute monarchy to a constitutional democracy. In 2008, the first national assembly elections were held and the Constitution was adopted. Bhutan adopted its Vision 2020 based on the concept of Gross National Happiness, i.e peace, prosperity and happiness. The peaceful modernization and democratization process has yielded results, not only in terms of political stability, but also in economic growth and poverty reduction. Annual average growth was more than 8% in 2008-2014 and the per capita income increased from USD 730 in 2000 to USD 2,068 in 2014. Poverty in the country has been reduced by half from 23% in 2007 to 12% in 2015 (national data). In order to promote trade and investment and reduce poverty, the RGoB has formulated various public policies. These include the Economic Development Policy (EDP) of 2010, updated in June 2016, and the Foreign Direct Investment (FDI) Policy 2010 (amended in 2014). The FDI policy has improved the investment climate in the country, by relaxing the conditions for foreign investment (repatriation of dividends, reduction of the minimum threshold for equity share holding, etc.). A Diagnostic Trade Integration Study (DTIS) carried out in 2012 identified specific opportunities to enhance trade. In line with its efforts to promote trade and investment, Bhutan launched the 'Brand Bhutan' initiative to promote exports in February 2016. The initiative has yet to deliver on its expectations. The EDP is the guiding document for all the ministries and agencies to stimulate economic growth, and to ensure consistency with the current 11th FYP. More specifically, the EDP mentions that trade is an essential contributor to economic growth and employment creation. The policy focuses on creating an improved regulatory and enabling environment for more robust trade by simplifying administrative procedures and deregulating wherever feasible. The 2016 update of the EDP includes further reforms such as implementing a quality assurance ***program*** to support export oriented businesses to meet market quality requirements or revising the rules and procedures for imports from third countries by 2017. The promotion of agro-based products through fair and ethical trade in the framework of 'Brand Bhutan' as well as organic certification is also part of the EDP. 1 Bhutan's currency Nu is pegged with the Indian rupee at a 1:1 ratio. 5 The overall goal of the current 11th FYP (2013-2018) is the “self-reliance and inclusive green socio-economic development” with four important pillars, i.e (1) equitable and sustainable socio-economic development; (2) preservation of the environment; (3) preservation and promotion of the Bhutanese culture; and (4) strengthening good governance. The current FYP highlights the important role of trade and investment for economic development and poverty reduction. The RGoB will build on the EDP to develop the 12th FYP (2018-2023). The importance of trade and investment for the economic development of the country are expected to remain at the core of the 12th FYP. In order to maximize the impact and contribution to the development objectives of the RGoB, the EU’s bilateral assistance to Bhutan focuses currently on two ***strategic*** areas: (1) renewable natural resources, including rural development particularly related to ***agriculture*** and forestry; and (2) good governance, including local government development, public finance management, and support to civil society. In addition, the EU provides support through thematic ***programmes*** in the area of climate change. The EU’s regional Multi-annual Indicative ***Programme*** for Asia 2014-2020 foresees complementary support to ensure that the country can benefit from enhanced trade with regional and global markets. Overall, Bhutan’s trade sector policy supports the objectives of poverty reduction, sustainable and inclusive growth, and democratic governance. 1.3 STAKEHOLDER ANALYSIS The following is a summary of the main stakeholders involved in the proposed Action: Gross National Happiness Commission (GNHC): The GNHC is responsible for the overall development ***planning*** of the country. GNHC is the interlocutor for development partners to design their support. The Ministry of Economic Affairs (MoEA): The Ministry is responsible for trade and export development in Bhutan. Key departments for the Action are the Department of Trade (DoT), Department of Industry (DoI), the Policy and ***Planning*** Division (PPD), and the Department of Cottage and Small Industry (DCSI). The MoEA expressed the need to strengthen trade negotiation skills, carry out export and investment promotion, trade and market research, improve public-private dialogue through the Better Business Council (BBC). The Ministry of ***Agriculture*** and Forests (MoAF): The Ministry aims to develop the Bhutan ***agricultural*** sector, including horticulture, by transforming the sector from subsistence farming to market-oriented commercial farming in line with the objectives of the FYP. MoAF expressed the need for support to better understand ***agricultural*** trade-related issues, and to promote products in international markets. Bhutan Chamber of Commerce and Industry (BCCI): The Chamber is the apex body of the private sector in Bhutan, representing 12 sector associations. Members, particularly SMEs and women entrepreneurs expressed the need for capacity building in the area of market information, compliance with market requirements and quality standards, export marketing and branding. 6 Bhutan Association of Women Entrepreneurs (BAOWE): The association aims to develop a social-consciousness-driven private sector and promote women entrepreneurs at the grassroots level thereby contributing to poverty reduction, self-reliance, and business from a GNH perspective to achieve the economic empowerment of women. Women entrepreneurs need support to enhance their understanding of and access to international markets. Agency for Promotion of Indigenous Crafts (APIC): The agency is responsible for facilitating the equitable growth of the craft sector and its industry by enhancing skills and business knowledge with emphasis on innovation, product development and marketing. APIC would welcome assistance for market studies in the EU or US, design inputs as well as support in training and awareness-raising for artisans on better packaging and pricing. Other stakeholders in relation to expected outputs 1 and 2 of the Action include the Bhutan Standards Bureau, National Statistical Bureau, Royal Institute of Management, and the Royal University of Bhutan. Stakeholders specifically related to Output 3 of the Action include the Handicrafts Association of Bhutan, Tarayana Foundation, the Tourism Council of Bhutan, and the Royal Textile Academy. An additional important stakeholder is the Ministry of Finance for overall management of public finances. Working with these institutions, building on their existing initiatives, and strengthening their skills and services to the private sector throughout the implementation of the Action will contribute to ensure project ownership, maximize results and their sustainability beyond the project span. Table 1: Identification of partner institutions under overall coordination by the GNHC Expected Output Lead institution Other partners 1. Enhanced capacity in trade policy regulations formulation, implementation and investment promotion (cross-cutting support) Ministry of Economic Affairs (MoEA) BCCI and members, BBC and members, Academia including Royal University and Royal Institute of Management 2. Increased capacities to export value added horticulture products Ministry of ***Agriculture*** and Forestry (MoAF) MoEA, BCCI and members, National Statistical Bureau, College of Natural Resources, Bhuntan Standards Board 3. Improved quality and marketing potential of high value Bhutanese handicraft textile products with special focus on youth and women Agency for Promotion of Indigenous Crafts (APIC) MoEA, BCCI, BAOWE and members; Handicraft Association; Royal Textile Academy; Tarayana Foundation; Bhutan Tourism Board 7 1.4 PRIORITY AREAS FOR SUPPORT/PROBLEM ANALYSIS Summary of the economic and trade-related strengths, opportunities, weaknesses and constraints Bhutan benefits from strong natural endowments which, coupled with preferential market access, political stability and a generally educated labour force, offer high opportunities for growth. Below is the summary of Bhutan’s economic and trade-related strengths, opportunities, weaknesses and constraints. Table 2: Bhutan's trade related strengths, weaknesses, opportunities and constraints: Strengths  Political stability  Peace and security  Market access  Educated labour force  Wide use of English language Weaknesses  Narrow export product base and markets  Limited supply-side capacities  Inadequate transport infrastructure / High transportation costs  Lack of capacities in trade policy  Lack of market knowledge Opportunities  Low volume, high value (niche) products, including organic production;  ***Strategic*** geo-economic location with access to regional markets  “Brand Bhutan” initiative  Improvements in existing export initiatives Constraints  Geography/landlocked  Small domestic market Analysis of the weaknesses and identification of related priority areas of support The following are Bhutan’s key weaknesses which the project aims to address.  Narrow export product base and markets: Trade is highly dependent on a few commodities and one trading partner. About 80% of total exports consist of electricity, mineral products and base metal. India absorbs more than 80% of Bhutan’s exports and provides more than 70% of its imports.  The Action will contribute to increase Bhutan’s export diversification by improving the quality, supply capacities and sales to new export markets for selected value chains, be it regionally or beyond, including developed country markets.  Limited supply-side capacities: Trade competitiveness is hampered by limited supply-side capacities while the country benefits from preferential market access, notably to the EU under the GSP's Everything but Arms scheme. About 85% of Bhutanese industries are small and micro industries or artisans, which are constrained by a lack of access to capital, technology, markets and skilled labour resulting in low volume, high cost and inferior quality. Production costs are relatively high in Bhutan – except in the electricity sector – and research and innovation capabilities are limited, resulting in low labour productivity. Small industries do not yet have the full capacity to grasp the benefits of the market access preferences granted by the South Asian Free Trade Area (SAFTA), Bhutan’s free trade agreement with India, as well as 8 duty-free and quota-free access to the EU and to other developed markets, including the United States.  The Action will address supply-side capacity constraints through training and coaching along selected value chains, instilling new production techniques, attracting investment, improving quality management, packaging and labelling, marketing and branding skills.  Inadequate infrastructure and high transportation costs: The small size of the domestic market, being land-locked, and the mountainous terrain mean that building and maintaining infrastructure is expensive and transport costs are higher as compared to other countries. With limited access to income generating opportunities, the rural areas are much more affected by poverty. Around 98% of the poor are living in rural areas. Their livelihoods largely depend on ***agriculture*** and traditional crafts.  While the Action will not support transport and infrastructure development and upgrading, it will focus on markets for high value products and products with the highest impact on poverty reduction. While regional markets are important, developed country markets, notably the EU, hold the greatest potential for value-added horticulture and organic products and high-quality authentic handicrafts. This will be well coordinated and complement other ***programs***, e.g in rural development, climate change, and civil society support.  Lack of capacities in trade policy and regulations formulation, implementation and investment promotion: Overall the public service of Bhutan is very competent and efficient. In the trade and investment areas, there are however many technical issues which are emerging and may lead to inconsistent policies and require constant update of knowledge and skills of government officials. For example, MoEA (and MoAF) officials need trade negotiation skills. They also need to formulate the foreign direct investment promotion strategy, particularly for the new industrial estates. Many government officials involved in trade and investment do not have the international exposure, knowledge, and skills to promote trade and investment outside of the country.  The Action will provide capacity building in trade negotiations, business advocacy and investment promotion, which are strongly required by both the public and private sector across value chains.  Lack of market knowledge: Limited access to market information and understanding of market requirements in the region and beyond are major impediments to Bhutan’s trade development and promotion across sectors.  The Action will provide support to identify trade opportunities, analyse and apply international market requirements and standards, building on the ITC's existing portfolio of projects and tools, notably the Market Access Map and the Standards Map. Selection of the value chains Underpinned by an export diversification and poverty reduction approach, the focus of the Action will be on increasing exports, income and employment along two selected value chains. The selection of value chains has been guided by the following main criteria:  Requests from country stakeholders, 9  Priority value chains in the country’s development ***plans*** and strategies and in line with analysis already provided in the Diagnostic Trade Integration Study (DTIS),  Potential for diversification and value addition while preserving traditions and culture,  Impact on poverty reduction and employment for women and youth. Selection has been made following desk research based on existing surveys, sector studies, and extensive consultations with the government, private sector and academia in Bhutan. As a result of the analysis, it was decided to focus on the following two value chains: (1) horticulture, and (2) handicraft textile products. ***Agriculture*** represents 15% of GDP and remains the primary source of livelihood for 60% of the population. Over 95% of the earning women in the country work in the ***agricultural*** sector. Increased support in product and export diversification along ***agricultural*** value chains would lead to significant benefits for a large part of the population, including women in rural areas. The country has a favourable environment for the production of ***agricultural*** products such as potato, offseason vegetables, medicinal plants, mushroom, which have high value chain enhancement opportunities. Within the ***agricultural*** sector, horticulture holds high potential for value added niche products and markets such as spices, herbal plants and honey. These products significantly contribute to national income and employment among the rural population. The RGoB is emphasizing the need to diversify ***agricultural*** production from that of a subsistence type of farming to high value cash crops. The textile industry is an integral part of Bhutanese life and culture. Almost half – 47% – of manufacturing employment is in textiles. This sector is especially important for women: 85.7% of all women employed in the manufacturing sector are in the textile sector. In particular, the textile handicraft industry could expand significantly in Bhutan. The Bhutanese Weaver Survey 2010 found that a total of 64,100 women are engaged in weaving activities on a regular basis. This means that at national level one out of five women or one out of three women between the age of 20 and 40 are weaving on a regular basis. Most of the weavers come from families that have a modest income and 10-15% of them are considered poor. Horticulture and textile handicraft have been identified in the FYP and the DTIS as priority sectors for economic growth and with potential for value addition. The reasons for proposing these value chains are as follows: Table 3: Selection of value chains Criteria Horticulture Handicraft textile products Requests from country stakeholders Request from MoEA and MoAF, i.e Bhutan horticulture ***programme*** geared towards transforming the sector from subsistence farming to market-oriented commercial farming Request from MoEA/Department of cottage & small industry, APIC, HAB, BAOWE Priority in the country’s development ***plans*** and strategies  11th Five Year ***Plan***  DTIS  “Brand Bhutan” / ”Grown in Bhutan”  11th Five Year ***Plan***  DTIS  “Brand Bhutan” / ”Made in Bhutan” 10 Criteria Horticulture Handicraft textile products Potential for diversification and value addition while preserving traditions and the country culture  Potential for improving quality, “organic” production  Potential for processing e.g juices, jam  ***Agriculture***/horticulture are part of the country’s traditional sectors which the Government aims to promote  Potential for improving designs, diversify offer and adjust prices according to market trends and demand  Synergy with the tourism market  Cultural identity impact e.g weaving (Thagzo) is one of the 13 Arts and Crafts and an inherent element of Bhutan’s cultural and creative capital Impact on poverty reduction and employment  Around 98% of the poor are living in rural areas and are concentrated in ***agriculture*** and traditional crafts  ***Agriculture*** provides the livelihood base for 69% of the population and Horticulture accounts for approximately 13% of ***agriculture***  Source of employment for women and youth  Broad country coverage (potatoes in the whole country, citrus in the subtropical southern regions of the country, apples in the Western part of the country)  Around 98% of the poor are living in rural areas are engaged in ***agriculture*** and traditional crafts  65% of the population engaged in ***agriculture*** is also engaged in manufacturing handicrafts during the non-cultivation season as a means of sustenance (complementarity between the two value chains)  Source of employment for women in rural areas  Country wide coverage Selection of the products Specific products with high potential for export diversification and value addition have been identified under each value chain. Within the horticulture sector, the Action will focus on a small number of selected products to ensure an integrated value chain support and to maximise results. Some activities will be common to these products (e.g marketing and branding). Other activities and advisory support will be customized and differentiated (quality standards, price information, identification of buyers, etc.). Indicatively, the horticulture products identified are ginger, honey, garlic and potatoes (recently certified organic locally in Bhutan). They have been indicatively shortlisted for further support according to the following list of criteria:  There should be potential for export diversification and a potential to increase volume within one year;  The product should be non-perishable;  There should be potential for value addition (through quality or semi processed enhancement);  There should be the potential to be competitive on markets beyond India, including the EU and other;  The products should be grown in the same/close geographical areas – for logistics and cost efficiency purposes;  The product should not compete for food security – should be aligned with national policies;  The majority of ***producers*** should be women and youth;  There should be complementarities with other projects. 11 Within the textile handicraft sector (ER3), products will include: scarfs, home-use textiles (such as bed covers, table runners, cushion covers), and accessories (such as hand bags). They have been identified according to the following list of criteria:  Supply and weaving capacities should exist;  There should be potential for value addition (through improved quality and designs);  There should be potential demand in import markets including the EU and other;  The majority of ***producers*** should be women and youth. A final selection of the exact products to be supported under the two value chains will be confirmed by the project steering committee (see section below section 5.6), based on further analysis in line with the above criteria to be carried out by ITC. 2. RISKS The risks associated to the proposed Action include the following: Table 4: Risks and Mitigating Measures Risk Risk Level Mitigating Measures Lack of sustained commitment of ***producers***, including SMEs and women entrepreneurs to participate in project activities Medium Outreach activities will be included to demonstrate economic benefits and incentives especially to SMEs and women entrepreneurs; Lack of cooperation between the public institutions and private sector stakeholders Medium Close monitoring and involvement of the RGoB in frequent and regular project oversight steering committee meetings. The international organisation implementing the project will work with Bhutanese institutions by providing funding directly (e.g grants) if possible. Lack of sustainability at the end of the Action Medium The objective of the Action is to promote trade and investment, i.e productive sectors that will generate income for the economy. It is therefore assumed that additional income generated as a result of the project’s activities will contribute to the sustainability of the action. An exit strategy will be part of the project’s activities. Key assumptions: (1) It is assumed that expanded trade will lead to poverty reduction through equitable economic growth; (2) It is also assumed that the RGoB will be committed to trade and investment policy implementation. 12 3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES 3.1 LESSONS LEARNT An earlier EU trade project supported Bhutan's possible WTO accession and was implemented by ITC and UNESCAP from 2006 to 2009. The project provided training, information and market research to the Bhutan Export Promotion Centre (BEPC) which is now merged into the Trade Department of the Export Promotion Division within the MEA. Since ITC and UNESCAP did not have resident offices in Bhutan to follow up with the proposed activities, neither the BEPC nor exporters themselves were able to effectively use the information to realise exports. The experiences show that externally provided technical assistance has limits in terms of internalising the support in public policy implementation. A close involvement of beneficiaries in project monitoring (steering committees) is therefore required. It is furthermore essential that the implementing partner has adequate representation in the country. Bhutan is currently re-examining the advantages and disadvantages of joining the WTO and may renew its interest in the WTO membership. The previous EU project primarily focused on research on WTO accession issues rather than long-term capacity building. Discussion about a potential WTO membership is hampered by the absence of a dynamic export production and limited integration into international markets. The approach of the present Action to support specific value chains will therefore contribute to the decision making process for an eventual WTO membership. The proposed action will address the lessons learnt from other projects in Bhutan, particularly projects funded by other development partners such as the World Bank, Asian Development Bank (ADB) and the Japan International Cooperation Agency (JICA). For example, JICA is supporting specific value chains (e.g lemon grass) which has been very successful and offers valuable insights, including how to organise value chains with local ***producers*** in rural areas. Other lessons learned include: (i) support to value chains with small volumes but high value products is more efficient; (ii) a long term approach and support to ***producers*** is required to ensure success. 3.2 COMPLEMENTARITY, SYNERGY AND DONOR COORDINATION Currently, there are only a few development partners which are active in providing trade-related assistance to Bhutan. These include Asia Development Bank (ADB), the World Bank/International Finance Corporation (IFC) and the United Nations (UN). ADB is assisting the Ministry of Finance on several transport and trade facilitation projects. It is also assisting Bhutan in building a mini-dry port in the south (Phuntsholing) to facilitate trade with India and other countries. The World Bank and IFC are also building a larger dry port and a road linked to it in an attempt of reducing the congestion in Phuntsholing so that customs claims for containers can be done in the dry port directly. The United Nations Development ***Programme*** (UNDP) took the lead to prepare the

DTIS in 2012. ITC, the United Nations Conference on Trade and Development (UNCTAD), and the United Nations Industrial Development Organization (UNIDO) have provided only limited ad-hoc training and technical assistance (TA) activities in Bhutan due to their limited funding capacities. The present Action will be complementary to EU and other donors' support. The Action is coherent with the forthcoming EU support to rural development and climate change to MoAF. The present Action includes, for instance, support to the horticultural value chain which complements the focus of the MoAF on production techniques, with additional support in the area of quality management for marketing and export development. 13 There will be complementarities and synergy with other projects implemented by the ITC, notably those supported by the EU in Asia and globally. Key projects in this respect are the Market Access Map, Standards Map and the Small Traders Capacity Building Programme2 as well as the ITC Trade-Related Assistance projects in Afghanistan and Sri Lanka. The Action will build on the lessons learned and results achieved by the UNDP handicraft project (2014-2016) which contributed to create women weavers’ groups and facilitate their access to micro credit. This Action will strengthen handicraft ***producers***’ skills, including those groups set-up under the UNDP project, through training and capacity building and link them to markets. Being a member of the One ***Programme*** of the United Nations in Bhutan, ITC will also ensure coordination of the Action with the UN work ***programme*** and other UN agencies’ projects in Bhutan. In terms of coordination of development partner efforts, UNDP used to be in the lead to coordinate trade and private sector development activities. However, this coordinating mechanism is no longer functional since UNDP does not have a trade project at the moment. Once the present Action is launched, the EU may play an active role in donor coordination for trade-related TA. The present Action will promote further coordination efforts and dialogue between development partners and beneficiaries in order to maximize results and their sustainability. 3.3 CROSS-CUTTING ISSUES The proposed Action intends to integrate cross-cutting issues, particularly women and youth, gender equality and protection of the environment, into the design and implementation of the activities, in line with Bhutan's sector policies. To address unemployment and the rapidly growing youth population is a priority for the RGoB. Women are playing an important role in the production, processing and marketing of products and services. More than 65% of the total workforce and more than 72% of female workforce is engaged in ***agriculture*** in rural areas in crop and livestock production activities. Many women, also in the younger working-age group, are employed in the crafts and tourism sectors. Women and youth will directly benefit from the support to horticulture and handicrafts of the present Action. The RGoB attaches great importance to gender equality. Ministries and agencies are mainstreaming gender equality into their ***plans*** and ***programmes***. For example, the MoEA and MoAF are currently promoting technologies that are particularly women friendly (farm machinery, use of biogas for cooking, women participation in farmer groups and cooperatives). The RGoB is working with women artisans (more than 80% of artisans are women) to promote indigenous arts and handicrafts. Bhutan is known, including through the Gross National Happiness concept, to respect the environment and preserve the nature by emphasizing the “high value - low impact” of its economic activities. The proposed Action closely follows these principles and practices. For 2 [*http://www.macmap.org/*](http://www.macmap.org/),   [*http://www.standardsmap.org/*](http://www.standardsmap.org/), and   [*http://www.intracen.org/layouts/ProjectDetailsTemplate.aspx?pageid=47244640826&id=66545*](http://www.intracen.org/layouts/ProjectDetailsTemplate.aspx?pageid=47244640826&id=66545) respectively 14 example, the proposed support to the horticulture value chain will include capacity building for organic production. 4. DESCRIPTION OF THE ACTION 4.1 OBJECTIVES/RESULTS The overall objective of the proposed action is to contribute to Bhutan’s economic growth and poverty reduction. The specific objective of the action is to increase exports and export diversification, possibly contributing to and drawing upon the implementation of the “Brand Bhutan” initiative, by:  Improving the capacities of trade and investment policy formulation and implementation, and  Increasing exports in selected value chains, i.e horticulture and handicraft textiles. The outputs of the Action are: 1. Enhanced capacities in the formulation and implementation of trade and investment policies and regulations; 2. Improved environment for export of high value horticultural products, including organic products; 3. Improved environment for export of high value handicraft textile products. 4.2 MAIN ACTIVITIES The main activities of the present in relation to the respective result area are: Output 1: Enhanced capacities in the formulation and implementation of trade and investment policies and regulations - Building capacities in Bhutanese public and private institutions to inform trade policy/regulatory/investment policies; - Address policy/regulatory/procedural impediments to business competitiveness along the selected value chains; - Promote investments (foreign and domestic), including investment in the selected value chains (e.g investment into storage facilities, cold chain equipment); - Enhance access to trade and market information; - Strengthen public-private policy dialogue involving the Better Business Council. Output 2: Improved environment for exports of high value horticultural products, including organic products - Develop horticulture value chain analysis and action ***plan*** for export diversification and value addition with special focus on youth and women; - Design horticulture market penetration strategy for regional and/or international target markets; - Enhance export and quality management capacities of stakeholders - from farmers to exporters - along the horticulture value chain and improve coordination; 15 - Set-up real-time price information access for ***producers*** using digital technology; - Develop marketing and branding strategy for the horticultural sector, possibly contributing to the “Brand Bhutan” initiative; - Establish buyer-seller sustainable linkages. Output 3: Improved environment for exports of high-value handicraft textile products - Develop handicraft textile products value chain analysis with special focus on women and youth and assess market potential in selected target markets; - Improve product quality, enhance supply capacity and innovative designs matching market trends and develop demand; - Develop a sector-specific marketing and branding strategy and build capacities on marketing and branding of handicraft textile sector, possibly contributing to the “Brand Bhutan” initiative; - Establish buyer-seller sustainable linkages. 4.3 ***INTERVENTION*** LOGIC Strategy to address the identified weaknesses and priority areas of support The Action will adopt a two-pronged strategy to address the identified problems and constraints and provide trade-related technical assistance in the priority areas for support: 1. Enhancing national capacities for formulating and implementing trade and investment policies, improve regulatory frameworks, and in support of this: 2. Contributing to developing integrated and market-led value chains, building supply-side capacities to add value to export products, addressing two value chains i.e horticulture and handicraft textile products. The Action will apply the following key principles throughout implementation:  An integrated and market-led value chain development approach: The Action will contribute to improve the coordination along the selected sector value chains, linking artisans and ***producers*** to market opportunities, to participate in and benefit from trade. The focus will be on market-led development, starting by identifying market opportunities and analysing the needs along the domestic value chains through market-led analysis, market intelligence and diagnostics, in order to customize capacity building and advisory support.  Supporting the implementation of Bhutan’s policy priority to diversify its exports: The project will directly contribute to export diversification which is one of the main objectives of the Five-Year ***Plan*** of the RGoB. The Action has the potential to contribute to the “Brand Bhutan” initiative by strengthening capacities to ***produce*** and market quality products “made in” and “grown in” Bhutan along the two value chains supported by the Action (horticulture and textile crafts). It could possibly draw on synergy with Brand Bhutan, depending on the progress of the initiative.  Gender, youth and environment: The Action will integrate gender, youth and environment-related issues (e.g organic production) as cross-cutting issues. Sector value chains have been selected accordingly. 16  The Action will facilitate policy dialogue: The Action will contribute to promote public-private policy dialogue and cooperation (on trade policy, trade information etc.) as a means to support project sustainability and ownership by the country (see below).  The Action will incorporate a strong institutional and capacity building focus: an important feature of the Action will be to work “from within” key partner institutions. The approach will be to work together with partners, emphasizing ‘learning by doing’ through training, coaching and skills development. The Action will enable relevant stakeholders to continue to provide relevant and effective trade support services to the private sector and to replicate the positive results of the project beyond its end date. The Action will use and reinforce local expertise to a maximum extent, working with national experts and conducting training of trainers. 5. IMPLEMENTATION 5.1 FINANCING AGREEMENT In order to implement this Action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012. 5.2 INDICATIVE IMPLEMENTATION PERIOD The indicative operational implementation period of this Action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 40 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission's authorizing officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014. 5.3 IMPLEMENTATION MODALITY 5.3.1 INDIRECT MANAGEMENT WITH AN INTERNATIONAL ORGANISATION This action may be implemented in indirect management with the International Trade Centre (ITC) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails to provide technical assistance for the project details outlined above. ITC will mobilise own staff as well as externally recruited experts and will organise capacity building, training, advisory, and other events. More specifically, it is foreseen that one full time National Project Coordinator based at the Gross National Happiness Commission in Thimphu will be recruited for the project, as well as a part-time trade expert in ITC Headquarter in Geneva for project technical management and implementation across the expected outputs. Other experts such as ITC staff experts in trade policy, ***agriculture***, and other fields, national and international consultants, will be paid under the project as per specific short term assignments. This implementation by indirect management by ITC is justified because ITC is an International Organisation specialised in providing trade-related technical assistance and carries out similar projects worldwide. ITC is the joint agency of the World Trade Organization and the United Nations. Its mandate combines a focus on expanding trade opportunities with the aim of fostering sustainable development. Furthermore, the RGoB is well familiar with the ITC, given the experience with a previous project. 17 The entrusted entity would carry out the following budget-implementation tasks: launching and evaluation of calls for tenders, definition of eligibility, selection and award criteria, acting as contracting authority for concluding and managing contracts, and carrying out payments. The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 6(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management. 5.4 SCOPE OF GEOGRAPHICAL ELIGIBILITY FOR PROCUREMENT AND GRANTS The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply. The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult. 5.5 INDICATIVE BUDGET EU contribution (amount in EUR) Indicative third party contribution 1. Indirect Management with an international organisation, i.e ITC 4 000 000 N.A Total 4 000 000 N.A 5.6 ORGANISATIONAL SET-UP AND RESPONSIBILITIES The governance of the Action will be assumed by a Project Steering Committee (PSC) which will be composed of senior representatives of the Gross National Happiness Commission (GNHC), the Ministry of Economic Affairs, the Ministry of ***Agriculture*** and Forestry, the EU Delegation, and the ITC. Representatives from other public and private sector as well as civil society institutions active in the horticulture and handicraft sectors, may participate. The PSC will be co-chaired by the GHNC and the EU Delegation. The involvement of GNHC will ensure ***strategic*** guidance to the project, while facilitating coordination and communication between stakeholders and line ministries. The PSC will ensure that the Action maintains coherence with the national development and trade priorities of Bhutan, and will provide ***strategic*** direction and oversight for its implementation. The Committee will regularly review the progress and performance of the Action and approve work ***plans***. It will also gather lessons learned, identify possible bottlenecks and risks and propose mitigation actions. The PSC will meet once a year and ITC will ensure the functioning of its Secretariat. 18 ITC will establish a National Project Coordinator who in the initial phase of the project will be located within the premises of the GNHC. S/he will assume day-to-day coordination and ensure ownership of the Action. An important function of the Coordinator will be to maintain constant liaison, information sharing and communication with national partners, as well as outreach and development of working relations with stakeholders in rural areas. Detailed Terms of Reference (TORs) of the PSC and National Project Coordinator shall be elaborated at the outset of the project by ITC in full coordination with RGoB and EU Delegation. To ensure effective leadership and ownership throughout the implementation of the Action, as well as to facilitate communication, specific partner organizations - including lead partners as country focal points - have been identified for each output of the Action. Hence it will ensure a de facto appropriate level of presence on the ground. These have been discussed and confirmed with country stakeholders during the formulation mission (January 2017). See paragraph 1.1.2 on Stakeholder analysis. 5.7 PERFORMANCE MONITORING AND REPORTING Performance monitoring and reporting arrangements will be specified in the Delegation Agreement between the international organisation and the EU. The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log-frame matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation. The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews). 5.8 EVALUATION A final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that at the end of the project implementation, when RGoB will be starting to prepare its mid-term review of the 12th five year ***plan*** under which one of the core component is expected to be trade and investment for the economic development of the country. The lessons learned under the present action should help RGoB in dealing with export diversification in years to come. Additional lessons learned from other ITC projects in the region will be considered. The Commission shall inform the implementing partner at least 45 days in advance of the dates foreseen for the final evaluation mission. The implementing partner shall collaborate efficiently 19 and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation report shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. Indicatively, one contract for evaluation services will be concluded under a framework contract in the final year of implementation and shall be covered by another measure constituting a financing decision. 5.9 AUDIT Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements. The financing of the audit shall be covered by another measure constituting a financing decision. 5.10 COMMUNICATION AND VISIBILITY Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility ***Plan*** of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above. In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements. The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility ***Plan*** of the Action and the appropriate contractual obligations. In particular, the reports as presented according to point 5.7 above will include the implementation of communication activities and will highlight how EU visibility and communication on the project are ensured. 1 APPENDIX – INDICATIVE LOGFRAME MATRIX The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall ***programme*** and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant. ***Intervention*** logic Sub-Expected Outputs Indicators Baselines (incl. reference year) Targets Sources and Means of verification Assumptions Overall objective: Impact Contribute to Bhutan’s economic growth and poverty reduction 1)Absolute volume/value of Bhutan’s export flows of horticulture and handicraft textile products 2)Average annual incomes of beneficiary stakeholders – of which women and youth - in the horticulture and handicraft textile sectors 3)Bhutan’s ranking in the specific sub-indicators of the World Bank Doing Business improved based on the addressed issues through the project 1)Volume/value data to be collected as part of the value chain analyses conducted under outputs 2 and 3 (2017/8) 2)Average income to be collected as part of the value chain analyses conducted under Outputs 2 and 3 (2017/8) 3) 73 (2017) 1)15% increase 2)20% increase 3)70 (2021) Country statistics, sales statistics of exporters and associations, project mission reports Sector associations’ reports and data, project surveys and reports World Bank Doing Business Report/data Continuation of national policy focus on trade-related development Overall country economic stability and growth Government commitment in providing necessary resources (human and financial) for achieving project objectives Other countries ranking on the World Bank Doing Business ranking remain stable – as Bhutan might improve its policies but comparatively other countries might do as well Specific objective: Outcome Increased exports and export diversification, possibly contributing to the implementation of the “Brand Bhutan” Initiative 1)Value of sales of: a) horticulture products, b) handicraft textile products 2)Number of horticulture and handicraft textile ***producers*** – incl. women and youth – linked to export markets 3)Number of export markets to which new sales of: a) horticulture and b) handicraft textile products have been made 4)Number of new a) horticulture and b) handicraft textile products exported, where possible under “Brand Bhutan” 1)Value data to be collected as part of the value chain analyses conducted under Outputs 2 and 3 (2017/18) 2)Number to be collected as part of the value chain analyses conducted under Outputs 2 and 3 (2017/8) 3)0 4)0 1)20% increase 2)Number to be defined based on the value chain analyses conducted under ERs 2 and 3 3) a)5, b) 4 4) a)2, b) 20 Sales statistics of exporters/***producers***, project surveys and mission reports, evaluation/feedback forms Value chain analyses, project surveys and mission reports Sales statistics of exporters/***producers*** in the horticulture and handicraft textile sector with reference to export markets (for both indicators), project surveys, mission reports Willingness and ability of Government and key stakeholders to boost trade competitiveness in a concerted effort Availability of resources (human and financial) of target beneficiaries in the horticulture and handicraft textile sectors to engage and follow up Effective participation by the target beneficiaries in the horticulture and handicraft textile sectors (farmers and businesses) in the ***planned*** project activities in accordance to the set timeline No climate hazards affecting the horticulture production and/or harvest Infrastructure/road conditions are conducive for the transport of the products to be exported 2 Output 1 1. Enhanced capacities in the formulation and implementation of trade and investment policies and regulations 1.1 Capacities in Bhutanese public and private institutions to inform trade policy/regulatory/investment policies are built 1.2 Policy/regulatory/procedural impediments to business competitiveness addressed along the selected value chains under ERs 2 and 3 1.3 Investments (FDI and domestic) promoted into Bhutan, including investment in the selected value chains under ER 2 and 3 (e.g investment into storage facilities, cold chain equipment) 1.4 Enhanced access to trade and market information 1.5 Better Business Council (BBC) strengthened with a view to promote informed Public-Private Dialogue Output 1 Indicator: 1)Number of policy/regulatory reforms/measures adopted fostering value chain competitiveness and/or business environment 1.1 indicators: 2)Number of trade policy-related workshops held 3)Number of public and private representatives – including women and youth – trained that report increased awareness in relation to policy regulations formulation, implementation and investment promotion 1.2 indicators: 4)Number of value chain analyses focusing on policy/regulatory issues endorsed by MoEA 5)Number of recommendations endorsed through the consultation process 1.3 indicators: 6)Number of investment profiles endorsed by MoEA and sectoral associations 7)Number of investment- related events where the participation of Bhutanese investment promotion officers/private sector representatives was facilitated by the project 1.4 indicators: 8)Status of trade information portal 9)Number of MoEA/BCCI/Exporters association/other business organizations staff – of which women and youth - who reported increased knowledge on how to collect and analyse relevant information to identity markets and market trends 1.5 indicators: 10)Number of BBC technical committees’ positions informed through the project 11)Number of research papers /position papers ***produced*** through mentorship 1)0 2)0 3)0 4)0 5)0 6)0 7)0 8)Not operational 9)0 10)0 11)0 1)5 2)8 3)80 4)2 5)10 6)6 7)4 8)Portal online 9)30 10)5 11)9 MoEA reports Workshops reports Evaluation questionnaires Completed value chain analyses endorsed by MoEA Event reports Investment profiles MoEA/private sector participants’ reports Existence of portal Workshop reports, evaluation/feedback forms, survey of trained officers BBC minutes and/or final report informing the technical committee Position papers/research papers Coordination and cooperation among relevant policy-makers and key public and private institutions Existence of sufficient political will and bureaucratic reactivity to implement relevant trade and investment policies Commitment on the part of Bhutanese public and private institutions (i) to nominate suitable staff for training, (ii) to secure tenure of trained staff and (iii) to follow up on trainings and implement actions as required Availability of time and resources of key public and private institutions to engage in analysis, consultations, drafting of relevant documents, training/advisory/information activities, and participation to all required events and activities Beneficiary institutions and private sector organizations have the necessary absorption capacities to apply the skills provided through the project 3 Output 2 2. Improved environment for exports of high-value horticulture products (incl. organic) 2.1 Horticulture value chain analysis and Action ***Plan*** ***produced*** for export diversification and value addition with special focus on youth and women 2.2 Horticulture market penetration strategy for regional and/or international target markets designed 2.3 Export and quality management capacities of stakeholders - from farmers to exporters - along the horticulture value chain built and coordination improved 2.4 Scheme set-up for farmers to have access to real time price information using digital technology 2.5 Marketing and branding strategy developed for the Bhutan horticultural sector where possibly contributing to the “Brand Bhutan” initiative 2.6 Buyer-seller linkages established Output 2 indicator: 1)Number of farmers/***producers*** – of which women and youth - which put in place new procedures on technical practices and business management to improve product quality or value addition as a result of project support 2.1 indicators: 2)Number of Horticulture Value Chain Action ***Plans*** - focusing on the 2 selected products and integrating gender and youth dimension - ***produced*** with and validated by country stakeholders 3)Number of institutions coached in conducting value chain analysis 2.2 indicator: 4)Number of Horticulture value chain market penetration strategies - focusing on the 2 selected products and integrating gender and youth dimension, - ***produced*** with and validated by country stakeholders 2.3 indicators: 5)Number of training workshops for horticulture export and quality development held 6)Number of horticulture value chain stakeholders – disaggregated by type i.e farmers, exporters, women, youth – trained and reported improved export skills 2.4 indicators: 7)Number of farmers using mobile system providing real time product price information 2.5 indicators: 8)Status of criteria for the 2 selected horticulture products to be able to apply the “Brand Bhutan”/”Grown in Bhutan” logo for exports 2.6 indicators: 9)Number of trade fairs and B2B events where the participation of Bhutanese horticulture exporters was facilitated by the project 10)Number of exporters/***producers*** - of which women and youth - which participated in trade fairs and/or B2B events and identified new potential buyers 1)0 2)0 3)0 4)0 5)0 6)0 7)0 8)No list of criteria 9)0 10)0 1)200 2)2 3)3 4)2 5)50 6)500 7)500 8)List of criteria ***produced*** 9)4 10)20 Evaluation tests passed by participants and monitoring report Value chain analyses and Action ***Plans***, event reports Event reports, lists of participants, value chain analysis materials/methodology documents at the disposal of institutions, evaluation/feedback forms from institutions Market strategies, event reports Event reports Event reports, lists of participants, evaluation/feedback forms from participants Mobile platform report on users Existence of list Event reports, photos Event reports, feedback/evaluation forms from participants, list of visitors/buyers met, correspondence with buyers High professionalism and buy-in of key stakeholders in the horticulture sector engaged in the project Availability of time and resources (human and financial) of farmers, businesses, ***producers*** and buyers in the horticulture sector to engage in all relevant activities and follow up on recommendations Stakeholders along the horticulture value chain are willing and able to improving existing practices as a result of trainings / advisory workshops / information activities / new technologies Willingness and capacity of selected exporters/***producers*** to cost-share their participation in fairs/B2B events Beneficiary institutions and private sector organizations have the necessary absorption capacities to apply the skills provided through the project 4 Output 3 3. Improved environment for exports of high-value handicraft textile products 3.1 Handicraft textile products value chain analysis undertaken with special focus on women and youth and market potential in selected target markets assessed 3.2 Product quality improved, supply capacity enhanced and innovative designs matching market trends and demand developed 3.3 Develop a sector-specific marketing and branding strategy and build capacities on marketing and branding for the Bhutan handicraft textile sector, in collaboration with the “Brand Bhutan” initiative 3.4 Establish sustainable market linkages with markets Output 3 indicator: 1)Number of handicraft textile ***producers***/exporters – of which women and youth - which improved product quality/design or value addition as a result of project support 3.1 indicators: 2)Status of Handmade Handicraft textile value chain analysis integrating gender and youth dimension 3)Number of institutions and government agencies coached in conducting value chain analysis 3.2 indicators: 4)Number of ***producers***, traders, representatives of institutions and associations - of which number of women and youth - trained on market requirements, product development, pricing & costing 5)Number of new handicraft textile products 3.3 indicators: 6)Status of Marketing and branding strategy for the Bhutan handicraft textile sector ***produced*** incl. a set of criteria for the handmade textile sector developed to be able to apply the “Brand Bhutan”/”Made in Bhutan” logo for exports 7)Number of brand books, product catalogues, labels, flyers and other promotional material developed 8)Number of ***producers***, middlemen and traders - of which women and youth - that have increased their knowledge on international market trends, requirements as well as the role of intellectual property in handicraft 3.4 indicators 9)Number of linkages established with buyers in the EU, US and other markets 10)Number of B2Bs, incl. participation in trade fairs, organized for Bhutanese handicraft textile exporters/***producers*** 1)0 2)Analysis requires updating 3)0 4)0 5)0 6)Strategy does not exist 7)0 8)0 9)0 10)0 1)200 2)Analysis updated 3)4 4)50 5)25 6)Strategy developed 7)15 8)30 9)15 10)7 Evaluation tests passed by participants and monitoring report Value chain analysis document, event reports Event reports, lists of participants, value chain analysis materials/methodology documents at the disposal of institutions, evaluation/feedback forms from institutions Mission and event reports, training attendance sheets Mission and event reports, promotional material Marketing and Branding strategy, list of criteria Promotional materials Event/training workshop reports, attendance sheets, evaluation/feedback forms, Mission reports Event and Mission reports, lists of participants, evaluation/feedback forms, list of visitors/buyers met, correspondence with buyers Event and Mission reports High professionalism and buy-in of key stakeholders in the handicraft textile sector engaged in the project Availability of time and resources (human and financial) of ***producers*** in the handicraft textile sector to engage in all relevant activities and follow up on recommendations Stakeholders along the handicraft textile value chain are open to changing existing practices and to engage in higher value production and exports as a result of trainings / advisory workshops / information activities / new technologies Continues supply of raw material including silk yarn and dyes Price structure is flexible and ***producers*** and exporters are willing to analyse their structure and – together with ITC – engage in competitive and sustainable prices Adequate support and back-up given to the “Brand Bhutan” initiative Willingness and capacity of selected exporters/***producers*** to cost-share their participation in fairs/B2B events Beneficiary institutions and private sector organizations have the necessary absorption capacities to apply the skills provided through the project

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**Body**

Brussels: Public Register European Parliament has issued the following document:

1 This action is funded by the European Union ANNEX 2 of the Commission Implementing Decision on the Annual Action ***Programme*** 2017 Part II and 2018 Part I Action Document for 'EU-Bhutan Trade Support' 1. Title/basic act/ CRIS number EU-Bhutan Trade Support CRIS number: ACA/2017/039-571 financed under the Development Cooperation Instrument 2. Zone benefiting from the action/location Bhutan (Asia) The action shall be carried out countrywide 3. ***Programming*** document Multiannual Regional Indicative ***Programme*** for Asia for the period 2014-2020 4. Sector of concentration/ thematic area Focal sector 1 (ASEAN): Connectivity through Sustainable and Inclusive Economic Integration and Trade DEV. Aid: YES 5. Amounts concerned Total estimated cost: EUR 4 000 000 Total amount of EU budget contribution: EUR 4 000 000 6. Aid modality(ies) and implementation modality(ies) Project Modality Indirect management with the International Trade Centre – ITC 7. a) DAC code(s) 33110 – Trade policy and administrative management b) Main delivery Channel 41000 – United Nations agency, fund or commission (UN) – International Trade Centre 8. Markers (from CRIS DAC form) General policy objective Not targeted Significant objective Main objective Participation development/good governance ☐ ☐ Aid to environment ☐ ☐ Gender equality (including Women In Development) ☐ ☐ Ref.

Ares(2017)3082593 - 20/06/2017 2 Trade Development ☐ ☐ Reproductive, Maternal, New born and child health ☐ ☐ RIO Convention markers Not targeted Significant objective Main objective Biological diversity ☐ ☐ Combat desertification ☐ ☐ Climate change mitigation ☐ ☐ Climate change adaptation ☐ ☐ 9. Global Public Goods and Challenges (GPGC) thematic flagships Trade integration for green and inclusive growth 10. SDGs Main SDG Goal: goal 8 – promote sustained inclusive and sustainable economic growth, full and productive employment and decent work for all Secondary SDG Goals: goal 17 – strengthen the means of implementation and revitalize the global partnerships for sustainable development Summary The Royal Government of Bhutan (RGoB) is committed to economic reforms and removing constraints to growth within the concept of Gross National Happiness. The overall Bhutan Vision 2020, the current 11th Five Year ***Plan*** (FYP) 2013-2018, as well as the Economic Development Policy (2010, revised in 2016) outline policies on developing trade and investment for sustainable economic growth and poverty reduction. A Diagnostic Trade Integration Study (DTIS) was carried out in 2012 which includes a National Export Strategy, and identifies details on how trade and investment could contribute to the efforts of the RGoB for economic development and poverty reduction. The Multiannual Indicative ***Programme*** (MIP) 2014-2020 of the EU for Bhutan focuses on two sectors: (a) rural development and climate change as well as (b) governance, including local government, public finance management and civil society. The regional Multi-annual Indicative ***Programme*** for Asia 2014-2020 foresees complementary support to ensure that the country can benefit from enhanced trade with regional and global markets. The overall objective of the proposed action is to contribute to Bhutan’s economic growth and poverty reduction. The specific objective of the action is to increase export diversification, possibly contributing to and drawing upon the implementation of the “Brand Bhutan” initiative, by improving the capacities of trade and investment policy formulation and implementation, and increasing exports in selected value chains, i.e horticulture and textile handicrafts. 3 The Action will focus on two value chains, horticulture and textile handicrafts, as well as cross-cutting trade policy issues. It is expected to achieve the following outputs:  Enhanced capacity in formulation and implementation of trade and investment policy and regulations;  Increased export of high value horticulture products (including organic);  Increased export of high value handicraft textile products. The value chain approach will benefit in particular woman and youth. These priorities were identified during project identification (June and November 2016) and confirmed during project formulation (January 2017). Broad consultations with the Government of Bhutan, other development partners, and other stakeholders took place to ensure an integrated approach. It is proposed to implement the proposed Action through a project modality with an International Organisation. The International Trade Centre (ITC) has been identified as the preferred organisation to implement the project. 1. CONTEXT 1.1 COUNTRY CONTEXT Bhutan is a small, land-locked and least developed country (LDC) situated between two large neighbours, i.e India and China. The total population is currently about 765,000 persons. Bhutan has a total land area of 38,394 km2 of which 72.5% are covered by forest. According to 2015 national data, the population below the poverty line, i.e with a per capita income below USD 1.25 per day, stands at 12%. Bhutan’s economy is traditionally based on ***agriculture*** and forestry which provide the main livelihood for more than 60% of its population. ***Agriculture*** consists largely of subsistence farming and animal husbandry. Most of the industrial sectors are of the cottage industry type. Rugged mountains dominate the terrain and make it very difficult and expensive to build and maintain transport, energy and other infrastructure. In recent years, Bhutan has embarked upon a peaceful modernization and democratization process. Bhutan has also gradually embraced international trade and investment in order to achieve economic self-reliance and inclusive green socio-economic development. Under the 11th Five Year ***Plan*** 2013-2018 (FYP), Bhutan has set up ambitious goals to achieve full employment and graduate from the LDC status by 2020. Bhutan's exports are highly concentrated, with over 70% of exports consisting of only 10 commodities, and India accounting for more than 80% of exports by destination in 2015. The main export products include hydropower-generated electricity and primary products to India. This high degree of concentration leaves Bhutan economically vulnerable and dependent. Furthermore, Bhutan's trade deficit has been consistently large and growing and is currently estimated at 32,808 million Ngultrum (Nu) including electricity, and 44,682 million Nu, excluding 4 electricity in 20151. Bhutan must increase its trade competitiveness and diversify its export markets in order to mitigate the risks associated with concentrated exports and a growing and unsustainable trade deficit. In the last two decades, Bhutan has experienced structural changes to develop its industrial and services sectors. The attempt has, however, yet to result into productive employment opportunities, vibrant private sector growth, and economic and trade diversification. The Bhutanese economy continues to provide very limited employment opportunities for the population, particularly for youth and women. 1.2 PUBLIC POLICY ASSESSMENT AND EU POLICY FRAMEWORK Bhutan has recently gone through the transition from an absolute monarchy to a constitutional democracy. In 2008, the first national assembly elections were held and the Constitution was adopted. Bhutan adopted its Vision 2020 based on the concept of Gross National Happiness, i.e peace, prosperity and happiness. The peaceful modernization and democratization process has yielded results, not only in terms of political stability, but also in economic growth and poverty reduction. Annual average growth was more than 8% in 2008-2014 and the per capita income increased from USD 730 in 2000 to USD 2,068 in 2014. Poverty in the country has been reduced by half from 23% in 2007 to 12% in 2015 (national data). In order to promote trade and investment and reduce poverty, the RGoB has formulated various public policies. These include the Economic Development Policy (EDP) of 2010, updated in June 2016, and the Foreign Direct Investment (FDI) Policy 2010 (amended in 2014). The FDI policy has improved the investment climate in the country, by relaxing the conditions for foreign investment (repatriation of dividends, reduction of the minimum threshold for equity share holding, etc.). A Diagnostic Trade Integration Study (DTIS) carried out in 2012 identified specific opportunities to enhance trade. In line with its efforts to promote trade and investment, Bhutan launched the 'Brand Bhutan' initiative to promote exports in February 2016. The initiative has yet to deliver on its expectations. The EDP is the guiding document for all the ministries and agencies to stimulate economic growth, and to ensure consistency with the current 11th FYP. More specifically, the EDP mentions that trade is an essential contributor to economic growth and employment creation. The policy focuses on creating an improved regulatory and enabling environment for more robust trade by simplifying administrative procedures and deregulating wherever feasible. The 2016 update of the EDP includes further reforms such as implementing a quality assurance ***program*** to support export oriented businesses to meet market quality requirements or revising the rules and procedures for imports from third countries by 2017. The promotion of agro-based products through fair and ethical trade in the framework of 'Brand Bhutan' as well as organic certification is also part of the EDP. 1 Bhutan's currency Nu is pegged with the Indian rupee at a 1:1 ratio. 5 The overall goal of the current 11th FYP (2013-2018) is the “self-reliance and inclusive green socio-economic development” with four important pillars, i.e (1) equitable and sustainable socio-economic development; (2) preservation of the environment; (3) preservation and promotion of the Bhutanese culture; and (4) strengthening good governance. The current FYP highlights the important role of trade and investment for economic development and poverty reduction. The RGoB will build on the EDP to develop the 12th FYP (2018-2023). The importance of trade and investment for the economic development of the country are expected to remain at the core of the 12th FYP. In order to maximize the impact and contribution to the development objectives of the RGoB, the EU’s bilateral assistance to Bhutan focuses currently on two ***strategic*** areas: (1) renewable natural resources, including rural development particularly related to ***agriculture*** and forestry; and (2) good governance, including local government development, public finance management, and support to civil society. In addition, the EU provides support through thematic ***programmes*** in the area of climate change. The EU’s regional Multi-annual Indicative ***Programme*** for Asia 2014-2020 foresees complementary support to ensure that the country can benefit from enhanced trade with regional and global markets. Overall, Bhutan’s trade sector policy supports the objectives of poverty reduction, sustainable and inclusive growth, and democratic governance. 1.3 STAKEHOLDER ANALYSIS The following is a summary of the main stakeholders involved in the proposed Action: Gross National Happiness Commission (GNHC): The GNHC is responsible for the overall development ***planning*** of the country. GNHC is the interlocutor for development partners to design their support. The Ministry of Economic Affairs (MoEA): The Ministry is responsible for trade and export development in Bhutan. Key departments for the Action are the Department of Trade (DoT), Department of Industry (DoI), the Policy and ***Planning*** Division (PPD), and the Department of Cottage and Small Industry (DCSI). The MoEA expressed the need to strengthen trade negotiation skills, carry out export and investment promotion, trade and market research, improve public-private dialogue through the Better Business Council (BBC). The Ministry of ***Agriculture*** and Forests (MoAF): The Ministry aims to develop the Bhutan ***agricultural*** sector, including horticulture, by transforming the sector from subsistence farming to market-oriented commercial farming in line with the objectives of the FYP. MoAF expressed the need for support to better understand ***agricultural*** trade-related issues, and to promote products in international markets. Bhutan Chamber of Commerce and Industry (BCCI): The Chamber is the apex body of the private sector in Bhutan, representing 12 sector associations. Members, particularly SMEs and women entrepreneurs expressed the need for capacity building in the area of market information, compliance with market requirements and quality standards, export marketing and branding. 6 Bhutan Association of Women Entrepreneurs (BAOWE): The association aims to develop a social-consciousness-driven private sector and promote women entrepreneurs at the grassroots level thereby contributing to poverty reduction, self-reliance, and business from a GNH perspective to achieve the economic empowerment of women. Women entrepreneurs need support to enhance their understanding of and access to international markets. Agency for Promotion of Indigenous Crafts (APIC): The agency is responsible for facilitating the equitable growth of the craft sector and its industry by enhancing skills and business knowledge with emphasis on innovation, product development and marketing. APIC would welcome assistance for market studies in the EU or US, design inputs as well as support in training and awareness-raising for artisans on better packaging and pricing. Other stakeholders in relation to expected outputs 1 and 2 of the Action include the Bhutan Standards Bureau, National Statistical Bureau, Royal Institute of Management, and the Royal University of Bhutan. Stakeholders specifically related to Output 3 of the Action include the Handicrafts Association of Bhutan, Tarayana Foundation, the Tourism Council of Bhutan, and the Royal Textile Academy. An additional important stakeholder is the Ministry of Finance for overall management of public finances. Working with these institutions, building on their existing initiatives, and strengthening their skills and services to the private sector throughout the implementation of the Action will contribute to ensure project ownership, maximize results and their sustainability beyond the project span. Table 1: Identification of partner institutions under overall coordination by the GNHC Expected Output Lead institution Other partners 1. Enhanced capacity in trade policy regulations formulation, implementation and investment promotion (cross-cutting support) Ministry of Economic Affairs (MoEA) BCCI and members, BBC and members, Academia including Royal University and Royal Institute of Management 2. Increased capacities to export value added horticulture products Ministry of ***Agriculture*** and Forestry (MoAF) MoEA, BCCI and members, National Statistical Bureau, College of Natural Resources, Bhuntan Standards Board 3. Improved quality and marketing potential of high value Bhutanese handicraft textile products with special focus on youth and women Agency for Promotion of Indigenous Crafts (APIC) MoEA, BCCI, BAOWE and members; Handicraft Association; Royal Textile Academy; Tarayana Foundation; Bhutan Tourism Board 7 1.4 PRIORITY AREAS FOR SUPPORT/PROBLEM ANALYSIS Summary of the economic and trade-related strengths, opportunities, weaknesses and constraints Bhutan benefits from strong natural endowments which, coupled with preferential market access, political stability and a generally educated labour force, offer high opportunities for growth. Below is the summary of Bhutan’s economic and trade-related strengths, opportunities, weaknesses and constraints. Table 2: Bhutan's trade related strengths, weaknesses, opportunities and constraints: Strengths  Political stability  Peace and security  Market access  Educated labour force  Wide use of English language Weaknesses  Narrow export product base and markets  Limited supply-side capacities  Inadequate transport infrastructure / High transportation costs  Lack of capacities in trade policy  Lack of market knowledge Opportunities  Low volume, high value (niche) products, including organic production;  ***Strategic*** geo-economic location with access to regional markets  “Brand Bhutan” initiative  Improvements in existing export initiatives Constraints  Geography/landlocked  Small domestic market Analysis of the weaknesses and identification of related priority areas of support The following are Bhutan’s key weaknesses which the project aims to address.  Narrow export product base and markets: Trade is highly dependent on a few commodities and one trading partner. About 80% of total exports consist of electricity, mineral products and base metal. India absorbs more than 80% of Bhutan’s exports and provides more than 70% of its imports.  The Action will contribute to increase Bhutan’s export diversification by improving the quality, supply capacities and sales to new export markets for selected value chains, be it regionally or beyond, including developed country markets.  Limited supply-side capacities: Trade competitiveness is hampered by limited supply-side capacities while the country benefits from preferential market access, notably to the EU under the GSP's Everything but Arms scheme. About 85% of Bhutanese industries are small and micro industries or artisans, which are constrained by a lack of access to capital, technology, markets and skilled labour resulting in low volume, high cost and inferior quality. Production costs are relatively high in Bhutan – except in the electricity sector – and research and innovation capabilities are limited, resulting in low labour productivity. Small industries do not yet have the full capacity to grasp the benefits of the market access preferences granted by the South Asian Free Trade Area (SAFTA), Bhutan’s free trade agreement with India, as well as 8 duty-free and quota-free access to the EU and to other developed markets, including the United States.  The Action will address supply-side capacity constraints through training and coaching along selected value chains, instilling new production techniques, attracting investment, improving quality management, packaging and labelling, marketing and branding skills.  Inadequate infrastructure and high transportation costs: The small size of the domestic market, being land-locked, and the mountainous terrain mean that building and maintaining infrastructure is expensive and transport costs are higher as compared to other countries. With limited access to income generating opportunities, the rural areas are much more affected by poverty. Around 98% of the poor are living in rural areas. Their livelihoods largely depend on ***agriculture*** and traditional crafts.  While the Action will not support transport and infrastructure development and upgrading, it will focus on markets for high value products and products with the highest impact on poverty reduction. While regional markets are important, developed country markets, notably the EU, hold the greatest potential for value-added horticulture and organic products and high-quality authentic handicrafts. This will be well coordinated and complement other ***programs***, e.g in rural development, climate change, and civil society support.  Lack of capacities in trade policy and regulations formulation, implementation and investment promotion: Overall the public service of Bhutan is very competent and efficient. In the trade and investment areas, there are however many technical issues which are emerging and may lead to inconsistent policies and require constant update of knowledge and skills of government officials. For example, MoEA (and MoAF) officials need trade negotiation skills. They also need to formulate the foreign direct investment promotion strategy, particularly for the new industrial estates. Many government officials involved in trade and investment do not have the international exposure, knowledge, and skills to promote trade and investment outside of the country.  The Action will provide capacity building in trade negotiations, business advocacy and investment promotion, which are strongly required by both the public and private sector across value chains.  Lack of market knowledge: Limited access to market information and understanding of market requirements in the region and beyond are major impediments to Bhutan’s trade development and promotion across sectors.  The Action will provide support to identify trade opportunities, analyse and apply international market requirements and standards, building on the ITC's existing portfolio of projects and tools, notably the Market Access Map and the Standards Map. Selection of the value chains Underpinned by an export diversification and poverty reduction approach, the focus of the Action will be on increasing exports, income and employment along two selected value chains. The selection of value chains has been guided by the following main criteria:  Requests from country stakeholders, 9  Priority value chains in the country’s development ***plans*** and strategies and in line with analysis already provided in the Diagnostic Trade Integration Study (DTIS),  Potential for diversification and value addition while preserving traditions and culture,  Impact on poverty reduction and employment for women and youth. Selection has been made following desk research based on existing surveys, sector studies, and extensive consultations with the government, private sector and academia in Bhutan. As a result of the analysis, it was decided to focus on the following two value chains: (1) horticulture, and (2) handicraft textile products. ***Agriculture*** represents 15% of GDP and remains the primary source of livelihood for 60% of the population. Over 95% of the earning women in the country work in the ***agricultural*** sector. Increased support in product and export diversification along ***agricultural*** value chains would lead to significant benefits for a large part of the population, including women in rural areas. The country has a favourable environment for the production of ***agricultural*** products such as potato, offseason vegetables, medicinal plants, mushroom, which have high value chain enhancement opportunities. Within the ***agricultural*** sector, horticulture holds high potential for value added niche products and markets such as spices, herbal plants and honey. These products significantly contribute to national income and employment among the rural population. The RGoB is emphasizing the need to diversify ***agricultural*** production from that of a subsistence type of farming to high value cash crops. The textile industry is an integral part of Bhutanese life and culture. Almost half – 47% – of manufacturing employment is in textiles. This sector is especially important for women: 85.7% of all women employed in the manufacturing sector are in the textile sector. In particular, the textile handicraft industry could expand significantly in Bhutan. The Bhutanese Weaver Survey 2010 found that a total of 64,100 women are engaged in weaving activities on a regular basis. This means that at national level one out of five women or one out of three women between the age of 20 and 40 are weaving on a regular basis. Most of the weavers come from families that have a modest income and 10-15% of them are considered poor. Horticulture and textile handicraft have been identified in the FYP and the DTIS as priority sectors for economic growth and with potential for value addition. The reasons for proposing these value chains are as follows: Table 3: Selection of value chains Criteria Horticulture Handicraft textile products Requests from country stakeholders Request from MoEA and MoAF, i.e Bhutan horticulture ***programme*** geared towards transforming the sector from subsistence farming to market-oriented commercial farming Request from MoEA/Department of cottage & small industry, APIC, HAB, BAOWE Priority in the country’s development ***plans*** and strategies  11th Five Year ***Plan***  DTIS  “Brand Bhutan” / ”Grown in Bhutan”  11th Five Year ***Plan***  DTIS  “Brand Bhutan” / ”Made in Bhutan” 10 Criteria Horticulture Handicraft textile products Potential for diversification and value addition while preserving traditions and the country culture  Potential for improving quality, “organic” production  Potential for processing e.g juices, jam  ***Agriculture***/horticulture are part of the country’s traditional sectors which the Government aims to promote  Potential for improving designs, diversify offer and adjust prices according to market trends and demand  Synergy with the tourism market  Cultural identity impact e.g weaving (Thagzo) is one of the 13 Arts and Crafts and an inherent element of Bhutan’s cultural and creative capital Impact on poverty reduction and employment  Around 98% of the poor are living in rural areas and are concentrated in ***agriculture*** and traditional crafts  ***Agriculture*** provides the livelihood base for 69% of the population and Horticulture accounts for approximately 13% of ***agriculture***  Source of employment for women and youth  Broad country coverage (potatoes in the whole country, citrus in the subtropical southern regions of the country, apples in the Western part of the country)  Around 98% of the poor are living in rural areas are engaged in ***agriculture*** and traditional crafts  65% of the population engaged in ***agriculture*** is also engaged in manufacturing handicrafts during the non-cultivation season as a means of sustenance (complementarity between the two value chains)  Source of employment for women in rural areas  Country wide coverage Selection of the products Specific products with high potential for export diversification and value addition have been identified under each value chain. Within the horticulture sector, the Action will focus on a small number of selected products to ensure an integrated value chain support and to maximise results. Some activities will be common to these products (e.g marketing and branding). Other activities and advisory support will be customized and differentiated (quality standards, price information, identification of buyers, etc.). Indicatively, the horticulture products identified are ginger, honey, garlic and potatoes (recently certified organic locally in Bhutan). They have been indicatively shortlisted for further support according to the following list of criteria:  There should be potential for export diversification and a potential to increase volume within one year;  The product should be non-perishable;  There should be potential for value addition (through quality or semi processed enhancement);  There should be the potential to be competitive on markets beyond India, including the EU and other;  The products should be grown in the same/close geographical areas – for logistics and cost efficiency purposes;  The product should not compete for food security – should be aligned with national policies;  The majority of ***producers*** should be women and youth;  There should be complementarities with other projects. 11 Within the textile handicraft sector (ER3), products will include: scarfs, home-use textiles (such as bed covers, table runners, cushion covers), and accessories (such as hand bags). They have been identified according to the following list of criteria:  Supply and weaving capacities should exist;  There should be potential for value addition (through improved quality and designs);  There should be potential demand in import markets including the EU and other;  The majority of ***producers*** should be women and youth. A final selection of the exact products to be supported under the two value chains will be confirmed by the project steering committee (see section below section 5.6), based on further analysis in line with the above criteria to be carried out by ITC. 2. RISKS The risks associated to the proposed Action include the following: Table 4: Risks and Mitigating Measures Risk Risk Level Mitigating Measures Lack of sustained commitment of ***producers***, including SMEs and women entrepreneurs to participate in project activities Medium Outreach activities will be included to demonstrate economic benefits and incentives especially to SMEs and women entrepreneurs; Lack of cooperation between the public institutions and private sector stakeholders Medium Close monitoring and involvement of the RGoB in frequent and regular project oversight steering committee meetings. The international organisation implementing the project will work with Bhutanese institutions by providing funding directly (e.g grants) if possible. Lack of sustainability at the end of the Action Medium The objective of the Action is to promote trade and investment, i.e productive sectors that will generate income for the economy. It is therefore assumed that additional income generated as a result of the project’s activities will contribute to the sustainability of the action. An exit strategy will be part of the project’s activities. Key assumptions: (1) It is assumed that expanded trade will lead to poverty reduction through equitable economic growth; (2) It is also assumed that the RGoB will be committed to trade and investment policy implementation. 12 3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES 3.1 LESSONS LEARNT An earlier EU trade project supported Bhutan's possible WTO accession and was implemented by ITC and UNESCAP from 2006 to 2009. The project provided training, information and market research to the Bhutan Export Promotion Centre (BEPC) which is now merged into the Trade Department of the Export Promotion Division within the MEA. Since ITC and UNESCAP did not have resident offices in Bhutan to follow up with the proposed activities, neither the BEPC nor exporters themselves were able to effectively use the information to realise exports. The experiences show that externally provided technical assistance has limits in terms of internalising the support in public policy implementation. A close involvement of beneficiaries in project monitoring (steering committees) is therefore required. It is furthermore essential that the implementing partner has adequate representation in the country. Bhutan is currently re-examining the advantages and disadvantages of joining the WTO and may renew its interest in the WTO membership. The previous EU project primarily focused on research on WTO accession issues rather than long-term capacity building. Discussion about a potential WTO membership is hampered by the absence of a dynamic export production and limited integration into international markets. The approach of the present Action to support specific value chains will therefore contribute to the decision making process for an eventual WTO membership. The proposed action will address the lessons learnt from other projects in Bhutan, particularly projects funded by other development partners such as the World Bank, Asian Development Bank (ADB) and the Japan International Cooperation Agency (JICA). For example, JICA is supporting specific value chains (e.g lemon grass) which has been very successful and offers valuable insights, including how to organise value chains with local ***producers*** in rural areas. Other lessons learned include: (i) support to value chains with small volumes but high value products is more efficient; (ii) a long term approach and support to ***producers*** is required to ensure success. 3.2 COMPLEMENTARITY, SYNERGY AND DONOR COORDINATION Currently, there are only a few development partners which are active in providing trade-related assistance to Bhutan. These include Asia Development Bank (ADB), the World Bank/International Finance Corporation (IFC) and the United Nations (UN). ADB is assisting the Ministry of Finance on several transport and trade facilitation projects. It is also assisting Bhutan in building a mini-dry port in the south (Phuntsholing) to facilitate trade with India and other countries. The World Bank and IFC are also building a larger dry port and a road linked to it in an attempt of reducing the congestion in Phuntsholing so that customs claims for containers can be done in the dry port directly. The United Nations Development ***Programme*** (UNDP) took the lead to prepare the

DTIS in 2012. ITC, the United Nations Conference on Trade and Development (UNCTAD), and the United Nations Industrial Development Organization (UNIDO) have provided only limited ad-hoc training and technical assistance (TA) activities in Bhutan due to their limited funding capacities. The present Action will be complementary to EU and other donors' support. The Action is coherent with the forthcoming EU support to rural development and climate change to MoAF. The present Action includes, for instance, support to the horticultural value chain which complements the focus of the MoAF on production techniques, with additional support in the area of quality management for marketing and export development. 13 There will be complementarities and synergy with other projects implemented by the ITC, notably those supported by the EU in Asia and globally. Key projects in this respect are the Market Access Map, Standards Map and the Small Traders Capacity Building Programme2 as well as the ITC Trade-Related Assistance projects in Afghanistan and Sri Lanka. The Action will build on the lessons learned and results achieved by the UNDP handicraft project (2014-2016) which contributed to create women weavers’ groups and facilitate their access to micro credit. This Action will strengthen handicraft ***producers***’ skills, including those groups set-up under the UNDP project, through training and capacity building and link them to markets. Being a member of the One ***Programme*** of the United Nations in Bhutan, ITC will also ensure coordination of the Action with the UN work ***programme*** and other UN agencies’ projects in Bhutan. In terms of coordination of development partner efforts, UNDP used to be in the lead to coordinate trade and private sector development activities. However, this coordinating mechanism is no longer functional since UNDP does not have a trade project at the moment. Once the present Action is launched, the EU may play an active role in donor coordination for trade-related TA. The present Action will promote further coordination efforts and dialogue between development partners and beneficiaries in order to maximize results and their sustainability. 3.3 CROSS-CUTTING ISSUES The proposed Action intends to integrate cross-cutting issues, particularly women and youth, gender equality and protection of the environment, into the design and implementation of the activities, in line with Bhutan's sector policies. To address unemployment and the rapidly growing youth population is a priority for the RGoB. Women are playing an important role in the production, processing and marketing of products and services. More than 65% of the total workforce and more than 72% of female workforce is engaged in ***agriculture*** in rural areas in crop and livestock production activities. Many women, also in the younger working-age group, are employed in the crafts and tourism sectors. Women and youth will directly benefit from the support to horticulture and handicrafts of the present Action. The RGoB attaches great importance to gender equality. Ministries and agencies are mainstreaming gender equality into their ***plans*** and ***programmes***. For example, the MoEA and MoAF are currently promoting technologies that are particularly women friendly (farm machinery, use of biogas for cooking, women participation in farmer groups and cooperatives). The RGoB is working with women artisans (more than 80% of artisans are women) to promote indigenous arts and handicrafts. Bhutan is known, including through the Gross National Happiness concept, to respect the environment and preserve the nature by emphasizing the “high value - low impact” of its economic activities. The proposed Action closely follows these principles and practices. For 2 [*http://www.macmap.org/*](http://www.macmap.org/),   [*http://www.standardsmap.org/*](http://www.standardsmap.org/), and   [*http://www.intracen.org/layouts/ProjectDetailsTemplate.aspx?pageid=47244640826&id=66545*](http://www.intracen.org/layouts/ProjectDetailsTemplate.aspx?pageid=47244640826&id=66545) respectively 14 example, the proposed support to the horticulture value chain will include capacity building for organic production. 4. DESCRIPTION OF THE ACTION 4.1 OBJECTIVES/RESULTS The overall objective of the proposed action is to contribute to Bhutan’s economic growth and poverty reduction. The specific objective of the action is to increase exports and export diversification, possibly contributing to and drawing upon the implementation of the “Brand Bhutan” initiative, by:  Improving the capacities of trade and investment policy formulation and implementation, and  Increasing exports in selected value chains, i.e horticulture and handicraft textiles. The outputs of the Action are: 1. Enhanced capacities in the formulation and implementation of trade and investment policies and regulations; 2. Improved environment for export of high value horticultural products, including organic products; 3. Improved environment for export of high value handicraft textile products. 4.2 MAIN ACTIVITIES The main activities of the present in relation to the respective result area are: Output 1: Enhanced capacities in the formulation and implementation of trade and investment policies and regulations - Building capacities in Bhutanese public and private institutions to inform trade policy/regulatory/investment policies; - Address policy/regulatory/procedural impediments to business competitiveness along the selected value chains; - Promote investments (foreign and domestic), including investment in the selected value chains (e.g investment into storage facilities, cold chain equipment); - Enhance access to trade and market information; - Strengthen public-private policy dialogue involving the Better Business Council. Output 2: Improved environment for exports of high value horticultural products, including organic products - Develop horticulture value chain analysis and action ***plan*** for export diversification and value addition with special focus on youth and women; - Design horticulture market penetration strategy for regional and/or international target markets; - Enhance export and quality management capacities of stakeholders - from farmers to exporters - along the horticulture value chain and improve coordination; 15 - Set-up real-time price information access for ***producers*** using digital technology; - Develop marketing and branding strategy for the horticultural sector, possibly contributing to the “Brand Bhutan” initiative; - Establish buyer-seller sustainable linkages. Output 3: Improved environment for exports of high-value handicraft textile products - Develop handicraft textile products value chain analysis with special focus on women and youth and assess market potential in selected target markets; - Improve product quality, enhance supply capacity and innovative designs matching market trends and develop demand; - Develop a sector-specific marketing and branding strategy and build capacities on marketing and branding of handicraft textile sector, possibly contributing to the “Brand Bhutan” initiative; - Establish buyer-seller sustainable linkages. 4.3 ***INTERVENTION*** LOGIC Strategy to address the identified weaknesses and priority areas of support The Action will adopt a two-pronged strategy to address the identified problems and constraints and provide trade-related technical assistance in the priority areas for support: 1. Enhancing national capacities for formulating and implementing trade and investment policies, improve regulatory frameworks, and in support of this: 2. Contributing to developing integrated and market-led value chains, building supply-side capacities to add value to export products, addressing two value chains i.e horticulture and handicraft textile products. The Action will apply the following key principles throughout implementation:  An integrated and market-led value chain development approach: The Action will contribute to improve the coordination along the selected sector value chains, linking artisans and ***producers*** to market opportunities, to participate in and benefit from trade. The focus will be on market-led development, starting by identifying market opportunities and analysing the needs along the domestic value chains through market-led analysis, market intelligence and diagnostics, in order to customize capacity building and advisory support.  Supporting the implementation of Bhutan’s policy priority to diversify its exports: The project will directly contribute to export diversification which is one of the main objectives of the Five-Year ***Plan*** of the RGoB. The Action has the potential to contribute to the “Brand Bhutan” initiative by strengthening capacities to ***produce*** and market quality products “made in” and “grown in” Bhutan along the two value chains supported by the Action (horticulture and textile crafts). It could possibly draw on synergy with Brand Bhutan, depending on the progress of the initiative.  Gender, youth and environment: The Action will integrate gender, youth and environment-related issues (e.g organic production) as cross-cutting issues. Sector value chains have been selected accordingly. 16  The Action will facilitate policy dialogue: The Action will contribute to promote public-private policy dialogue and cooperation (on trade policy, trade information etc.) as a means to support project sustainability and ownership by the country (see below).  The Action will incorporate a strong institutional and capacity building focus: an important feature of the Action will be to work “from within” key partner institutions. The approach will be to work together with partners, emphasizing ‘learning by doing’ through training, coaching and skills development. The Action will enable relevant stakeholders to continue to provide relevant and effective trade support services to the private sector and to replicate the positive results of the project beyond its end date. The Action will use and reinforce local expertise to a maximum extent, working with national experts and conducting training of trainers. 5. IMPLEMENTATION 5.1 FINANCING AGREEMENT In order to implement this Action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012. 5.2 INDICATIVE IMPLEMENTATION PERIOD The indicative operational implementation period of this Action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 40 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission's authorizing officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014. 5.3 IMPLEMENTATION MODALITY 5.3.1 INDIRECT MANAGEMENT WITH AN INTERNATIONAL ORGANISATION This action may be implemented in indirect management with the International Trade Centre (ITC) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation entails to provide technical assistance for the project details outlined above. ITC will mobilise own staff as well as externally recruited experts and will organise capacity building, training, advisory, and other events. More specifically, it is foreseen that one full time National Project Coordinator based at the Gross National Happiness Commission in Thimphu will be recruited for the project, as well as a part-time trade expert in ITC Headquarter in Geneva for project technical management and implementation across the expected outputs. Other experts such as ITC staff experts in trade policy, ***agriculture***, and other fields, national and international consultants, will be paid under the project as per specific short term assignments. This implementation by indirect management by ITC is justified because ITC is an International Organisation specialised in providing trade-related technical assistance and carries out similar projects worldwide. ITC is the joint agency of the World Trade Organization and the United Nations. Its mandate combines a focus on expanding trade opportunities with the aim of fostering sustainable development. Furthermore, the RGoB is well familiar with the ITC, given the experience with a previous project. 17 The entrusted entity would carry out the following budget-implementation tasks: launching and evaluation of calls for tenders, definition of eligibility, selection and award criteria, acting as contracting authority for concluding and managing contracts, and carrying out payments. The entrusted international organisation is currently undergoing the ex-ante assessment in accordance with Article 6(1) of Regulation (EU, Euratom) No 966/2012. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisation can be entrusted with budget-implementation tasks under indirect management. 5.4 SCOPE OF GEOGRAPHICAL ELIGIBILITY FOR PROCUREMENT AND GRANTS The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply. The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realization of this action impossible or exceedingly difficult. 5.5 INDICATIVE BUDGET EU contribution (amount in EUR) Indicative third party contribution 1. Indirect Management with an international organisation, i.e ITC 4 000 000 N.A Total 4 000 000 N.A 5.6 ORGANISATIONAL SET-UP AND RESPONSIBILITIES The governance of the Action will be assumed by a Project Steering Committee (PSC) which will be composed of senior representatives of the Gross National Happiness Commission (GNHC), the Ministry of Economic Affairs, the Ministry of ***Agriculture*** and Forestry, the EU Delegation, and the ITC. Representatives from other public and private sector as well as civil society institutions active in the horticulture and handicraft sectors, may participate. The PSC will be co-chaired by the GHNC and the EU Delegation. The involvement of GNHC will ensure ***strategic*** guidance to the project, while facilitating coordination and communication between stakeholders and line ministries. The PSC will ensure that the Action maintains coherence with the national development and trade priorities of Bhutan, and will provide ***strategic*** direction and oversight for its implementation. The Committee will regularly review the progress and performance of the Action and approve work ***plans***. It will also gather lessons learned, identify possible bottlenecks and risks and propose mitigation actions. The PSC will meet once a year and ITC will ensure the functioning of its Secretariat. 18 ITC will establish a National Project Coordinator who in the initial phase of the project will be located within the premises of the GNHC. S/he will assume day-to-day coordination and ensure ownership of the Action. An important function of the Coordinator will be to maintain constant liaison, information sharing and communication with national partners, as well as outreach and development of working relations with stakeholders in rural areas. Detailed Terms of Reference (TORs) of the PSC and National Project Coordinator shall be elaborated at the outset of the project by ITC in full coordination with RGoB and EU Delegation. To ensure effective leadership and ownership throughout the implementation of the Action, as well as to facilitate communication, specific partner organizations - including lead partners as country focal points - have been identified for each output of the Action. Hence it will ensure a de facto appropriate level of presence on the ground. These have been discussed and confirmed with country stakeholders during the formulation mission (January 2017). See paragraph 1.1.2 on Stakeholder analysis. 5.7 PERFORMANCE MONITORING AND REPORTING Performance monitoring and reporting arrangements will be specified in the Delegation Agreement between the international organisation and the EU. The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner’s responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log-frame matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation. The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews). 5.8 EVALUATION A final evaluation will be carried out for this action or its components via independent consultants contracted by the Commission. It will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that at the end of the project implementation, when RGoB will be starting to prepare its mid-term review of the 12th five year ***plan*** under which one of the core component is expected to be trade and investment for the economic development of the country. The lessons learned under the present action should help RGoB in dealing with export diversification in years to come. Additional lessons learned from other ITC projects in the region will be considered. The Commission shall inform the implementing partner at least 45 days in advance of the dates foreseen for the final evaluation mission. The implementing partner shall collaborate efficiently 19 and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation report shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project. Indicatively, one contract for evaluation services will be concluded under a framework contract in the final year of implementation and shall be covered by another measure constituting a financing decision. 5.9 AUDIT Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements. The financing of the audit shall be covered by another measure constituting a financing decision. 5.10 COMMUNICATION AND VISIBILITY Communication and visibility of the EU is a legal obligation for all external actions funded by the EU. This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility ***Plan*** of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above. In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements. The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility ***Plan*** of the Action and the appropriate contractual obligations. In particular, the reports as presented according to point 5.7 above will include the implementation of communication activities and will highlight how EU visibility and communication on the project are ensured. 1 APPENDIX – INDICATIVE LOGFRAME MATRIX The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall ***programme*** and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant. ***Intervention*** logic Sub-Expected Outputs Indicators Baselines (incl. reference year) Targets Sources and Means of verification Assumptions Overall objective: Impact Contribute to Bhutan’s economic growth and poverty reduction 1)Absolute volume/value of Bhutan’s export flows of horticulture and handicraft textile products 2)Average annual incomes of beneficiary stakeholders – of which women and youth - in the horticulture and handicraft textile sectors 3)Bhutan’s ranking in the specific sub-indicators of the World Bank Doing Business improved based on the addressed issues through the project 1)Volume/value data to be collected as part of the value chain analyses conducted under outputs 2 and 3 (2017/8) 2)Average income to be collected as part of the value chain analyses conducted under Outputs 2 and 3 (2017/8) 3) 73 (2017) 1)15% increase 2)20% increase 3)70 (2021) Country statistics, sales statistics of exporters and associations, project mission reports Sector associations’ reports and data, project surveys and reports World Bank Doing Business Report/data Continuation of national policy focus on trade-related development Overall country economic stability and growth Government commitment in providing necessary resources (human and financial) for achieving project objectives Other countries ranking on the World Bank Doing Business ranking remain stable – as Bhutan might improve its policies but comparatively other countries might do as well Specific objective: Outcome Increased exports and export diversification, possibly contributing to the implementation of the “Brand Bhutan” Initiative 1)Value of sales of: a) horticulture products, b) handicraft textile products 2)Number of horticulture and handicraft textile ***producers*** – incl. women and youth – linked to export markets 3)Number of export markets to which new sales of: a) horticulture and b) handicraft textile products have been made 4)Number of new a) horticulture and b) handicraft textile products exported, where possible under “Brand Bhutan” 1)Value data to be collected as part of the value chain analyses conducted under Outputs 2 and 3 (2017/18) 2)Number to be collected as part of the value chain analyses conducted under Outputs 2 and 3 (2017/8) 3)0 4)0 1)20% increase 2)Number to be defined based on the value chain analyses conducted under ERs 2 and 3 3) a)5, b) 4 4) a)2, b) 20 Sales statistics of exporters/***producers***, project surveys and mission reports, evaluation/feedback forms Value chain analyses, project surveys and mission reports Sales statistics of exporters/***producers*** in the horticulture and handicraft textile sector with reference to export markets (for both indicators), project surveys, mission reports Willingness and ability of Government and key stakeholders to boost trade competitiveness in a concerted effort Availability of resources (human and financial) of target beneficiaries in the horticulture and handicraft textile sectors to engage and follow up Effective participation by the target beneficiaries in the horticulture and handicraft textile sectors (farmers and businesses) in the ***planned*** project activities in accordance to the set timeline No climate hazards affecting the horticulture production and/or harvest Infrastructure/road conditions are conducive for the transport of the products to be exported 2 Output 1 1. Enhanced capacities in the formulation and implementation of trade and investment policies and regulations 1.1 Capacities in Bhutanese public and private institutions to inform trade policy/regulatory/investment policies are built 1.2 Policy/regulatory/procedural impediments to business competitiveness addressed along the selected value chains under ERs 2 and 3 1.3 Investments (FDI and domestic) promoted into Bhutan, including investment in the selected value chains under ER 2 and 3 (e.g investment into storage facilities, cold chain equipment) 1.4 Enhanced access to trade and market information 1.5 Better Business Council (BBC) strengthened with a view to promote informed Public-Private Dialogue Output 1 Indicator: 1)Number of policy/regulatory reforms/measures adopted fostering value chain competitiveness and/or business environment 1.1 indicators: 2)Number of trade policy-related workshops held 3)Number of public and private representatives – including women and youth – trained that report increased awareness in relation to policy regulations formulation, implementation and investment promotion 1.2 indicators: 4)Number of value chain analyses focusing on policy/regulatory issues endorsed by MoEA 5)Number of recommendations endorsed through the consultation process 1.3 indicators: 6)Number of investment profiles endorsed by MoEA and sectoral associations 7)Number of investment- related events where the participation of Bhutanese investment promotion officers/private sector representatives was facilitated by the project 1.4 indicators: 8)Status of trade information portal 9)Number of MoEA/BCCI/Exporters association/other business organizations staff – of which women and youth - who reported increased knowledge on how to collect and analyse relevant information to identity markets and market trends 1.5 indicators: 10)Number of BBC technical committees’ positions informed through the project 11)Number of research papers /position papers ***produced*** through mentorship 1)0 2)0 3)0 4)0 5)0 6)0 7)0 8)Not operational 9)0 10)0 11)0 1)5 2)8 3)80 4)2 5)10 6)6 7)4 8)Portal online 9)30 10)5 11)9 MoEA reports Workshops reports Evaluation questionnaires Completed value chain analyses endorsed by MoEA Event reports Investment profiles MoEA/private sector participants’ reports Existence of portal Workshop reports, evaluation/feedback forms, survey of trained officers BBC minutes and/or final report informing the technical committee Position papers/research papers Coordination and cooperation among relevant policy-makers and key public and private institutions Existence of sufficient political will and bureaucratic reactivity to implement relevant trade and investment policies Commitment on the part of Bhutanese public and private institutions (i) to nominate suitable staff for training, (ii) to secure tenure of trained staff and (iii) to follow up on trainings and implement actions as required Availability of time and resources of key public and private institutions to engage in analysis, consultations, drafting of relevant documents, training/advisory/information activities, and participation to all required events and activities Beneficiary institutions and private sector organizations have the necessary absorption capacities to apply the skills provided through the project 3 Output 2 2. Improved environment for exports of high-value horticulture products (incl. organic) 2.1 Horticulture value chain analysis and Action ***Plan*** ***produced*** for export diversification and value addition with special focus on youth and women 2.2 Horticulture market penetration strategy for regional and/or international target markets designed 2.3 Export and quality management capacities of stakeholders - from farmers to exporters - along the horticulture value chain built and coordination improved 2.4 Scheme set-up for farmers to have access to real time price information using digital technology 2.5 Marketing and branding strategy developed for the Bhutan horticultural sector where possibly contributing to the “Brand Bhutan” initiative 2.6 Buyer-seller linkages established Output 2 indicator: 1)Number of farmers/***producers*** – of which women and youth - which put in place new procedures on technical practices and business management to improve product quality or value addition as a result of project support 2.1 indicators: 2)Number of Horticulture Value Chain Action ***Plans*** - focusing on the 2 selected products and integrating gender and youth dimension - ***produced*** with and validated by country stakeholders 3)Number of institutions coached in conducting value chain analysis 2.2 indicator: 4)Number of Horticulture value chain market penetration strategies - focusing on the 2 selected products and integrating gender and youth dimension, - ***produced*** with and validated by country stakeholders 2.3 indicators: 5)Number of training workshops for horticulture export and quality development held 6)Number of horticulture value chain stakeholders – disaggregated by type i.e farmers, exporters, women, youth – trained and reported improved export skills 2.4 indicators: 7)Number of farmers using mobile system providing real time product price information 2.5 indicators: 8)Status of criteria for the 2 selected horticulture products to be able to apply the “Brand Bhutan”/”Grown in Bhutan” logo for exports 2.6 indicators: 9)Number of trade fairs and B2B events where the participation of Bhutanese horticulture exporters was facilitated by the project 10)Number of exporters/***producers*** - of which women and youth - which participated in trade fairs and/or B2B events and identified new potential buyers 1)0 2)0 3)0 4)0 5)0 6)0 7)0 8)No list of criteria 9)0 10)0 1)200 2)2 3)3 4)2 5)50 6)500 7)500 8)List of criteria ***produced*** 9)4 10)20 Evaluation tests passed by participants and monitoring report Value chain analyses and Action ***Plans***, event reports Event reports, lists of participants, value chain analysis materials/methodology documents at the disposal of institutions, evaluation/feedback forms from institutions Market strategies, event reports Event reports Event reports, lists of participants, evaluation/feedback forms from participants Mobile platform report on users Existence of list Event reports, photos Event reports, feedback/evaluation forms from participants, list of visitors/buyers met, correspondence with buyers High professionalism and buy-in of key stakeholders in the horticulture sector engaged in the project Availability of time and resources (human and financial) of farmers, businesses, ***producers*** and buyers in the horticulture sector to engage in all relevant activities and follow up on recommendations Stakeholders along the horticulture value chain are willing and able to improving existing practices as a result of trainings / advisory workshops / information activities / new technologies Willingness and capacity of selected exporters/***producers*** to cost-share their participation in fairs/B2B events Beneficiary institutions and private sector organizations have the necessary absorption capacities to apply the skills provided through the project 4 Output 3 3. Improved environment for exports of high-value handicraft textile products 3.1 Handicraft textile products value chain analysis undertaken with special focus on women and youth and market potential in selected target markets assessed 3.2 Product quality improved, supply capacity enhanced and innovative designs matching market trends and demand developed 3.3 Develop a sector-specific marketing and branding strategy and build capacities on marketing and branding for the Bhutan handicraft textile sector, in collaboration with the “Brand Bhutan” initiative 3.4 Establish sustainable market linkages with markets Output 3 indicator: 1)Number of handicraft textile ***producers***/exporters – of which women and youth - which improved product quality/design or value addition as a result of project support 3.1 indicators: 2)Status of Handmade Handicraft textile value chain analysis integrating gender and youth dimension 3)Number of institutions and government agencies coached in conducting value chain analysis 3.2 indicators: 4)Number of ***producers***, traders, representatives of institutions and associations - of which number of women and youth - trained on market requirements, product development, pricing & costing 5)Number of new handicraft textile products 3.3 indicators: 6)Status of Marketing and branding strategy for the Bhutan handicraft textile sector ***produced*** incl. a set of criteria for the handmade textile sector developed to be able to apply the “Brand Bhutan”/”Made in Bhutan” logo for exports 7)Number of brand books, product catalogues, labels, flyers and other promotional material developed 8)Number of ***producers***, middlemen and traders - of which women and youth - that have increased their knowledge on international market trends, requirements as well as the role of intellectual property in handicraft 3.4 indicators 9)Number of linkages established with buyers in the EU, US and other markets 10)Number of B2Bs, incl. participation in trade fairs, organized for Bhutanese handicraft textile exporters/***producers*** 1)0 2)Analysis requires updating 3)0 4)0 5)0 6)Strategy does not exist 7)0 8)0 9)0 10)0 1)200 2)Analysis updated 3)4 4)50 5)25 6)Strategy developed 7)15 8)30 9)15 10)7 Evaluation tests passed by participants and monitoring report Value chain analysis document, event reports Event reports, lists of participants, value chain analysis materials/methodology documents at the disposal of institutions, evaluation/feedback forms from institutions Mission and event reports, training attendance sheets Mission and event reports, promotional material Marketing and Branding strategy, list of criteria Promotional materials Event/training workshop reports, attendance sheets, evaluation/feedback forms, Mission reports Event and Mission reports, lists of participants, evaluation/feedback forms, list of visitors/buyers met, correspondence with buyers Event and Mission reports High professionalism and buy-in of key stakeholders in the handicraft textile sector engaged in the project Availability of time and resources (human and financial) of ***producers*** in the handicraft textile sector to engage in all relevant activities and follow up on recommendations Stakeholders along the handicraft textile value chain are open to changing existing practices and to engage in higher value production and exports as a result of trainings / advisory workshops / information activities / new technologies Continues supply of raw material including silk yarn and dyes Price structure is flexible and ***producers*** and exporters are willing to analyse their structure and – together with ITC – engage in competitive and sustainable prices Adequate support and back-up given to the “Brand Bhutan” initiative Willingness and capacity of selected exporters/***producers*** to cost-share their participation in fairs/B2B events Beneficiary institutions and private sector organizations have the necessary absorption capacities to apply the skills provided through the project

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[***Positive developments for Sri Lanka's agriculture sector despite unfavourable weather***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-753R-00000-00&context=1516831)

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**Body**

With a land area of more than 65,000 sq km, Sri Lanka's ***agriculture*** sector is characterised by small-scale farming and a tropical climate that is highly variable. ***Agricultural*** output comprises rice, fruit, vegetables and livestock primarily for domestic consumption, and export-focused products such as tea, rubber and coconuts. Around 55% of land is used for ***agriculture***.

Traditionally the backbone of the economy, ***agriculture***'s share of GDP has steadily declined over the decades, from 30.4% in 1975 to around 8% in 2015. According to the Ministry of Finance (MoF), ***agriculture*** represented 7.1% of Sri Lanka's GDP in 2016. While Sri Lanka is moving towards an urbanised manufacturing and services economy, the rural ***agriculture***, forestry and fisheries industries are the source of income for more than 2.1m Sri Lankans, the 2016 Labour Force Survey reported.

**State of the Sector**

Employment in the sector has gradually decreased in recent years, from 30.2% of the working-age population of 15 years and older in 2013 to 28.7% in 2015 and 24.3% in the third quarter of 2017, according to the Department of Census and Statistics. The services sector, by contrast, employed 46.6% of the population that quarter, while 29.1% of people were working in industry - both up on the same period of 2016. "Sri Lanka is lacking labour in general and this has hit industries across the board," Shahane Perera, director of Sweepro Manufacturing, told OBG. "The business community knows we are losing people every day in the ***agriculture*** sector as stronger emphasis is placed on other sectors, such as ICT."

In addition to a shrinking labour pool, major droughts and floods during 2017 negatively affected a range of ***agricultural*** products, including paddy, coconut, palm oil, vegetables and cereals. Unfavourable weather conditions saw ***agriculture***'s GDP contribution decline by 3.2% in the first quarter of 2017 and by a further 2.9% in the second quarter, even though tea and rubber rebounded, according to the Asian Development Bank. By the end of 2017 ***agriculture*** had recorded negative growth for the past seven quarters. According to the Central Bank of Sri Lanka (CBSL), the decline had spillover effects into other areas of the economy, weakening overall growth.

**Productivity**

***Agricultural*** productivity in Sri Lanka is lower than in comparable economies, largely due to the shortage of labour, low levels of mechanisation and outdated management practices. The CBSL says that labour productivity in the country is lower in ***agriculture*** than in the service and industry sectors because of "traditional methods of cultivation, lack of credit facilities, limited access to technology and small land size." Moreover, an article written by Rizvi Zaheed, managing director at Hayleys ***Agriculture***, noted that, "Storage and processing is yet another aspect of the ***agricultural*** value chain that needs to be developed on an urgent basis." As the son of a farmer, raising the efficiency of ***producers*** is a major priority of the administration of President Maithripala Sirisena, who has vowed to revolutionise the sector.

"The single biggest risk for the sector is the lack of willingness to change and evolve. The entire sector must undergo a large-scale, radical transformation," Michael Koest, managing director and CEO of Ceylon Tobacco Company, told OBG. "The sector must move from small- to large-scale operations, from manual labour to mechanised, from raw material production to integrated, branded, high-value-added chains. This is the only way for the ***agriculture*** sector to truly add value and avoid becoming a marginal area of the economy in the decades to come."

Productivity is set to receive a boost from recent investments, such as the $125m loan Sri Lanka received from the World Bank in January 2017 for modernisation efforts in the sector. Investment in ***agricultural*** technology from the private sector is also increasing. For example, local conglomerate CIC Holdings announced in September 2017 that it was investing LKR2bn ($13.1m) in developing more resilient crops, greenhouses and hydroponics. "Technology is the main enabler for Sri Lanka to achieve its medium-term goal of $20bn in export earnings by 2020," Samantha Ranatunga, managing director of CIC Holdings, told OBG. "Simply by educating farmers on the use of technologies and implementing automated seeding, watering and harvesting systems, we can deliver better returns for the country."

In December 2017 Ranil Wickremesinghe, Sri Lanka's prime minister, said that setbacks in the ***agriculture*** sector were a drag on the broader economy and vowed to take action. "I intend to meet the officials of international agencies, ***agricultural*** officers, farmers and other stakeholders in the ***agricultural*** sector to decide on the steps that have to be taken to safeguard the industry and the economy as a whole," he said.

Still, the value of sector exports between January and November 2017 rose by 22.6% year-on-year (y-oy), according to the Ceylon Chamber of Commerce. While bad weather was a factor during the year, higher tea prices filled the gap. Sri Lankan tea fetched the highest price in the world in 2017, at $4.06 per kg, compared to $2.80 in 2016. For comparison, tea from a major competitor, Kenya, was valued at $2.99 per kg.

**Government Support**

Sri Lanka's goal of achieving self-sufficiency in rice production has historically driven ***agriculture*** and trade policies, such as generous subsidies, micro-credit facilities and protective tariffs. With a strong emphasis on food security, large subsidies are granted to farmers for fertilisers, pesticides, irrigation and other aspects of production. For example, the government subsidises more than 50% of the purchase price of an animal on behalf of livestock ***producers***. If an animal costs LKR450,000 ($2940), the government will provide roughly LKR250,000 ($1630), K D Ariyapala, director of the Livestock ***Planning*** and Economics Division at the Department of Animal Production and Health, told OBG. The government also operates micro-credit schemes for those in the ***agriculture*** and livestock sector, including through the Tea Development ***Programme*** revolving fund. In 2016 the CBSL provided LKR9.7bn ($63.3m) in loans to some 89,730 farmers. After a difficult year for the sector in 2017, Sri Lanka has declared 2018 the National Food Production Year. The government said that one of its major ambitions for the year is to increase the planted volume of paddy and other crops.

***Agricultural* Exports**

***Agricultural*** exports account for roughly one-quarter of Sri Lanka's total export earnings. The CBSL reported strong performance in the category's value during the first eight months of 2017 - particularly regarding tea, seafood and spice exports - with an increase of 19.4% y-o-y to reach $1.8bn. This growth was helped by the removal of a EU ban on seafood imports from Sri Lanka, as well as the reinstatement of the EU Generalised System of Preferences Plus (GSP+).

Tea remains the country's single-most valuable export commodity, valued at $1.25bn in 2016, according to the UN Comtrade database. The total value of ***agricultural*** exports in 2016 was $2.32bn - a 6.3% decline from $2.48bn in 2015. This was due to "relatively low commodity prices in the international market, subdued demand for Sri Lankan exports and disruptions in the domestic supply of export-oriented ***agricultural*** products," the CBSL reported.

Import taxes on staples such as rice, flour, maize and fresh fish were temporarily cut in August 2017 to make up for reduced production and high prices in those segments. The LKR5 ($0.03) tax per kilogram of rice was lowered to LKR0.25 ($0.002), while the fish levy was reduced from LKR50 ($0.33) per kilogram to LKR25 ($0.16), measures slated to last until April 2018.

**Tea**

Sri Lanka's iconic Ceylon tea has allowed the small nation to grow into one of the largest tea exporters in the world, alongside China, India, Kenya and Indonesia. The country ***produces*** over 300m tonnes of tea per year and accounts for about 15% of global tea exports. All tea in Sri Lanka is hand-picked, and with around 400,000 smallholder farms ***producing*** the crop, it remains the largest source of employment in the country. Overall, the tea planting industry occupies almost 220,000 ha of land, and directly and indirectly employs more than 1m people.

In 2016 Iran was the largest recipient of Sri Lankan tea, with imports totalling $156.7m, followed by Russia at $143m. Tea accounts for around 80% of Sri Lanka's total exports to Russia. In early December 2017 Moscow temporarily suspended imports when a Khapra beetle was found in a tea container. This led to calls from industry leaders for greater quarantining and quality control over exports. After a meeting between the Sri Lanka Tea Board and Russian officials, the short-lived ban was lifted on December 30.

Another hurdle tea ***producers*** faced was the authorities' mid-2015 decision to ban the importation and use of glyphosate, a weedicide widely used in Sri Lanka. Major markets like Japan and European countries have accepted the use of glyphosate in agreed-upon amounts, but alternative weedicides that ***producers*** had to turn to after the ban are much stronger than crucial export markets will accept. After protest from farmers and trade organisations, the government decided to temporarily lift the ban in February 2018.

Still, tea ***producers*** continue to struggle with the cost of labour, which is higher than in key competitor countries like India and Kenya. Upwards of 70% of the production cost of a kilogram of tea is labour. Local ***producers*** are also pushing for trade liberalisation, as many seek to import appropriate teas to incorporate into their blends, as Lipton and Twinings have done.

The government says it will support value addition among tea farmers in 2018. There are already some major success stories in this regard: the US cafe chain Coffee Bean & Tea Leaf "almost entirely" sells Nuri Ceylon tea in its outlets, which number over 4000. In Australia and New Zealand 14% of the tea market is held by the Dilmah brand, Rohan Pethiyagoda, chairman of the Sri Lankan Tea Board, told OBG. "Sri Lanka is a huge export market, with only about 4% of production being consumed locally," he said. While the country exported $1.25bn worth of tea in 2016, adverse weather conditions near the end of the year meant that tea production declined by 11% over 2015.

One unique value-added opportunity for Sri Lanka's ***agriculture*** sector is tea tourism. While ***agricultural*** exports declined in 2016, an 18% rise in tourism receipts was a key growth driver for the services sector. Developing tourism options that include estate tours, factory visits and tea tastings would further support the premium appeal of Sri Lankan tea in conjunction with the Ceylon Tea global tea campaign.

**Rice**

The staple food of 21.2m Sri Lankans, rice is the country's primary food crop. The two cultivation seasons for paddy are known locally as *Maha* and *Yala*. Maha lasts from September to March, while Yala is from May until the end of August. Some 680,000 ha were cultivated for rice production during the 2016/17 seasons, according to the US Department of ***Agriculture***, a number the body projects will grow to over 800,000 ha for 2017/18. The World Food ***Programme*** estimates that 40% of paddy is used for home consumption, while the remainder enters the market.

National paddy production declined by 8.3% between 2015 and 2016 to 4.4m tonnes, primarily as a result of adverse weather conditions. According to the Department of Census and Statistics, 1.47m tonnes of paddy were ***produced*** during the 2016/17 Maha season and 909,321 tonnes in the 2017 Yala season, compared to 2.9m tonnes and 1.5m tonnes, respectively, in the previous seasons. Overall, the Department of ***Agriculture*** estimates that 2017 saw the lowest paddy production of the past decade.

As a result of floods and drought affecting rice production during 2017, Sri Lanka announced in December that it would temporarily import 100,000 tonnes of rice per month - around 30% of its required amount. The government said it will end rice imports by April 2018, as the production situation is expected to improve. Natural disasters notwithstanding, Sri Lanka is nearly self-sufficient in rice.

**Seafood**

Sri Lanka is an island with nearly 1400 km of coastline, making conditions ideal for aquaculture. According to the most recent annual report by the MoF, the fisheries industry accounted for 1.5% of GDP in 2016, growing by 1.6% against a 2.7% decline in 2015. Total fish production was 530,920 tonnes in 2016, a 2.1% increase over 2015. Inland fish production, in particular, is on the rise, with 73,930 tonnes ***produced*** in 2016 - growth of 9.9%.

Along with agro-processing and dairy, the fisheries segment is a target area being promoted by the Board of Investment to better meet high international demand. Local media reported in September 2017 that seafood exports had increased by 40% y-o-y in the first half of 2017, from $83.5m to $117m, after the EU lifted a ban on seafood imports from Sri Lanka.

Since the reintroduction of GSP+ status, fish exports have nearly doubled and are expected to continue to increase through to 2020. However, access to low-cost, high-quality aqua feed remains a challenge for ***producers***, with the input accounting for roughly half of total production costs. Farmers have also historically experienced high levels of income uncertainty, largely due to ***produce*** loss because of disease. According to the UN Food and ***Agriculture*** Organisation, shrimp farms in Sri Lanka's north-western province are often abandoned because of repeated outbreaks of white spot disease that kills the shrimp.

**Rubber**

As in the tea segment, most rubber ***producers*** work small plots of land, meaning extraction is done by hand. Some 130,000 smallholder farmers cultivate rubber, while 125,000 ha across the country are used in rubber plantations. Sri Lanka fluctuates between 11th and 12th place among the top rubber ***producers*** in the world, with exporters having an edge by selling natural rather than synthetic rubber, which appeals to consumers in wealthier countries.

In 2017 the government launched its Rubber Industry Master ***Plan*** to implement over the next decade, at an estimated cost of $500m. "If you look at the Rubber Industry Master ***Plan***, at least five of the first projects are aimed at increasing the productivity of plantations. Therefore, even when prices are low, people will be able to make a profit and continue to be able to ***produce*** rubber," Lakna Paranawithana, an advisor to the Ministry of Plantation Industries who headed the drafting of the ***plan***, told OBG.

Another initiative in the ***plan*** addresses the labour pool and related training initiatives. "Sri Lanka's rubber industry is experiencing a shortage of skilled labour. It is essential to introduce more educational ***programmes*** to rectify this situation," Prabhash Subasinghe, managing director of Global Rubber Industries, told OBG. "By attracting more people to the industry, we will be on the right track to accomplish the Rubber Industry Master ***Plan*** objectives."

The rubber segment's contribution to GDP contracted by 10.7% in 2016, due to a decline in global natural rubber prices and lower production. This was aligned with output falling 10.7%, from 88.5m kg in 2015 to 79.1m kg, according to the MoF. Lower production was largely the result of drought and flood, meaning there were less tapping days than usual.

**Coconut**

Coconut plantations occupy 395,000 ha across Sri Lanka. Income from coconut and coconut-related products, such as desiccated coconut, fresh nuts and coconut cream, contracted by 0.6% in 2016, according to the MoF. This compares to growth of 5.2% in 2015. Like other plantation crops, coconut production was negatively affected by prolonged periods of drought. Furthermore, the Coconut Growers Association stated in January 2018 that a mite disease had affected some 30% of the crop across the country by that time, yet rejected calls to import fresh coconut to mix with local ***produce*** to meet demand.

"There is uniqueness to Sri Lankan coconut, especially with regard to the desiccated coconut - unique in colour, texture and sweetness that the desiccated coconut ***produced*** in other countries like Indonesia, Malaysia and the Philippines does not have," said Jayantha B Samarakoon, the association's president.

**Toxin-free Nation**

In 2016 President Sirisena introduced the Toxin-Free Nation project, under which the government aims to promote organic farming and eliminate the use of highly toxic agrochemicals in farming. The Department of ***Agriculture***'s National Food Production ***Programme*** 2016-18 is in line with this aim. Under the project, organic farmers are eligible for subsidies previously only available to farmers using chemical fertilisers and are guaranteed a per kilo price for toxin-free traditional seed varieties. "This is a three-year ***programme*** that seeks to address the food security issue, as well as the toxin-based ***agriculture*** issues in Sri Lanka," said Asoka Abeygunawardena, chairman of the ***Strategic*** Enterprise Management Agency, at a climate change workshop in May 2016. "The farmers are provided awareness creation and capacity building, as well as resources to change from toxin-based ***agriculture*** to organic and healthy ***agriculture***." In December 2017 the government announced a new drive to promote organic food production and exports, and said it would provide training on organic ***agriculture*** to 15,000 farmers.

**Outlook**

Without further unfavourable weather, ***agricultural*** production and export quantities should bounce back in 2018; the University of Arkansas' Division of ***Agriculture*** predicts that Sri Lanka will ***produce*** 903,000 more tonnes of rice in 2018 than it did in 2017. Still, a labour shortage, the lack of modernisation and climate change pose challenges for the sector.

The government has promised to accelerate ***agricultural*** output through much-needed technological investment and private sector participation. One example of this is the mobilisation of private-public partnerships under the Rubber Industry Master ***Plan*** to increase output of the crop to 300,000 tonnes per annum by 2045. "Investment in technology is the greatest challenge right now," Perera told OBG. "With many Sri Lankans moving out of the ***agriculture*** and manufacturing sectors, many local industries are facing the significant challenge of optimising output." As citizens increasingly move into service industry work, the best prospect for attracting ***producers*** to the sector is high-value ***agriculture***. As most ***producers*** remain bulk exporters, value-added offerings represent major opportunities, for example, branding and packaging tea for retail rather than wholesale.

With the country's tourism industry quickly developing, tea tourism offers another value-added avenue that would complement the push to boost the high-end appeal of its export tea brands. Boutique accommodation such as Ceylon Tea Trails and the Heritance Tea Factory are examples of this offering. Still, closer collaboration between tourism companies and tea ***producers*** is required to promote such options - particularly in the scenic Hill Country, home to popular destinations like Kandy and Ella.

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[***BRIEF NEWS BULLETIN NO. 10265***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R3W-R211-F12K-R4G3-00000-00&context=1516831)

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**Body**

Zagreb, 01 December 2017 (Hina) - Gov't adopts decisions for development of Osijek and eastern CroatiaZAGREB, Dec 1 (Hina) - The Croatian government on Friday passed several decisions that will contribute to the development of the biggest eastern city of Osijek and Osijek-Baranja County, and Prime Minister Andrej Plenkovicsaid the decisions were actually a message about the synergy of the work of the government and local authorities."This is a strong message to Slavonia and local inhabitants," Plenkovic said at the start of the cabinet meeting in Osijek.One of the decisions refers to the upgrade of the equipment of alocal hospital, and eight million kuna will be set aside for that purpose.Theministries of health and environmental protection were assigned the task of dealing with the problem of mosquitoesin Kopacki Rit Nature Park.In 2018, the government will allocate 3.78 million kunato reconstruct a ring-road and an additional sevenmillionfor other infrastructure projects in Osijek.The government promised financial assistance of two million kuna for the renovation of Tvrdja ("Fortress"), a landmark of the old city.Several state-owned properties were also put at the disposal oflocal authorities.PM outlines measures to help eastern CroatiaZAGREB, Dec 1 (Hina) - Prime Minister Andrej Plenkovic said while opening a cabinet meeting in Osijek on Friday that the fact that the government was meeting in that cityindicatedits determination to reduce the imbalances in regional development throughconcrete policies and measures andthrough the budget and activities for the development of the city of Osijek, Osijek-Baranja County and the entire region of Slavonia, Baranja and Srijem."That is why here in Osijek, we established the Advisory Councilfor Slavonia, Baranja and Srijem and following three meetings of that body, we have proven that there is a new mechanism to concentrate governmentactivities, EU support and activities of local and regional government units, the private sector, academic community, development agencies in such a way to make concerted action to help this region of Croatia which suffered great human and material loss, which impacted the development potential ofSlavonia," Plenkovic said.He recalled that the last meeting of the advisory body was held in Slavonski Brod."At today's meeting, we presented concrete projects in the fields of economy, transport, culture, higher education - a comprehensiveapproach that will be backed up with the signing of several agreements worth nearly one billion kuna of valuable projects for the city of Osijek and Osijek-Baranja County, and when we consider the amount of all the projects that will be signed for the Slavonia counties, that amount is almost two billion kuna," Plenkovic said."That is a firm and strong message from the government to Slavonia overall and to all the people who live here," he added.Osijek-Baranja County Prefect Ivan Anusic and Osijek Mayor Ivica Vrkic said that the fact the government was meeting in Osijek indicated the government's commitmentto balanced development of all parts of Croatia."The Slavonia, Baranja andSrijem project has shown that the region's development is a priority and that the governmentwants to help eastern Croatia as the country's most vulnerable region economically and demographically," Anusic said.He described the project of free meals for elementary school pupilsworth HRK 17 million whereby food ***produce*** would be procured from local family farms.

County authorities will contribute HRK 12 million and the rest is to be financed by city and municipal authorities.He added that several capital projects are on the cards including a regional fruit and vegetable distribution centre and projects in tourism and so on.Mayor Vrkic underlined that this yearOsijek was the most successful continental tourist destination. He added that Osijek wasthe first city in Croatia toprovidemicro-computers for 5th grade pupilsand that free transport wasprovided for all young athletes attending sports meetings in the country.Vrkic also noted that this year the city administration had allocated HRK 25 million for welfare ***programmes*** and next year the amount would be increased to HRK 30 million.PM says gov't stands firmly behind SlavoniaZAGREB, Dec1(Hina) - Prime Minister Andrej Plenkovic said on Friday the government stood firmly behind the eastern region of Slavonia and that this was visible in actions, projects and financial decisions.After a cabinet meeting in Osijek at which 20 items on the agenda were dedicated to Osijek-Baranja County and the city, local towns, municipalities, agencies and governmentssigned contracts exceeding HRK 2 billion."Thegovernment has stood firmly behind Slavonia. That's the key message of today's session, of our government's ***programme***," Plenkovic told reporters, recalling that last year, before a parliamentary election, he said Slavonia would be a government priority.This is not just a declarativecommitment, but a veryconcrete, operational commitment, he said. "And you can see that in our actions, projects, financial decisions."He said today's session and the contracts signedshowed how much the government wanted to advance the local transport and utilitiesinfrastructure, environmental protection, economy,property rights relations, culture, science and education. The government will continue this policy, he added.Plenkovic said the Council for Slavonia, Baranja and Srijem would next meetin Virovitica, during the Viroexpo fair, to put the focus on ***agriculture*** and the economy.He went on to say that the contracts signed today toenable the hiring of 900 women showed that the government cared about people staying in Slavonia and its demographic revival. He said this approach would be pursued to reduce inequalities throughout Croatia, recalling that four of Slavonia's five counties were the least developed Croatian countries and therefore in need of additional support.Osijek Mayor Ivan Vrkic said the decisions adopted at the cabinet meeting today would result in HRK 500 million worth of investments, mainly for the local construction sector. He thanked the government for showing concretely and operationally that it was willing to help Slavonia catch up with the developed parts of Croatia.Gov't sends final bills on regional development, ***strategic*** ***planning*** to parliamentZAGREB, Dec1(Hina) - The government sent final bills of amendments to the law on regional development and the law on Croatia'sdevelopment ***strategic*** ***planning*** and management system to parliament on Friday.Speaking at a government session in Osijek, Regional Development and EU Funds Minister Gabrijela Zalac said the amendments to the regional development law were aimed at advancing the current legal frameworkwith regard to the evaluation and classificationof local government units based on development and the definition of assisted regions. Herministry estimates that the number of local units classified as assistedareas will rise by about 40.The amendments to the law on thedevelopment ***strategic*** ***planning*** and management system are aimed at improving the definition and implementation of public policies impacting Croatia's development. Funding in the amount of HRK 44.8 million has been set aside in this year's budget and projections for the next few years as part of the 2014-20Operational ***Programme*** Competitiveness and Cohesion.The EU will provide 85% of the financing and Croatia the rest. The money will be used to draw up a national development strategy, among other things.The government also endorsed a bill to implement European Union decisions on trade in wood and wood products.Grants for 'Make A Wish' job creation ***programme*** for women presentedZAGREB, Dec1(Hina) - A total of 42 grants earmarked for ajob creation ***programme*** for women, called "Make A Wish" andaimed at employing women, was presented to the beneficiaries from five Slavonian counties after agovernment session in Osijek on Friday.The first grant contract was presented by Prime Minister Andrej Plenkovic to Zupanja Mayor Davor Milicevic.The PM said that in only six monthsthe ***programme*** had met with a lot of interest, adding that many women had already applied for it.Plenkovic said this ***programme*** was an excellent motive to allocate additional funds, issue new tenders and new projects which will contribute to the quality of life and create jobs for citizens who have a hard time finding one. He added that a total of HRK 120 million would be distributed throughthe 42 grants,which would enable the employment of 900 women who will help over 4,000 people.Energy minister: Price of water won't go upZAGREB, Dec 1 (Hina) - The price of water will not increase as a result of the proposed amendments to water management legislation and citizens will not be additionally charged, Minister of Environment Protection and EnergyTomislav Coric said at acabinet meeting being held in the eastern Croatian city of Osijek on Friday.The government forwarded twobills on water management and financing to parliament to be discussed underfast track procedure.The current legislation, which expires at the end of the year, regulates aninterim calculation of water fees based on the quantity of water delivered. Withoutthe proposed amendments, as of January 1 water fees would be based on the quantity of abstracted water which, considering that on average 49% of water is lost in the mains,would lead to a significant increase in price, the minister recalled.Theamendments re-introducean interim fee calculationbased on water delivered until a regulation on the amount of the water fee goesinto force, includingcorrected coefficients for acceptable water losses. In the meantime, a system will be introduced to gauge the quantity of abstracted water and funds will be set aside undera water management ***plan*** to compensate for water losses."That means that the price of water feewill not increase," Coric said.Croatian minister to attend COMPET meeting and discuss EU space programmesZAGREB, Dec1(Hina) - Science and Education Minister Blazenka Divjak is in Brussels on Friday to attend a meeting of the European Union Competitiveness Council (COMPET) which will focus on EU space ***programmes***, the Croatian Science and Education Ministry said in a press release.Divjak will take part in a discussion on the Copernicus ***Programme***, the EU ***programme*** aimed at developing European Information Services based on satellite Earth Observation and in situ (non-space) data analyses. This initiative is headed by the European Commission in partnership with the European Space Agency (ESA) and the European Environment Agency (EEA).In developing a competitive European space and services industry, Copernicus aims to nurture innovative earth observation systems and services and ensure Europe's independent access to environmental knowledge and key observation and geo-information gathering technologies.The Croatian minister will also take part in a debate on the future of EU space ***programmes***. According to the press release, Divjak will strongly advocate the continuation of main EU space ***programmes*** and underline the importance of activities aimed at increasing the capacities of less developed EU member states.At the end of the meeting, the Croatian minister is expected to hold talks with her counterparts from Romania and Finland.Eurostat: Croatia among 10 EU countries with lowest R&D expenditureZAGREB, Dec 1 (Hina) -The intensity of expenditure for Research and Development (R&D) as a percentage of GDP in the European Union remained stable in 2016, at 2.03%, while Croatia was ranked among 10 countries with a share of less than 1% of GDP allocated for R&D, according to preliminary data released by Eurostat on Friday.In 2016, the EU member states spent all together over €300 billion on Research &Development (R&D). R&D intensity, i.e. R&D expenditure as a percentage of GDP, remained stable at 2.03%in 2016. Ten years ago (2006), R&D intensity was 1.76%, Eurostat reported.In 2016, the highest R&D intensities were recorded in Sweden (3.25%) and Austria (3.09%), both with R&D expenditure above 3% of GDP.In Croatia, expenditure for R&D last year amounted to 0.84% of GDP, Eurostat figures show.Ten member states recorded an R&D intensity of below 1%: Latvia (0.44%), Romania (0.48%), Cyprus (0.50%), Malta (0.61%), Lithuania (0.74%),Bulgaria (0.78%), Slovakia (0.79%), Croatia (0.84%), Poland (0.97%) and Greece (0.99%).Over the last ten years, R&D intensity rose in 22member states, including in Croatia.The highest increasesoccurred in Austria (from 2.36% in 2006 to 3.09% in 2016, or +0.73 percentage points) and Belgium (+0.68 pp). In Croatia itincreased by 0.10 pp.Conversely, R&D intensity decreased in six member states and most strongly in Finland (from 3.34% in 2006 to 2.75% in 2016, or -0.59 pp) and Luxembourg (-0.43 pp)The main sector in which R&D was performed in 2016 was the business enterprise sector in all member states,except Cyprus, Latvia and Lithuania, where the higher education sector was the dominant performing sector.The highest shares of R&D expenditure performed in the business sector were observed in Slovenia (76%),Hungary (74%), Bulgaria (73%), Ireland and Austria (both 71%), Belgium and Sweden (both 70%) as well asGermany (68%).In Croatia too, the highest share of R&D expenditure was recorded in the business sector (45%). In 2006 that share was 37%.Over the last ten years, the share of R&D conducted in the business enterprise sector increasedin 20member states, while it decreased in eight.For the government sector, the highest shares were registered in Romania (33%), Latvia (32%) and Luxembourg (30%). Croatia recorded a share of 22% in 2016 compared to 27% in 2006.The highest shares of R&D conducted within the higher education sector were recorded in Lithuania and Portugal (both 45%), Latvia (44%) and Cyprus (42%).In Croatia that share was 33%, whereas in 2006 it was 37%.Police investigating threats against MPs, Index journalistsZAGREB, Dec1(Hina) - The Interior Ministry said on Friday the police were taking seriously and investigating threats made on social networks against MPs and journalists of the Index news website, who wrote about Slobodan Praljak, a Bosnian general who committed suicide asthe Hague war crimes tribunal upheld his guilty sentence on Wednesday.Index wrote that, "driven by the basest passions, many haverecently demandedthe heads of journalists(who) have writtenabout Praljak as a convicted war criminal."The police are seriously taking these threats against journalists doing their job and is taking action in that regard, ministry spokeswoman Marina Mandic told Hina.Index says they have been receiving death threats by e-mail and on social networks for a long time and that "many of those hate messages are incited by representatives of the government who have declared the journalists who write about them critically as enemies of Croatia."Policeconfirmed they also received reports of threats against opposition MPs Vesna Pusic and Goran Beus Richembergh, who said on Thursday that he received hundreds of disgusting and primitive insults as well asdeath threats after writing on Facebook that a convicted war criminal had committed suicide and that by observing a minute's silence for Praljakthe ruling HDZ was exploiting parliament.The penal code envisages imprisonment ranging from six months to five years forthreats againstpublic officials orjournalists.ICTY launches independent probe into Praljak's suicideZAGREB, Dec1(Hina) - The International Criminal Tribunal for the former Yugoslavia (ICTY) stated on Friday that it would initiate an independent investigation into the circumstances of the death of General Slobodan Praljak who poisoned himselfduring the pronouncement of a final verdict against him and the other five defendants in the Prlic et al. case in The Hague onWednesday."To complement the ongoing Dutch investigation into the passing of Slobodan Praljak, the ICTY Registrar this morning initiated an independent expert review focusing on the ICTY internal operations, in accordance with standard procedures," the UN tribunal reported on its website.The review will be led by Justice Hassan B. Jallow, Chief Justice of Gambia and the former Prosecutor of the International Criminal Tribunal for Rwanda and the Mechanism for International Criminal Tribunals (MICT)."The review will begin next week and aims to provide a report before the closing of the ICTY on 31 December 2017. The review is mandated to undertake an assessment of relevant existing procedures as well as make any recommendations which may assist other courts in the future. The outcome of the review will be made public, subject to due process and confidentiality considerations," the tribunal reported.The six former high-ranking officials ofthe wartime Croat entity of Herceg-Bosna on Wednesday were convicted of crimes against humanity, violations of the laws or customs of war, and grave breaches of the Geneva Conventions committed in 1993.The tribunal, a United Nations court of law dealing with war crimes that took place during the conflicts in the area of the former Yugoslavia in the 1990s, formally concluded its operations this Wednesdaywith the pronouncement of that final verdict.The remaining proceedings for appeals in the cases of wartime Bosnian Serb leadersRadovan Karadzic and Ratko Mladic, convicted for genocide and war crimes, and the appeals lodged by the prosecution against the acquittal of Serbian Radical Party leader Vojislav Seselj will be dealt with by theMICT. Karadzic was sentenced to 40 years in March 2016, and Mladic was given life imprisonment on 22 November this year. The MICT began work in The Hague in July 2013 as an important part of the ICTY's and ICTR's Completion Strategies.Autopsy results for Praljak expected shortly, Dutch prosecutor saysZAGREB, Dec 1 (Hina) - Autopsy results for Bosnian Croat General Slobodan Praljak, who committed suicide in a courtroom of the International Criminal Tribunal for the former Yugoslavia (ICTY) in The Hague on Wednesday, are expected shortly, the Dutch State Prosecutor's Office told Hina on Friday."The results will be known pretty soon," the State Prosecutor's Office in The Hague said.The autopsy is being conducted at the Radiobiological Institute in Rijswijk near The Hague and is being attended by two Croatian experts.Praljak died in a hospital in The Hague on Wednesday after drinking as yet unidentified poison in the ICTY courtroom during the appeal hearing.He committed suicide shortly after the presiding judge said that his initial sentence of 20 years in prison, for war crimes against Bosniaks committed during the Bosnian Croat-Muslim war in Bosnia and Herzegovina in 1993-1994, was upheld.The other five defendants received prison sentences ranging from 10 to 25 years.Covic: ICTY verdict is criminalZAGREB, Dec 1 (Hina) - The Chairman of the Bosnia and Herzegovina Presidency, Dragan Covic, said on Friday that the verdict handed down by the Hague war crimes tribunal (ICTY) against six Bosnian Croat wartime military and political leaders on Wednesday was criminal to all Bosnian Croat soldiers and all Croats."This verdict is criminal to each honourable member of the Croatian Defence Council and the Croatian people. We should be proud of that time. In that way we preserved not only the Croatian people, but Bosnia and Herzegovina too. Had it not been for the Croatian Defence Council, Bosnia and Herzegovina certainly would not exist today," Covic said during a visit to the Croatian Academy of Sciences and Arts in Zagreb."On the other hand, any harangue that might follow on the part of those who might want to use the outlines of this verdict in processesthat have long been ***planned*** in Bosnia and Herzegovina, should be stopped," he added.Covic said that the focus now should be on the future of the six convicts and their families.Rejecting the court finding that the six were members of a joint criminal enterprise, Covic said that "a selective approach to this problem" could escalate ethnic relations within Bosnia and Herzegovina. "My task as the leader of the Croatian people is to ensure that this does happen. This is a brutal provocation from the outside, and there will also be similar ones from within Bosnia and Herzegovina."Covic said he would meet with Croatian Prime Minister Andrej Plenkovic again this evening. "We have to strengthen the position of the smallest nation in Bosnia and Herzegovina, because as long as the Croats are a constituent nation in Bosnia and Herzegovina, that is the best protection and guarantee for Bosnia and Herzegovina as a modern European state. Should the Croats cease to be a constituent nation, the future of Bosnia and Herzegovina would be questionable and uncertain," he said."We need to mobilise our people to stand as one in protecting the dignity and value of the Homeland War regardless of the fact that we all have to admit that war crimes were committed by all sides. Everyone should answer for their own crimes regardless of who they are and where the crimes were committed," Covic said.Speaking of the verdict, he said it was necessary to hear what international law experts had to say on the matter and see what further steps could be taken. "We have to find a measure to avoid this verdict being misread, because there are already awful comments that have nothing to do with legal grounds concerning Croatia's responsibility. Croatia was not on trial here. We in Bosnia and Herzegovina need to seek legal protection and Croatia should do the same and should no longer stay on the sidelines," Covic said.Minister says Zagreb has no info of new indictments from BosniaZAGREB, Dec1(Hina) - The Croatian War Veterans' Ministry has no information about new indictments being issued in Bosnia and Herzegovina against former Bosnian Croat (HVO) soldiers, and Croatia's government is in permanent contact with the government of Bosnia and Herzegovina, Minister Tomo Medved said on Friday.Minister Medved said that the Croatian government was always available to assistwar veterans.His statement ensued after the head of the association of retired Croatiangenerals, Pavao Miljavac, said that the judiciary in Bosnia and Herzegovina had prepared a large number of indictments against HVO officers and Croatian generals.Medved said that Croatia would not allow persecutions or attempts to distort the past.The minister added that the latest verdict against the six wartime Bosnian Croatleaders by the UN tribunal would not contribute to the settlement of relations.The ICTY Appeals Chamber on Wednesday upheld the sentences against six wartime Bosnian Croat civilian and military leaders in the Prlic et al. case. Former Herceg-Bosna PM Jadranko Prlic was sentenced to 25 years' imprisonment, former defence minister Bruno Stojic and former HVO chiefs-of-staff Praljak and Milivoj Petkovic to 20 years each, former HVO military police commander Valentin Coric to 16 years, and the chief of the POW exchange office, Berislav Pusic, to ten.The Chamber also found that there existed a joint criminal enterprise, an international armed conflict in Bosnia and Herzegovina in which Croatia was involved, and a state of occupation.Former inmates of the detention camps run by the HVO in the Mostar area on Friday announced their ***plan*** to demand compensation from Croatia.Veterans call for parliamentary commission to establish responsibility regarding cooperation with ICTYZAGREB, Dec 1 (Hina) - The union of associations of veterans of Croatian guards units (ZUVHGP) and the special police association (USPDR) have called for setting up a special parliamentary commission to establish the responsibility of individuals and state institutions for omissions that have occurred during the cooperation with the International Criminal Tribunal for the former Yugoslavia (ICTY) in The Hague, the two organisations said in a statement on Friday evening.In a letter addressed to the President of the Republic, the Prime Minister, the Speaker of Parliament and the media, the two organisations said their move was prompted by "the inadequate political reaction" to the ICTY verdict against six Bosnian Croat wartime military and political leaders, adding that now was the high time to examine the responsibility of all state institutions.They said that the veteran population had been dissatisfied for years with how the Homeland War was regarded and that they were inadequately included in the defence of the Croatian generals on trial in The Hague."Unfortunately, the political elites did not take into account our opinion in making political decisions nor could our voice be heard enough. That's why we think it necessary to establish a parliamentary commission to look into the omissions that led to this verdict and the tragic death of General Slobodan Praljak," the statement said.The two organisations said that certain politicians who never liked Croatia or wanted it to be independent betrayed national interests. They said that Croatian politicians had a duty to protect the interests of their country and that "any departure from this should be punishable under law."Bosnia and Herzegovina bishops deplore all war crimes, warn against political manipulationZAGREB, Dec1(Hina) - The Catholic bishops in Bosnia and Herzegovina say they fully condemn all war crimes committed in that country, and also reject any attempt to exploit court proceedings for political purposes, which may make it more difficult for the Croats to survive in Bosnia and Herzegovina."Although we feel that after the judgement and tragic death of General Slobodan Praljak in The Hague,humble prayers for the deceased man and all victims of the war as well as our silence may have been the most appropriate expression of our feelings, we are also aware that all well-intentioned people of this country, particularly Catholics expect us to give a statement," the bishops say in the declaration following the ICTY guilty verdict against the six wartime Bosnian Croat civilian and military leaders and suicide of one of them during the pronouncement of the verdict in the UN tribunal's courtroom in The Hague on Wednesday."We once again reiterate our position which we also promoted during the war and that is that we are against and we condemn all war crimes and insist that those responsible be brought to account,"the dignitaries say.Theyunderscored that they were hurt the mostby the crimes committed during the war by people baptised as Catholics."Being consistent in that opinionand aware of the world in which we live and of all kinds of interests and injustices inflicted on small peoples, we do not want to comment on judgements made by the Hague tribunal," the bishops say.They go on to say that they will not shut their eyes before the fact that since the conclusion of the Washington Agreement in 1994 and the Dayton peace accords in 1995 and their implementation, messages have been sent that Bosnia and Herzegovina is no longer a country for the Croats."Can we perhaps wonder if this verdict is also part of that ***plan*** and ***programme***? This is what we find immoral and unacceptable and also dangerous for the future of this country and its inhabitants and peoples," the dignitaries say.They express their pessimism about bringing anyone to account for pushing the Croats out of Bosnia and Herzegovina and also note in their statement that so far nobody was brought to justice by the International Criminal Tribunal for the former Yugoslavia for war crimes committed against the Croats in Bosnia and Herzegovina.Thebishops go on to say that they are nevertheless open to cooperation with all who are committed to Bosnia and Herzegovina's prosperity and justice.They call on local Croats not to be afraid and not to lose hope.Wigemark says Hague tribunal did not try nations but individualsZAGREB, Dec1(Hina) - The head of the European Union Delegation toBosnia and Herzegovina, Lars-Gunnar Wigemark, said on Friday that in the case of Herceg-Bosna the Hague war crimes tribunal delivered a verdictto individuals and that the assessment that a whole nation had beenon trial was unacceptable.Asked by reporters in Mostar how Wednesday's appeals verdict would impact Croat-Bosniak relations, Wigemark said he could not accept that someone couldthink that nations or a nation could be tried.Whoever is tried, they are tried as an individual, and in this case individuals were tried under international law, he said, adding that reconciliation in Bosnia and Herzegovina was very important and that, for it to be achieved, there could be no impunity.During those conflicts, there were many breaches of domestic and international regulations. It's necessary to avoid politicising the justice system at any level, either domestically or internationally. I really think everyone in this country should turn to the future, Wigemark said.In Mostar, he talked with the president of the Croat HDZ 1990 party, Ilija Cvitanovic, who said the verdict did not correspond to justice or historical facts and that it was disappointing.The verdict must not have any implications on the current political relations in Bosnia, he said, adding that nobody has been held to account for executions of many Croats in Bosnia.Ex-prosecutor: Victims denied full justice by Praljak's suicideZAGREB, Dec 1(Hina) - The first Chief Prosecutor of the UN tribunal in The Hague, Richard Goldstone, has said that by committing suicide Croat General Slobodan Praljak denied full justice to victims, and the former prosecutor put Praljak's act in the ICTY courtroomin the context of Balkan delusions and manipulations."The death of that man is extremely sad event for the last days of the tribunal. In a way, victims have been denied full justice," Goldstonesaid in an interview with the Sarajevo-based Dnevni Avaz daily on Friday. Praljak poisoned himself while the ICTY Appeals Chamber's presiding judge read out the guilty verdict against him on Wednesday.Goldstone, a former South African judge and lawyer,who was at the helm of the Office of the Chief Prosecutor of the International Criminal Tribunal for the former Yugoslavia (ICTY) from August 1994 to September 1996 when the first indictments were brought against Bosnian Serb leaders Radovan Karadzic and Ratko Mladic, said that in the Balkans there was a cult of making sacrifices which was being politically instrumentalised.Too many people refuse to face the truth and to accept that all sides in the war committed grave war crimes, Goldstone said, criticising the commanders on the ground for not being able to handle the developments.Goldstone believes that the ICTY has fulfilled its mission, despite numerous objections to the performance of that court established by the United Nations.He admits serious mistakes, and one of them is that it usually took too much time to arrest defendants and transfer them to the ICTY in The Hague for trials.Another serious omission is thatoutcomes of trials failed to send a message to potential war criminals in the future about what they can expect if they perpetrate war crimes, according to him.Goldstone dismissed claims of political clout on the UN tribunal, and insisted that the tribunal's judges were absolutely independent in their work.The primary mission of the tribunal to bring to justice all defendants has been fulfilled. However, those who believed that this could pave the way for reconciliation actually had too high expectations of a legal mechanism, he said.Foundation marks International Day of Persons with DisabilitiesZAGREB, Dec1(Hina) - The foundation "I hear, I believe, I see", which helps young people with disabilities, marked the International Day of Persons with Disabilities and the 9th anniversary of its workon Friday.On that occasion, the organisation's officials presented certificates of acknowledgement to its associates and donors. The foundation also donated laptops to five high school and university students.The foundation's officialMirko Hrkac said the purpose of the foundation was to help young people, children and students with disabilities with their education, promote life-long learning and enable blind people access to literature.The International Day of Disabled Persons, observed on 3 December, was proclaimed in 1992by the United Nations General Assembly.The observance of the Day aims to promote an understanding of disability issues and mobilise support for the dignity, rights and well-being of persons with disabilities. It also seeks to increase awareness of gains to be derived from the integration of persons with disabilities in every aspect of political, social, economic and cultural life.Mind the Gap project to reduce social inequality presentedZAGREB, Dec 1 (Hina) - A project aimed at reducing social inequality and discrimination was presented in Zagreb on Friday on the occasion of International Human Rights Day, which is observed on December 10, and there was talk of a media campaign to raise awareness of the vulnerability of citizens of different ethnic, racial or national background.The project, called "Mind the Gap – Measuring Inequality in Croatia," which has been implemented since January 2016 with financial assistance from the European Commission Directorate-General for Justice and Consumers, was presented in the governmentOffice for Human Rights and National Minority Rights in cooperation with the Human Rights Ombudsman's Office and the Centre for Peace Studies.Over the past two years, we have conducted training sessions for judges, state prosecutors, counsellors, future reporters andeditors about the law on combating discrimination and court practice based on this law, organised international conferences, mapped examples of good practice in gathering data on inequality, strengthened thecapacity of public servants in monitoring inequality and other measures, said Bahrija Sejfic, assistant director of the Office for Human Rights and National Minority Rights.December 10 is the date chosen to honour the United Nations General Assembly's adoption and proclamationof the Universal Declaration of Human Rights (UDHR), the first global enunciation of human rights and one of the first major achievements of the United Nations.Deputy Ombudswoman Tena Simonovic Einwalter said that ethnic discrimination was the most common complaint received by that office. Out of 387 complaints received last year, 117 were on grounds of ethnic discrimination, she said.The results of the last survey conducted indicatethat citizens believe that the Roma are the most discriminated minority in society, she said.She noted, however, that citizens too are aware that something needs to be changed, since as many as 40% believe that discrimination is one of the biggest problems in society whereas fewer that 4% consider it unimportant.Cvijeta Senta of the Centre for Peace Studies presented several video clips showing successful examples of removing obstacles against equality, and said: "We want a society likethese. Our society isn't far from that."Croatia among countries with richest biodiversity in EuropeZAGREB, Dec 1 (Hina) - Croatia is definitely one of the richest countries in Europe for its biodiversity, and the diversity of land, sea and underground habitats has resulted in a wealth of species and sub-species, between 50,000 and 100,000, it was said on Friday at a conference on biodiversity and environment protection.The conference was organised by the Canadian Embassy, Croatia's Ministry of Environment Protection and Energy, and the Zagreb Faculty of Science (PMF).Addressing the conference, the ministry's state-secretary, Mario Siljeg, said that based on natural resources and richness, Croatia is similar to Canada and that the two countries have cooperated on several projects already, such as the protection of the Plitvice Lakes national park.Siljeg explained that Croatia's biodiversity can be evidenced by the fact that one-third of its territory has been included in the Natura 2000 ecological network which Croatia, upon joining the European Union, declared for over 260 species and 70 habitats."Thisnetworkcovers 37% of land territory and 15% of the coastal sea, which places Croatia at the very top of the EU," Siljeg said.He said that the aim of investing in the Natura 2000 was to promote environment protection policies and that is why it is essential to participate and strengthen the capacity of public institutions to manage the ecological network.He underscored that the ministry had secured HRK 186 million to develop a framework for the management of Natura 2000 and 85% of the financing will be from EU funds.Canadian Ambassador to Croatia Daniel Maksymiuk underscored the importance of the Plitvice Lakes project as well as the Drava Lifeproject for which EU funding is being used. He spoke about connections between Croatia and Canada in many areas, including environment protection, particularly with regard to protecting rivers and natural springs.South Korean tourists enjoy Croatia but want more action-based activitiesZAGREB, Dec1(Hina) - Nearly half a million South Korean tourists are expected to visit Croatia this year, but to keep them Croatia needs to offer them new action-based services, a Croatian-Korean business forum, organised by the Croatian-Korean Business Club and the South Korean Embassy to Croatia, heard on Friday.The third edition of the forum dedicated to tourism and trends and possibilities in the tourism industrybrought together representatives of the Croatian tourism industry and leading Korean tour operators, hoteliers and other representatives of the tourism industry.The president of the Croatian-Korean Business Club, Zoran Horvat, said Croatia has been a popular tourist destination in South Korea for the past several years. Numerous arrivals were triggered by a reality show filmed in Croatia and extremely popular in Korea. He added Koreans were big spenders but they demand adynamic vacation and a lot of activities, Horvat said.The Ambassador of the Republic of Korea to Croatia, Park Won-sup, said that forums like this are focused on topics of interest to both countries and help deepen bilateral relations. The first two forums were dedicated to the ICT industry and the health industry.Tourism has been very important for the development of our bilateral relations, the ambassador said, adding that last year 380,000Korean tourists had visited Croatia and madeKorea one of the most important Croatian tourist partners. We want to expand cooperation and increase the number of Korean arrivals, but also raise the number of Croatian tourists visiting Korea.The ambassador also said there were many more fields in which the two friendly countries could cooperate.The event was also attended by Croatian Assistant Tourism Minister Robert Pende and Deputy Parliament Speaker Zeljko Reiner.Croatia voted Best Family Vacation destination for Russian touristsZAGREB, Dec 1 (Hina) - Croatia has been voted the Best Family Vacation destination for Russian tourists in 2017, the Croatian Tourist Board (HTZ) said on Friday.The vote was organised by National Geographic Russia magazine and involved over 270,000 of its readers."Croatia has once again proved to be a recognisable destination for family holidays on the Russian market, a destination which Russian tourists regard among the top travel destinations," HTZ said.The 2017 National Geographic Traveler Awards were presented at a ceremony in Moscow on Thursday evening. Croatia won in the Best Family Vacationcategory in competition with countries such as Turkey, Bulgaria, Greece, Finland and Cyprus.The award was receivedby the head of the HTZ office in Moscow, Rajko Ruzicka, who said that it provided additional motivation for future activities on the Russian market.The awards were also presented in other categories, including Best Beach Vacation, Best Ski Vacation, Best Vacation with Excursions, Best Exotic Vacation, Best Culinary Destination, and Best Health Tourism Destination.According to e-Visitor data, 132,000 Russian tourists visited Croatia this year, up 12 percent over 2016, generating950,000 overnight stays, an increase of 10 percent. Russian tourists mostly visited Porec, Umag and Dubrovnik, the HTZ said.Valamar hotel group to invest HRK 705 mn in 2018ZAGREB, Dec 1 (Hina) - The supervisory board of the Valamar Riviera hotel company approved a ***plan*** to invest HRK 633 million in 2018, while the supervisory board of the Imperial hotel company, which is a member of the Valamar Group, approved investment in the amount of HRK 72 million, bringing the total amount of investment ***planned*** for next year to HRK 705 million, the group said in a statement on Friday.This year Valamar has hired 420 workers on open-ended employment contracts, and the average salary paid by the company is about 20 percent higher than the industry average.After more than HRK 4 billion worth of investments implemented in the previous period, Valamar Riviera continues major investment projects as part of the HRK 2 billion investment cycle until 2020.This year Valamar has invested HRK 906 million, the largest annual investment cycle in the Croatian tourist industry, creating1,000 jobs, according to the statement.In other news:'News in Ophthalmology' int'l conference starts in ZagrebZAGREB, Dec1(Hina) - An international ophthalmology conference started in Zagreb on Friday, bringing together prominent experts from abroad who will give talks about ways of treatment of so far incurable illnesses and the use of new technologies and medicines.The conference, called "News in Ophthalmology", wasorganised by the University Eye Clinic "Svjetlost" in cooperation with the Croatian Academy of Sciences and Arts (HAZU).The event will be addressed by Prof. Junko Hori, Chief of Ocular Inflammation Service, Nippon Medical School, Tokyo, Japan, Prof. Jesper Hjortdal, EU Cornea Board Member, Head, Department of Ophthalmology, Aarhus, Denmark, Prof. Thomas Fuchsluger, Vice-President of EVER (European Association for Vision and Eye Research), Friedrich-Alexander University, Erlangen-Nurenberg, Germany and Dr. Carolina Arancibia, Lead, Translational Medicine, John Radcliffe Hospital, Oxford, UK.Josip Pokrajcic is Croatia's new police liaison officer at EuropolZAGREB, Dec1(Hina) - Crime investigation expert Josip Pokrajcic is Croatia's new police liaison officer at Europol in The Hague, the Interior Ministry has said on its website.Europol, founded in 1998,helps law enforcement authorities in European Union member states, thus contributing to Europe's security.Pokrajcic is Croatia's third police liaison officer at Europol after Blaz Mamuz and Stellan Petric.He expects Croatia to remain a reliable and active member of Europol, thus contributing to European as well as world security, the ministry says."Sharing police experience and knowledge with colleagues from other countries is a prerequisite forsuccessfully combating all forms of crime," Pokrajcic has said.ZSE indices dropZAGREB, Dec1 (Hina) - The main Zagreb Stock Exchange (ZSE) indices fell on Friday, with the Crobex contracting by 0.72 percent to close at 1,861.57 points and the Crobex10 dropping by 1.04% percent to 1,089.92 points.Regular turnover was HRK 7.2 million, about 4.5 million less than on Thursday, and the stock of the Valamar Riviera hotel company was the only one to turn over more than a million kuna.Valamar Riviera recorded a share price drop of 1.67 percent to HRK 44.21 and a share turnover of HRK 1.7 million.(EUR 1 = HRK 7.541758)THIS BULLETIN INCLUDES ITEMS RELEASED BY 2030 HOURS FRIDAY. (Hina) vm Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, Dec 1 (Hina) - The Croatian government on Friday passed several decisions that will contribute to the development of the biggest eastern city of Osijek and Osijek-Baranja County, and Prime Minister Andrej Plenkovicsaid the decisions were actually a message about the synergy of the work of the government and local authorities.

ZAGREB, Dec 1 (Hina) - Prime Minister Andrej Plenkovic said while opening a cabinet meeting in Osijek on Friday that the fact that the government was meeting in that cityindicatedits determination to reduce the imbalances in regional development throughconcrete policies and measures andthrough the budget and activities for the development of the city of Osijek, Osijek-Baranja County and the entire region of Slavonia, Baranja and Srijem.

ZAGREB, Dec1(Hina) - Prime Minister Andrej Plenkovic said on Friday the government stood firmly behind the eastern region of Slavonia and that this was visible in actions, projects and financial decisions.

ZAGREB, Dec1(Hina) - The government sent final bills of amendments to the law on regional development and the law on Croatia'sdevelopment ***strategic*** ***planning*** and management system to parliament on Friday.

ZAGREB, Dec1(Hina) - A total of 42 grants earmarked for ajob creation ***programme*** for women, called "Make A Wish" andaimed at employing women, was presented to the beneficiaries from five Slavonian counties after agovernment session in Osijek on Friday.

ZAGREB, Dec 1 (Hina) - The price of water will not increase as a result of the proposed amendments to water management legislation and citizens will not be additionally charged, Minister of Environment Protection and EnergyTomislav Coric said at acabinet meeting being held in the eastern Croatian city of Osijek on Friday.

ZAGREB, Dec1(Hina) - Science and Education Minister Blazenka Divjak is in Brussels on Friday to attend a meeting of the European Union Competitiveness Council (COMPET) which will focus on EU space ***programmes***, the Croatian Science and Education Ministry said in a press release.

ZAGREB, Dec 1 (Hina) -The intensity of expenditure for Research and Development (R&D) as a percentage of GDP in the European Union remained stable in 2016, at 2.03%, while Croatia was ranked among 10 countries with a share of less than 1% of GDP allocated for R&D, according to preliminary data released by Eurostat on Friday.

ZAGREB, Dec1(Hina) - The Interior Ministry said on Friday the police were taking seriously and investigating threats made on social networks against MPs and journalists of the Index news website, who wrote about Slobodan Praljak, a Bosnian general who committed suicide asthe Hague war crimes tribunal upheld his guilty sentence on Wednesday.

ZAGREB, Dec1(Hina) - The International Criminal Tribunal for the former Yugoslavia (ICTY) stated on Friday that it would initiate an independent investigation into the circumstances of the death of General Slobodan Praljak who poisoned himselfduring the pronouncement of a final verdict against him and the other five defendants in the Prlic et al. case in The Hague onWednesday.

ZAGREB, Dec 1 (Hina) - The Chairman of the Bosnia and Herzegovina Presidency, Dragan Covic, said on Friday that the verdict handed down by the Hague war crimes tribunal (ICTY) against six Bosnian Croat wartime military and political leaders on Wednesday was criminal to all Bosnian Croat soldiers and all Croats.

ZAGREB, Dec1(Hina) - The Croatian War Veterans' Ministry has no information about new indictments being issued in Bosnia and Herzegovina against former Bosnian Croat (HVO) soldiers, and Croatia's government is in permanent contact with the government of Bosnia and Herzegovina, Minister Tomo Medved said on Friday.

ZAGREB, Dec1(Hina) - The Catholic bishops in Bosnia and Herzegovina say they fully condemn all war crimes committed in that country, and also reject any attempt to exploit court proceedings for political purposes, which may make it more difficult for the Croats to survive in Bosnia and Herzegovina.

ZAGREB, Dec1(Hina) - The head of the European Union Delegation toBosnia and Herzegovina, Lars-Gunnar Wigemark, said on Friday that in the case of Herceg-Bosna the Hague war crimes tribunal delivered a verdictto individuals and that the assessment that a whole nation had beenon trial was unacceptable.

ZAGREB, Dec 1(Hina) - The first Chief Prosecutor of the UN tribunal in The Hague, Richard Goldstone, has said that by committing suicide Croat General Slobodan Praljak denied full justice to victims, and the former prosecutor put Praljak's act in the ICTY courtroomin the context of Balkan delusions and manipulations.

ZAGREB, Dec1(Hina) - The foundation "I hear, I believe, I see", which helps young people with disabilities, marked the International Day of Persons with Disabilities and the 9th anniversary of its workon Friday.

ZAGREB, Dec 1 (Hina) - A project aimed at reducing social inequality and discrimination was presented in Zagreb on Friday on the occasion of International Human Rights Day, which is observed on December 10, and there was talk of a media campaign to raise awareness of the vulnerability of citizens of different ethnic, racial or national background.

ZAGREB, Dec1(Hina) - Nearly half a million South Korean tourists are expected to visit Croatia this year, but to keep them Croatia needs to offer them new action-based services, a Croatian-Korean business forum, organised by the Croatian-Korean Business Club and the South Korean Embassy to Croatia, heard on Friday.

ZAGREB, Dec 1 (Hina) - The supervisory board of the Valamar Riviera hotel company approved a ***plan*** to invest HRK 633 million in 2018, while the supervisory board of the Imperial hotel company, which is a member of the Valamar Group, approved investment in the amount of HRK 72 million, bringing the total amount of investment ***planned*** for next year to HRK 705 million, the group said in a statement on Friday.

ZAGREB, Dec1(Hina) - An international ophthalmology conference started in Zagreb on Friday, bringing together prominent experts from abroad who will give talks about ways of treatment of so far incurable illnesses and the use of new technologies and medicines.

ZAGREB, Dec1(Hina) - Crime investigation expert Josip Pokrajcic is Croatia's new police liaison officer at Europol in The Hague, the Interior Ministry has said on its website.

ZAGREB, Dec1 (Hina) - The main Zagreb Stock Exchange (ZSE) indices fell on Friday, with the Crobex contracting by 0.72 percent to close at 1,861.57 points and the Crobex10 dropping by 1.04% percent to 1,089.92 points.

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[***-Ivanhoe Mines announces results of an independent NI 43-101 preliminary economic assessment for expanded production***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R2M-63D1-F0K1-N4NB-00000-00&context=1516831)

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**Body**

KOLWEZI, DEMOCRATIC REPUBLIC OF CONGO - Ivanhoe Mines (TSX: IVN; OTCQX: IVPAF) Executive Chairman Robert Friedland and Chief Executive Officer Lars-Eric Johansson today welcomed the positive findings of an expanded, independent preliminary economic assessment (PEA) for the development of the Kakula Discovery at the Kamoa-Kakula Project on the Central African Copperbelt, in the Democratic Republic of Congo (DRC).

Given the dramatic expansion and upgrading of the copper resources delineated at Kamoa-Kakula during the past year, the new PEA incorporates potential increased mining rates that are 50% higher than the rates used in the December 2016 PEA.

The Kamoa-Kakula Project - a joint venture between Ivanhoe Mines, Zijin Mining Group and the DRC government - has been independently ranked as the world's largest high-grade, major copper discovery by international mining consultant Wood Mackenzie.

The three potential development scenarios examined include

1. Initial mine development scenario. The Kakula 2017 PEA evaluates the development of a six million-tonne-per-annum (Mtpa) underground mine and surface processing complex at the Kakula Deposit - a discovery announced in early 2016 - as the project's first phase of development.

2. Expanded, two-mine development scenario. The Kakula 2017 PEA also includes an option for an integrated, 12 Mtpa, two-stage development, beginning with initial production from the Kakula Mine, to be followed by a subsequent, separate underground mining operation at the nearby Kansoko Mine, along with the construction of a smelter.

3. Kamoa 2017 pre-feasibility study (PFS). The Kamoa 2017 PFS evaluates the development of the Kansoko Mine as a stand-alone six Mtpa underground mine and surface processing complex that would be supplied with ore from the ***planned*** development of the Kansoko Sud and Kansoko Centrale areas of the Kamoa Deposit, which were discovered in 2008. The PFS refines the findings of the Kamoa March 2016 PFS, which envisaged a production rate of three Mtpa.

The Kakula 2017 PEA and Kamoa 2017 PFS were independently prepared by OreWin Pty. Ltd., Amec Foster Wheeler E&C Services Inc., SRK Consulting Inc., Stantec Consulting LLC, Golder Associates Ltd., KGHM Cuprum R&D Centre Ltd. and DRA Global.

The Kakula 2017 PEA is preliminary in nature and includes an economic analysis that is based, in part, on Inferred Mineral Resources. Inferred Mineral Resources are considered too speculative geologically for the application of economic considerations that would allow them to be categorized as Mineral Reserves - and there is no certainty that the results will be realized. Mineral Resources do not have demonstrated economic viability and are not Mineral Reserves.

A NI 43-101 technical report will be filed on SEDAR at [*www.sedar.com*](http://www.sedar.com) and on the Ivanhoe Mines website at   [*www.ivanhoemines.com*](http://www.ivanhoemines.com) within 45 days of the issuance of this news release.

While not evaluated in the new PEA, Ivanhoe and Zijin also are exploring potential options to accelerate future production by building the Kakula and Kansoko mines concurrently as well as expansions to 18 Mtpa and beyond as exploration progresses at Kamoa-Kakula and on Ivanhoe's 100%-owned exploration licences in the Western Forelands area to the west of Kamoa-Kakula, where drilling recently started.

'Kamoa-Kakula is, without a shadow of a doubt, the most disruptive Tier One copper project in the world today,' said Mr. Friedland.

'The 12 million-tonne-per-annum development scenario clearly shows the economic potential for a phased development ***plan*** for Kamoa-Kakula to become one of the largest copper mines in existence. However, we are confident that there are more high-grade copper discoveries to be made in the area and the ultimate scale of operations at Kamoa-Kakula will be much larger.

'The exceptionally high copper grades, thickness and continuity of the Kakula Discovery really distinguish this project from anything we have seen during our 35-plus years in the industry. These unique characteristics should allow us to build a world-scale copper mine with an initial capital cost expected to be far lower than other operations of this size.'

Mr. Friedland noted that today's PEA announcement does not factor in the Kakula West Discovery, which is continuing to be expanded at a remarkable rate. The current study also does not factor in the ongoing drilling ***programs*** on new targets at Kamoa-Kakula or the company's 100%-owned Western Forelands exploration area. Additional exploration success could have a significant influence on the size, value and timing of the overall development ***plan***; as such, the Kamoa-Kakula development ***plans*** will be reassessed and amended as the project moves forward to reflect ongoing exploration results.

'We remain focused on unlocking the full potential of the Kamoa-Kakula copper district while expediting the development of the initial Kakula Mine.

'The world's current top copper mines are aging and their head grades are declining. Given the projected surge in demand for copper from the electric-vehicle revolution and renewable energy technologies, Kamoa-Kakula will be of significant ***strategic*** importance for auto makers and clean-energy companies looking to secure a long-term, reliable supply of high-quality copper,' Mr. Friedland added.

Mr. Johansson said that implementation of community-support initiatives are central to mine-***planning*** considerations. 'We will be working with our partners Zijin Mining and the DRC government in developing Kamoa-Kakula into the world's next great copper mine, generating widely shared economic benefits that will help to uplift local communities, and providing skills training to help ensure that area residents can qualify for the thousands of meaningful direct and indirect jobs that will be created.

'It is highly unusual by industry standards that, despite being in the early exploration and engineering phases of a project, Ivanhoe and Zijin are proud to be leading by example and have invested heavily in community development initiatives. Our joint efforts include the 'KNOW FOR SURE' anti-malaria campaign utilizing revolutionary technology developed by Fio Corporation of Toronto, Canada. Other initiatives include fish and chicken farming, ***agricultural*** projects, and the construction of schools, roads and power infrastructure.

'Everyone at Ivanhoe Mines looks forward to showcasing our three mine development projects - Kamoa-Kakula, Kipushi and Platreef - to investors from around the world as the official site visit of the 2018 Mining Indaba conference that will be held in Cape Town, South Africa, in early February 2018. Those interested in attending our site visit should apply to our investor relations department as soon as possible.'

HIGHLIGHTS

Potential initial six Mtpa mine at Kakula

The PEA analyzes the potential development of an initial six Mtpa Kakula Mine at the Kakula Deposit in the southerly portion of the Kamoa-Kakula Project's discovery area. For this option, the PEA envisages an average annual production rate of 246,000 tonnes of copper at a mine site cash cost of US$ 0.45/lb copper and total cash cost of US$ 1.08/lb copper for the first five years of operations, and copper annual production of up to 385,000 tonnes by year four.

An initial capital cost of US$ 1.2 billion for this option would result in an after-tax net present value at an 8% discount rate (NPV8%) of US$ 4.2 billion. The internal rate of return of 36.2% and project payback period of 3.1 years confirm the compelling economics for Kamoa-Kakula's initial phase of production.

Kakula benefits from an ultra-high, average feed grade of 6.4% copper over the first 10 years of operations, and 5.5% copper on average over a 24-year mine life.

A six Mtpa Kakula PFS is underway, with completion targeted for the second half of 2018. Kakula's surface box cut was completed on October 26 this year. Development of twin underground declines, similar to those at the nearby Kansoko Mine, has begun and is expected to take about a year to complete. The first blast for the declines was completed on November 16.

Modular, integrated potential development of Kakula and Kamoa deposits, mining a combined total of 12 Mtpa

The PEA also presents the development of a two-phase, sequential operation on Kamoa-Kakula's high-grade copper deposits.

Initial production would occur at a rate of six Mtpa from the Kakula Mine, before increasing to 12 Mtpa with ore from the Kansoko Mine. As resources at Kakula and Kansoko are mined, the PEA envisages that production would begin at Kamoa North to maintain 12 Mtpa throughput over a 44-year mine life.

For the two-phase sequential operation, the PEA envisages US$ 1.2 billion in initial capital costs. Future expansion at the Kansoko Mine and subsequent extensions could be funded by cash flows from the Kakula Mine, resulting in an after-tax net present value at an 8% discount rate (NPV8%) of US$ 7.2 billion and an internal rate of return of 33%.

Under this approach, the PEA also includes the construction of a direct-to-blister flash copper smelter with a capacity of 690,000 tonnes of copper concentrate per annum to be funded from internal cash flows. This would be completed in year five of operations, achieving significant savings in treatment charges and transportation costs.

The 12 Mtpa scenario delivers average annual production of 370,000 tonnes of copper at a total cash cost of US$ 1.02/lb copper during the first 10 years of operations and production of 542,000 tonnes by year nine. At this future production rate, Kamoa-Kakula would rank among the world's five largest copper mines.

A pre-feasibility study for a six Mtpa mine at Kansoko also has been examined

In addition to the Kakula PEA, a PFS also has been completed for the development of a six Mtpa Kansoko Mine at the Kamoa Deposit, the project's original discovery area. For this option, the PFS envisages an average annual production rate of 178,000 tonnes of copper for the first 10 years of operations, and annual copper production of 245,000 tonnes by year seven.

The initial capital cost of US$ 1.0 billion to develop this mine would result in an after-tax NPV8% of US$ 2.1 billion - an increase of 109% compared to the after-tax NPV8% of US$ 986 million that was projected in the March 2016 Kamoa PFS. The internal rate of return is 24%, with a project payback period of five years.

Potential phased mine developments to 18 Mtpa and beyond currently under evaluation for Kamoa-Kakula

Ivanhoe is continuing to explore options to increase Kamoa-Kakula production to 18 Mtpa and beyond. In light of the successful step-out drilling at Kakula West, as well as the potential to find additional resources in high-priority targets located in the untested parts of the Kamoa-Kakula Project, development ***plans*** will be reassessed and amended as the project moves forward.

Summary of the PEA's key results for an initial Kakula Mine

1. Very-high-grade initial phase of production is projected to have a grade of 7.3% copper in year four and an average grade of 6.4% copper over the initial 10 years of operations, resulting in estimated average annual copper production of 284,000 tonnes.

2. Annual copper production is estimated at 385,000 tonnes in year four.

3. Initial capital cost, including contingency, is estimated at US$ 1.2 billion.

4. Average total cash cost of US$ 1.14/lb of copper during the first 10 years.

5. After-tax NPV, at an 8% discount rate, of US$ 4.2 billion.

6. After-tax internal rate of return (IRR) of 36.2%, and a payback period of 3.1 years.

7. Kakula is expected to ***produce*** a very-high-grade copper concentrate in excess of 50% copper, with extremely low arsenic levels.

Key initial projections from the Kakula 2017 PEA

The study assesses the potential development of the Kakula Deposit as a six Mtpa mining and processing complex. The Kakula mill would be constructed in two smaller phases of three Mtpa each as the mining operations ramp-up to full production of six Mtpa. The life-of-mine production scenario provides for 108.4 million tonnes to be mined at an average grade of 5.48% copper, ***producing*** 9.4 million tonnes of high-grade copper concentrate, containing approximately 11.4 billion pounds of copper.

The economic analysis uses a long-term price assumption of US$ 3.00/lb of copper and returns an after-tax NPV at an 8% discount rate of US$ 4.2 billion. It has an after-tax IRR of 36.2% and a payback period of 3.1 years.

The estimated initial capital cost, including contingency, is US$ 1.2 billion. The capital expenditure for off-site power, which is included in the initial capital cost, includes a US$ 71 million advance payment to the DRC state-owned electricity company, SNEL, to upgrade two hydropower plants (Koni and Mwadingusha) to provide the Kamoa-Kakula Project with access to clean electricity for its ***planned*** operations. Mwadingusha is being upgraded first. The work is being led by Stucky Ltd., of Switzerland; the advance payment will be recovered through a reduction in the power tariff.

The Kakula 2017 PEA is preliminary in nature and includes an economic analysis that is based, in part, on Inferred Mineral Resources. Inferred Mineral Resources are considered too speculative geologically for the application of economic considerations that would allow them to be categorized as Mineral Reserves - and there is no certainty that the results will be realized. Mineral Resources do not have demonstrated economic viability and are not Mineral Reserves.

Expanded 12 Mtpa development scenario for the Kakula and Kamoa deposits

The Kakula 2017 PEA also assesses the potential development of the Kakula and Kamoa deposits as an integrated, 12 Mtpa mining and processing complex, built in two stages. This scenario envisages the construction and operation of two separate facilities: first, an initial mining operation would be established at the Kakula Mine on the Kakula Deposit and then a subsequent, separate mining operation would begin at the Kansoko Mine on the Kansoko Sud and Kansoko Centrale areas of the Kamoa Deposit.

As this two-staged development scenario is based on currently delineated resources, it does not incorporate the mining of any resources that may be delineated at the Kakula West discovery or that may result from the ongoing drilling of high-priority targets located in the untested parts of the Kamoa-Kakula Project area. Each mining operation is expected to be a separate underground mine with a shared processing facility and surface infrastructure. Included in this scenario is the construction of a direct-to-blister flash copper smelter with a capacity of 690,000 tonnes of copper concentrate per annum.

As the resources at the Kakula and Kansoko Mines are mined out, production would begin atKamoa North to maintain throughput of 12 Mtpa to the then existing concentrator and smelter complex.

The Kakula 2017 PEA is preliminary in nature and includes an economic analysis that is based, in part, on Inferred Mineral Resources. Inferred Mineral Resources are considered too speculative geologically for the application of economic considerations that would allow them to be categorized as Mineral Reserves - and there is no certainty that the results will be realized. Mineral Resources do not have demonstrated economic viability and are not Mineral Reserves.

Summary of the PEA's key results for the 12 Mtpa development scenario

1. Very-high-grade initial phase projected to have a grade of 7.3% copper in year four and an average grade of 5.72% copper during the first 10 years of operations, resulting in estimated average annual copper production of 370,000 tonnes.

2. Annual copper production is estimated at542,000 tonnes in year nine, ranking Kamoa-Kakula as one of the five largest copper mines in the world.

3. Initial capital cost, including contingency, is US$ 1.2 billion, with subsequent expansions from Kansoko and other mining areas, as well as the smelter, to be funded by cash flows from the Kakula Mine.

4. Average total cash costs of US$ 1.02/lb of copper during the first 10 years, including sulphuric acid credits.

5. After-tax NPV, at an 8% discount rate, of US$ 7.2 billion.

6. After-tax IRR of 33% and a payback period of 4.7 years.

Summary of the key results for the Kamoa 2017 PFS

In addition to the PEA, a pre-feasibility study (PFS) has been completed for the development of a six Mtpa Kansoko Mine at the Kamoa Deposit. This refines the findings of the Kamoa March 2016 PFS, which envisaged a production rate of three Mtpa.

The PFS re-assesses the development of the Kamoa Deposit as a stand-alone six Mtpa mining and processing complex. The life-of-mine production scenario schedules 125.2 million tonnes to be mined at an average grade of 3.81% copper, ***producing*** 11.4 million tonnes of high-grade copper concentrate, containing approximately 9.2 billion pounds of copper. The economic analysis uses a long-term price assumption of US$ 3.00/lb of copper and returns an after-tax NPV at an 8% discount rate of US$ 2.1 billion, an increase of 110% compared to the after-tax NPV8% of US$ 986 million that was projected in the Kamoa 2016 PFS. It has an after-tax IRR of 24.2% and a payback period of 5.0 years. The estimated initial capital cost, including contingency, is US$ 1.0 billion.

The Kamoa-Kakula Project is a very large, stratiform copper deposit with adjacent prospective exploration areas within the Central African Copperbelt, located approximately 25 kilometres west of the town of Kolwezi and about 270 kilometres west of Lubumbashi. The Kamoa Copper Deposit was discovered by Ivanhoe Mines (then named Ivanhoe Nickel & Platinum) in 2008, followed by the discovery of the Kakula Deposit in early 2016.

In August 2012, the DRC government granted mining licences to Ivanhoe Mines for the Kamoa-Kakula Project that cover a total of 397 square kilometres. The licences are valid for 30 years and can be renewed at 15-year intervals. Mine development work at the project began in July 2014 with construction of a box cut for the decline ramps for the Kansoko Mine.

Ivanhoe Mines and Zijin Mining each hold an indirect 39.6% interest in the Kamoa-Kakula Project, Crystal River Global Limited holds an indirect 0.8% interest and the DRC government holds a direct 20% interest.

Kamoa-Kakula Project Mineral Resource estimate

The Mineral Resource for the Kamoa-Kakula Copper Deposit has an effective date of November 27, 2017.

Kamoa 2017 PFS Mineral Reserve

The Kamoa 2017 PFS Mineral Reserve has been estimated by Qualified Person Jon Treen, Senior Vice President, Stantec Consulting LLC, using the 2014 CIM Definition Standards for Mineral Resources and Mineral Reserves to conform to the Canadian National Instrument 43-101 Standards of Disclosure for Mineral Projects. The Mineral Reserve is based on the May 2014 Mineral Resource. The Mineral Reserve is entirely a Probable Mineral Reserve that was converted from Indicated Mineral Resources. The effective date of the Mineral Reserve statement is November 28, 2017.

Combination of mining methods selected

Mining methods in the Kakula 2017 PEA are assumed to be a combination of controlled-convergence room-and-pillar (CCRP) and drift-and-fill. For the Kakula Mine, drift-and-fill mining utilizing paste backfill was selected as the mining method for the thick high grade areas. This method was selected to maximize the extraction of the Mineral Resource where the selected mining height is greater than six metres and multiple mining lifts are required to achieve maximum extraction. The Mineral Resource that is between three metres and six metres will be mined using the CCRP mining method.

At the ***planned*** Kansoko Mine, in the Kansoko Sud and Centrale areas the CCRP mining method was selected for ore zone depths of below 150 metres and mining heights of six metres or less. The design for the Kansoko Sud and Centrale mining areas is based on the Kamoa 2016 PFS mine design, which includes a service decline and a conveyor decline. The production rate envisaged in the Kamoa 2017 PFSis to six Mtpa compared to four Mtpa outlined in the 2016 Kamoa PFS. At Kakula, the deposit is ***planned*** to be similarly accessed by twin declines with a productive mining rate of six Mtpa.

CCRP mining method is a form of room-and-pillar that includes a second phase of pillar reduction after the cut line has advanced. The in-panel pillars are designed in post destructive state allowing most of the pillars to be trimmed by mechanical means ensuring controlled excavation and monitoring of the convergence process. This method is productive and provides very good extraction rates at relatively low costs. The CCRP mining method has been successfully implemented by KGHM at its copper-mining operations in Poland for the past 20 years. Ivanhoe Mines engaged KGHM Cuprum R&D Centre Ltd. to study the applicability of this method to Kamoa. The results of the study indicate that the Kamoa Deposit is suited to the application of the CCRP mining method.

Metallurgical test work and concentrator design

Between 2010 and 2015, a series of metallurgical test work ***programs*** were completed on drill-core samples of known Kamoa copper mineralization. These investigations focused on metallurgical characterization and flow-sheet development for the processing of hypogene and supergene copper mineralization.

In 2016, further bench-scale metallurgical flotation test work was carried out at XPS Consulting and Testwork Services laboratories in Falconbridge, Ontario, Canada. This test work was conducted on composite samples of drill core from the Kansoko Sud and Kansoko Centrale areas in the southern part of the Kamoa Mineral Resource area. The flowsheet developed was suited for the fined grained nature of the material and yielded positive results. Test work on a composite grading 3.61% copper ***produced*** a copper recovery of 85.4% at a concentrate grade of 37.0% copper. The second composite, grading 3.20% copper, ***produced*** a copper recovery of 89.2% at a concentrate grade of 35.0% copper using the same flowsheet.

Additional bench-scale metallurgical flotation test work was carried out in 2016 on two chalcocite-rich composites from the Kakula Deposit at a Zijin Mining laboratory in Xiamen, China, and by XPS Consulting and Testwork Services. The initial composite, grading 4.1% copper, ***produced*** a copper recovery of 86% at a concentrate grade of 53% copper at the Zijin Mining laboratory in July 2016. The second composite, grading 8.1% copper, ***produced*** a recovery of 87% at an extremely high concentrate grade of 56% copper. The flotation tests were conducted using the circuit developed during the 2016 Kamoa pre-feasibility study.

Average arsenic levels in the concentrate were measured to be approximately 0.02%, which is significantly lower than the limit of 0.5% imposed by Chinese smelters. Extremely low arsenic levels in concentrate are expected to attract a premium from copper-concentrate traders.

The concentrator design incorporates a run-of-mine stockpile, followed by primary and secondary crushing on surface. The crushed material with a design-size distribution of 80% passing (or P80) nine millimetres (mm), is fed into a two-stage ball-milling circuit for further size reduction to a target grind size p80 of 53 micrometres (-microm). The milled slurry will be passed through a rougher and scavenger flotation. The high-grade, or fast-floating rougher concentrate, and medium-grade, or slow-floating scavenger concentrate, will be collected separately. The rougher concentrate is upgraded in two stages to ***produce*** a high-grade concentrate. The medium-grade scavenger concentrate and tailings from the two rougher cleaning stages, representing approximately 25% of the feed mass, will be combined and re-ground to a P80 of 10-microm before being cleaned in two stages. The cleaned scavenger concentrate then will be combined with the cleaned rougher concentrate to form the final concentrate. The final concentrate will be thickened before being pumped to the concentrate filter where the filter cake then will be bagged for shipment to market.

Direct-to-blister flash smelter

Under the 12 Mtpa scenario examined in the Kakula 2017 PEA, the construction of a direct-to-blister flash (DBF) smelter is envisaged, subject to further study on feasibility, scale and timing. Flash smelting is typically advantageous compared to other technologies as the energy costs are relatively low.

The smelter is designed with a capacity of 690,000 tonnes of concentrate, and would operate at full capacity fed by Kamoa-Kakula copper concentrates until the end of the mine life. Concentrate would be first dried and sent to the DBF where it is smelted in the reaction shaft with oxygen-enriched air to ***produce*** molten slag containing oxide minerals, blister copper and SO2-rich off-gas. The oxidation reactions provide sufficient heat required to melt the charge, although a small amount of external fuel is used for process control purposes. Molten slag and blister copper collect in the DBF furnace settler and are intermittently tapped via dedicated tapholes. The slag is reduced in two electric slag cleaning furnaces operating in series to recover copper in the form of blister and alloy, respectively. The SO2 rich off-gas is de-dusted, dried and sent to a double-contact-double-adsorption acid plant for production of high strength sulphuric acid which is sold to the local market.

An on-site smelter offers numerous cost savings, including on treatment charges, certain royalties and transportation costs, particularly for the lower-grade copper concentrates from the Kansoko and Kamoa North mines. In addition, the sale of the sulphuric acid by-product would generate additional revenue. Sulphuric acid is in short supply in the DRC, and is imported for use in processing ore from oxide copper deposits.

Transportation routes to international markets

A phased logistics solution is proposed in the Kakula 2017 PEA. Initially, the corridor between southern DRC and Durban in South Africa is viewed as the most attractive and reliable export route. As soon as the railway between Kolwezi and Dilolo, a town near the DRC-Angolan border, is upgraded, the Kamoa-Kakula Project's production is expected to be transported by rail to the Atlantic port of Lobito in Angola. In addition, there is the potential to negotiate off-take arrangements with smelters in Zambia.

Data verification and quality control and assurance

Amec Foster Wheeler reviewed the sample chain of custody, quality assurance and control procedures, and qualifications of analytical laboratories. Amec Foster Wheeler is of the opinion that the procedures and QA/QC control are acceptable to support Mineral Resource estimation. Amec Foster Wheeler also audited the assay database, core logging and geological interpretations on a number of occasions between 2009 and 2015 and has found no material issues with the data as a result of these audits.

In the opinion of the Amec Foster Wheeler Qualified Persons, the data verification ***programs*** undertaken on the data collected from the Kamoa-Kakula Project support the geological interpretations. The analytical and database quality and the data collected can support Mineral Resource estimation.

Ivanhoe Mines maintains a comprehensive chain of custody and QA/QC ***program*** on assays from its Kamoa-Kakula Copper Project. Half-sawn core is processed at its on-site preparation laboratory in Kamoa, prepared samples then are shipped by secure courier to Bureau Veritas Minerals (BVM) Laboratories in Australia, an ISO17025 accredited facility. Copper assays are determined at BVM by mixed-acid digestion with ICP finish. Industry-standard certified reference materials and blanks are inserted into the sample stream prior to dispatch to BVM.

About Ivanhoe Mines

Ivanhoe Mines is advancing its three principal projects in Southern Africa: Mine development at the Platreef platinum-palladium-gold-nickel-copper discovery on the Northern Limb of South Africa's Bushveld Complex; mine development and exploration at the Tier One Kamoa-Kakula copper discoveries on the Central African Copperbelt in the DRC and upgrading at the historic, high-grade Kipushizinc-copper-lead-germanium mine, also on the DRC's Copperbelt.

Contact:

Bill Trenaman

Tel: +1.604.331.9834

Cautionary statement on forward-looking information

Certain statements in this release constitute 'forward-looking statements' or 'forward-looking information' within the meaning of applicable securities laws, including without limitation: (i) the results of the preliminary economic assessment and the pre-feasibility study, including the future development of the Kamoa-Kakula Project as a six Mtpa underground Kakula Mine, integrated 12 Mtpa, two-stage development and a six Mtpa Kansoko Mine; (ii) the use of the controlled convergence room-and-pillar mining method; (iii) the expectation that concentrate with extremely low arsenic levels will attract a premium from traders; (iv) the expectation that the Kamoa-Kakula Copper Project's production is to be transported by rail to the port of Lobito once the the railroad between Kolwezi and Dilolo is rehabilitated; (v) the timing, results and completion of future studies; (vi) the expectation that the advance payment to SNEL will be recovered through a reduction in the power tariff; (vii) the expectation that the refurbished Koni and Mwadingusha hydroelectric plants will provide power to the Kamoa-Kakula Copper Project and (viii) the expectation that an updated Mineral Resource estimate for the Kakula deposit will be completed in January 2018. Such statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Ivanhoe Mines, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified by the use of words such as 'may', 'would', 'could', 'will', 'intend', 'expect', 'believe', '***plan***', 'anticipate', 'estimate', 'scheduled', 'forecast', 'predict' and other similar terminology, or state that certain actions, events or results 'may', 'could', 'would', 'might' or 'will' be taken, occur or be achieved. These statements reflect the Ivanhoe Mine's current expectations regarding future events, performance and results and speak only as of the date of this news release.

As well, all of the results of the Kakula 2017 PEA and the Kamoa 2017 PFS constitute forward-looking information or statements, including estimates of internal rates of return (including an after-tax internal rate of return of 36.2% with a payback period of 3.1 years for the initial six Mtpa Kakula Mine option), net present value (including a project NPV of US$ 7.2 billion at an 8% discount rate in a two mine Kamoa and Kakula integrated development scenario and US$ 4.2 billion at an 8% discount rate for the initial six Mtpa Kakula Mine option), future production (including an average annual production rate of 284,000 tonnes of copper during the first 10 years of operations and production of 385,000 tonnes in year four for the initial six Mtpa Kakula Mine option), estimates of cash cost (including average total cash cost of US$ 1.14/lb during the first 10 years of operations for the initial six Mtpa Kakula Mine option), assumed long term price for copper of US$ 3.00 per pound, proposed mining ***plans*** and methods (including the potential to use the controlled convergence room-and-pillar mining method), mine life estimates, cash flow forecasts, metal recoveries, production of copper concentrate in excess of 50% copper with extremely low arsenic levels, and estimates of capital and operating costs (including initial capital costs of US$ 1.2 billion in either option considered in the Kakula 2017 PEA). Furthermore, with respect to this specific forward-looking information concerning the development of the Kamoa-Kakula Copper Project, Ivanhoe Mines has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include among others: (i) the adequacy of infrastructure (including the rehabilitation of the Koni, Mwadingusha and Nzilo 1 hydroelectric power plants and accessibility and viability of rail links); (ii) unforeseen changes in geological characteristics; (iii) changes in the metallurgical characteristics of the mineralization; (iv) the ability to develop adequate processing capacity; (v) the price of copper; (vi) the availability of equipment and facilities necessary to complete development; (vii) the size of future processing plants and future mining rates; (viii) the cost of consumables and mining and processing equipment; (ix) unforeseen technological and engineering problems; (x) accidents or acts of sabotage or terrorism; (xi) currency fluctuations; (xii) changes in laws or regulations; (xiii) the availability and productivity of skilled labour; (xiv) the regulation of the mining industry by various governmental agencies; (xv) political factors, including political stability and (xvi) the completion of the railway upgrade between Kolwezi and Dilolo.

This release also contains references to estimates of Mineral Resources and Mineral Reserves. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation (including estimated future production from the Kamoa-Kakula Copper Project, the anticipated tonnages and grades that will be mined and the estimated level of recovery that will be realized), which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource or Mineral Reserve estimates may have to be re-estimated based on: (i) fluctuations in copper price; (ii) results of drilling, (iii) metallurgical testing and other studies; (iv) proposed mining operations, including dilution; (v) the evaluation of mine ***plans*** subsequent to the date of any estimates and (vi) the possible failure to receive required permits, approvals and licenses or changes to existing mining licences.

Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indicators of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, the factors discussed here, as well as unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts with Ivanhoe Mines and its subsidiaries to perform as agreed; social, political or labour unrest; changes in commodity prices (and copper in particular); limitations and availability of capital and the failure of exploration ***programs*** or studies to deliver anticipated results (including the actual results of drilling and exploration activities), or results that would justify and support continued exploration, studies, development or operations.

Although the forward-looking statements contained in this release are based upon what management of Ivanhoe Mines believes are reasonable assumptions, Ivanhoe Mines cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, Ivanhoe Mines does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this release.

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**Load-Date:** November 29, 2017

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[***-Monsanto and ToolGen Announce Global Licensing Agreement on CRISPR Platform, Underscore the Benefits of Innovation for Farmers***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P8N-1CH1-F0K1-N25P-00000-00&context=1516831)

ENP Newswire

August 18, 2017 Friday

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**Length:** 1075 words

**Body**

ST. LOUIS & SEOUL - Monsanto Company (NYSE: MON) and ToolGen, Inc. (KONEX, 199800), a biotechnology company specializing in genome editing, announced today that the companies have reached a global licensing agreement for the use of ToolGen's CRISPR technology platform to develop ***agricultural*** products.

ToolGen is an early pioneer in gene editing research. The license provides Monsanto with access to ToolGen's comprehensive suite of CRISPR intellectual property for use in plants. This agreement further expands Monsanto's broad portfolio of gene-editing tools that can be used to develop improved and sustainable crops.

'We are excited to bring ToolGen's CRISPR platform on board at Monsanto, and are continuing to bolster and diversify our capabilities in this field of research,' said Tom Adams, Ph.D., vice president of biotechnology for Monsanto. 'As a company we remain committed to the development of safe, sustainable and high-quality crops, and look forward to leveraging the CRISPR platform as we endeavor to meet the needs of farmers while answering consumer demand for food options.'

In order to grow more using less, farmers need a variety of seed choices to solve their local needs - like managing changing weather, fighting plant disease and pests, and using crop inputs and natural resources wisely. The companies noted that gene-editing technologies, like CRISPR, offer ***agriculture*** researchers significant advantages over existing plant breeding and biotechnology methods due to their versatility and efficiency, and will allow Monsanto to provide farmers with solutions to problems that have been previously unaddressed.

'We are pleased to announce our agreement with Monsanto, a global ***agriculture*** leader, and look forward to working together to build new and exciting opportunities in ***agriculture***,' said Jongmoon Kim, chief executive officer of ToolGen. 'This agreement further validates our platform and demonstrates the value that gene editing will hold for the future of both ***agriculture*** and biotechnology.'

Additional terms of the agreement were not disclosed.

About Monsanto Company

Monsanto is committed to bringing a broad range of solutions to help nourish our growing world. We ***produce*** seeds for fruits, vegetables and key crops - such as corn, soybeans, and cotton - that help farmers have better harvests while using water and other important resources more efficiently. We work to find sustainable solutions for soil health, help farmers use data to improve farming practices and conserve natural resources, and provide crop protection products to minimize damage from pests and disease. Through ***programs*** and partnerships, we collaborate with farmers, researchers, nonprofit organizations, universities and others to help tackle some of the world's biggest challenges.

About ToolGen Inc

ToolGen, Inc. is a biotechnology company focused on the development and application of genome editing technologies. It creates, and holds intellectual property rights for essential tools and technologies for editing the genetic information in microbial, plant, animal, and human cells. ToolGen's mission is to translate the potential of our innovative platform technology into transformative products for biomedicine and ***agriculture***. For more information, please visit [*www.toolgen.com*](http://www.toolgen.com).

Cautionary Statements Regarding Forward-Looking Information: Certain statements contained in this release are 'forward-looking statements,' such as statements concerning the company's anticipated financial results, current and future product performance, regulatory approvals, business and financial ***plans*** and other non-historical facts, as well as the pending transaction with Bayer Aktiengesellschaft ('Bayer'). These statements are based on current expectations and currently available information. However, since these statements are based on factors that involve risks and uncertainties, the company's actual performance and results may differ materially from those described or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, among others: risks related to the pending transaction between the company and Bayer, including the risk that the regulatory approvals required for the transaction may not be obtained on the anticipated terms or time frame or at all, the risk that the other conditions to the completion of the transaction may not be satisfied, the risk that disruptions or uncertainties related to the pending transaction could adversely affect the company's business, financial performance and/or relationships with third parties, and the risk that certain contractual restrictions during the pendency of the transaction could adversely affect the company's ability to pursue business opportunities or ***strategic*** transactions; continued competition in seeds, traits and ***agricultural*** chemicals; the company's exposure to various contingencies, including those related to intellectual property protection, regulatory compliance and the speed with which approvals are received, and public understanding and acceptance of our biotechnology and other ***agricultural*** products; the success of the company's research and development activities; the outcomes of major lawsuits, including potential litigation related to the pending transaction with Bayer; developments related to foreign currencies and economies; fluctuations in commodity prices; compliance with regulations affecting our manufacturing; the accuracy of the company's estimates related to distribution inventory levels; the recent increases in levels of indebtedness, continued availability of capital and financing and rating agency actions; the company's ability to fund its short-term financing needs and to obtain payment for the products that it sells; the effect of weather conditions, natural disasters, accidents, and security breaches, including cybersecurity incidents, on the ***agriculture*** business or the company's facilities and other risks and factors detailed in the company's most recent periodic report to the SEC. Undue reliance should not be placed on these forward-looking statements, which are current only as of the date of this release. The company disclaims any current intention or obligation to update any forward-looking statements or any of the factors that may affect actual results.

Contact:

Tel: 314-694-4645

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[***Myronivsky Hliboproduct (MHP) - Q2 2018***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S19-DPM1-JD33-J0TJ-00000-00&context=1516831)

Business Monitor Online

April 3, 2018 Tuesday

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**Length:** 877 words

**Highlight:** MHP is the leading poultry ***producer*** in Ukraine, accounting for about half of the chicken commercially ***produced*** in the country. MHP owes much of its domestic strength to vertical integration. The company's local standing has been improved by the 2008 acquisition of Ukrainian Bacon. MHP has been listed on the London Stock Exchange since April 2008.

**Body**

**SWOT Analysis**

|  |  |
| --- | --- |
| Strengths | MHP is the leading poultry ***producer*** in Ukraine by some margin, with a market share of around 50%. Vertical integration allows for a high degree of self-sufficiency. Ability to expand by acquisition, as signified by the takeover of Ukrainian Bacon. The group has direct access to raw materials across the country. The company has a significant export trade, which accounts for around 58% of the company's total revenue. |
| Weaknesses | Consumption of higher-value items has been in decline due to adverse economic conditions. High inflation has been undermining growth in demand for value-added products. |
| Opportunities | The company can tailor some of its products to lower-income consumers without over-extending its margins. Economy products portfolio continuing to perform well as consumers switch to poultry from more expensive meats. Demand for poultry remains strong, especially in key export markets. |
| Threats | Multinational competition will continue to threaten specific product segments, particularly value-added areas. Falling number of retail outlets to reduce opportunities for product placement. The company will need to trim its prices in order to secure volumes. Meat consumption is forecast to slow down in Ukraine. Further outbreak of diseases in its farms. |

Company OverviewMyronivsky Hliboproduct (MHP) is the leading poultry ***producer*** in Ukraine, accounting for about half of the chicken commercially ***produced*** in the country. MHP owes much of its domestic strength to vertical integration. The company's local standing has been improved by the 2008 acquisition of Ukrainian Bacon. MHP has been listed on the London Stock Exchange since April 2008.StrategyMHP's Ukrainian Bacon unit continued to play a strong role in the mass market push in 2010. The firm's poultry sales performed well during the economic downturn, as consumers switched from higher-cost meats such as beef. Looking outside Ukraine, MHP's international profile was strengthened considerably by its April 2008 London Stock Exchange initial public offering. The listing, which raised USD330mn, was the first by a Ukrainian ***agricultural*** company in London. In July 2010, the firm started exporting its poultry products to neighbouring Russia, where demand for poultry is expected to grow strongly over the coming years as anticipated income growth provides strong momentum to overall food consumption. Export growth is likely to take on more ***strategic*** importance for MHP.Recent DevelopmentsIn early 2013, the International Finance Corporation announced that it is providing MHP with a USD50mn loan to support the company in implementing its expansion ***programme*** in the central Ukraine region of Vinnytsia. The poultry ***producer*** ***plans*** to increase its staff by 6,000 to around 32,800 over the next five years, while the network of small and medium-sized businesses and individual franchises which sell the company's products is also expected to expand.In summer 2015, the company announced that its poultry sales in 2014 had increased 18% y-o-y to 525,460 tonnes and that its chicken meat exports had increased 15% y-o-y in the same period to reach 140,920 tonnes. Between June and December 2014 the company exported poultry meat to the EU with zero import duty, which resulted in more than 16,500 tonnes, about 12% of total poultry export in that year. The company also increased its sunflower oil exports by 23%, to reach 296,150 tonnes.In October 2015, MHP announced its ***plans*** to acquire 100,000ha of ***agricultural*** land as well as continue its investment in the second stage of the Vinnytsia poultry farm. Completion of the second stage is ***planned*** for 2021 and now has permission to export to 64 countries. In October 2016 the company announced ***plans*** to invest up to USD500mn in the construction of the second stage. In Q117 MHP's exports rose 60% y-o-y to 49,150 tonnes, with base effects from a poor 2016 playing a major part in the increase. Combined with a 2% y-o-y decline in domestic sales, exports accounted for 40% of total sales, a record figure for the firm. Europe accounted for 21% of total exports, but this level is likely to decline later in the year as MHP has used nearly half of its duty-free export quota in the first quarter of 2017.In September 2017, an article in the Kyiv Post alleged that MHP was in receipt of UAH809mn of subsidies from the government of ousted former Ukrainian President Viktor Yanukovych. Yuiry Kosiuk, CEO of MHP, was the Deputy Head of the President's Administration in 2015. Critics claim these subsidies were effectively a tax break for MHP.MHP sold 134,890 tonnes of chicken meat over Q117-Q317, which is a 13% reduction on the same period in 2016, and has been linked to a decline in the firm's poultry stocks compared to 2016. However, profits rose 14% y-o-y in the same time period owing to increased prices for chicken meat.In early 2018, the company said it will expand its Vinitsia poultry farm to 520,000 tonnes per year by 2021, in order to increase exports. During the first three quarters of 2017, exports accounted for around 58% of the company's total revenue. Moreover, MHP has recently revealed its intentions to acquire a poultry processing company in the EU.

**Load-Date:** April 3, 2018

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[***São Martinho SA – Outperformance To Come After Ethanol Policy Implementation***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RB6-81M1-F0J5-84X5-00000-00&context=1516831)

Brazil Agribusiness Report

July 1, 2017 Saturday

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**Length:** 2039 words

**Highlight:** We believe that São Martinho's share price will outperform the Bovespa over the coming months. The company remains one of the most profitable sugar and bio-energy companies in Brazil, which we believe results in a valuation premium. Moreover, we believe the company's growth prospects look better after the passage of the RenovaBio policy by the Brazilian government Valuations are also relatively cheap compared to the Bovespa, which we expect to weaken in the coming quarters.

**Body**

**Company Core View** We believe that Sao Martinho's share price will outperform the Bovespa over the coming months. The company remains one of the most profitable sugar and bio-energy companies in Brazil, which we believe results in a valuation premium. Moreover, we believe the company's growth prospects look better after the passage of the RenovaBio policy by the Brazilian government Valuations are also relatively cheap compared to the Bovespa, which we expect to weaken in the coming quarters.

**Company OverviewSao Martinho SA** is a Brazil-based company involved in the sale and production of sugar and ethanol. It is also engaged in electricity generation, cattle breeding and international goods trading. The company grows roughly 70% of the sugar cane it uses, and purchases the rest from third-party sources. Most of this is grown in Brazil's Centre South region. The company has subsidiaries across various sectors, such as sugar and ethanol production and real estate. **Strengths** One of the most profitable sugar ***producers*** in Brazil. Excellent logistical operations as the company's mills are located close to rail lines and the port of Santos (the country's largest sugar-exporting port). Very high capacity utilisation and mechanisation when compared with the rest of the industry. Has the ability to mix between sugar and ethanol depending on pricing dynamics for either. **Weaknesses** Susceptible to changes in domestic ethanol and global/local sugar prices, as well as to changes from currency effects and weather patterns. The company forward-sells some, but not all, of its sugar. Earnings are seasonal due to the nature of the Brazilian sugar harvest, leading to some quarters recording negative cash flow. Expensive capital costs relative to developed market peers. **Opportunities** Sugar consumption growth, particularly in Asia, is showing strong potential in the medium term. Current low valuations of sugar mills in Brazil provide Sao Martinho with potentially cheap acquisition targets. Depreciation of the *real* could increase domestic earnings from sugar. The company forward-hedges sugar in US dollar terms. The passage of the RenovaBio policy (which encourages the use of biofuels in place of fossil fuels) should boost ethanol prices. **Threats** Seasonal delays and other problems at the port of Santos could erode the company's credibility. Environmental concerns have remained prominent in Brazil. Increased regulation could lead to higher fixed costs for ***agricultural*** ***producers*** in the coming years, eroding profitability. Cheaper US ethanol imports could reduce domestic ethanol prices.

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| Weak Sugar Prices Hurting Performance |
| Select Companies - One-Year USD Share Price Performance (%) |
|  |
| *Note: Performance as of December 27. Source: BMI, Bloomberg* |

**Earnings Analysis** Sao Martinho's consolidated net revenue came in moderately lower year-on-year, while GAAP EBITDA and net income fell considerably. Specifically, sales fell by 25% to BRL614mn due to two three factors: **First**, the company removed BRL122mn from sales and EBITDA due to adjustments related to fair value hedges. **Second**, the management decided to hold back additional white sugar inventory until H218. This accounted for most of the total decline in sales. Third, the company suffered poor sales of anhydrous ethanol, both in sales price and volume terms.Although hydrous sales increased, this was mostly due to the consolidation of the Boa Vista plant. GAAP EBITDA thus decreased by around 35% to BRL90mn considerably, despite operating expenses remaining stable. Net income also fell, although the company benefitted to an extent from exchange rate variations. Relative to Bloomberg consensus, Sao Martinho missed estimates for GAAP earnings, adjusted earnings, and revenues. On a net income basis, the company has now missed GAAP consensus estimates by at least 30% in three consecutive quarters.

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| Volatile Earnings |
| Select Companies - Trailing 12-Month EPS (Local Currency) |
|  |
| *Sources: BMI, Bloomberg* |

*Looking ahead, the company's H218 year-on-year sugar sales will show a better performance relative to Q218,as the company held back inventory in the first half of FY18. However, this will probably be mitigated to an extent by a lower expected TRS (a measure of yields). Moreover, sugar prices are considerably lower year-on-year, and we anticipate prices remaining weak over the coming quarters,reaching lows last seen in 2015, in the range of USc10-12/lb, andaveraging USc13.50/lb over 2018(*see 'Sugar: Policy Changes To Drive Sugar Market Disruption', October 17 2017 *).Although the company hedges roughly 70% of its own sugarcane,some ofSaoMartinho's sugar comes from third-party sources, and thus only around 50% of the company's white sugar production is hedged. Finally,the company is devoting more sugarcane to ethanol in FY18, which will weigh on total white sugar sales. By contrast, ethanol sales will likely receive a boost year-on-year in H218,as the company devotes more sugarcane to ethanol and the new RenovaBio government* ***program****mehelpstostimulate ethanol prices.*

|  |
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| Rising Ethanol Prices To Boost Sugar |
| Brazil - Crystal Sugar Sao Paulo, 50kg bag (BRL) & Ethanol Fuel Sao Paulo, BRL/litre |
|  |
| *Sources: BMI, Bloomberg, CEPEA* |

**Company Strategy** Sao Martinho will concentrate on maintaining its position as the most profitable sugar and ethanol ***producer*** in Brazil over the coming years. This will be done through a number of means: Firstly, Sao Martinho ***plans*** to expand its businesses through ***strategic*** acquisitions, partnerships and new projects; Secondly, management wants to improve its efficiency through additional technology 'that includes all ***agricultural***, industrial and logistics and its processes'; and finally, the company wants to expand its share of the international sugar and ethanol markets.Currently, the company has several major attributes which we believe contribute to its profitability outperformance over rivals: Sao Martinho owns 70% of the sugarcane plantations it utilises. Its operations have a traditionally high mechanisation rate. Its operations are strategically located near railroads and ports, avoiding poor infrastructure. The company has a particularly strong track record regarding its commodities' prices and currency hedging positions. Previously, Sao Martinho cautioned against major mergers and acquisitions activity as debt levels were elevated ( *see'SaoMartinho Global Company Strategy',March 24 2017*). However, earnings have increased in recent quarters and debt levels have fallen to levels closer to management's preferred levels, allowing for additional acquisitions. The company's net debt (in local currency terms) has been falling in year-on-year terms. Sao Martinho's net debt/adjusted EBITDA ratio currently stands at 1.6x in Q218 (in adjusted terms), lower than Q315 (3.14x). Having paid off USD-denominated debt in recent years, the company now has 75% of debt denominated in BRL terms (the rest is in USD ) while only 26% of debt is considered short-term (the rest is long-term).

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| Net Debt Low Compared To Previous Years |
| Sao Martinho - Net Debt/EBITDA |
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| *Note: Non-adjusted figures; Sources: BMI, Bloomberg* |

Finally, Sao Martinho normally hedges the majority of its own sugarcane production. For the 2017/18 season, the company has - as of December 2017 - hedged roughly 70% of its own cane at around USc17/lb. These hedges are being distributed through five contracts along the ICE sugar futures curve out of 2018. Sao Martinho is able to adjust the weighting of its sugar/ethanol mix on an annual basis by 60:40, depending on industry dynamics. The fact that Sao Martinho has hedged most of its production for the 2017/18 season means that it is relatively insulated from low sugar prices.However, when including third-party sugarcane, the company in reality hedges only around half of white sugar production. Moreover, the company has hedged only a small amount of sugar for 2018/19 and sugar prices will remain weak over the coming quarters. Specifically, sugar prices will continue to fall as the global market returns to surplus in 2018. Harvests look promising in the major ***producing*** countries in Asia as well as in Brazil, and European production is being ramped up following the reform of sugar quotas in September 2017. Longer term, we do not expect prices to rally significantly beyond USc16.0/lb over our forecast period, as we are forecasting surpluses to persist out to 2021.

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| Prices Supported But Limited Gains |
| Front-Month ICE Sugar (USc/lb, monthly) & BMI Forecasts |
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| *Sources: BMI, Bloomberg* |

Even with lower sugar prices over the coming years, the company could benefit from a rebound in ethanol prices, which would be aided by a new government support ***programme***. Specifically, RenovaBio, a policy support ***programme*** for ethanol, was recently approved for debate in the National Council of Energy Policy and is expected to be signed into law imminently. The proposed legislation would act in the following manner: Fossil fuel distributors will be required to offset the carbon content of their sales by purchasing pre-established quantities of bio-fuel and carbon credits from certified ***producers***. Biofuels ***produced*** by each company to be assigned carbon credits in proportion to the expected emissions reductions associated with their use, as compared with gasoline. The requirement to purchase carbon credits to increase gradually up to 2030, until the share of biofuels in the Brazilian energy mix reaches 18%.

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| Biofuel Policy To Increase Ethanol Market Share |
| Brazil - Ethanol Consumption Under Different Policies (% of volume of fuel sold) |
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| *Note: BAU = Business As Usual. Source: NovaCana* |

Once implemented, we would expect the combination of biofuel support policies to drive ethanol prices upwards, and cause a fall in the share of TRS diverted to sugar - possibly to as low as 40% - this will help boost sugar prices, which could aid Sao Martinho's earnings. We have factored in these developments in our sugar price forecasts from H218, and are expecting to see market dynamics shift in favour of ethanol during the 2018/19 season. Moreover, Sao Martinho's recent acquisition of ethanol blender Nova Fronteira Bioenergia from Petrobras will provide exposure to the ethanol market. This could provide additional upside to earnings, particularly as the company has stated in its Q218 earnings call that it (along with many other sugarcane millers in the country) is likely to increase its share of sugarcane devoted to ethanol in the upcoming season.

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| Bullish Technical Outlook With Cheap Valuations |
| Sao Martinho - Share Price, BRL (LHS) & Forward P/E Comparison To Bovespa |
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| *Note: A negative number in RHC implies Sa o Martinho valuation discount; Source: BMI, Bloomberg* |

**Share Price AnalysisAnd Valuation**On a valuation basis, Sao Martinho's share price is somewhat mixed compared to the Bovespa. On a relative P/E basis, Sao Martinho is trading at 1.19, suggesting the share price is somewhat expensive. However, other indicators suggest the share price is cheap, including forward P/E. On a P/B basis, the share is trading at a premium well below the five-year average. On an EV/EBITDA basis, the company continues to trade at a discount to the Bovespa. On a technical basis, the share price has fallen out of the trend channel we highlighted in our previous profile and, in line with a risk we outlined, approached support at around BRL15. In line with our previous view, the share price held support at BRL15, breaking above resistance currently at BRL18. Momentum indicators suggest plenty of scope for upward movement in the share price before approaching overbought territory.

**Sao Martinho Financial Results**

|  | **2013** | **2014** | **2015** | **2016** | **2017** |
| --- | --- | --- | --- | --- | --- |
| Revenue, BRLmn | **1,291** | **1,534** | **1,916** | **2,339** | **2,610** |
| Sales Growth, % | -5.5 | 18.8 | 24.9 | 22.1 | 11.6 |
| Net Income, BRLmn | 73.0 | 135.0 | 286.1 | 206.9 | 283.9 |
| Profit Margin, % | 5.6 | 8.8 | 14.9 | 8.8 | 10.9 |
| Operating Income, BRLmn | 202.6 | 260.3 | 423.3 | 412.6 | 581.5 |
| Operating Margin, % | 15.7 | 17.0 | 22.1 | 17.6 | 22.3 |
| Total Debt/EBITDA | 2.7 | 2.8 | 3.6 | 3.4 | 3.0 |
| Interest Coverage Ratio | 2.6 | 2.6 | 2.2 | 1.6 | 2.0 |
| EPS, USD | 0.2 | 0.4 | 0.8 | 0.6 | 0.8 |
| PE Ratio | 43.8 | 25.8 | 15.2 | 26.4 | 20.5 |

Source: BMI, Bloomberg, Sao Martinho

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HINA Digest

30 August 2017

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**Body**

Zagreb, 30 August 2017 (Hina) - Croatia's GDP accelerates to 3% in Q2 2017 - analystsZAGREB, Aug 30 (Hina) - Croatia's economic growth seems to have increased by 3% in the second quarter of 2017 year on year on the back of the growing personal consumption, exports and investments, according to assessments of eight economic analysts polled by Hina.Their forecasts range between 2.7% to 3.4%.Thus, Croatia's Gross Domestic Product has been rising for 11 consecutive quarters.In Q1 this year, Croatia's economy expanded at a rate of 2.5%.The analysts hold that the growth is mainly fuelled by stronger personal consumption, which is the largest constituent of GDP.Stronger consumption is indicated by a rise in retail sales for 34 months in a row, a record long streak.The national statistical office is expected to release first estimates of the 2017 Q2 growth on Wednesday morning.Banks post EUR 167.6M in gross profits in H1ZAGREB, Aug29(Hina) - In the first half of 2017, banks in Croatia made HRK 1.24 billion in profits before taxes, nearly 65% less than at the same time in 2016, according to the latest figures of the central bank (HNB), which said earlier that the crisis inthe ailing Agrokor food and retail group would affect the profitability of banks.HNB governor Boris Vujcic said in July that in the second quarter banks continued to recognise the risks relating toAgrokorby raising loss provisions, which would affect their profitability.

He added, however, that the banking system's stability was very good, with capital adequacy at 23%.Banks' profits at the end of H1 2017 fell to HRK 1.24 billion from HRK 3.5 billion at the end of H1 2016.The number of banks which reported losses increased from 5out of 28 at the end of H1 2016 to 14 out of 26 at the end of H1 2017.The biggest loss was reported by Splitska Banka (HRK 188.4M), which posted HRK 304.5 millioningross profitsin H1 2016.The Croatian Postal Bank wrapped up H1 2017 with a loss of HRK 64.8 million, whereas it posted a gross profit of HRK 88.8 million at the same time last year. The bank said in its financial statement that the loss was due to Agrokor-related loan loss provisions.The biggest gross profit in H1 2017 was posted by Privredna Banka Zagreb, HRK 595.5 million, down 30.8% on the year. Next wereErste & Steiermaerkischewith a gross profit of HRK 412.5 million (-25.8%),and Raiffeisenbank Austriawith a gross profit of HRK 328.4 million (-25.1%).Zagrebacka Banka ranked fourth, with a gross profit of HRK 270.9 million, a drop of 71.6% in relation to H1 2016.Croatian household loans reach HRK 117.3 billionZAGREB, Aug29(Hina) -According to figures released by the Croatian NAtional Bank (HNB), household loans in Croatia totalled HRK 117.3billion at the end of June 2017, which is HRK 975 million less than in June 2016 and HRK 107 million more than at the end of May 2017, Raiffeisenbank Austria (RBA) said in a report, adding that the process of household deleveraging is drawing to a close.Loans in the national currency, the kuna, continued to grow alongsidedeleveraging in foreign currency-denominated loans, so that the share of kuna loans in the total loans in this sector reached 45.5% or 7.3 percentage points more than in June 2016, RBA analysts said in their comment on the HNB data on Tuesday.RBA says that people have become more aware of foreign currency-related risks after the conversion of Swiss franc-denominated loans into euro loanswhich, together with a fall in interest on kuna loans, led to a rise in the share of kuna loans in the household credit portfolio.General purpose cash loans rose by HRK 1.2billion compared with June 2016. Their share in the total household loans was 35.5%, ranking second, immediately after housing loans, which accounted for 43.9% of the household loans,the RBA report says.At the end of June 2017, housing loans totalled HRK 51.5billion, or HRK 1.1 billion less than in June 2016."We believethe process of household sector deleveraging is drawing to a close and that indications of credit demand recovery should have an effect on credit activity returning to this sector. However, we expect the recovery to be very modest and largely dependent on movements on the labour market, which is still not showing more significant growth of employment, which in turn is a precondition for taking on new financial obligations," RBA said.Non-performing loans continue to fallZAGREB, Aug 29 (Hina) - Non-performing loans continued to fall in the second quarter of the year to 13.16% at the end of June 2017, down 0.75% from Q1 and 1.83% from June 2016, the Croatian National Bank said on Tuesday.Of the HRK 256.8 billion in bank loans at the end of H1 2017, HRK 33.8 billion were considered bad ones.The share of non-performing loans has been falling since mid-2015, when they accounted for 17.34% of all loans, except in Q1 2017 when they increased from 13.8% at the end of 2016 to 13.91% at the end of this past March.At the end of H1 2017, HRK 22.8 billion of the total of HRK 84.1 billion in corporate loans were bad loans (27.08%).As for household loans, bad loans accounted for 9.12% or HRK 10.3 billion out of a total of HRK 112.8 billion. Housing loans accounted for the majority of household loans and they totalled HRK 47.1 billion at the end of H1 2017 and HRK 3.4 billion were bad ones (7.16%).Swiss franc loans at the end of June totalled HRK 2.1 billion, of which 66.91% were bad ones (HRK 1.4B). Loans denominated in the domestic currency totalled HRK 93.6 billion, of which 12.39% were bad ones (HRK 11.6B), while euro-denominated loans totalled HRK 157.7 billion, of which 12.82% were bad ones (HRK 20.2B).Polish OT Logistics submits only offer for Port of RijekaZAGREB, Aug29(Hina) - The Restructuring and Sale Centre (CERP) has received one binding offer for the purchase of nearly 1.6 million shares in the Port of Rijeka --Luka Rijeka d.d. --the largest concessionaire for shipping and reload of dry cargo in the Rijeka port basin, or a 11.75% share of the company's stock capital, and the offered price is HRK 50 per share, which is HRK 1 more than the minimum asking price.In the sale process, launched on 16 August,the state put up for sale a total of 1,575,124 shares of Luka Rijeka, or 11.75% of the company's stock capital. The shares for sale come from the portfolio of the Republic of Croatia, the Pension Insurance Institute, the CERP and the Health Insurance Institute.The minimum asking price was HRK 49. The tender said that upon the selection of the most favourable offer, the transaction would be completed at the Zagreb Stock Exchange (ZSE) as a single block transaction.The Polish OT Logistics company on Tuesday confirmed that it was the only bidder for almost 12% of the shares in the Port of Rijeka, offering HRK 79 million, which would increase its share in the to 32.56%."OT Logistics was the only bidder for this tender. It offered 45.6 million Zloty (HRK 79.2 million)" OT Logistics said on its web site. It is now the second largest individual shareholder in the Rijeka Port and already owns 20.81% of the port's shares.OT added that CERP is continuing to formally verify bids and that according to the tender conditions, it has the right not to accept the bid. In the bid is accepted, the shares will be sold on September 7 in a block transaction on the Zagreb Stock Exchange."Increasing our stakes in Croatian society is in accordance with the Group's strategy," OT Logistics said in a press release on its web site.Two bids received for construction of Ciovo-mainland bridgeZAGREB, Aug 29 (Hina) - Two bids were received for the construction of a bridge to connect Ciovo island with the mainland, fromthe Split Company for Roads and Strabag, and the other by the Pomgrada, Zagreb Montaza and Djuro DjakovicGroup,and theywill be evaluated and a decision on the selection will be made as soon as possible, the Hrvatske Ceste (HC) road authority announced on Tuesday."The two bids were opened by the selection committee today when the deadline for submissions expired and it was determined that both were submitted by a groupof companies, and an analysis will determine their validity and subsequently a selection decision will be made," HC spokeswoman Tamara Pajic told Hina.She added that as this was a ***strategic*** project, the decision would be made in the shortest time possible.She advised that the bidoffered by the Split Road Construction and Strabag amounted to HRK 119.8 million (without VAT) and that the Pomgrad, Zagreb Montaza and Djuro DjakovicGroup bid amounted to HRK113.5 million(without VAT)."Due to the transport significance of that bridge for the town of Trogir and its environs and Dalmatia, the bridge has to be in function by the beginning of the 2018 tourist season, which we in Hrvatske Cesteconsider to be June 15," Pajic said.In March this year, HC cancelled a contract with the Viadukt company for the bridge due to financial problems in that Zagreb-based company.At that stage, 57% of the project had been completed and once a new contractor is selected, works should go ahead at full steam.The Ciovo bridge is 547 metres long and its value is more than HRK 207 million. It was one of the projects selected to receive EU funding, with 85% of its value (HRK 176.6 million) to becovered by EU funds.Farm minister promises assistance to dairy sectorZAGREB, Aug 29 (Hina) - After holding talks with disgruntled milk farmers and Prime Minister Andrej Plenkovic on Tuesday, ***Agriculture*** Minister Tomislav Tolusic announced stricter controls in connection with milk pricedumping as well as support for local milk farmers to purchase cattle and construct small dairies."The incumbent government cares about the dairy sector, which has unfortunately been decaying for a decade or so," Tolusic said after the meeting in Government House.The dairy sector can have a good future, however, it will take some time to see the results of all the measures we are introducing now to reinforcethis sector, the minister added.He went on to say that the dairy sector may perhaps be faced with the most complex situation compared to other ***agricultural*** sectors.Milk farmers are mostly affected by a low purchase price, which is lower than the EU average milk price.Tolusic announced that a scheme offering grants for the construction of 10-15 mini dairy plants should be advertised by the end of the year.Speaking on behalf of the milk farmers, one farmer said he was glad to see that the government had acknowledged the problems bothering this sector."We do not expect anything unrealistic. We are aware that the government cannot define milk prices, that is up to the market... buthowever suggestions can help us reach solutions," he said.The farmers also asked that loans be rescheduled with assistance from the HBOR developmentbank.Milk farmers to receive EUR 3 mln instate aidSome 4,700 milk farmers can count on state aid in an aggregate amount of HRK 22.7 million, the Paying Agency for ***Agriculture***, Fisheries and Rural Development stated on 21 August.The grants to milk ***producers*** eligible for this kind of support are in compliance with the European Commission's Delegated Regulation (EU) 2016/1613 of 8 September 2016 providing for exceptional adjustment aid to milk ***producers*** and farmers in other livestock sectors.The aid will cover dairies with 88,328 head of cattle, the agency said recently.Cowmilk production decliningProduction of cow milk declined in Croatia by 4.6% in 2016, according to figures from the National Bureau of Statistics (DZS) that show that 489,646 tonnes of cow milk was ***produced*** last year.Aside from cattle, other kinds of livestock provide milk used by humans for dairy products. In 2016, sheepmilk production increased on the year by 9.8% to 3,097 tonnes and goatmilk production rose by 9.5% to 4,042 tonnes.Education minister presents ***plan*** for IT as compulsory subjectZAGREB, Aug 29 (Hina) - Science and Education MinisterBlazenka Divjak on Tuesday outlineda ***plan*** to introduce IT as a compulsory subject inGrades 5 and 6 in elementary schools in the 2018-2019 school year, which she said was a significant portion of the education reform package.Digital thinking and adopting know-how for internet security and using technology that assists in learningother subjects are the basic reasons to introduce IT as a compulsory subject which has been taught in Croatia for a long time as an elective subject with outdated ***programmes***, Minister Divjak told a press conference.This year HRK 8 million has been allocated for the introduction of regular lessons. Next year there will be HRK 20 million available from funds as well as resources from other allocations, she told the press conference and added that in future she would conduct regular press conferences.Money isn't the biggest problem. It is a bigger problem how to prepare teachers, she said and added that IT equipment had been funded from various sources. Equipment exists but its condition will only be known after asurveyis conducted.One of the greatest obligations is to prepare a national repository of IT papers, she added.Assistant Education Minister LidijaKralj saidthe ministry would support teachers to raise their competencies required for this project.Croatia has the lowest compulsory level of education in Europe and is among those countries where students spend the least time in school. With the introduction of IT, there is still plenty of room for elective subjects, said Kralj.PM: Solution not threatening anyone's feelings being sought to contentiousplaqueZAGREB, Aug 29 (Hina) - Prime Minister Andrej Plenkovic said on Tuesday that a legal way was being sought for replacing the contentious HOS (Croatian Defence Forces) memorial plaque with the "For the homeland, ready" Ustasha salute in Jasenovac as well as a solution so that what the plaque said did not threaten anyone's feelings."We are seeking the best legal way for replacing the plaque, i.e. for putting the context of Jasenovac (the site of a WWII death camp) in correlation with what the plaque says, with full respect for the sacrifice of Croatian defenders, the 11 HOS members who left there... their lives. However, the context of the Ustasha regime in Jasenovac and that slogan don't go together and that's what we will find the best solution to," Plenkovic said after a meeting of his HDZ party's inner leadership and some government members.Asked by the press if it would be a compromise if the plaque stayed in Jasenovac but the salute was removed from it or if the plaque was placed elsewhere, he said, "We are looking for a solution where the plaque's contents don't endanger anyone's feelings."Asked about the direct application of constitutional norms, Plenkovic said this would be resolved too.Parliament Speaker Gordan Jandrokovic said a civilised solution would be found soon. "A solution is visible. It will happen very soon." He said the situation was complex and that he was confident that a solution acceptable to all would be found through quality talks.Asked about the contentious plaque, Public Administration Minister Lovro Kuscevic said his ministry's job "is not to prepare an answer but to collect for the government all relevant opinions from the competent bodies, scientific associations, institutions, civil organisations, to combine and forward them to the government, which is the only body competent for defining and adopting an answer and sending it to parliament."Asked if he thought the prime minister should decide on the matter, Kuscevic said the government's solution would certainly be based on the law. "When the government takes its position, the prime minister will articulate it, of course."Deputy PM: Veterans deserve memorial plaques but not with fascist insigniaZAGREB, Aug29(Hina) - Deputy Prime Minister Predrag Stromaron Tuesday commented on an HOS (Croatian Defence Forces) memorial plaque withthe "For the homeland, ready" Ustasha salute in Jasenovac,the site of a WWII death camp, saying "veteransshould have plaques, but not with fascist insignia" and that they did not want in Croatia's public spaces "such a salute" as the one on the plaque in Jasenovac.Speaking to reporters in Cakovec, Stromar reiterated that the resolution of this issue had been agreed with PM Andrej Plenkovic, saying Plenkovic "will do this not for himself orthe party, but for all citizens."The HNS leader Stromar regretted that this subject was being discussed much more than the defenders who were killed defending the country in the 1990s. "Because of their sacrifice, they deserve more attention," he said.Stromar, who serves as construction minister, was in Cakovec to sign grant agreements forenergy-efficient buildings and the use of renewables in schools. The agreements were signed with five schools and are worth HRK 27 million, 60% of which will be covered bythe Construction and Physical ***Planning*** Ministry.Stromar said HRK 350 million had been set aside for the renovation of schools so that "at least 50% of energy must be saved." He added that most of the works would be done by local companies and that this would create new added value.HNS asks veterans rep Glogoski not to twist its words, positionsZAGREB, Aug29 (Hina) - The ruling coalition's HNS partyon Tuesday asked Djuro Glogoski, president of an association of disabled war veterans, not to twist its words and views, saying it had never called any veteran a fascist and that it did not take issue with HOS(Croatian Defence Forces)but the "For the homeland, ready" salute, which it said must be taken off as soon as possible from a HOSmemorial plaque in Jasenovac, the site of a WWII death camp.In an open letter to Glogoski, the HNS (Croatian People's Party) saidCroatia did not need fascist insignia norits citizens to be burdened with discussions on a topic which must have only one conclusion - the removal of the salute from the plaque in the shortest time possible.The HNS reiterated that the main topic for Croatia was an urgent implementation of a good education reform, which would be launched soon, and projects ensuring economic progress. The party reiterated thatit had reached an agreement with Prime Minister Andrej Plenkovic and that it expected it to be honoured.The HNS said it "appreciates and respects every Croatian war veteran" and thatall veterans were equally worthy and deserving of the credit for the creation of independent Croatia."We have never called any Croatian war veteran a fascist, so please don't twist our words and positions, deceiving the Croatian public," the party told Glogoski, adding that it honouredall the killed and unaccounted-for defenders."It is clear to every educatedpersonin Croatia today that the 'For the homeland, ready' salute was created under the (1941-45) Ante Pavelic dictatorship and that it is the equal of the Nazi salute 'Sieg Heil', under which millions of innocent people were killed. The whole world condemned that criminal regime and the fascist salutes, including us, and there is no doubtabout this for anyone. Therefore we don't see why you find our insisting on the removal of that salute from the plaque in Jasenovac dangerous," the HNS told Glogoski.It is unfair towards the defenders killed for a free and democratic Croatia that their sacrifice should be in the shadow of unacceptable ideological salutes and messages, the party said, adding that the 1991-95 Homeland War was fought for a free and democratic Croatia and that every victim of that fight deserved respect and dignity, and not to be used for ideological bickering.Glogoski on Monday called as very dangerous the statements by HNS president and Deputy PM Predrag Stromar, Parliament Deputy Speaker Furio Radin and MP Milorad Pupovac, in which they said that the insignia of HOS, which used to be legal units of the Croatian armed forces, were fascist. Those who defended Croatia and the Croatian people are being called fascists, he said.HDZ lawmaker: It's clear to everyone what I want to say about HOS plaqueZAGREB, Aug29(Hina) - The Croatian Democratic Union's(HDZ) deputy president, Milijan Brkic, has saidthat neither he nor the HDZ downplay or glorify the symbols of any totalitarian regime.We condemned them long before, Brkic said on Tuesday.This isclear to everyone, and it is also clear tothose who, for daily petty politicking reasons, use the topic of plaques and symbols in order to foment hysteria and tensions to the detriment of Croatia, the HDZ lawmaker told the press today.His latest comment ensued after the Vecernji List dailyquoted him as saying that the volunteers from the HOS troops, that used to be part of the Croatian army during the 1991-1995 war, have as muchto do with the pro-Nazi (1941-1945) Ustashamovement asthose who are vociferous opponents of the HOS plaque in Jasenovac haveto do with Croathood."Those (the latter) never wanted Croatia. They worked against Croatia's freedom and independence," Brkic was quoted by the newspaper as saying.The HNS party, a junior partner in the ruling coalition,and ethnic minorities' representatives -Parliament Deputy Speaker Furio Radin and MP Milorad Pupovac -have recently asked the HDZ toremovetheHOS memorial plaque with the"For the homeland, ready" salute, which was used during the Ustasha regime in the 1941-1945 war.Dubrovnik mayor refuses to be photographed with Trebinje rep, insists on apologyZAGREB, Aug29(Hina) - Dubrovnik Mayor Mato Frankovic on Tuesday refused to be photographed with the deputy mayor of Trebinje, a town in southeast Bosnia and Herzegovina near the border with Croatia in the Dubrovnik hinterland, over the role of local authorities in the aggression against the southernmost Croatian city in the 1991-1995 war.Frankovic said that the residents of Dubrovnik "arewaiting for anapology from Trebinje."The apology for the war victims is a precondition for cooperation, the mayor ofDubrovnik said, recalling that the authorities innearby Montenegro have already apologised for what its troops had done during the war.At the outbreak of Croatia's war ofindependence, Yugoslav People's Army (JNA) troops and reservists led by the Serb Democratic Party (SDS) in the town of Trebinje were engaged in the attacks against Dubrovnik and its surrounding.Frankovic refused to be photographedat aceremony for the opening of the upgraded border crossing at Ivanica, Bosnia and Herzegovina, in the Dubrovnik hinterland.The upgrade of theIvanica-Brgat border crossing will facilitate a smoother flow of passengers and cars.Croatia to commemorate 12 firefighters killed in Kornat wildfire 10 yrs agoZAGREB, Aug29(Hina) - The 10th anniversary of the death of 12 volunteer firefighters who were the casualties of awildfire on the island of Kornat on 30 August 2007 will be commemoratedin Croatia on Wednesday.Only one member of the firefighting squad-- Frane Lucic -- survived, and suffers fromdisabilities resulting from the injuries he sustained in that disaster.The firefighters who lost their lives in that tragedy wereDino Klaric, Ivan Marinovic, Ivica Crvelin, Marko Stancic, Gabrijel Skocic, Hrvoje Strikoman, Tomislav Crvelin, Ante Crvelin, Josip Lucic, Karlo Severdija, Marinko Knezevicand Ante Juricev Mikulin. Six of them died on the site and six died fromlife-threatening burns later in hospital.A few investigations and court trials have been conducted, however, all circumstances of this tragedy have not yet been clarified.The families do not believe in the theory that the tragedy occurred due to the eruptive behaviour of wildfires, as suggested by an expert team engaged in the investigation.A former commander of fire-fighting units in Sibenik-Knin County, Drazen Slavica, who was the only one to stand trial for the tragedy, was acquitted in the first trial in 2013. His retrial is underway after the Supreme Court quashed his acquittal.Croatian President Kolinda Grabar-Kitarovic is expected to attend the central commemoration of the 10th anniversary of the Kornat tragedy on the archipelago of Kornat on Wednesday.Three resign from Montenegrin task force over curriculum copy scandalZAGREB, Aug29(Hina) - Three Montenegrin experts,who on Monday resigned from a task force in charge of preparing a new physical education curriculumover ascandal involvingthe copying of Croatian school ***programmes***,said on Tuesday that they did not copy the Croatian documents butonly consulted them.On 26 August, Montenegrin Education Minister Damir Sehovic and Education Bureau director Resad Sijaric agreed to take offline all Montenegrin elementary school ***programmes*** to technically edit them in the wake of Croatian education experts' claims that their physical education curriculum was copied.This past FridaySehovic met with Education Bureau representatives and they again discussed how to analyse the ***programmes***. The Croatian team who authored the curriculum told Podgorica's media that copying it without consultations was unfair but that they wouldnot sue the Montenegrin side.Today, the three experts saidthat they did not feel guilty, explaining that they havewithdrawn from the task force in a bid to halt "untrue and sensationalist descriptions" of their work.According to local media outlets, the Montenegrin prosecutionauthorities have launched an investigation into the claims about the copying of the Croatian ***programme*** for the nationalPE curriculum.IAAF World Challenge meeting held in Zagreb, discus thrower Perkovic main star of eventZAGREB, Aug 30 (Hina) - The Hanzekovic track and field meeting, an IAAF World Challenge meeting that takes place in Zagreb every year, was held on Tuesday evening with the best Croatian discus thrower Sandra Perkovic and Russian Sergey Shubenkov, the winner of the 110-metre hurdles for the third time, being the main stars of the event.The 67th edition of the Hanzekovic track and field meeting featured a few world champions, including pole vault champion American Sam Kendricks, Croatia's Perkovic and the shot putter, Tomas Walsh of New Zealand, who won the third Ivan Ivancic Memorial in Zagreb on Monday.In the 400m discipline, the winner was American Gil Roberts who broke the meeting's record, whereas Isaac Makwala of Botswana was the second in this race.During the meeting, Men Events were races: 100, 400, 3000, 110H, 400H, and pole vault, long jump as well as shot put, whereas Women Events were 100, 800, 3000 steeplechase, 100H, and high jump, triple jump, discus throw and javelin throw.In front of the packed stands, the best Croatian female javelin thrower, Sara Kolak finished the competition as the second behind the winner, Canadian Elisabeth Gleadle.The audience was enthralled by two throws above 70 metres by discus thrower Perkovic who won this discipline.According to a report on the IAAF World Challenge website, "the performance of the night on the track came courtesy of Norah Jeruto in the 3000m steeplechase.""From the moment the 21-year-old took over from the pacesetter with four laps to go, she let loose to wage a serious race against the clock. One lap later she was five seconds ahead of her nearest pursuer, a margin she doubled over the penultimate lap. Her tear continued over the final lap before she powered across the line in 9:04.56, only marginally slower than the lifetime best of 9:03.70 she clocked in Berlin just over 48 hours earlier. She won by more than 15 seconds over compatriots Daisy Jepkemei and Joan Chepkemoi, whose 9:19.68 and 9:20.22 runs were lifetime bests."In the 100m, former world champion Yohan Blake notched a confidence-boosting victory in 10.05, well clear of Michael Rodgers, second in 10.14 and Asafa Powell, third in 10.16. Blessing Okagbare prevailed in the women's race, clocking 11.14 (+1.0 m/s), well clear of Briton Dina Asher-SMith who clocked 11.23.In other news:Contracts signed on Croatia-Serbia cross-border cooperation within EU programmeZAGREB, Aug29(Hina) - Contracts for six projectswithin the Interreg IPA Cross-border Cooperation ***Programme*** Croatia-Serbia 2014-2020 were signed on Tuesday in Zagreb and the aggregate value of those projects stands at EUR 5.5 million, the Croatian Regional Development and EU Funds Ministry stated in a press release.The overall objective of the Interreg IPA Cooperation ***Programme*** Croatia-Serbia 2014-2020 is to strengthen the social, economic and territorial development of the cross-border area through the implementation of joint projects.The Croatian regionscovered by the IPA ***Programme*** are located in four counties in northeastern Croatia, and Serbia's regions are in the northwest of the country, with a total population of 2.3 million.Croatian Regional Development and EU Funds Minister Gabrijela Zalac was quoted as saying that she was glad to see that the allocation for this EU ***programme*** has increased.Croatia puts its know-how and experience at the disposal of its neighbours, she added.As many as 127 projects have been submitted for approval, fromimproving the quality of public social and health services in the said area, protecting the environment and biodiversity, including the promotion of sustainable energy and energy efficiency, contributing to the development of tourism and preserving cultural and natural heritage, as well as enhancing competitiveness and developing the business environment.The six projects concerned are aimed at improving landscaping in border areas, enhancing cross-border control, and management of flood risks, as well as at protectingbiodiversity and developingcross-border IT networks.One of the projects includes the implementation of the ofArt Nouveau destinations tour from Subotica to Osijek for tourists.IPA stands forInstrument for Pre-Accession Assistance. As of January 2007, IPAhas replaceda series of European Union ***programmes*** and financial instruments for candidate countries or potential candidate countries, namely PHARE, PHARE CBC, ISPA, SAPARD, CARDS and the financial instrument for Turkey.Number of passengers transported by FlixBus in Croatia upZAGREB, Aug29(Hina) - FlixBus, a companywhich offers intercity bus service all over Europeand which entered Croatia's market in early 2016, said on Tuesday that this summer the number of passengers it transportedincreased three times in comparison to the summer 2016.According to a press release issued by the FlixBus subsidiary for the CEE region, the highest number of passengers transported by FlixBus travelled to Zagreb, Split, Rijeka and Pula, and when it comes to destinations abroad, the most sought-afterwere Munich, Ljubljana, Vienna and Budapest.FlixBus operates an extensive networkwith over 100,000 daily connections to over 1,000 destinations in 20 European countries.ZSE main indices end in different directionsZAGREB, Aug29(Hina) - The Crobex index of the Zagreb Stock Exchange dipped 0.20% to 1,895.69 points on Tuesday, while the Crobex10 increased 0.02% to 1,123.42 points, with regular trading totalling HRK 3.2 million.Only one stock crossed the million kuna mark in regular trading, the Valamar Riviera tourism company, which turned over HRK 1.3 million. It closed at HRK 46.05 per share, down 0.63%.(EUR 1 = HRK 7.4)THIS BULLETIN INCLUDES ITEMS RELEASED BY 0830 HRS ON WEDNESDAY (Hina) ha Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, Aug 30 (Hina) - Croatia's economic growth seems to have increased by 3% in the second quarter of 2017 year on year on the back of the growing personal consumption, exports and investments, according to assessments of eight economic analysts polled by Hina.

Their forecasts range between 2.7% to 3.4%.

Thus, Croatia's Gross Domestic Product has been rising for 11 consecutive quarters.

In Q1 this year, Croatia's economy expanded at a rate of 2.5%.

The analysts hold that the growth is mainly fuelled by stronger personal consumption, which is the largest constituent of GDP.

Stronger consumption is indicated by a rise in retail sales for 34 months in a row, a record long streak.

The national statistical office is expected to release first estimates of the 2017 Q2 growth on Wednesday morning.

ZAGREB, Aug29(Hina) -According to figures released by the Croatian NAtional Bank (HNB), household loans in Croatia totalled HRK 117.3billion at the end of June 2017, which is HRK 975 million less than in June 2016 and HRK 107 million more than at the end of May 2017, Raiffeisenbank Austria (RBA) said in a report, adding that the process of household deleveraging is drawing to a close.

ZAGREB, Aug29(Hina) - The Restructuring and Sale Centre (CERP) has received one binding offer for the purchase of nearly 1.6 million shares in the Port of Rijeka --Luka Rijeka d.d. --the largest concessionaire for shipping and reload of dry cargo in the Rijeka port basin, or a 11.75% share of the company's stock capital, and the offered price is HRK 50 per share, which is HRK 1 more than the minimum asking price.

ZAGREB, Aug 29 (Hina) - Two bids were received for the construction of a bridge to connect Ciovo island with the mainland, fromthe Split Company for Roads and Strabag, and the other by the Pomgrada, Zagreb Montaza and Djuro DjakovicGroup,and theywill be evaluated and a decision on the selection will be made as soon as possible, the Hrvatske Ceste (HC) road authority announced on Tuesday.

ZAGREB, Aug 29 (Hina) - After holding talks with disgruntled milk farmers and Prime Minister Andrej Plenkovic on Tuesday, ***Agriculture*** Minister Tomislav Tolusic announced stricter controls in connection with milk pricedumping as well as support for local milk farmers to purchase cattle and construct small dairies.

ZAGREB, Aug 29 (Hina) - Science and Education MinisterBlazenka Divjak on Tuesday outlineda ***plan*** to introduce IT as a compulsory subject inGrades 5 and 6 in elementary schools in the 2018-2019 school year, which she said was a significant portion of the education reform package.

ZAGREB, Aug29(Hina) - Deputy Prime Minister Predrag Stromaron Tuesday commented on an HOS (Croatian Defence Forces) memorial plaque withthe "For the homeland, ready" Ustasha salute in Jasenovac,the site of a WWII death camp, saying "veteransshould have plaques, but not with fascist insignia" and that they did not want in Croatia's public spaces "such a salute" as the one on the plaque in Jasenovac.

ZAGREB, Aug29 (Hina) - The ruling coalition's HNS partyon Tuesday asked Djuro Glogoski, president of an association of disabled war veterans, not to twist its words and views, saying it had never called any veteran a fascist and that it did not take issue with HOS(Croatian Defence Forces)but the "For the homeland, ready" salute, which it said must be taken off as soon as possible from a HOSmemorial plaque in Jasenovac, the site of a WWII death camp.

ZAGREB, Aug29(Hina) - The Croatian Democratic Union's(HDZ) deputy president, Milijan Brkic, has saidthat neither he nor the HDZ downplay or glorify the symbols of any totalitarian regime.

ZAGREB, Aug29(Hina) - Dubrovnik Mayor Mato Frankovic on Tuesday refused to be photographed with the deputy mayor of Trebinje, a town in southeast Bosnia and Herzegovina near the border with Croatia in the Dubrovnik hinterland, over the role of local authorities in the aggression against the southernmost Croatian city in the 1991-1995 war.

ZAGREB, Aug29(Hina) - The 10th anniversary of the death of 12 volunteer firefighters who were the casualties of awildfire on the island of Kornat on 30 August 2007 will be commemoratedin Croatia on Wednesday.

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**Load-Date:** August 30, 2017

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[***Chocolate giants are moving away from Fairtrade labelling; Food and drink manufacturers look to set their own criteria when it comes to ethically sourcedproducts***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PD7-N371-JCJY-G320-00000-00&context=1516831)

The Independent (United Kingdom)

September 4, 2017 Monday 10:18 AM GMT

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**Section:** BUSINESS NEWS; Version:2

**Length:** 1465 words

**Byline:** Ana Ionova

**Body**

From cocoa to tea, food and drink giants are setting their own standards for ethical sourcing of raw materials, moving away from third-party labels such as Fairtrade.

Mondelez International, owner of chocolate brands Cadbury and Toblerone, Unilever, behind tea brands such as Lipton and PG Tips, and Barry Callebaut, the world's biggest ***producer*** of chocolate and cocoa products, have all introduced their own schemes.

They say their targets are more comprehensive and some claim their schemes are more effective in tracking whether a product is ethically sourced every step of the way.

Read more

U.K. Food Prices Steady But 'Shrinkflation' Could Sweeten Chocolate Costs

With companies under financial pressure, analysts say it has also been a way to save money.

But critics are worried that the standards that third-party groups such as UTZ Certified or Rainforest Alliance have fought to establish risk being muddled and what is deemed ethical and sustainable could become more ambiguous.

"Standards measuring environmental and social issues need to be transparent because, once this process happens behind closed doors, it is difficult to see how companies and farms apply them," said Sloane Hamilton, labour rights policy advisor at Oxfam, a charity focused on alleviating poverty.

"We don't want to see standards watered down, and neither do we want customers to be faced by a bewildering proliferation of different certification schemes."

Third-party certifiers are not opposed to all self-certification, even though the loss of fees could threaten their future. Rather, they are worried standards could become meaningless if too many companies set their own criteria.

Mondelez started selling the first Green & Black's chocolate in the UK without a Fairtrade logo in August, more than 23 years after the brand's Maya Gold bar received Britain's first mark.

The bar instead carries the stamp of "Cocoa Life", a Mondelez scheme started in 2012 with broad goals including improved productivity, protection of fertile land and gender equality in farming communities.

Mondelez says Fairtrade is still an "implementing partner" and the group's auditing arm is used to vet cocoa sourced through "Cocoa Life".

Fairtrade, a non-profit group, aims to push for a better deal for farmers and workers in developing nations. It sets standards, including a minimum price for raw materials, and requires companies to contribute toward businesses or community projects, in exchange for the Fairtrade stamp.

But as the concept of ethically-sourced ingredients has become better understood by consumers, brands have started adopting standards that work for their business and image.

"It's opened the door for companies to say 'well let's develop a standard that suits our business and also has the impact that we want to have on the ground," said Alan Rownan, ethical labels analyst at Euromonitor.

Crafting in-house standards has also become a way to trim costs for big companies under financial pressure as economic growth slows and consumers opt for healthier snacks or smaller, more artisan brands.

"When the whole market is certified, the ability to have a higher price for it becomes less," said Jon Cox, analyst at Kepler Cheuvreux in Zurich, who follows companies such as Nestle and Barry Callebaut.

"So why not bring it in-house anyway and save money? And if they can convince consumers that it's as good as some of the independents, if not better, then that maybe helps them as well."

DEEPER INVOLVEMENT

While third-party labels have had a leading role in the drive to stamp out practices such as deforestation and child labour on farms, they have also faced criticism.

Think-tanks and industry groups say the way they enforce standards is not transparent enough and they have failed to align their ***programmes*** to reduce complexity. Rainforest Alliance and UTZ Certified are now expected to streamline their standards after recently announcing ***plans*** to merge.

With consumer awareness growing, companies are also seeking to track more closely the sourcing of their ingredients and show the impact of certification to their consumers.

Fairtrade ensures that the sourcing of raw materials including coffee and bananas can be traced at every step of farming and processing but it does not provide the same guarantee for cocoa and tea.

It says certified cocoa beans are difficult to track as they can get mixed with conventional beans at the processing stage in countries that do not have the capacity to keep them separate.

This means a Fairtrade chocolate bar may be made with certified and conventional cocoa, with the label only guaranteeing that the company buys a percentage of Fairtrade beans and that any premium paid goes to farmers certified by the organisation.Some food and drinks companies say, as part of their move to new standards, they are taking a more active role in sourcing to show consumers a clearer link.

For example, Barry Callebaut built a dedicated ethically-sourced cocoa butter tank in a factory in Belgium and it has launched a mobile app aimed at improving traceability on farms in the Ivory Coast.

Mondelez does not track cocoa through the entire supply chain, but it says Cocoa Life has allowed for a deeper involvement with farmers. The company uses digital mapping in Ghana, Ivory Coast and Indonesia to boost transparency and traceability from farm to processing facility.

"When you're simply a buyer of raw materials, then in a typical supply chain, you're not involved directly on the ground," said Jonathan Horrell, global director of sustainability for Mondelez.

Some companies have also set deadlines for eliminating unsustainable practices from their supply chain and, as they approach, the pressure to find solutions has intensified.

Unilever has promised to source 100 per cent of its materials sustainably by 2020 using both certification and its own "Unilever Sustainable ***Agriculture*** Code."

Barry Callebaut is also aiming to source 100 per cent of its ingredients sustainably by 2025, up from 23 per cent in 2015. It buys cocoa through external schemes and its own "Cocoa Horizons" ***program***.

"They're under pressure to reach these (goals)," Mr Rownan said. "And it's not always easy to reach 100 per cent targets following these mainstream, rigid certifications."

SAVVY CONSUMERS

While critics of self-certification worry about muddling standards, consumers are growing savvier. The companies say they risk a fierce backlash if they try to loosen the rules.

"If you connect your name to it...then you want to make sure what you're putting out there is absolutely credible," said Christiaan Prins, head of external affairs for Barry Callebaut. "The consumer nowadays can no longer be tricked in any sense."

Sainsbury's angered consumers and watchdogs in June when it replaced the Fairtrade mark on its own-brand tea with its pilot "Fairly Traded" version, with an eye to possibly extending it to other products such as coffee and bananas.

Under "Fairly Traded", farmers will get "above and beyond" what they were receiving from Fairtrade and it should help make them more resilient to climate change, said Sainsbury's head of media relations David Nieberg.

But critics say the scheme takes control away from farmer organisations, who will no longer directly receive a premium for their tea. The premium will be managed by the Sainsbury's Foundation and will be used to fund farmers' ***strategic*** projects.

Sainsbury's will not pay licensing fees to Fairtrade but will continue to buy tea from farmers certified by the group. It will also purchase from farmers vetted by other groups if it decides they meet its in-house rules for ethical sourcing, Mr Nieberg said.

Consumer scrutiny is likely to be even greater toward companies using self-made schemes to meet ambitious targets for "sustainable" sourcing - a label that is already ambiguous because it has many standards and meanings.

"When companies move away from certifiers and all of a sudden are able to far more easily achieve their sustainability goals - well what's changed?" said Mr Rownan. "I think consumers will want to know."

With questions about their future, third-party certifiers are trying to adapt to the potential dent to licensing fees, which made up 11m euros (£10m)or 63 per cent of Fairtrade International's income in 2015.

"We're trying to show them the stories behind the investment," said Dario Soto Abril, chief executive officer at Fairtrade International. "We're making a big effort to listen to companies and adapt and innovate within our model."

Fairtrade also hopes to expand through new partnerships with groups such as Lidl and Aldi, said Abril. Fairtrade's auditing arm, FLOCERT, also launched an online platform called Fairtrace, to make it easier to track products through the supply chain.

Reuters

**Load-Date:** September 4, 2017

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[***Myronivsky Hliboproduct (MHP) - Q4 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PHR-42H1-JD33-J3W3-00000-00&context=1516831)

Ukraine Food & Drink Report

October 1, 2017 Sunday

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**Length:** 986 words

**Highlight:** MHP is the leading poultry ***producer*** in Ukraine, accounting for about half of the chicken commercially ***produced*** in the country. MHP's domestic strength owes much to its vertical integration. The company's local standing has been improved by the 2008 acquisition of Ukrainian Bacon; MHP also runs its own meat-selling franchising system. MHP has been listed on the London Stock Exchange since April 2008.

**Body**

**SWOT Analysis**

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| Strengths | MHP is the leading poultry ***producer*** in Ukraine by some margin, with a market share around 50%. Vertical integration allows for a high degree of self-sufficiency. Ability to expand by acquisition, as signified by the takeover of Ukrainian Bacon. The group has direct access to raw materials across the country. The company has a significant export trade. It provides about 85% of poultry exports from Ukraine. |
| Weaknesses | Consumption of higher-value items has been falling due to adverse economic conditions. High inflation has been undermining growth in demand for value-added products. |
| Opportunities | The company can tailor some of its products more to lower-income consumers without over-extending its margins. Economy products portfolio continuing to perform well as consumers switch to poultry from more expensive meats. Poultry benefited from the deep-rooted trend to discretion as thrifty consumers traded down from higher-value meats such as beef. Demand for poultry remains strong, especially in key export markets. |
| Threats | Multinational competition will continue to threaten specific product segments, particularly value-added areas. Falling number of retail outlets to reduce opportunities for product placement. The company will need to trim its prices in order to secure volumes. |

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| **Company Overview** | Myronivsky Hliboproduct (MHP) is the leading poultry ***producer*** in Ukraine, accounting for about half of the chicken commercially ***produced*** in the country. MHP's domestic strength owes much to its vertical integration. The company's local standing has been improved by the 2008 acquisition of Ukrainian Bacon; MHP also runs its own meat-selling franchising system. MHP has been listed on the London Stock Exchange since April 2008. |

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| **Strategy** | MHP's Ukrainian Bacon unit continued to play a strong role in the mass market push in 2010. The firm's poultry sales performed well during the economic downturn, as consumers switched from higher-cost meats such as beef. Looking outside Ukraine, MHP's international profile was strengthened considerably by its April 2008 London Stock Exchange initial public offering. The listing, which raised USD330mn, was the first by a Ukrainian ***agricultural*** company in London. In July 2010, the firm started exporting its poultry products to neighbouring Russia, where demand for poultry is expected to grow strongly over the coming years as anticipated income growth provides strong momentum to overall food consumption. Export growth is likely to take on more ***strategic*** importance for MHP. |

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| **Developments** | In mid-2011, the company appointed George Logush, a former executive and board member at US food conglomerate Kraft Foods, as its new vice president, aiming to improve its marketing strategies and boost sales figures. Around the same time, Yuriy Kosiuk, MHP's CEO, launched a new fast-food chain called Kryla in Kiev, Ukraine. In November 2011, MHP announced ***plans*** to increase the share of poultry for export. In 2013, the company said it ***planned*** to double the volume of exports with the launch of its largest site in the Vinnytsia region, which in the first year was expected to ***produce*** 100,000 tonnes of poultry per annum. The complex came into operation earlier than ***planned*** in 2012. By 2018, the company expects Vinnytsia to more than double MHP's previous 400,000 tonnes production capacity. The company also revealed that it is considering expansion into the EU poultry market through the possible acquisition of meat processing companies in Germany and other EU countries. Targets in Italy, Slovakia and France are also being considered with the potential deal estimated in the range of EUR100mn-EUR150mn. The start of Ukrainian poultry exports to the EU has already been approved by regulative bodies. In early 2013, the International Finance Corporation announced that it is providing MHP with a USD50mn loan to support the company in implementing its expansion ***programme*** in the central Ukraine region of Vinnytsia. The poultry ***producer*** ***plans*** to increase its staff by 6,000 to around 32,800 during the next five years, while the network of small- and medium-sized businesses and individual franchises that sells the company's products is also expected to expand. In summer 2015, the company announced that its poultry sales in 2014 had increased 18% y-o-y to 525,460 tonnes and that its chicken meat exports had increased 15% y-o-y in the same period to reach 140,920 tonnes. Between June and December 2014 the company exported poultry meat to the EU with zero import duty, which resulted in more than 16,500 tonnes, about 12% of total poultry export in that year. The company also increased its sunflower oil exports by 23%, to reach 296,150 tonnes. In October 2015, MHP announced its ***plans*** to acquire 100,000ha of ***agricultural*** land as well as continue its investment in the second stage of the Vinnytsia poultry farm. Completion of the second stage is ***planned*** for 2021 and now has permission to export to 64 countries. In October 2016 the company announced ***plans*** to invest up to USD500mn in the construction of the second stage. In Q117 MHP's exports rose 60% y-o-y to 49,150 tonnes, with base effects from a poor 2016 playing a major part in the increase. Combined with a 2% y-o-y decline in domestic sales, exports accounted for 40% of total sales, a record figure for the firm. Europe accounted for 21% of total exports, but this level is likely to decline later in the year as MHP has used nearly half of its duty-free export quota in the first quarter of 2017. In September 2017, an article in the Kyiv Post alleged that MHP was in receipt of UAH809mn of subsidies from the government of ousted former Ukrainian President Viktor Yanukovych. Yuiry Kosiuk, CEO of MHP, was the Deputy Head of the President's Administration in 2015. Critics claim these subsidies were effectively a tax break for MHP. |

**Load-Date:** September 20, 2017

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[***Draft policy asks for a climate Act in Bhutan***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S2R-VM81-F17J-S50T-00000-00&context=1516831)

Asia News Network

January 8, 2018 Monday

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**Length:** 507 words

**Byline:** Tshering Palden

**Body**

It has been found that such an Act is required to ensure coherent and clear implementation of national climate priorities in line with international ob- ligations.

Bhutan, along with 174 countries, signed the Paris Agreement for Climate Change on April 22 in 2016. The agreement aims to hold the increase in the global average temperature to well below two degree Celsius above pre- industrial levels and to pursue efforts to limit the temperature increase to 1.5 degree Celsius above pre-industrial levels. Bhutan’s national statement delivered at the occasion highlighted its vulnerability to the adverse impacts of climate change and stated that the Paris Agreement provides the best hope to collectively meet the challenges of climate change.

Formulated to fulfil Bhutan’s commitments to the Paris Agreement, the policy aims to provide ***strategic*** guidance and tools to identify and address the challenges and opportunities of climate change in an efficient and effective manner.

It will also ensure that Bhutan re- mains carbon neutral, and protect the wellbeing of the Bhutanese by adapting to climate change.

One of the measures identified in the policy is to pursue transformative actions and approaches to decouple green house gas emissions from economic growth through improved efficiency in resource and energy use.

The policy is expected to ensure that the proposed measures to address the challenges and opportunities of climate change are addressed through adequate means of implementation including finance, technology, capacity building and awareness, and integration into relevant ***plans*** and policies.

The policy aims to ensure meaningful participation of all relevant stakeholders in cli- mate change action in a coordinated and coherent manner with clear roles and responsibilities.

According to National Adaption ***Programme*** of Action for climate change documents,

Bhutan’s development is highly dependent on climate-sensitive sectors such as ***agriculture***, forestry, and hydropower. The most significant impact of cli- mate change in Bhutan is the formation of supra-glacial lakes due to the accelerated retreat of glaciers with increasing temperatures.

Local research in ***agriculture*** show that places like Paro, Thimphu and Chukha that grow apples today could become unsuitable to ***produce*** the cash crop by 2050 due to climate change.

The country has 2.73 mil- lion hectares of forest cover, which is 71 per cent of the total geographical area of the country. About 60 per cent of Bhutanese depend on ***agriculture***.

NEC will continue to function as the high level National Climate Change Committee (NCCC). It will consider all policy and regulatory matters on climate change and provide overall guidance on the Cli- mate Change Policy and ensure that the policy is implemented by all sectors.

A Climate Change Coordination Committee will act as the technical body to serve as a forum for discussion and coordination of matters related to climate change in Bhutan and makes recommendations for consideration by the NCCC.

**Source:** Kuensel (Bhutan)

**Load-Date:** May 11, 2018

**End of Document**



[***Brunei’s fisheries sector aims big***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S2R-VM51-F17J-S0PK-00000-00&context=1516831)

Asia News Network

July 31, 2017 Monday

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**Length:** 624 words

**Byline:** Abdul Hakiim Yakof

**Body**

The members were YB Pehin Orang Kaya Pendikar Alam Dato Paduka Seri Haji Hasrin bin Dato Paduka Haji Sabtu; YB Pehin Orang Kaya Putera Maharaja Dato Paduka Haji Abdul Ghani bin Pehin Datu Pekerma Dewa Dato Paduka Haji Abdul Rahim; YB Haji Umarali bin Esung; YB Haji Abdul Hamid @ Sabli bin Haji Arshad; YB Pengiran Haji Ali bin Pengiran Maon; YB Naim bin Haji Kamis; YB Haji Mohimin bin Haji Johari @ Jahari; YB Pengiran Haji Mohamed bin Pengiran Haji Osman @ Othman; YB Haji Abdul Wahab bin Apong; and YB Haji Emran bin Haji Sabtu.

Meant to give the LegCo members more exposure on the development and growth of the country’s fishery industry, the working visit began with a briefing at the ministry’s premises on the visits’ objectives and the MPRT’s ***strategic*** ***plan*** for the fisheries industry, delivered by Mariani binti Haji Sabtu, Acting Deputy Director of Fisheries at the MPRT.

The group’s first stop was the Golden Broodstock Development Centre in Meragang, where female rostrich prawns are being cultivated and ***produced*** by Golden Corporation Sdn Bhd. The site is equipped with modern technology and facilities capable of hatching and ***producing*** up to 2,000 female rostrich prawns per month, which the company hopes to supply to local prawn hatcheries.

The delegation next visited Rahman & Tew Sdn Bhd, a company which processes frozen fish at the Seafood Storage and Processing Building at the Muara Fish Landing Complex.

Beginning operations in 2016 and managed by Chua Kim Kok, the firm is equipped with a fish processing room, as well as 20-metric-tonne and 100-metric-tonne cold storage units. The company has set a 2017 production target of 936 metric tonnes of frozen fish, a portion of which will be exported to Vietnam.

The LegCo members then visited floating fish farms in Tanjong Pelumpong and Kaingaran Island, accessing the areas via boats provided by the Fisheries Department.

While in Tanjong Pelumpong, the group visited two farms: ODE Aquaculture and ***Agriculture*** Co, and Nur Nabai Aquaculture Sdn Bhd.

ODE Aquaculture and ***Agriculture*** Co, owned by Haji Azahari bin Haji Chuchu and his wife Hajah Nikmah binti Haji Ibrahim, is operated on a four-hectare site and equipped with 270 fish cages. Among the fishes farmed at the site are sea bass, grouper and red snapper.

Meanwhile, Nur Nabai Aquaculture Sdn Bhd is owned by Haji Abdul Rudi bin Haji Abdul Rahim and his Indonesian partner, Michael Cheung. Operating on a site measuring six hectares, the farm is equipped with 80 fish cages and specialises in the cultivation of hybrid grouper.

Next was Kaingaran Island fish farm, operated by Syarikat Hajah Rosni binti Haji Kassim dan Anak-Anak, which is owned by Haji Bakar bin Haji Chuchu. The business operates 117 fish cages over a one-hectare area. Fish farmed here are sea bass, grouper, red snapper, yellowspotted trevally and green mussels.

The group’s final stop was Helif Aquaculture Sdn Bhd at the Prawn Breeding Area in Mentiri Zone II. The company was established out of a joint venture between local and Malaysian investors, and has been supplying rostrich prawns to local restaurants, supermarkets, seafood processing plants and individuals.

The visited sites are examples of the industry focus areas which will be developed in the MPRT’s five-year ***Strategic*** ***Plan*** from 2016 until 2020.

Brunei’s fisheries industry has been able to make headway in penetrating the export market with the rostrich prawns - among these countries include Australia, the United States, China, Japan and Korea, while live fish has also been exported to the Hong Kong market.

The MPRT working visit ***programme*** is set to continue today and on Wednesday, with visits to other ***agricultural*** and fisheries company sites ***planned***.

**Source:** Borneo Bulletin (Brunei)

**Graphic**

Legislative Council members in a group photo with Dato Seri Setia Awang Haji Ali bin Haji Apong, Minister of Primary Resources and Tourism, at the ministry’s building

A worker showing the Legislative Council members a rostrich prawn

**Load-Date:** May 11, 2018

**End of Document**



[***New Seasonal Prediction System SEAS5 Brings Better El Niño Forecasts***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PXG-19H1-JB72-13PB-00000-00&context=1516831)

PR Newswire Europe

November 9, 2017 Thursday 7:01 PM EST

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**Length:** 1037 words

**Dateline:** READING, England, November 10, 2017

**Body**

The European Centre for Medium-Range Weather Forecasts (ECMWF) today launches its latest seasonal prediction system, SEAS5. The system brings a substantial improvement in forecast skill, especially for ElNiño/LaNiñaevents. Forecasts are also more detailed thanks to much greater horizontal resolution. An immediate application is the use of SEAS5 by the Global Flood Awareness System (GloFAS)to create the first ever operational global long-range river-flow forecasting system. This could mean much earlier awareness of floods and droughts than has previously been possible.

     (Logo:[*http://mma.prnewswire.com/media/600366/ECMWF\_Logo.jpg*](http://mma.prnewswire.com/media/600366/ECMWF_Logo.jpg))

     (Photo:[*http://mma.prnewswire.com/media/600380/ECMWF\_Weather\_Forecasts.jpg*](http://mma.prnewswire.com/media/600380/ECMWF_Weather_Forecasts.jpg))

     (Photo:[*http://mma.prnewswire.com/media/600398/SEAS5\_System.jpg*](http://mma.prnewswire.com/media/600398/SEAS5_System.jpg))

Seasonal forecasts help to give an idea of large-scale weather patterns up to seven months in advance at the moment. ECMWF's ***strategic*** goal is to extend this to a year by 2025. The forecasts can support decision-making for users ranging from governments and aid agencies to businesses, in areas such as water and energy management, health, ***agriculture*** and financial services.

ECMWF has been providing seasonal forecasts for 20 years. The forecasts are best known for successful predictions of El Niño and La Niña events. These periods of anomalous warming or cooling in the tropical eastern Pacific have a strong impact on the weather locally, but also influence global weather patterns. SEAS5 brings noticeable improvements in forecast skill for El Niño/La Niña and for the tropics more generally. Predictions of Arctic sea ice and near-surface temperature in the northern hemisphere are also improved, notably as a result of including an interactive sea-ice model in SEAS5.

Horizontal resolution has more than doubled both in the ocean model (from 1 degree to 0.25 degrees) and in the atmospheric model (from 80 km to 36 km), enabling much more detailed forecasts.

ECMWF project lead Tim Stockdale said:"SEAS5 uses a version of ECMWF's state-of-the-art Integrated Forecasting System (IFS) and represents six years of model development. The resolution upgrade is a huge step forward, particularly in the accuracy of representing the global ocean. The influences of the land surface are also better represented. For the future, a major goal is to improve predictions for the stratosphere to make the maximum use of all sources of predictability."

SEAS5 represents an important step towards ECMWF's goal of seamless forecasting across all time ranges. The model and initialisation methods are almost identical to those used for ECMWF's medium- and extended-range ensemble forecasts (ENS). This greatly facilitates model development and maintenance.

ECMWF Member States and licensed users can access SEAS5 forecasts on the 5th day of each month. The forecasts are made available more widely on the ECMWF website ([*http://www.ecmwf.int*](http://www.ecmwf.int)) on the 10th of each month. The forecasts can also be accessed on the 10th of each month through the EU-funded, ECMWF-run Copernicus Climate Change Service (C3S) (   [*http://climate.copernicus.eu/*](http://climate.copernicus.eu/)). C3S is developing a seasonal forecast service which also includes forecasts from other centres and multi-system forecasts.

The Global Flood Awareness System (GloFAS) is co-developed by ECMWF and the Joint Research Centre of the European Commission as part of the Copernicus Emergency Management Service (EMS). The new seasonal GloFAS model, developed in collaboration with researchers from the University of Reading, takes long-range forecasts from SEAS5 and runs a hydrological model to simulate how the predicted conditions will impact river flow across the globe up to four months in advance.

Initial pre-implementation tests indicate that the new model has the potential to save lives by allowing authorities and aid agencies around the world to ***plan*** and prepare flood relief efforts earlier than ever before. Other potential uses include water resource management, ***agriculture*** and disaster risk reduction.

Project lead Rebecca Emerton, a flood forecasting PhD researcher at the University of Reading and visiting scientist at ECMWF, said:"This new model could be a game-changer in that it provides hydrologically relevant forecasts out to several months for the whole globe-something that has never been possible before. It has the potential to provide earlier indications of both floods and droughts, which could be invaluable for disaster risk reduction efforts around the world, helping vulnerable communities become more resilient to the threat of flooding."

The forecasts will be publicly available via the existing GLoFAS interface ([*http://www.globalfloods.eu*](http://www.globalfloods.eu)).

Notes to editors

The European Centre for Medium-Range Weather Forecasts (ECMWF) is an independent intergovernmental organisation supported by 34 states. ECMWF is both a research institute and a 24/7 operational service, ***producing*** and disseminating numerical weather predictions to its Member and Co-operating States as well as licensed users. The organisation was established in 1975 and now employs around 350 staff from more than 30 countries. ECMWF is based in Reading, UK.Copernicus is a European Union ***Programme*** aimed at developing European information services based on satellite Earth observation and in situ (non-space) data. The ***Programme*** is coordinated and managed by the European Commission. ECMWF operates two of the six Copernicus services on behalf of the EU: the Copernicus Climate Change Service (C3S) and the Copernicus Atmosphere Monitoring Service (CAMS). ECMWF is also the computational centre for European flood awareness and forest fire information systems which are part of the Copernicus Emergency Management Service (EMS).The Global Flood Awareness System (GloFAS), jointly developed by the Joint Research Centre of the European Commission and ECMWF, is independent of administrative and political boundaries. It couples state-of-the-art weather forecasts with a hydrological model and with its continental-scale setup it provides downstream countries with information on upstream river conditions as well as providing continental and global overviews.

Hilda Carr - Head of Communications

+44-0118-949-9000

[*pressoffice@ecmwf.int*](mailto:pressoffice@ecmwf.int)

**Load-Date:** November 9, 2017

**End of Document**



[***Soria's hidden charms; SPAIN'S SORIA PROVINCE IS LITTLE-KNOWN EVEN TO MANY SPANIARDS BUT NOW LOCAL BUSINESSES AND GOVERNMENTS ARE TAKING THE INITIATIVE TO RAISE ITS PROFILE TO OUTSIDE INVESTORS. COURTNEY FINGAR REPORTS***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S40-95T1-DY9P-N2D4-00000-00&context=1516831)

Foreign Direct Investment (fDI)

April 13, 2018

Edition 1, National Edition

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**Section:** FEATURES; Pg. 50,51

**Length:** 1108 words

**Body**

AREPORTS fter a long career in Latin America, Luis Corella, an entrepreneur from Madrid, had decided to move back to Spain and pursue a passion project. He wanted to use his extensive experience with hi-tech greenhouses - he had been growing tomatoes on an industrial scale in Mexico for the past several years - to do large-scale cultivation of Red Naomi roses. Named after the supermodel Naomi Campbell, these roses are revered for their beauty and long-lasting qualities, His search led him to Soria, a province in the Castile-León region in the northern part of inland Spain. An area of peaceful natural beauty containing the Sierra de Urbión Mountains, the Laguna Negra Lake and the Cañón del Río Lobos nature reserve, Soria and its surroundings look the part, but its environment had more pragmatic attractions for Mr Corella and his rosy vision. Sitting more than 1000 metres above sea level with near yearround sun, low humidity and cool nights, the altitude and climate are ideal for the delicate art of growing roses.

Expansion ***plans*** Having invested more than (EURO)60m, Aleia Roses now ***produces*** 40 million roses a year (100,000 per day) and employs 380 workers in its 143,000-square-metre greenhouse in the town of Garray, near Soria. After only a year-and-ahalf of being operational, the company is already ***planning*** to add another greenhouse.

"The support and training ***programmes*** of Soria's official business organisation has been essential to our fast growth," says Mr Corella, referring to the Federacion de Organizaciones Empresariales Sorianas (FOES), which plays a leading role in business support and investment attraction for the province.

"We've done this for Aleia and we will do it for any other company that comes here, because it's important," says Andrés Sienes, business development director at Invest in Soria, which was set up in August 2017 and launched in November 2017 under the rubric of FOES to support inward investment.

There are hopes that other investments will bloom in the area. Hit hard by the global financial crisis and subsequent eurozone crisis like many parts of Spain, Soria is now seeing economic recovery. "Recent data shows companies are growing and investing again," says Maria Ángeles Fernandez Vicente, general manager of FOES. Unemployment levels, which had hit 25% by 2010, are now at 9%.

Ageing population But the area has a demographics problem. Soria has the lowest population density of all of Spain's provinces and one of the lowest in the EU, and it is ageing. More than 26% of the province's population of 90,000 is older than 65 years of age, compared with the Spanish average of just under 17%.

"We are very aware of the huge opportunities we have here, but also of the small population. It's why we are trying to attract people and companies," says Luis Rey de las Heras, president of the provincial council. "We have these resources that are not being used, and we want people and companies to come and take advantage of them.".

Frustrated with the slow pace in growing the business sector and attracting people and capital, Sorian companies decided to band together and promote inward investment themselves under the umbrella of FOES. Investment can bring quality jobs, which, combined with Soria's good quality of life and affordability, could attract new residents.

Though little known outside Spain, and known within the country mostly as a pleasant weekend getaway location or gastronomic retreat, Soria has some potentially attractive attributes for investors, should they become aware of them.

"We have a perfect location in the centre of Spain, two hours from Madrid and well connected to Barcelona, Bilbao, Valencia and other main cities. It gives access to a market of 15 million people. Our prices are very competitive and Soria is a very stable place politically and socially," says Ms Fernandez. "Soria is also a peaceful place to live, surrounded by nature, with a renowned gastronomic culture and good social services. The city ranks as the best in Spain for quality of life."

Incentives for investors To entice more investors, Sorian authorities are offering industrial land at no cost; the only requirement is to generate employment in the area. Soria also offers economic incentives through different administrations and has exclusive grant ***programmes*** for industrial development within the province. These include non-refundable grants of up to 40% for companies that create new industrial activities, involve a strengthening or diversification of the local industrial structure, and create employment - one of the most generous such grants available in Spain.

Known for its delectable ham and pork, as well as its truffles and butter, Soria is a 'foodie' town. Agribusiness and food are among the sectors identified as having growth potential for investment. Despite its landlocked location, the city's residents love fish and bring cod in by the boatloads - or rather, truckloads - giving it a surprising status as a hub for frozen seafood storage and shipment.

Other sectors identified as having growth potential for investment include automotives, packaging, pharmaceuticals, wood and renewable energy. Soria's environment lends itself naturally to renewable energy as well as growing ***agricultural*** products. The city of Soria is placed second in Spain for the percentage of power coming from wind power, while its altitude ensures it gets a lot of hours of sun per day, making it attractive for solar energy.

There are other distribution, logistics and transport opportunities on tap as well, thanks to the city's central location in Spain and good road transport connections.

A sharp reflection Fico Mirrors is an automotive component maker that uses Soria as a ***strategic*** geographical point for the distribution of its products to customers that include major automotive original equipment manufacturers such as Ford, GM, Renault, Volvo and Volkswagen in 81 locations around the world. Part of Ficosa, a multinational group based in Barcelona, Fico Mirrors has been in Soria since 1991. It now ***produces*** approximately 17,000 mirrors a day and has a workforce of 700 workers in Soria, working across 31 assembly lines, four of which are robotised. More than 60% of production is exported.

"We have hired 85 new people just in the past year," says plant manager Jose Maria Garces. "We do lots of training courses but we have no problem hiring people here. And when ranking Fico plants worldwide on productivity, quality, safety and absenteeism, Soria is number one." ¦

WE HAVE A PERFECT LOCATION IN THE CENTRE OF SPAIN. OUR PRICES ARE VERY COMPETITIVE AND SORIA IS A VERY STABLE PLACE

**Graphic**

On the map: Maria Ángeles Fernandez Vicente (above), general manager of Federacion de Organizaciones Empresariales Sorianas, and the Aleia Roses facility

**Load-Date:** April 16, 2018

**End of Document**



[***Governor's annual address to the Legislative Assembly***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5SFF-4B91-JDKC-R513-00000-00&context=1516831)

UK Government News

May 30, 2018 Wednesday 10:21 PM EST

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**Length:** 5138 words

**Body**

U.K., May 30 -- The UK Government made the following announcement:

Governor Phillips delivers his annual address to the Falkland Islands Legislative Assembly.

Mr Speaker, Honourable Members,

I am delighted to stand here before you today, to provide the Governor's Annual Address, to reflect on how our nation is faring after a year of change, and to share the many bright prospects that we can look forward to in the year ahead.

In November 2017 the people of the Falkland Islands elected a new Legislative Assembly. The high voter turnout in Stanley and Camp was an increase in both constituencies compared to turnout for the 2013 election. This clearly demonstrates how strongly Islanders feel about their constitutional right to self-determination, and their high regard for the process and principles of democracy.

Although three current members served under the previous Assembly, the majority are new, not only to the role, but to the front line of politics itself.

Together they bring a wealth of experience to the table and together they have been working to build a consensus that will create the right conditions and drive forward their vision for sustainable economic, social and political development across the Falkland Islands.

The Budget being presented today displays the ambitions they have collectively agreed for the future. I will now reflect on the achievements of the past year and set out the Government's agenda for investing in the future of the Falkland Islands.

The economy continues to perform well and, yet again, we have achieved a healthy financial surplus in excess of that budgeted. The main contributor to this has been corporation tax receipts from the fishing industry and other businesses; and the Government continues to work on refining its forecasting to better predict annual results.

Government finances are therefore in a good position, fortified by strong reserves. This has allowed us to set a far-reaching agenda for investing in critical economic and social infrastructure, as well as in capacity to deliver our ambitious capital and service improvement ***programmes***.

We believe the investments outlined in the new Budget will ensure that Falkland Islanders have access to new and exciting economic opportunities and to a good quality of life.

At the same time, I would like to assure you Mr Speaker, that the Government continues its enduring tradition of prudent economic management. We know that with investment comes risk; however with a continued focus on maintaining a stable tax regime, improving the efficiency of our services, and enhancing our ***programme*** management and delivery processes, we can maintain our strong fiscal position.

In the past year, we have faced the implications of a series of geopolitical issues. First and foremost have been the on-going Brexit negotiations between the United Kingdom and the European Union, following the UK referendum on EU membership in June 2016. Throughout these discussions, we have worked with our fishing and ***agricultural*** sectors, business leaders, and the community to understand the possible consequences for the Falkland Islands.

We have continued to make our voice heard in Westminster, Europe and the wider world, to ensure our interests are not overlooked as negotiations advance. Our elected members have taken every opportunity to advocate for the Falklands within their public diplomacy work, both bilaterally and as a UK Overseas Territory. As we continue do everything in our power, to ensure our views are understood and considered in any future trade agreements, we are also investigating what alternative opportunities may exist for our import and export products once Brexit is fully implemented.

The past 12 months have also seen some movement in terms of the 2016 UK-Argentina Joint Communique, which pledged closer cooperation on key issues which impede our efforts to increase economic and social growth within the Falklands.

In February, airline operators were invited to communicate their interest in establishing a new, weekly scheduled air service to and from the Falkland Islands. The aim is for the new route to become operational before the end of 2018, however this is a complex exercise and it is vital that the necessary time is taken to ensure the process is carried out to the highest possible standards and that it ***produces*** the right outcome for the Falkland Islands.

There has also been movement with regard to fisheries, with two days of talks in mid-May between delegations from the UK and Argentine Governments, in Buenos Aires. I am delighted that the UK delegation included representatives from the Falkland Islands Natural Resources Department.

This was the first such meeting in 14 years and good progress was made in addressing the renewal of scientific data sharing, which will improve our understanding of shared marine resources. It is hoped that, in time, this dialogue will help ensure the sustainability of fisheries in South Atlantic waters and have conservation benefits for the future.

Finally, the attention of the world fell on the Falkland Islands in March, as the families of the Argentine soldiers identified through the work of the International Committee of the Red Cross, were able to pay their respects to their next of kin.

They arrived at the Argentine cemetery in Darwin to find the graves of their relatives, complete with a headstone carrying their name, after months of painstaking DNA work. This humanitarian undertaking received the full support of the Falklands Islands Government.

In April 2018, the Government published The Islands ***Plan***, which sets out our blueprint for improving the health and wealth of Falkland Islanders over the next four years.

I think Mr Speaker, you will agree, that it outlines a bold and ambitious future for the nation, with a strong focus on stimulating economic growth, improving transport and communications links, modernising our local infrastructure, providing high quality education and protecting the environment.

These are commendable aims and ones we should strive to achieve; whilst acknowledging that there are several obstacles we need to address in order to move forward at the required pace and with a relentless focus on delivery. The Government also recognises that stimulating investment will require some innovative risk-sharing with the private sector.

I am pleased to see that this Budget seeks to tackle some of the larger objectives of The Islands ***Plan*** in the first year. I hope that the public are equally encouraged by this clear signal from the Members of the Legislative Assembly that they do not intend to be complacent, but will press on with delivering the changes that the community wants to see.

Above all, the publication of The Islands ***Plan*** gives us the opportunity to determine how we want to build our future; an exciting future where there are opportunities for everyone.

Mr Speaker, in this past year we have been pleased to see the continuing success of our Economic Development Strategy. First adopted in 2010, the strategy set a 15-year course for ensuring that the Falkland Islands have solid foundations for economic growth and development.

To take tourism as just one example, we have seen an increase in leisure tourism of 14.9% this year, compared to the previous season. The weekly LATAM flight saw a 21% increase in tourist passengers and arrivals on the Airbridge grew by 44%. This demonstrates how the Falklands are fast becoming a destination of choice for tourists who prefer to spend their time off the beaten track.

The 2018/19 Budget supports continued development of our tourism sector and reflects many of the priorities identified in the Economic Development ***Plan*** and also The Islands ***Plan***. It confirms capital investments in our essential infrastructure, including significantly increasing the blacktopping of the MPA road and maintenance works on Stanley roads. It also incorporates improvements for life in rural areas, including investments in Camp infrastructure and monies for training and innovation in ***agriculture***.

We know that our community relies heavily on domestic and international transportation links, and this is an area where the Government will invest significantly over the next year.

Support to air travel will include ***plans*** to upgrade the air terminal at Mount Pleasant Airport, investigating the upgrading of Stanley Airport and investments in new aircraft and personnel for FIGAS.

Similarly, we will continue to extend the lifespan of FIPASS while work progresses on ***plans*** for a new port facility to secure a longer term solution for our maritime sector.

The Government will also deliver a number of new initiatives to support the expansion and development of our labour force. 2018 has seen the introduction of new four year work permits and we are working to implement other changes to our immigration legislation.

Through these efforts we aim to maintain control of our borders, facilitate the development of the Islands, and attract new families to make the Falkland Islands their home, while ensuring that our services and infrastructure grow apace.

This work will be supported by investments in our quarry and power station, and an upgrade ***programme*** for Government housing and building assets. The Government will also deliver its ***strategic*** housing ***plan***, which will provide a blueprint for public and private investment, as well as funding for the next phase of residential developments on Sappers Hill in Stanley.

The Budget also confirms our continued commitment to enabling partner organisations to continue to flourish and work together with us to build a sustainable future. Their work helps to support Falkland Island businesses in the ***agricultural***, meat, shipping and tourism industries, and also to encourage and foster the spirit of local entrepreneurship.

In addition, the Budget supports joint initiatives with the Ministry of Defence at Mount Pleasant, to advance opportunities to share infrastructure and improve reliability of our air transport links and other crucial services. We will continue to move forward with this vital work this year, very much in the spirit of collaboration and cooperation.

Mr Speaker, as you know, the very bedrock of our economy depends upon our natural resources and I am pleased to report that our ***agricultural*** sector is moving from strength to strength. We have just experienced the best summer for pasture growth in years and wool prices are at record highs; we are continuing to explore opportunities to add value to our wool sales, through improved marketing and research into emerging markets.

Recent developments in the demand for Falklands beef have given us the opportunity to increase our beef herd several fold in the pursuit of a viable beef export and supply sector.

You may also be aware that Falklands lamb is now available for sale in the UK. Keevil and Keevil, the longest-standing butchers in Smithfield Market, has recently started selling lamb leg and shoulder online; and have proved to be incredibly popular products.

Acknowledging the successes of our ***agricultural*** sector, as well as the increasing growth opportunities, this year the Government will work with the private sector to launch an ***Agricultural*** Trainee scheme to assist young people in entering the sector.

The performance of our fisheries is more of a mixed picture. The Loligo fishery, which is entirely under the control of the Falkland Islands, has seen the highest catch in the initial 2018 fishing season since 1995.

In contrast, it has been another modest year for Ilex squid, a stock over which the Government can exert only limited control. It is hoped that the resumption of talks under the umbrella of a joint UK/Falklands and Argentine Scientific Sub-Committee will lead to an improved understanding of how shared squid stocks within South Atlantic waters can be managed better.

The fishery is the mainstay of our Islands economy and in addition to licence fees there has been a significant increase in corporation tax from this sector, reflecting an upturn in overall profitability. We continue to review the Individual Transferable Quota system to ensure that it is delivering the intended benefits; and are working closely with all fishing stakeholders to propose enhancements that will continue to support an increasingly prosperous future.

I'm pleased to confirm that our new Maritime Ordinance and Harbours and Ports Ordinance, were made law earlier in the year and are now in the process of being implemented. This is a significant achievement as the new legislation will allow for the establishment of the maritime legal framework, which in turn will deliver a better regulated and safer marine environment across the Islands. Additionally the Harbours and Ports Ordinance will be the mechanism under which a Falkland Islands Marine Authority will be developed.

Mr Speaker, I am pleased to report that there has been material progress since last year with the Sea Lion oilfield development. The significant recovery in the global price of oil means that the project is an increasingly attractive prospect and key regulatory approvals have advanced. Earlier this year the environmental impact statement underwent a thorough public consultation process. The feedback from this exercise is now being considered by Government officials, prior to making a recommendation to the Executive Council.

After two years of work, the technical review work on the Field Development ***Plan*** is also close to conclusion, and other elements of the overall engagement ***plan*** between Premier Oil and the Government are progressing well.

New environmental legislation is about to enter the drafting stage and a review of offshore safety legislation is about to begin. Together, these will ensure that future offshore oil and gas activity continues to be regulated to the highest possible standards in these critical areas. Other oil readiness work continues across Government, much of which will feed in to the overall legislative development ***programme***.

During the coming year, we hope to see continuation of investment in the Falkland Islands' first offshore oilfield development. However there remains a lot to be done both before and after that decision. If the project is approved, it will bring tremendous opportunities for the local economy and a significant boost to the revenues of this Government in future years. It will also underpin future capital investment and the economic independence of the Falkland Islands for future generations.

Mr Speaker, as I mentioned earlier, I am delighted to report that our tourism industry continues to enjoy ever increasing growth. I understand from the Falkland Islands Tourist Board that they welcomed over 70,000 people to the Jetty Visitor Centre in the recent summer season, which is nearly enough to fill Wembley Stadium. Our Government's investment in FIGAS and other critical tourism infrastructure will help to maintain this upward momentum.

Speaking of sport, at this point it would be remiss of me not to extend my warmest congratulations to our sports men and women who represented the Falkland Islands at the Commonwealth Games in April. I understand that many competitors achieved Personal Bests and on behalf of the Government I would like to thank you for your efforts and for being such extremely positive ambassadors for the nation. This is another example of the Falkland Islands reaching out into the world and having a place on the global stage.

Returning to home, we will continue to collaborate with the private sector, to definitively position the Falkland Islands as a 'Gateway to Antarctica'. We are in a unique situation, in terms of our geographic location and our natural biodiversity, to offer an unparalleled experience for tourists and scientists - in fact for anyone with an interest in the natural world - to experience one of the last great wildernesses on the planet.

We have an abundance of flora and fauna, much of which cannot be found anywhere else on the globe. In the coming year, we will invest in the development of key infrastructure and services to support this Gateway ambition. However, Mr Speaker, I must emphasise that we will not let this willingness to share our incredible surroundings with the world compromise our commitment to protecting the environment.

This Government recognises the significance of our natural environment and its contribution to the economic and social prosperity of the Falkland Islands, and will actively seek to preserve and protect our unspoiled land and seascapes. The community rightly expects us to do this and, as this Budget clearly demonstrates, we will continue to provide funding for scientific research and conservation work.

Additionally we will continue with our efforts to manage, and eradicate where possible, invasive species. Last year funding was secured to tackle the calafate menace, which has the potential to cause significant economic losses within our ***agriculture*** sector.

The first season of calafate control has just ended and is showing early signs of having been successful, which is welcome news for our farmers. We have also begun a PhD study, again funded by the last Budget, to see if the hydatid parasite can be eradicated, which would be a fantastic outcome for the Falklands.

Looking forward, we will be launching our Environmental Development Strategy, which will include modernising our wildlife protection legislation and moving forward with the implementation of our biodiversity framework.

We will also launch a management ***plan*** for Stanley Common, to ensure that it can continue to be a resource that is enjoyed by everyone. These pieces of work will bring together many of our on-going environmental initiatives in pursuit of achieving our conservation goals.

Mr Speaker, a core component of this year's Budget is our investment in people. As a Government, our focus is firmly on improving the health and wellbeing of our community, and ensuring that our citizens can enjoy the best possible quality of life, with our support where and when it is needed.

To begin with our children; this year we have pledged to make a significant investment in our nurseries. This money will help to improve facilities and train staff. We will invest in the development of a childcare ordinance for the regulation of nursery services, to ensure that all children receive safe, suitable care and education, in the vital early years. We have also set aside funding to ensure that childcare remains affordable and to increase family allowances.

This will go hand in hand with work already undertaken this year to safeguard children from harm. Mr Speaker, I must commend the way that front line agencies, including health and social services, and the police, have come together to put safeguarding children at the heart of their joint work. In this respect we are one of the leading lights of the British Overseas Territories and I thank our colleagues for their tireless efforts in making the Falklands an even safer place.

I'm pleased to confirm that our ***plans*** for the new vulnerable persons unit in Stanley have progressed; we have received tenders for the build and these are now under consideration.

Equally, our ***plans*** for the refurbishment and development of the hospital have also advanced; we have commissioned the architectural design work and an initial survey of the building has occurred. This renovation will not only improve the overall hospital environment, but also eventually allow us to provide more diagnostic and medical procedures at the site, meaning fewer patients will have to travel abroad for routine ***interventions*** and treatment.

The government recognises that maintaining good health is critical to the quality of life of the entire community. To this end, will we launch a new public health strategy this year, which will focus on ways to prevent ill health and promote wellbeing. Our capital investment in a new outdoor sports complex will provide much needed additional facilities to encourage Islanders to participate in physical activity.

We will also be asking the public to work together with us on initiatives that encourage people to make healthier choices. Research shows us that communities fare much better when they are involved in making decisions about their own health, and we want to harness local knowledge and experience to develop a public health strategy that will benefit everyone.

Mr Speaker, this time last year our Year 11 students were embarking on their GCSE exams. That year also saw the first in a series of major qualification reforms, with three GCSE subjects moving to a more rigorous assessment method.

Despite this, our students performed much better than the previous five year average, with a 12% point increase. As I speak, our current cohort of year elevens are in the middle of their exams, and a further seven subjects are now assessed under the new regime; we wish them every success.

I would also like to reflect on the successes of our students currently studying in the UK. Last year our 26 students who completed their Level 3 studies achieved a 96% pass rate.

These good news stories are encouraging, and demonstrate the huge value that this Government continues to place on education. This commitment is keenly reflected in this year's Budget, with ***plans*** that include the development of the FIG Training Centre, expansion of the apprenticeship scheme and substantial improvements to Stanley House.

We are committed to setting our children and young people on the best path to achieve their potential, and to providing meaningful choices for future school leavers. To this end we will be refreshing the education ordinance in the coming year to provide a framework for the highest quality teaching and learning across all of our schools and training facilities, including academic, vocational and special needs curricula.

In the coming year we will begin a review of all our educational facilities, to ensure that they meet the current and future needs of all of our children.

Mr Speaker, all of this, together with a cohesive education and training strategy for people over the age of 16, will help to ensure that Falkland Islanders have access to lifelong learning; along with all of the opportunities, personal and professional development, and transferable skills that education brings with it.

Mr Speaker, this year we will continue to invest in our public works ***programme*** to ensure that we have services that we can rely on.

I trust the community has seen the great strides we have taken within public works over the past year, with an additional three kilometres of the MPA road now surfaced as well as a section of the Stanley Airport road. This year the Government will accelerate the paving of the MPA road, to cover a further five kilometres.

We will also invest in upgrade works to North Camp in the East, and the Fox Bay to Port Howard road in the West; as well as jetty improvements across Camp.

We are developing ***plans*** for a new power station and port in the next four years, as outlined in The Islands ***Plan***; both projects will require significant capital investment, but are crucial to ensure that the Falkland Islands has appropriate, modern infrastructure to support our growing economy and population.

This year, we will also implement a comprehensive waste management strategy to respond to public concerns about existing practices and the desire to adopt more sustainable and environmentally friendly practices. As a modern society, we need to embrace more responsible methods for long term treatment and disposal of waste, and this is a priority for the Government in the next 12 months.

Mr Speaker, we are fortunate to live in a place where people still leave their doors unlocked and enjoy a level of safety and security which is almost unparalleled elsewhere in the world. However this is not to say that we don't require a first rate set of front line services to protect and serve the public.

During the past year, we have invested considerably in the development of our local police force; that commitment is echoed in the Budget for the coming year with continued support for implementing the Royal Falkland Islands Police improvement ***plan***. We will provide new opportunities for members of our community to join the police and look to 'grow our own talent' by encouraging people to take up a lifelong career within one of our emergency services. We will also invest in new equipment and training for the fire service.

Similarly, we have undertaken a review of the Falkland Islands Defence Force over the past year and will bring forward an improvement ***plan*** before the end of the current financial year.

I must also mention our customs and immigration service, which works tirelessly to protect our borders and ensure the security of our home. In addition to processing many work permit and visa applications each year, they have also progressed the new passport control systems to make passage through our air terminals more straightforward and secure; this will be launched shortly. The customs service also works closely with ***agricultural*** colleagues to prevent bio-invasive species from entering the Islands through imports.

I would also like to take this opportunity to note the many achievements we have made within the legislative arena. Following the enactment of our Communications Ordinance in 2017, we appointed a new Communications Regulator who has already begun the mammoth task of implementing the new regime. This is an accomplishment that should not be underplayed, as it will play a pivotal role in ensuring that we have effective telecommunications across the Falkland Islands in the future.

We know that challenges remain with providing modern and affordable services in the Falklands, and it is partly through the work of the regulator that we aim to understand both the current and future needs of our growing community. Without this focus on the expanding technological requirements of our population, we would not be able to attract as many people to come and live here, nor keep our community connected to the outside world.

Last year also saw the implementation of the new online Statute Law database, which makes the laws easily accessible to the public for the first time. This was the culmination of many years of work for the Statute Law Commissioner and is a terrific demonstration of our commitment to transparency and the rule of law.

Mr Speaker, I've naturally referenced the Government a great deal in today's address, but I would also like to take a moment to reflect on the nature and the role of the civil service. It is the largest employer in the Falkland Islands and the unelected engine of our overall administration, working behind the scenes to deliver the Government's ambitions.

In the past year, we have made concerted efforts to develop the capacity and capability of the civil service in key areas. Firstly, we have taken measures to improve both the efficiency and effectiveness of our public service. This has involved strengthening the corporate leadership team and focussing on cross-department collaboration to support improved ***planning*** and decision making, better joint working and accountability, greater resilience and enhanced control.

This work will continue this year with the implementation of a professional services framework contract that will provide the capacity to deliver the four year capital ***programme***. Further investments in ***programme*** and project management will ensure a relentless focus on delivery and improved professional and technical expertise within departments, which will be vital in ensuring the civil service is positioned to deliver its corporate ***plan***.

Secondly, work is underway to develop mechanisms to ensure that the civil service continues to evolve as an open, transparent and accountable organisation. The reinstatement of management trainee positions, which previously proved successful in offering local people the opportunity to experience the work of the civil service, will be expanded this year to introduce more trainees to the wide range of civil service activities and develop future leaders.

Additionally the Human Resources department will develop and implement professional development opportunities to maximise each employee's career growth and contribution to the Falkland Islands Government. It will be a tangible demonstration of our commitment to staff and to providing the means to develop a meaningful and challenging government career for those who want it.

***Plans*** for the next twelve months will be firmly focussed on developing the culture of the civil service to ensure that it is an inclusive and collaborative place to work where people's efforts are not only acknowledged but rewarded.

This in turn will enable a high performance culture where individuals are encouraged to adopt work practices that integrate ***planning***, improvement and accountability into business as usual.

Mr Speaker, I wish I had the time to reflect on the full gamut of the Government's accomplishments of the past year. I say this in the full knowledge that it has been a transitional 12 months from one Legislative Assembly to the next.

Whilst it may not be possible to attribute the achievements of the previous year to a specific Assembly, what is very clear to me is that during that time a great deal has changed.

I truly believe that this is an incredibly exciting time for the Falkland Islands and its people. It feels as if there are so many opportunities at our fingertips that we are spoilt for choice in terms of the direction in which we want to take our country.

This is why, in the next 12 months, the Government will lead a conversation about the future of the Falklands. This won't be about high level ambitions; but will be a discussion about how we want to develop our community, welcome newcomers, expand economic opportunities and provide good life and work options for all who choose to make this their home.

On the contrary, we must cooperate with our partners - with our business community, emerging scientific sector, non-governmental agencies and the UK Armed Forces at Mount Pleasant whose contribution to our defence we cherish - to forge closer links which will unite and bring our entire community together. Through our joint efforts we will look to maximise the opportunities that exist for the benefit of all.

Mr Speaker, Honourable Members, I look forward to the year ahead with the certainty that the Government will continue to serve the people of the Falkland Islands to the very best of its ability. Holding true to the values of our community and supporting its public's privilege to 'Desire the Right'.

Thank you. For any query with respect to this article or any other content requirement, please contact Editor at [*content.services@htlive.com*](mailto:content.services@htlive.com)

**Load-Date:** May 30, 2018

**End of Document**



[***Myronivsky Hliboproduct (MHP) - Q3 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NP8-B0V1-JD33-J2NT-00000-00&context=1516831)

Ukraine Food & Drink Report

July 1, 2017 Saturday

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**Length:** 928 words

**Highlight:** MHP is the leading poultry ***producer*** in Ukraine, accounting for about half of the chicken commercially ***produced*** in the country. MHP's domestic strength owes much to its vertical integration. The company's local standing has been improved by the 2008 acquisition of Ukrainian Bacon; MHP also runs its own meat-selling franchising system. MHP has been listed on the London Stock Exchange since April 2008.

**Body**

**SWOT Analysis**

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| Strengths | MHP is the leading poultry ***producer*** in Ukraine by some margin, with a market share around 50%. Vertical integration allows for a high degree of self-sufficiency. Ability to expand by acquisition, as signified by the takeover of Ukrainian Bacon. The group has direct access to raw materials across the country. The company has a significant export trade. It provides about 85% of poultry exports from Ukraine. |
| Weaknesses | Consumption of higher-value items has been falling due to adverse economic conditions. High inflation has been undermining growth in demand for value-added products. |
| Opportunities | The company can tailor some of its products more to lower-income consumers without over-extending its margins. Economy products portfolio continuing to perform well as consumers switch to poultry from more expensive meats. Poultry benefited from the deep-rooted trend to discretion as thrifty consumers traded down from higher-value meats such as beef. Demand for poultry remains strong, especially in key export markets. |
| Threats | Multinational competition will continue to threaten specific product segments, particularly value-added areas. Falling number of retail outlets to reduce opportunities for product placement. The company will need to trim its prices in order to secure volumes. |

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| **Company Overview** | Myronivsky Hliboproduct (MHP) is the leading poultry ***producer*** in Ukraine, accounting for about half of the chicken commercially ***produced*** in the country. MHP's domestic strength owes much to its vertical integration. The company's local standing has been improved by the 2008 acquisition of Ukrainian Bacon; MHP also runs its own meat-selling franchising system. MHP has been listed on the London Stock Exchange since April 2008. |

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| **Strategy** | MHP's Ukrainian Bacon unit continued to play a strong role in the mass market push in 2010. The firm's poultry sales performed well during the economic downturn, as consumers switched from higher-cost meats such as beef. Looking outside Ukraine, MHP's international profile was strengthened considerably by its April 2008 London Stock Exchange initial public offering. The listing, which raised USD330mn, was the first by a Ukrainian ***agricultural*** company in London. In July 2010, the firm started exporting its poultry products to neighbouring Russia, where demand for poultry is expected to grow strongly over the coming years as anticipated income growth provides strong momentum to overall food consumption. Export growth is likely to take on more ***strategic*** importance for MHP. In mid-2011, the company appointed George Logush, a former executive and board member at US food conglomerate Kraft Foods, as its new vice president, aiming to improve its marketing strategies and boost sales figures. Around the same time, Yuriy Kosiuk, MHP's CEO, launched a new fast-food chain called Kryla in Kiev, Ukraine. In November 2011, MHP announced ***plans*** to increase the share of poultry for export. In 2013, the company said it ***planned*** to double the volume of exports with the launch of its largest site in the Vinnytsia region, which in the first year was expected to ***produce*** 100,000 tonnes of poultry per annum. The complex came into operation earlier than ***planned*** in 2012. By 2018, the company expects Vinnytsia to more than double MHP's previous 400,000 tonnes production capacity. The company also revealed that it is considering expansion into the EU poultry market through the possible acquisition of meat processing companies in Germany and other EU countries. Targets in Italy, Slovakia and France are also being considered with the potential deal estimated in the range of EUR100mn-EUR150mn. The start of Ukrainian poultry exports to the EU has already been approved by regulative bodies. In early 2013, the International Finance Corporation announced that it is providing MHP with a USD50mn loan to support the company in implementing its expansion ***programme*** in the central Ukraine region of Vinnytsia. The poultry ***producer*** ***plans*** to increase its staff by 6,000 to around 32,800 during the next five years, while the network of small- and medium-sized businesses and individual franchises that sells the company's products is also expected to expand. In summer 2015, the company announced that its poultry sales in 2014 had increased 18% y-o-y to 525,460 tonnes and that its chicken meat exports had increased 15% y-o-y in the same period to reach 140,920 tonnes. Between June and December 2014 the company exported poultry meat to the EU with zero import duty, which resulted in more than 16,500 tonnes, about 12% of total poultry export in that year. The company also increased its sunflower oil exports by 23%, to reach 296,150 tonnes. In October 2015, MHP announced its ***plans*** to acquire 100,000ha of ***agricultural*** land as well as continue its investment in the second stage of the Vinnytsia poultry farm. Completion of the second stage is ***planned*** for 2021 and now has permission to export to 64 countries. In October 2016 the company announced ***plans*** to invest up to USD500mn in the construction of the second stage. In Q117 MHP's exports rose 60% y-o-y to 49,150 tonnes, with base effects from a poor 2016 playing a major part in the increase. Combined with a 2% y-o-y decline in domestic sales, exports accounted for 40% of total sales, a record figure for the firm. Europe accounted for 21% of total exports, but this level is likely to decline later in the year as MHP has used nearly half of its duty-free export quota in the first quarter of 2017. |

**Load-Date:** June 2, 2017

**End of Document**



[***-Berkeley Energia Limited - 2017 Annual Report***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PM7-PKK1-F0K1-N4F3-00000-00&context=1516831)

ENP Newswire

October 2, 2017 Monday

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**Length:** 12711 words

**Body**

The Directors of Berkeley Energia Limited submit their report on the Consolidated Entity consisting of Berkeley Energia Limited ('Company' or 'Berkeley' or 'Parent') and the entities it controlled at the end of, or during, the year ended 30 June 2017 ('Consolidated Entity' or 'Group').

Highlights

Berkeley is a company focussed on developing Europe's largest uranium project, the Salamanca mine, whilst delivering sustainable jobs and fuelling Europe's clean energy future.

Subsequent to the end of the financial year, the Company entered into an investment agreement with the sovereign wealth fund of the Sultanate of Oman ('SGRF') agreeing to invest, subject to shareholder approval, up to US$ 120 million to fully fund the Salamanca mine into production.

The investment will position the fund as a long term ***strategic*** investor in the Company as well as a potential offtake partner.

Infrastructure works on site are progressing well. The road deviation ***programme*** is well advanced and land is now being cleared to allow for the installation of the processing plant.

The primary crusher, delivered to site in July 2017, and the secondary crusher, which is currently in Madrid, were fabricated by Sandvik in Finland. Vibramech, based in South Africa, is on track with the fabrication of the vibrating grizzly feeder and screens.

The recent arrival on site of the primary crusher marks a significant milestone for the Company as it evolves from the development phase to the construction phase.

Equipment procurement for realignment of the electrical power line has been completed and the line deviation will commence once the road construction has been completed.

Employment levels are increasing with nearly seventy employees and contractors now on site and this will rise to 450 when the mine is in production. Over 120 locals have now completed the Company's skills training ***programmes*** equipping them with the skills necessary for positions with the Company.

These rising levels of employment are already having a positive effect on a local community that has been badly affected by long term unemployment, especially amongst its youth.

The Company remains committed to environmental excellence and as part of the Environmental License and the Environmental Measures ***Plan*** will plant 30,000 young oak trees, a six fold increase on the number of older trees being cleared, greatly improving the ecological and ***agricultural*** value of the area. The agreement will come into force once the favourable report issued by the Environmental Territorial Service of Salamanca has been approved by the General Directorate of Natural Environment of the Castilla y Leon Regional Government.

This reforestation ***programme*** commenced earlier this year with an agreement with the highly supportive local municipality of Vitigudino which details the arrangements for the planting of the first 20,000 young oak trees over a 50 hectare plot.

The Company is currently evaluating quotes from a number of experienced mining contractors and is encouraged by the competitive bids received. A key focus is the management of cost escalation over the term of these and all major contracts and suppliers to the Company.

Capital and the main contractual operating costs were finalised following the completion of the Front End Engineering and Design ('FEED') being undertaken by AMEC Foster Wheeler and came in 1% below the Definitive Feasibility Study ('DFS') estimates, reinforcing the Salamanca mine's position at the bottom of the cost curve.

The next phase of the Company's exploration ***programme*** will focus on discovering additional deposits with similar characteristics to Zona 7. Following extensive structural mapping and the interpretation of regional geological structures, two areas have been selected for an intensive geochemical sampling ***programme*** incorporating the latest uranium exploration techniques, in addition to some others like radiometrics and radon emissions.

The Company has noted increased public tender activity by major global utilities looking to enter into long term uranium supply contracts in the medium to long term. The Company is actively pursuing both public and private off-take opportunities with global utilities in the ordinary course of business and will report regularly on how this progresses.

The Company's view is that whilst uranium prices may remain flat in the near term, from late 2018, when the Salamanca mine is scheduled to come into production, the market is expected to be dominated by US utilities looking to re-contract who will at the same time be competing with Chinese new reactor demand, which may lead to higher spot and term contract prices.

The Company currently has 2.75 million pounds of U3O8 concentrate under long term contracts over the first six years of production. Potential exists to increase annual contracted volumes further as well as extend the existing supply contracts by a total of 1.25 million pounds.

Across the Company's portfolio, the average fixed price per pound of contracted and optional volumes is above US$ 42 per pound. This compares favourably with the current spot price of around US$ 20 per pound. The Company will continue to build its sales book as the market continues to improve.

US$ 120 million sovereign wealth fund ***strategic*** investment to bring Salamanca into production

Subsequent to the end of the year, the Company announced that it had entered into an investment agreement with SGRF agreeing to invest up to US$ 120 million to fully fund the Salamanca mine into production.

The investment will position SGRF as a long term ***strategic*** investor in the Company as well as a potential offtake partner, and is structured as:

an interest-free and unsecured convertible loan of US$ 65 million which can be converted into ordinary shares at 50 pence per share resulting in the fund owning approximately 28% of the Company and

three tranches of options convertible at a weighted average price of 85 pence per share contributing a further US$ 55 million towards the later phases of the Company's development of the Salamanca mine resulting in the fund holding a further 9% of the Company.

SGRF will have the right to appoint a non-executive director to the Board and has the right to match future uranium off-take transactions on similar commercial terms subject to certain limitations on volume.

At the time of announcing the transaction, Managing Director, Paul Atherley, commented: 'We are delighted to welcome Oman's sovereign wealth fund as a long-term ***strategic*** investor in the Company and look forward to working closely with them to realise the full potential of the exciting Salamanca mine.

The Salamanca mine is one of the only major uranium mines in development in the world today at a time when spot uranium prices are at a decade low.

The project benefits from a rare combination of low up front capital cost and very low operating costs and due in part to its location in the heart of the European Union we are able to contract supply at prices well above the current spot price.

The fund's interest in matching our future off-take contracts will further enhance our revenue stream.'

Primary Crusher Delivered to Site

The delivery of the primary crusher to site in July 2017 marked a key milestone in the construction of the mine.

The crusher is the first major piece of processing equipment to be delivered to site and its arrival marks the Company's transition from the development phase to the construction phase. The construction and commissioning phases are estimated to be completed during the second half of 2018.

The 400 tonne per hour crusher was manufactured by Sandvik Group in Finland, who have also fabricated the secondary crusher, which is currently in Madrid and will be delivered in the coming months. Sandvik is one of the world's leading suppliers of mining equipment and the crusher was one of the long lead items included in the use of proceeds from the equity raise completed in the fourth quarter of 2016.

Infrastructure development continues and major contracts being evaluated

Initial infrastructure development commenced in August 2016 with the re-routing of the existing electrical power line to service the mine and a five kilometre realignment of an existing road.

The road deviation continues to proceed as ***planned*** and will be completed in due course. The upgrade to the existing electrical power line will commence shortly and is expected to be completed by the end of the year. The deviation ***programme*** has been designed to create pedestrian footpaths and secure cattle paths in order to maximize the benefit to the local community.

The clearing of land where the processing plant, medium voltage substation, reagent storage facilities and buildings will be built, and the laydown area for mining and construction contractors, has commenced. Many of the trees being cleared from these plots of land are suffering from a fungal pest that prevents them from growing and are being replaced with young, healthy oak trees that will improve the ecological value of the area. The cleared trees have been used for biomass.

Quotes from a number of experienced mining contractors are currently being evaluated and the Company is encouraged by the competitiveness of the bids received. A key focus is the management of cost escalation over the term of these and all the major contracts with and suppliers to the Company.

Committed to the highest environmental standards

The Salamanca mine is being developed to the highest international standards and as such, the Company's commitment to the environment remains a priority.

The mine has been designed according to the very latest thinking on sustainable mining. The extraction and treatment areas will be continuously rehabilitated as operations progress and with minimum disturbance during operations. Once operations are complete, all areas utilised by the Company will be fully restored to a condition of increased ***agricultural*** value.

As part of the Environmental License and the Environmental Measures ***Plan*** over 30,000 young oak trees will be planted over an area of 75 to 100 hectares in the local area.

For every tree being cleared six will be planted in its place, which will greatly improve the ecological value of the area. The reforestation ***programme*** began earlier this year following an agreement with the highly supportive municipality of Vitigudino, as part of the Company's commitment to environmental excellence.

This agreement details the arrangements for the planting of 20,000 trees over a 50 hectare plot in the municipality of Vitigudino. This plot forms part of an area of more than 500 hectares owned by the municipality that is currently used by cattle farmers, despite its deteriorating ecological value.

The Company will make payments to the municipality of Vitigudino for the next three years to cover the costs of planting and maintaining the young trees and looks forward to entering into similar agreements with the municipalities of Retortillo, Villavieja and Villares de Yeltes.

Capital costs for Salamanca reduced by 1% to EUR82.3 million

The capital cost for the construction of the Salamanca mine has reduced to EUR82.3 million (US$ 93.8 million), a 1% reduction over previous estimates, confirming the project's status as one of the lowest cost uranium mine developments in the world today.

The project benefits from well-established EU infrastructure and a highly competitive cost environment combined with short lead times for major equipment items.

The estimate for bringing the mine into production was prepared as part of the FEED by the Amec Foster Wheeler Group, one of the world's largest engineering groups.

The FEED is the execution phase of the project during which the overall engineering and process design is translated into equipment procurement packages and awards to specialist sub-contractors. A number of Spain's most reputable engineering groups provided their input into the Company's study work, including Madrid IBX-35 listed companies Ferrovial and OHL.

The final capital costs reflect all detailed design work carried out during the FEED, and resulted in an update to the nature and quantity of materials required to build the Salamanca mine, with costs from contractors and suppliers being amended based on final bidding packages.

The Company will continue to pursue cost optimisation opportunities as it commences full construction this summer, which includes the evaluation of the indirect costs.

Exploration ***programme*** expanded targeting Zona 7 style deposits

The next phase of the Company's exploration campaign has commenced and will focus on discovering additional deposits with similar characteristics to Zona 7, which is located close to surface and without a strong radiometric anomaly present.

The discovery of the high grade extensions at the Zona 7 deposit in late 2014 transformed the economics of the mine and changed the Company's geological model for the region.

In parallel with the ongoing development on site, the Company continues to conduct further exploration ***programmes*** aimed at increasing the project's production profile or mine life.

Following extensive structural mapping and the interpretation of regional geological structures, two areas totalling 100 km2 have been selected for an intensive geochemical sampling ***programme***, which will include 2,500 samples on a 200m x 200m grid.

The ***programme*** will incorporate the latest uranium exploration techniques with samples being tested for mobile metal ions using the Ionic Leach technique. This highly sensitive technique can detect extremely low levels of uranium and other critical elements and is widely acknowledged to be the most adept at identifying subtle anomalies.

To complement the soil sampling/Ionic Leach ***programme***, the Company will also undertake ground radiometric survey readings and radon emissions tests at each of the sample collection points.

Two field crews will be focussed on carrying out the ***planned*** exploration activities over the two priority areas during the coming months, with the goal of identifying drill targets.

In addition to this new exploration ***programme***, the Company will continue with exploration below Zona 7, where previous high grade intercepts were found beneath the current defined resource, demonstrating continuity of mineralisation and potential for the resource to increase at depth.

Off-Take ***programme*** update and notable increase in public tender activity

The Company currently has 2.75 million pounds of U3O8 concentrate under long term contracts over the first six years of production. Potential exists to increase annual contracted volumes further as well as extend the contracts by a total of 1.25 million pounds.

The Company has maintained its preference to combine fixed and market related pricing across its contracts in order to secure positive margins in the early years of production whilst ensuring the Company remains exposed to potentially higher prices in the future.

Across the portfolio, the average fixed price per pound of contracted and optional volumes is above US$ 42 per pound. This compares favourably with the current spot price of around US$ 20 per pound.

The Company notes an increase in public tender activity by major global utilities looking to enter into long term contracts in the medium to long term time horizon. The Company is actively pursuing both public and private off-take opportunities with global utilities in the ordinary course of business and will report regularly on progress.

The Company's view is that whilst uranium prices may remain flat in the near term, from late 2018, when Salamanca is scheduled to come into production, the market is expected to be dominated by US utilities looking to re-contract who will at the same time be competing with Chinese new reactor demand, which may lead to higher spot and term contract prices.

Major land acquisitions completed ahead of commencement of Salamanca mine construction

Following the US$ 30 million equity raise, the Company completed some key land acquisitions which will accelerate the development of its Salamanca mine.

The successful acquisition and lease of over five hundred hectares of land will allow for the completion of the initial infrastructure currently underway and the commencement of construction of the processing plant together with construction of a medium voltage substation, reagent storage facilities and buildings.

Commitment to the community

The Company continues to be committed to the rejuvenation of the local community and being a good neighbour and community business partner and stakeholder. The Company has already invested over EUR70 million in the area over the past decade and is ***planning*** to invest an additional EUR250 million in the coming years as the mine develops.

The Company has been by far the biggest investor in a rural community suffering from decades of under investment and high levels of unemployment, especially amongst its youth.

The Company has signed Cooperation Agreements with the highly supportive local municipalities, demonstrating its commitment to working collaboratively with the community.

To date, through these agreements, the Company has provided wifi networks for local villages, built play areas for children, repaired sewage water plants, upgraded sports facilities, and sponsored various sporting events and local festivals.

Employment and training

The policy of preferentially hiring and training local residents has been very well received with the training ***programmes*** continuing to be heavily oversubscribed; to date, over 120 locals have attended courses organised by the Company and 25% of residents from the local area have applied for jobs.

The Company has received over 21,000 applications for the first 200 direct jobs it will create. The mine will create over 450 jobs once in full production and the University of Salamanca has estimated that for this type of business there will be a multiplier factor of 5.1 indirect jobs for every direct job created, resulting in over 2,500 direct and indirect jobs being created as a consequence of the Company's investment in the area.

During the year, the Company added a further 20 employees to its team at the Salamanca mine bringing the total number of employees and contractors at site to close to 70.

The recently appointed candidates are carrying out activities such as fencing the project, preparing for the next exploration campaign, preparing the 50 hectare plot in Vitigudino for reforestation activities and readying other areas of the site to allow for imminent construction.

Training ***programmes*** will continue to run throughout the year to ensure that sufficient people from the local communities are qualified for jobs created during the construction and mining phases.

Permitting update

There is strong support for the Salamanca mine throughout all levels of government. To date, the Company has received more than 90 favourable reports and permits for the development of the mine.

The Urbanism Commission of Salamanca gave an Express Resolution for the granting of the Authorisation of Exceptional Land Use, with the licence to be formally issued in due course.

With the Mining Licence, Environmental Licence and the Authorisation of Exceptional Land Use already obtained, the remaining approval is the Construction Authorisation by the Ministry of Industry, Energy and Tourism for the treatment plant as a radioactive facility, which is currently in process.

Corporate

Board strengthened with the appointment of two Non-Executive Directors

Mr Nigel Jones and Mr Adam Parker were appointed as an independent Non-Executive Directors of the Company on 7 June 2017 and 14 June 2017 respectively.

Mr Jones has thirty years' experience in the international mining sector. He has considerable corporate development and marketing expertise, including being responsible for the negotiation of key uranium supply agreements for Rio Tinto.

Mr Jones spent two decades at Rio Tinto, where ultimately he held the position of Global Head of Business Development and prior to that Managing Director of Rio Tinto Marine, Head of Investor Relations and Marketing Director, Uranium.

Mr Parker joins the Company after a long and successful career in institutional fund management in the City of London spanning almost three decades, including being a co-founder of Majedie Asset Management, which today manages assets of approximately GBP14 billion.

He was instrumental in building Majedie Asset Management into the successful investment boutique that it is today. He managed funds including the Majedie UK Opportunities Fund, the Majedie UK Smaller Companies Fund and a quarter of the Majedie UK Focus Fund, which all outperformed their benchmarks during his tenure.

Mr Parker retired from Majedie Asset Management in 2015 and has no ongoing input or influence in the management of its investments, including the firm's current ownership of approximately 5.30% of the Company.

On 7 June 2017, Dr Jim Ross retired from the Board after over twelve years of excellent service.

Appointment of Chief Financial Officer

During the year, Mr Paul Thomson was appointed as CFO of the Company. Mr Thomson joined Berkeley having had many years of experience in the mining industry.

Mr Thomson was CFO of Aureus Mining Inc., a gold ***producer*** in West Africa, from 2011 to 2016 during which time the company evolved from an explorer, to a developer and then a gold ***producer***. Prior to Aureus, he was in Business Development at Kazakhmys Plc. Mr Thomson is a chartered accountant who previously worked with Ernst & Young.

Mr Thomson's appointment has bolstered the finance department of the Company and his experience in his previous roles will be highly relevant as the Company prepares for construction.

US$ 30 million raised from London institutions in oversubscribed fundraise

During the year, the Company successfully raised US$ 30 million from London's generalist blue chip institutions who now constitute a significant portion of the share register. The placing was completed at a price of 45 pence per share, a slight discount to the share price at the time.

Proceeds from the raise are being used to accelerate the development of the Salamanca mine, including construction of the crushing circuit, the centralised processing facility and land acquisition. In addition, the funding allowed for the completion of the FEED activities, the commencement of construction and provide working capital.

This strong institutional support for this successful financing was a positive endorsement of the Salamanca mine.

Results of Operations

The Consolidated Entity's net loss after tax for the year ended 30 June 2017 was $ 16,049,740 (2016: $ 13,641,054). This loss is partly attributable to:

Exploration and evaluation expenses of $ 11,045,135 (2016: $ 9,213,493), which is attributable to the Group's accounting policy of expensing exploration and evaluation expenditure incurred subsequent to the acquisition of the rights to explore and up to the successful completion of definitive feasibility studies and permitting for each separate area of interest. The increased exploration and evaluation expenditure for the year ended 30 June 2017 is a reflection of additional activities undertaken in the year.

Business development expenses of $ 2,697,276 (2016: $ 1,614,099) which includes the Groups investor relations activities including but not limited to public relations costs, marketing and digital marking, conference fees, travel costs, consultant fees, broker fees and stock exchange admission costs.

Non-cash share-based payments expense of $ 1,020,106 (2016: $ 1,713,364) was recognised in respect of incentive securities granted to directors, employees and key consultants. The Company's policy is to expense the incentive securities over vesting period (which for Performance Rights is generally the life of the security). The decrease in this expense is a direct result of less incentive securities on issue.

Recognition of interest income of $ 463,639 (2016: $ 237,065). The increase in interest income reflects the higher average cash position from 2016 to 2017.

Financial Position

At 30 June 2017, the Group had cash reserves of $ 34,814,971 and no debt. This puts the Group in an excellent financial position as the Company moves towards the development and construction of the Salamanca mine.

The Group had net assets of $ 48,466,610 at 30 June 2017 (2016: $ 26,301,977), an increase of 84% compared with the previous year. This increase is consistent with the higher cash balance and increased property plant and equipment. The increase is offset somewhat by the loss for the year, comprising: (i) the current year's net loss after income tax, and (ii) movement in reserves.

Business Strategies and Prospects for Future Financial Years

Berkeley's ***strategic*** objective is to create long-term shareholder value by becoming a uranium ***producer*** in the near term, through the ongoing development and construction of the Salamanca mine.

To achieve its ***strategic*** objective, the Company currently has the following business strategies and prospects:

Progress with seeking further offtake partners. The Company has maintained its preference to combine fixed and market related pricing across its contracts in order to secure positive margins in the early years of production whilst ensuring the Company remains exposed to potentially higher prices in the future;

Advance the Salamanca mine through the development phase into the main construction phase and then into production;

Complete permitting so that construction of the radioactive facilities can commence;

Continue to explore the Company's portfolio of tenements in Spain targeting further Zona 7 style deposits aimed at making new discoveries and converting some of the 29.6 million pounds of Inferred resources into the mine schedule with the objective of maintaining annual production at over 4 million pounds a year on an ongoing basis and Assess other mine development opportunities at the Salamanca mine.

As with any other mining projects, all of these activities are inherently risky and the Board is unable to provide certainty that any or all of these activities will be able to be achieved. The material business risks faced by the Company that are likely to have an effect on the Company's future prospects, and how the Company manages these risks, include but are not limited to the following:

The Group's projects are not yet in production - As a result of the substantial expenditures involved in mine development projects, mine developments are prone to material cost overruns versus budget. The capital expenditures and time required to develop new mines are considerable and changes in cost or construction schedules can significantly increase both the time and capital required to build the mine;

The Company may be adversely affected by fluctuations in commodity prices - The price of uranium fluctuates widely and is affected by numerous factors beyond the control of the Company. Future production, if any, from the Salamanca mine will be dependent upon the price of uranium being adequate to make these properties economic. The Company currently does not engage in any hedging or derivative transactions to manage commodity price risk, but as the Company's Project advances, this policy will be reviewed periodically;

The Company's activities are subject to Government regulations and approvals - Any material adverse changes in government policies or legislation of Spain that affect uranium mining, processing, development and mineral exploration activities, income tax laws, royalty regulations, government subsidies and environmental issues may affect the viability and profitability of the Salamanca mine. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could adversely impact the Group's mineral properties and Global financial conditions may adversely affect the Company's growth and profitability - Many industries, including the mineral resource industry, are impacted by these market conditions. Some of the key impacts of the current financial market turmoil include contraction in credit markets resulting in a widening of credit risk, devaluations and high volatility in global equity, commodity, foreign exchange and energy markets, and a lack of market liquidity. A slowdown in the financial markets or other economic conditions may adversely affect the Company's growth and ability to finance its activities.

With the Mining Licence, Environmental Licence and the Authorisation of Exceptional Land Use already obtained, the remaining approval is the Construction Authorisation by the Ministry of Industry, Energy and Tourism for the treatment plant as a radioactive facility, which is currently in process. Various appeals have been made against these permits and approvals, as allowed for under Spanish law, and the Company expects that further appeals will be made against these and future authorisations and approvals in the ordinary course of events. All appeals to date have been unsuccessful. The Company will continue to comply with its continuous disclosure obligations in relation to any such appeals.

The construction phase of the Salamanca mine will require substantial financing - Failure to complete and settle the SGRF transaction may result in delaying or the indefinite postponement of any development of the mine. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

The successful development of the Company's project will also be dependent on the granting of all permits necessary for the construction and production phases. As with any development project, there is no guarantee that the Company will be successful in applying for and maintaining all required permits and licences to complete construction and subsequently enter into production. All appeals to date have been unsuccessful and the Company has no reason to believe that future appeals will not also be unsuccessful. Should an appeal be made and advice is received that the appeal has some chance of success the Company will advise in the normal course of events.

DIRECTORS

The names of Directors in office at any time during the financial year or since the end of the financial year are:

Mr Ian Middlemas Chairman

Mr Paul Atherley Managing Director

Mr Nigel Jones Non-Executive Director (appointed 7 June 2017)

Mr Adam Parker Non-Executive Director (appointed 14 June 2017)

Mr Robert Behets Non-Executive Director

Dr James Ross Non-Executive Director (retired 7 June 2017)

Unless otherwise disclosed, Directors held their office from 1 July 2016 until the date of this report.

Mr Middlemas is a Chartered Accountant, a member of the Financial Services Institute of Australasia and holds a Bachelor of Commerce degree. He worked for a large international Chartered Accounting firm before joining the Normandy Mining Group where he was a senior group executive for approximately 10 years. He has had extensive corporate and management experience, and is currently a director with a number of publicly listed companies in the resources sector.

Mr Middlemas was appointed a Director and Chairman of Berkeley Energia Limited on 27 April 2012. During the three year period to the end of the financial year, Mr Middlemas has held directorships in Apollo Minerals Limited (July 2016 - present), Cradle Resources Limited (May 2016 - present), Paringa Resources Limited (October 2013 - present), Prairie Mining Limited (August 2011 - present), Salt Lake Potash Limited (January 2010 - present), Equatorial Resources Limited (November 2009 - present), Piedmont Lithium Limited (September 2009 - present), Sovereign Metals Limited (July 2006 - present), Odyssey Energy Limited (September 2005 - present), Syntonic Limited (April 2010 - June 2017) and Papillon Resources Limited (May 2011 - October 2014).

Mr Atherley has developed strong connections within Chinese business, industry bodies and senior government officials, including the most senior levels of the state owned energy companies. Until recently he was the Chairman of the British Chamber of Commerce in China, Vice Chairman of the China Britain Business Council in London and served on the European Union Energy Working Group in Beijing. He has been a regular business commentator on China, hosting events in Beijing and appearing on CCTVNews and China Radio International.

Mr Atherley was appointed a director of Berkeley Energia Limited on 1 July 2015. During the three year period to the end of the financial year, Mr Atherley has also held directorships in Leyshon Resources Limited (May 2004 - present) and Leyshon Energy Limited (January 2014 - present).

Nigel Jones

Non-Executive Director

Qualifications - MA OXON (Alumnus of London Business School where Mr Jones completed a Corporate Finance ***Programme***)

Mr Jones has thirty years' experience in the international mining sector. He has considerable corporate development and marketing expertise, including being responsible for the negotiation of key uranium supply agreements for Rio Tinto.

Mr Jones spent two decades at Rio Tinto, where ultimately he held the position of Global Head of Business Development and prior to that Managing Director of Rio Tinto Marine, Head of Investor Relations and Marketing Director, Uranium.

Mr Jones was recently appointed as Head of Private Side Capital Markets at ICBC Standard Bank, the global markets subsidiary of ICBC Bank, which is the world's largest bank by assets.

He was appointed a Director of Berkeley Energia Limited on 7 June 2017. He has not been a Director of another listed company in the three years prior to the end of the financial year.

Adam Parker

Non-Executive Director

Qualifications - MA.Chem (Hons), ASIP

Mr Parker joined the Company after a long and successful career in institutional fund management in the City of London spanning almost three decades, including being a co-founder of Majedie Asset Management, which today manages assets of approximately GBP14 billion.

Mr Parker began his career in 1987 at Mercury Asset Management (subsequently acquired by Merrill Lynch and now part of BlackRock) and left in 2002 when he co-founded Majedie Asset Management.

He was instrumental in building Majedie Asset Management into the successful investment boutique that it is today. He managed funds including the Majedie UK Opportunities Fund, the Majedie UK Smaller Companies Fund and a quarter of the Majedie UK Focus Fund, which all outperformed their benchmarks during his tenure.

He was appointed a Director of Berkeley Energia Limited on 14 June 2017. He has not been a Director of another listed company in the three years prior to the end of the financial year.

Robert Behets

Non-Executive Director

Qualifications - B.Sc (Hons), FAusIMM, MAIG

Mr Behets is a geologist with over 25 years' experience in the mineral exploration and mining industry in Australia and internationally. He was instrumental in the founding, growth and development of Mantra Resources Limited, an African focused uranium company, through to its acquisition by ARMZ for approximately A$ 1 billion in 2011. Prior to Mantra, Mr Behets held various senior management positions during a long career with WMC Resources Limited.

Mr Behets has a strong combination of technical, commercial and managerial skills and extensive experience in exploration, mineral resource and ore reserve estimation, feasibility studies and operations across a range of commodities, including uranium, gold and base metals. He is a Fellow of The Australasian Institute of Mining and Metallurgy, a Member of the Australian Institute of Geoscientists and was also previously a member of the Australasian Joint Ore Reserve Committee ('JORC').

Mr Behets was appointed a Director of the Company on 27 April 2012. During the three year period to the end of the financial year, Mr Behets has held directorships in Apollo Minerals Limited (October 2016 - present), Cradle Resources Limited (May 2016 to present), Equatorial Resources Limited (February 2016 to present), Piedmont Lithium Limited (February 2016 to present) and Papillon Resources Limited (May 2012 - October 2014).

Mr Dylan Browne

Company Secretary

Qualifications - B.Com, CA, AGIA

Mr Browne is a Chartered Accountant and Associate Member of the Governance Institute of Australia who is currently Company Secretary for a number of ASX and European listed companies that operate in the resources sector. He commenced his career at a large international accounting firm and has since been involved with a number of exploration and development companies operating in the resources sector including Papillon Resources Limited and Prairie Mining Limited. Mr Browne was appointed Company Secretary and Chief Financial Officer of the Company on 29 October 2015.

OTHER KMP

Mr Francisco Bellon del Rosal

Chief Operations Officer

Qualifications - M.Sc, MAusIMM

Mr Bellon is a Mining Engineer specialising in mineral processing and metallurgy with over 20 years' experience in operational and project management roles in Europe, South America and West Africa. He held various senior management roles with TSX listed Rio Narcea Gold Mines during a 10 year career with the company, including Plant Manager for El Valle/Carles process facility and Operations Manager prior to its acquisition by Lundin Mining in 2007. During this period, Mr Bellon was involved in the development, construction, commissioning and production phases of a number of mining operations in Spain and Mauritania including El Valle-Boinas / Carles (open pit and underground gold-copper mines in northern Spain), Aguablanca (open pit nickel-copper mine in southern Spain) and Tasiast (currently Kinross' world class open pit gold mine in Mauritania). He subsequently joined Duro Felguera, a large Spanish engineering house, where as Manager of the Mining Business, he managed the peer review, construction and commissioning of a number of large scale mining operations in West Africa and South America in excess of US$ 1B. Mr Bellon joined Berkeley Energia Limited in May 2011.

Mr Javier Colilla Peletero

Chief Administration Officer

Qualifications - Econ (Hons), LLB (Hons), MBA

Mr Colilla is a Mineral Economist and Lawyer. With prior experience in auditing and insurance sectors, he has over 25 years' experience in the mining sector commencing as the Managing Director of an international drilling company in the early 1980's. He subsequently worked for Anglo American as General Manager of their Spanish subsidiaries, whilst also contributing as international staff member to several projects in Europe and South America. Mr Colilla held various executive management roles during a long career with the TSX listed Rio Narcea Gold Mines, including Vice President Business Development, Chief Financial Officer, Senior Vice President Corporate, as well as Administrator/Director of its subsidiaries. During this period, he was involved in all aspects of commercial, legal and joint venture management, permitting, stakeholder engagement, government liaison and project financing for a number of mining operations in Spain and internationally including El Valle-Boinas / Carles, Aguablanca and Tasiast. Following the acquisition of Rio Narcea Gold Mines by Lundin Mining in 2007, Mr Colilla consulted on renewable energies projects and advised several international leading legal firms in the areas of public aid financing (domestic and international) and due diligence exercises in relation to Spanish mining companies being acquired by multinational mining groups. Mr Colilla joined Berkeley Energia Limited in April 2010.

Mr Thomson is a chartered accountant with over two decades of experience in both the finance and the mining industries. Prior to joining the Company, he was CFO of Aureus Mining Inc., a gold ***producer*** in West Africa, from 2011 to 2016 during which time the company evolved from an explorer, to a developer and then to a gold ***producer***. Before this he worked in Business Development at Kazakhmys Plc and for Ernst & Young in the energy corporate finance team. Mr Thomson is a member of the Institute of Chartered Accountants of Scotland ('ICAS') and holds a Corporate Finance Advanced Diploma ('ICAEW'). Mr Thomson joined Berkeley Energia in January 2017.

Mr Schumann commenced his career as a management consultant before moving into the natural resources sector, initially as part of an investing team in London focused on early stage mining projects and then working in corporate development functions for a number of listed mining and energy companies. He has a decade of experience in the financing and development of mining and energy projects globally across a range of commodities. He holds an MBA from INSEAD, is a CFA Charterholder and holds a Bachelor of Business Science (Finance CA) from the University of Cape Town. Mr Schumann joined Berkeley Energia Limited in July 2015.

PRINCIPAL ACTIVITIES

The principal activities of the Consolidated Entity during the year consisted of mineral exploration and development. There was no significant change in the nature of those activities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than as disclosed below, there were no significant changes in the state of affairs of the Consolidated Entity during the year.

On 14 July 2016, the Company announced the results of the completed DFS which confirmed the Salamanca mine as one of the lowest cost ***producers*** capable of generating strong after tax cash flow through the current low in the uranium price cycle;

On 28 November 2016, the Company announced that it had signed a binding off-take agreement with Interalloys Trading Limited ('Interalloys') for the sale of the first production from the Salamanca mine. An average fixed price of US$ 43.78 per pound of contracted and optional volumes was agreed between the parties;

On 6 December 2016, the Company completed major land acquisitions at the Salamanca mine in order to accelerate the initial development infrastructure at the mine;

On 16 December 2016, the Company completed a placement of 53.6 million shares at an issue price of 45 pence per share to London's generalist blue chip institutions to raise gross proceeds of US$ 30 million;

On 20 December 2016, the Company announced that the order of the first major items for the crushing circuit which came in more than 20% below estimates from the DFS and On 17 March 2017, the Company announced additional high grade intersections below the Zona 7 deposit at the Salamanca mine which reported grades consistent with, or higher than, the average grade of the Zona 7 resource.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 6 July 2017, the Company announced that the capital cost for the construction of the Salamanca mine has reduced to EUR82.3 million (US$ 93.8 million), a 1% reduction over previous estimates, confirming the project's status as one of the lowest cost uranium mine developments in the world today;

On 12 July 2017, the Company announced that the primary crusher for the Salamanca mine had been delivered to site, marking a key milestone in the construction of the Salamanca mine and On 31 August 2017, the Company signed an investment agreement with SGRF agreeing to invest up to US$ 120 million to fully fund the Salamanca mine into production.

Other than as outlined above, as at the date of this report there are no matters or circumstances, which have arisen since 30 June 2017 that have significantly affected or may significantly affect: the operations, in financial years subsequent to 30 June 2017, of the Consolidated Entity; the results of those operations, in financial years subsequent to 30 June 2017, of the Consolidated Entity; or the state of affairs, in financial years subsequent to 30 June 2017, of the Consolidated Entity.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity's operations are subject to various environmental laws and regulations under the relevant government's legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve. Instances of environmental non-compliance by an operation are identified either by external compliance audits or inspections by relevant government authorities.

There have been no significant known breaches by the Consolidated Entity during the financial year.

In September 2012, Berkeley qualified for certification in accordance with ISO 14001 of Environmental Management, which sets out the criteria for an environmental management system, and UNE 22480 of Sustainable Mining Management, which allows for the systematic monitoring and tracking of sustainability indicators, and is useful in the establishment of targets for constant improvement. These certificates are renewed following annual audits established by the regulations, with the most recent audit successfully completed in July 2015.

SHARE OPTIONS AND PERFORMANCE RIGHTS

At the date of this report the following Incentive Options and Performance Rights have been issued over unissued Ordinary Shares of the Company:

3,500,000 Incentive Options exercisable at GBP0.15 on or before 30 June 2018;

150,000 Incentive Options exercisable at GBP0.25 on or before 30 June 2018;

150,000 Incentive Options exercisable at GBP0.30 on or before 30 June 2018;

200,000 Incentive Options exercisable at GBP0.40 on or before 30 June 2018.

3,500,000 Incentive Options exercisable at GBP0.20 on or before 30 June 2019;

3,585,000 Performance Rights expiring on 31 December 2018;

100,000 Performance Rights expiring on 31 March 20019 and 4,925,000 Performance Rights expiring on 31 December 2019.

These Incentive Options and Performance Rights do not entitle the holders to participate in any share issue of the Company or any other body corporate. During the year ended 30 June 2017, 200,000 Ordinary Shares were issued as a result of the exercise of 200,000 Incentive Options and no Ordinary Shares were issued as a result of the conversion of Performance Rights. Subsequent to the end of the financial year and up and until the date of this report, no Ordinary shares have been issued as a result of the exercise of Incentive Options or conversion of Performance Rights.

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of the Company's Directors and the board committees held during the year ended 30 June 2017, and the number of meetings attended by each director. Subsequent to the end of the year the Board resolved to establish a Remuneration and Nomination Committee.

The Board as a whole currently performs the functions of an Audit Committee and Risk Committee, however this will be reviewed should the size and nature of the Company's activities change.

REMUNERATION REPORT (AUDITED)

This report details the amount and nature of remuneration of each director and executive officer of the Company.

There were no other key management personnel of the Company or the Group. Unless otherwise disclosed, the Key Management Personnel held their position from 1 July 2016 until the date of this report.

Remuneration Policy

The remuneration policy for the Group's KMP has been developed by the Board taking into account the size of the Group, the size of the management team for the Group, the nature and stage of development of the Group's current operations and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for key management personnel: the Group is currently focused on undertaking development and construction activities; risks associated with resource companies whilst exploring and developing projects and other than profit which may be generated from asset sales (if any), the Group does not expect to be undertaking profitable operations until sometime after the successful commercialisation, production and sales of commodities from one or more of its current projects, or the acquisition of a profitable mining operation.

Remuneration and Nomination Committee

Subsequent to the end of the year and in response to the Company receiving at least 25% of votes cast against the Remuneration Report at the 2016 AGM, the Board resolved to establish an independent Remuneration and Nomination Committee ('Remcom') to oversee the Group's remuneration and nomination responsibilities and governance. The remuneration committee members consist of three independent non-executive directors being Mr Parker (as Chair), Mr Jones and Mr Behets.

The Remcom's role will be to determine the remuneration of the Company's Executives, oversee the remuneration of KMP, and approve awards under the Company's long-term incentive ***plan*** ('LTIP').

The Remcom will review the performance of Executives and KMP and set the scale and structure of their remuneration and the basis of their service/consulting agreements. In doing so, the Remcom will have due regard to the interests of shareholders.

In determining the remuneration of Executives and KMP, the Remcom will seek to enable the Company to attract and retain executives of the highest calibre. In addition, the Remcom will decides whether to grant incentives securities in the Company and, if these are to be granted, who the recipients should be.

Remuneration Policy for Executives

The Group's remuneration policy is to provide a fixed remuneration component and a performance based component. The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning KMP objectives with shareholder and business objectives.

Fixed Remuneration

Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Non-cash benefits may include provision of motor vehicles, housing and health care benefits.

Fixed remuneration will be reviewed annually by the Remcom. The process consists of a review of Company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration - Short Term Incentive

Some KMP are entitled to an annual cash bonus upon achieving various key performance indicators ('KPI's'), as set by the Board. Having regard to the current size, nature and opportunities of the Company, the Board has determined that these KPI's will include measures such as successful completion of exploration activities (e.g. completion of exploration ***programmes*** within budgeted timeframes and costs), development activities (e.g. completion of feasibility studies and initial infrastructure), corporate activities (e.g. recruitment of key personnel and project financing) and business development activities (e.g. project acquisitions and capital raisings). On an annual basis, after consideration of performance against key performance indicators, the Board determines the amount, if any, of the annual cash bonus to be paid to each KMP. During the financial year, a total bonus sum of $ 680,465 (2016: $ 484,698) was paid, or is payable to KMP on achievement of KPIs as set by the Board (in future to be set by the Remcom) which included: (i) Completion of the investment agreement with SGRF; (ii) Completion of a positive DFS for the Salamanca mine; (iii) Completed the FEED for the Salamanca mine which reduced capital costs of the project by 1%; (iv) Conclusion of a number of off-take contracts for the sale of uranium production during the financial year; (v) Announcement of a key milestone in the construction of the Salamanca mine following the delivery of the primary crusher to site; (vi) Announcement of early stage construction activities at the Salamanca mine including land acquisition, the road deviation advancing, equipment procurement of the electrical power line and preliminary reagent supply agreement having been entered into; (vii) Announcement of further high grade intercepts below Zona 7 identified and (viii) Completion of an oversubscribed placement of 53.6 million shares at an issue price of GBP0.45 per share to London blue chip institutions to raise US$ 30 million (GBP24 million).

Performance Based Remuneration - Long Term Incentive

The Group has adopted a LTIP comprising the 'Berkeley Performance Rights ***Plan***' (the '***Plan***') to reward KMP and key employees for long-term performance. Shareholders approved the ***Plan*** in April 2013 at a General Meeting of Shareholders and Performance Rights were issued under the ***Plan*** in May 2013 and March 2014. Shareholders approved the renewal of the ***Plan*** in July 2015.

The ***Plan*** provides for the issuance of unlisted performance share rights ('Performance Rights') which, upon satisfaction of the relevant performance conditions attached to the Performance Rights, will result in the issue of an Ordinary Share for each Performance Right. Performance Rights are issued for no consideration and no amount is payable upon conversion thereof.

To achieve its corporate objectives, the Company needs to attract and retain its key staff, whether employees or contractors. The Board believes that grants made to eligible participants under the ***Plan*** provides a powerful tool to underpin the Company's employment and engagement strategy, and that the implementation of the ***Plan*** will: enable the Company to recruit, incentivise and retain KMP and other eligible employees and contractors needed to achieve the Company's ***strategic*** objectives; link the reward of eligible employees and contractors with the achievements of ***strategic*** goals and the long term performance of the Company; align the financial interest of participants of the ***Plan*** with those of Shareholders and provide incentives to participants of the ***Plan*** to focus on superior performance that creates Shareholder value.

Performance Rights granted under the ***Plan*** to eligible participants will be linked to the achievement by the Company of certain performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting, Ordinary Shares are automatically issued for no consideration. If a performance condition of a Performance Right is not achieved by the expiry date then the Performance Right will lapse.

During the financial year, Performance Rights had been on issue or granted to certain KMP and other employees and consultants with the following performance conditions:

Expanded Definitive Feasibility Study Milestone means delivery of a positive Definitive Feasibility Study incorporating Zona 7, and the Company making a decision to proceed to development of operation evidenced by the Board resolving to continue to develop the Project before 30 June 2017 (milestone was achieved on 14 July 2017 with the Performance Rights converting on 29 July 2017);

Project Construction Milestone means completion of approximately 25% of the project development phase, as per the project development schedule and budget approved by the Board in accordance with the Definitive Feasibility Study before 31 December 2018;

Finance Review Milestone means demonstrating the reduction in capital and operating costs of the Salamanca mine and a reduction to the overall financing requirement and cost of capital of the Company as approved by the board before 31 March 2019 and Production Milestone means achievement of first uranium production before 31 December 2019.

In addition, may provide unlisted Incentive Options to some KMP as part of their remuneration and incentive arrangements in order to attract and retain their services and to provide an incentive linked to the performance of the Group. The Board's policy is to grant Incentive Options to KMP with exercise prices at or above market share price (at time of agreement). As such, Incentive Options granted to KMP are generally only of benefit if the KMP has performed to the level whereby the value of the Company has increased sufficiently to warrant exercising the Incentive Options granted. No Incentive Options were issued to KMP during the current financial year.

Other than service-based vesting conditions (if any), there were no additional performance criteria on the Incentive Options granted to KMP, as given the speculative nature of the Group's activities and the small management team responsible for its running, it is considered that the performance of KMP and the performance and value of the Group are closely related.

The Company prohibits executives entering into arrangements to limit their exposure to Unlisted Options and Performance Rights granted as part of their remuneration package.

Remuneration Policy for Non-Executive Directors

The Board policy is to remunerate Non-Executive Directors at market rates for comparable companies for time, commitment and responsibilities. Given the current size, nature and risks of the Company, incentive options have been used to attract and retain Non-Executive Directors. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. The maximum aggregate amount that may be paid to Non-Executive Directors is $ 350,000 during the financial year, as approved by shareholders at the a Meeting of Shareholders held on 6 May 2009. Director's fees paid to Non-Executive Directors accrue on a daily basis. Fees for Non-Executive Directors are not directly linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company. Given the size, nature and opportunities of the Company, Non-Executive Directors may receive Incentive Options or Performance Rights in order to secure and retain their services.

Fees for the Chairman were set at $ 50,000 per annum (2016: $ 50,000) (including post-employment benefits).

Fees for Non-Executive Directors' were set at $ 30,000 per annum (2016: $ 30,000) (including post-employment benefits). These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company, including but not limited to, membership of committees. From the 2018 financial year, Non-Executive Directors' will receive a fee of $ 45,000 per annum (including post-employment benefits) which reflects the transition of the Company from an explorer to a developer.

During the 2017 financial year, no Incentive Options or Performance Rights were granted to Non-Executive Directors.

The Company prohibits Non-Executive Directors entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

Relationship between Remuneration and Shareholder Wealth

During the Group's exploration and development phases of its business, the Board anticipates that the Company will retain future earnings (if any) and other cash resources for the operation and development of its business. Accordingly the Company does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Board does not directly base remuneration levels on the Company's share price or movement in the share price over the financial year and the previous four financial years. Discretionary annual cash bonuses are based upon achieving various non-financial KPIs as detailed under 'Performance Based Remuneration - Short Term Incentive' and are not based on share price or earnings. As noted above, a number of KMP have also been granted Performance Rights and Incentive Options, which generally will be of greater value should the value of the Company's shares increase (subject to vesting conditions being met), and in the case of options, increase sufficiently to warrant exercising the Incentive Options granted.

Relationship between Remuneration of KMP and Earnings

As discussed above, the Group is currently undertaking exploration and development activities, and does not expect to be undertaking profitable operations until sometime after the successful commercialisation, production and sales of commodities from one or more of its current projects.

Accordingly the Board does not consider earnings during the current and previous four financial years when determining, and in relation to, the nature and amount of remuneration of KMP.

The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at a General Meeting. Fees for Non-Executive Directors are not linked to the performance of the economic entity. However, to align Directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and Non-Executive Directors have received Performance Rights and Incentive Options in order to secure their services and as a key component of their remuneration.

General

Where required, KMP receive superannuation contributions (or foreign equivalent), currently equal to 9.5% of their salary, and do not receive any other retirement benefit. From time to time, some individuals have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to KMP is valued at cost to the company and expensed. Incentive Options and Performance Rights are valued using an appropriate valuation methodology. The value of these Incentive Options and Performance Rights is expensed over the vesting period.

Employment Contracts with Directors and KMP

Current Directors

Mr Ian Middlemas, Non-Executive Chairman, has a letter of appointment dated 29 June 2015 confirming the terms and conditions of his appointment. Effective from 1 July 2013, Mr Middlemas has received a fee of $ 50,000 per annum inclusive of superannuation.

Mr Paul Atherley, Managing Director, is engaged under a consultancy deed with North Asia Metals Ltd ('NAML') dated 16 June 2015. The agreement specifies the duties and obligations to be fulfilled by Mr Atherley as Managing Director. There is 12 month rolling term and either party may terminate with three months written notice. No amount is payable in the event of termination for material breach of contract, gross misconduct or neglect. Effective 1 July 2016, NAML has received an annual consultancy fee of GBP275,000 and will be eligible for an annual bonus of up to GBP250,000 to be paid upon successful completion of key performance indicators as determined by the Board. In addition, NAML, subject to the Corporations Act, will be entitled to receive a payment equivalent to the annual consultancy fee in the event of a change in control clause being triggered by the Company.

Mr Nigel Jones, Non-Executive Director, has a letter of appointment with Berkeley Energia Limited dated 5 June 2017 confirming the terms and conditions of his appointment. Effective from his appointment date (being 7 June 2017), Mr Jones has received a fee of $ 45,000 per annum.

Mr Adam Parker, Non-Executive Director, has a letter of appointment with Berkeley Energia Limited dated 5 June 2017 confirming the terms and conditions of his appointment. Effective from 28 August 2017, Mr Parker will receive a fee of $ 45,000 per annum for his Board duties and $ 15,000 for chairing the Remcom.

Mr Robert Behets, Non-Executive Director, has a letter of appointment dated 29 June 2015 confirming the terms and conditions of his appointment. Effective 1 July 2015, Mr Behets has received a fee of $ 45,000 per annum inclusive of superannuation. Mr Behets also has a services agreement with the Company dated 18 June 2012, which provides for a consultancy fee at the rate of $ 1,200 per day for management and technical services provided by Mr Behets. Either party may terminate the agreement without penalty or payment by giving two months' notice.

Current other KMP

Mr Francisco Bellon del Rosal, has a contract of employment dated 14 April 2011 and amended on 1 July 2011, 13 January 2015 and 16 March 2017. The contract specifies the duties and obligations to be fulfilled by the Chief Operations Officer. The contract has a rolling term and may be terminated by the Company giving six months' notice, or 12 months in the event of a change of control of the Company. In addition to the notice period, Mr Bellon will also be entitled to receive an amount equivalent to statutory unemployment benefits (approximately EUR25,000) and statutory severance benefits (equivalent to 45 days remuneration per year worked from 9 May 2011 to 11 February 2012, and 33 days remuneration per year worked from 12 February 2012 until termination). No amount is payable in the event of termination for neglect of duty or gross misconduct. Mr Bellon receives a fixed remuneration component of EUR190,000 per annum plus compulsory social security contributions regulated by Spanish law, as well as the provision of accommodation in Salamanca and a motor vehicle.

Mr Javier Colilla Peletero, has a contract of employment dated 1 July 2010 and amended on 12 December 2011 13 January 2015 and 22 March 2017. The contract specifies the duties and obligations to be fulfilled by the Chief Administration Officer. The contract has a rolling term and may be terminated by the Company giving six months notice, or 12 months in the event of a change of control of the Company or if the position becomes redundant. In addition to the notice period, Mr Colilla will also be entitled to receive an amount equivalent to statutory unemployment benefits (approximately EUR25,000) and statutory severance benefits (equivalent to 45 days remuneration per year worked from 1 July 2010 to 11 February 2012, and 33 days remuneration per year worked from 12 February 2012 until termination). No amount is payable in the event of termination for neglect of duty or gross misconduct. Mr Colilla receives a fixed remuneration component of EUR190,000 per annum plus compulsory social security contributions regulated by Spanish law, as well as an allowance for the use of his private motor vehicle.

Mr Paul Thomson, Chief Financial Officer, is engaged under a consultancy deed with Inverey Limited ('Inverey') dated 12 January 2017. The agreement specifies the duties and obligations to be fulfilled by Mr Thomson as the Chief Financial Officer. The Company may terminate the agreement with three months written notice. No amount is payable in the event of termination for material breach of contract, gross misconduct or neglect. Inverey receives an annual consultancy fee of GBP190,000 and will be eligible for a cash incentive of up to GBP50,000 to be paid upon successful completion of key performance indicators as determined by the Managing Director and Board of Directors. In addition Inverey will be entitled to receive a payment incentive worth the annual consultancy fee in the event of a change of control clause being triggered with the Company.

Mr Hugo Schumann, Chief Commercial Officer, is engaged under a consultancy deed with Meadowbrook Enterprises Limited ('Meadowbrook') which was updated on 15 May 2016. The agreement specifies the duties and obligations to be fulfilled by Mr Schumann as the Chief Commercial Officer. The Company may terminate the agreement with three months written notice. No amount is payable in the event of termination for material breach of contract, gross misconduct or neglect. Meadowbrook receives an annual consultancy fee of GBP150,000 and will be eligible for a cash incentive of up to GBP50,000 to be paid upon successful completion of key performance indicators as determined by the Managing Director and Board of Directors.

Mr Dylan Browne, Company Secretary, has a letter of appointment dated 29 October 2015 confirming the terms and conditions of his appointment. Mr Browne's appointment letter is terminable pursuant to the Company's Constitution. Mr Browne receives a fee of GBP5,500 per annum pursuant to this appointment letter. In addition Candyl Limited ('Candyl'), a company of which Mr Browne is a director and shareholder, has a consultancy agreement with the Company, which specifies the duties and obligations to be fulfilled by Mr Browne as the Company Secretary. Either party may terminate the agreement with three months written notice. No amount is payable in the event of termination for material breach of contract, gross misconduct or neglect. Candyl receives an annual consultancy fee of GBP60,500.

AUDITOR'S AND OFFICERS' INDEMNITIES AND INSURANCE

Under the Constitution the Company is obliged, to the extent permitted by law, to indemnify an officer (including Directors) of the Company against liabilities incurred by the officer in that capacity, against costs and expenses incurred by the officer in successfully defending civil or criminal proceedings, and against any liability which arises out of conduct not involving a lack of good faith.

During the financial year, the Company has paid an insurance premium to insure Directors and officers of the Company against certain liabilities arising out of their conduct while acting as a Director or Officer of the Company. Under the terms and conditions of the insurance contract, the nature of liabilities insured against cannot be disclosed.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

NON-AUDIT SERVICES

During the year, the Company's auditor, Ernst & Young, received, or is due to receive, $ 80,808 (2016: $ 72,898) for the provision of non-audit services. The Directors are satisfied that the provision of non-audit services is compatible with the general standard and independence for auditors imposed by the Corporations Act.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration is on page 59 of the Annual Financial Report.

This report is made in accordance with a resolution of the Directors made pursuant to section 298(2) of the Corporations Act 2001.

Competent Persons Statement

The information in this report that relates to the FEED was extracted from the announcement entitled 'Capital costs for Salamanca reduced by 1% to EUR 82.3 million' dated 6 July 2017, which is available to view on Berkeley's Energia Limited's (Berkeley) website at [*www.berkeleyenergia.com*](http://www.berkeleyenergia.com).

Berkeley confirms that: a) it is not aware of any new information or data that materially affects the information included in the original announcement; b) all material assumptions and technical parameters underpinning the FEED results included in the original announcement continue to apply and have not materially changed and c) the form and context in which the relevant Competent Persons' findings are presented in this announcement have not been materially modified from the original announcements.

The information in the original announcement that relates to the FEED costs is based on, and fairly represents, information compiled by Mr Francisco Bellon, a Competent Person who is a member of the Australasian Institute of Mining and Metallurgy. Mr Bellon is the Chief Operating Officer for Berkeley and a holder of shares, options and performance rights in Berkeley. Mr Bellon has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in this report that relates to the Definitive Feasibility Study, Ore Reserve Estimates, Mining, Uranium Preparation, Infrastructure, Production Targets and Cost Estimation is extracted from the announcement entitled 'Study confirms the Salamanca project as one of the world's lowest cost uranium ***producers***' dated 14 July 2016, which is available to view on Berkeley's website at   [*www.berkeleyenergia.com*](http://www.berkeleyenergia.com).

Berkeley confirms that: a) it is not aware of any new information or data that materially affects the information included in the original announcement; b) all material assumptions and technical parameters underpinning the Mineral Resources, Ore Reserve Estimate, Production Target, and related forecast financial information derived from the Production Target included in the original announcement continue to apply and have not materially changed and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially modified from the original announcements.

The information in the original announcement that relates to the Definitive Feasibility Study is based on, and fairly represents, information compiled or reviewed by Mr. Jeffrey Peter Stevens, a Competent Person who is a Member of The Southern African Institute of Mining & Metallurgy, a 'Recognised Professional Organisation' ('RPO') included in a list posted on the ASX website from time to time. Mr. Stevens is employed by MDM Engineering (part of the Amec Foster Wheeler Group). Mr. Stevens has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in the original announcement that relates to the Ore Reserve Estimates, Mining, Uranium Preparation, Infrastructure, Production Targets and Cost Estimation is based on, and fairly represents, information compiled or reviewed by Mr. Andrew David Pooley, a Competent Person who is a Member of The Southern African Institute of Mining and Metallurgy', RPO included in a list posted on the ASX website from time to time. Mr. Pooley is employed by Bara Consulting (Pty) Ltd. Mr. Pooley has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

The information in the original announcement that relates to the Mineral Resources for Zona 7 is based on, and fairly represents, information compiled or reviewed by Mr Malcolm Titley, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Titley is employed by Maja Mining Limited, an independent consulting company. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Forward Looking Statement

Statements regarding ***plans*** with respect to Berkeley's mineral properties are forward-looking statements. There can be no assurance that Berkeley's ***plans*** for development of its mineral properties will proceed as currently expected. There can also be no assurance that Berkeley will be able to confirm the presence of additional mineral deposits, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Berkeley's mineral properties.

Contact:

Tel: +44 203 903 1930

Fax: +44 207 434 4450

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

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[***Putin, State Council discuss industrial development***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RJF-N7B1-DYRV-33FS-00000-00&context=1516831)

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**Length:** 4028 words

**Body**

Text of report in English by Russian presidential website "State Council Presidium meeting on developing Russian regions' industrial capacity", published on 2 February; ellipses throughout the text as received:

State Council Presidium meeting on developing Russian regions' industrial capacity February 1, 2018, Rostov-on-Don

Vladimir Putin chaired a meeting of the State Council Presidium in Rostov-on-Don on developing the industrial capacity of Russian regions.

Excerpts from transcript of State Council Presidium meeting

President of Russia Vladimir Putin: We have gathered at Rostselmash, one of the flagships of the domestic machine-building industry, to discuss approaches to developing the industrial capacity of the regions, to identify concrete measures and steps to ensure that new enterprises, new factories are built and high-quality, high-paid jobs are created in Russian regions, and that Russian industry in general achieves the stable, high growth rates that we need.

I would like to note that last year industrial growth in Russia amounted to one percent. We cannot be satisfied with this. Of course, we are aware of the positive aspects of this growth, the positive side. A number of sectors show good dynamics: transport engineering, the automotive industry, pharmaceuticals, textiles, food, and chemicals.

For example: in 2017, the production of railway locomotives and rolling stock increased by 33 percent, of motor vehicles - by over 13 percent, medicines by 12.3 percent, textiles by 7 percent, food products by 5.6 percent, and chemicals - by 4.3 percent.

I would like to stress that stimulating industrial and economic growth is the most important task for all levels of government, and a key condition for developing the social sphere and improving the quality of people's lives. We need to support promising projects to make highly processed products, products that will be in demand both in the domestic and foreign markets, and we are also talking about providing adequate staffing for the real sector of the economy and creating conditions for the application of modern technologies in production.

We are now at Rostselmash. We have taken a tour together with the head of this plant Konstantin Babkin and discussed what is going on here. Despite the difficulties, the dynamics are unmistakably positive if we are talking about promoting products on foreign markets.

Only just recently, no one wanted to buy our equipment in Russia, and now this equipment - both combines and tractors - is sold in 37 countries. In five years, if it goes the same way, according to the background materials I looked at, they will be selling in at least 60 countries.

I have also spoken about personnel. I just mentioned something at the videoconference with the Rostov Nuclear Power Station: 41 percent of Rostselmash employees have higher education and many of them in vocational areas.

Starting this year, a ***programme*** to improve labour productivity will be introduced in the regions. I call on the heads of all Russian regions to cooperate with both employers and employees.

Next. It is necessary to improve companies' access to financing. Our Industrial Development Fund is hard at work. Its portfolio includes about 270 projects with 170 billion roubles of private investment in total; 35 new enterprises have opened with the support of the fund.

I have to say we often discuss - most often, probably - the problems, as Denis Manturov [Minister of Industry and Trade] knows all about. He is often justly criticised. But I have to say that the Fund under your leadership does satisfactory work, let us say, so as not to heap praise on anyone. As of today, the fund has approved 268 projects with 170 billion rubles of private investment in total. These projects receive 66 billion rubles in soft loans.

In general, as I have said, I believe that the Central Bank's work is also satisfactory: it carefully follows the money movement, and the results are assessed positively. About 262 billion rubles were allocated from the federal budget to support the aviation industry, shipbuilding, radioelectronics and other industrial sectors.

At the same time, it is necessary to create greater opportunities to stimulate industrial growth at the regional level. The regions have the tools for this, including regional contracts, tax incentives, and direct support and subsidies. I am aware that many of our colleagues are doing these things.

All these tools need to be used competently. It is fundamentally important that the use of these opportunities does not restrict competition, but rather develop it, and that the effect of the application correspond to the ***strategic*** goals of developing the Russian regions and the country in general.

In order to expand the authority of the regions to ensure economic growth, I propose including funds to be allocated for the development of the economy into the model of the regional budget, that is, to consider them compulsory expenses by the regional authorities.

I also consider it necessary to work through special measures to support small manufacturing businesses, to reduce the risks of startup companies, and to encourage high-quality employment in the regions.

I am aware that the Central Bank has discussed improving the financial stability of micro- and small enterprises with the regions. We will focus today separately on the solutions that are proposed in this area.

In closing, I would like to note that businesses would grow and invest in upgrades and in opening new production sites only in places where they are met halfway, where they do not run into barriers, but are provided with convenient and comfortable operating conditions. This applies to a modern social atmosphere as well, which is important for employees and their families.

I want the regional and local authorities to focus on the need to resolve the key issues that plague industrialists in a timely and prompt manner, including the allocation of land plots, providing utility infrastructure, developing the road system, and commissioning new power capacity.

We have just toured the new Rostov airport. This is a good example, I believe: the infrastructure is in place, everything was done on schedule and with great workmanship. The areas necessary for future development have been set aside. All you have to do is get your hands dirty, and the results will come.

Just before our meeting, as I said, the fourth power unit of the Rostov NPP was commissioned. It is one of the largest power stations in southern Russia, which has huge potential for further economic growth in southern Russia and for providing a sustainable energy source to residential and social facilities. Once again, I would like to thank everyone who was involved in this vast and important effort.

[...]

Vladimir Putin: Mr Manturov, please.

Minister of Industry and Trade Denis Manturov: Mr President, colleagues,

Over the last few years, we have been building comprehensive cooperation with the regions as part of implementing the law on industrial policy and the cooperation agreements we signed with all Russian regions.

The main goal of our cooperation is to increase state and private investment in regional projects. Our goal is also to synchronise industrial development tools with the regions. And today, 119 federal and 494 regional support measures and subsidies have been included in the specially established support measure navigator.

As part of carrying out your order, we have also coordinated industrial and regional import substitution ***plans***. Thanks to this, 345 billion rubles of extrabudgetary money and 75 billion rubles from the budget have been invested in new projects.

Our regional industry development funds are becoming another mechanism to attract private investment to medium and small businesses. And thanks to the initiative to include the industry block in the regions' model budget that you have supported today, they can use this to ***plan*** their expenses, which provides for the economic growth of the regions. This will make it possible to replenish regional industry funds and help improve the investment climate.

The next important area we are focusing our efforts on is the development of industrial infrastructure, primarily at the local level. During the last five years, the number of industrial parks and techno parks has increased almost four-fold with support from the federal centre. Today, there are 157 such venues in Russia and another 76 are under construction now. This means that the goal we set for 2020 has already been implemented.

Nevertheless, we will continue working with the Finance Ministry to implement a joint ***programme*** to support the regions that invest in modernising their industrial infrastructure. Federal allocations for the next three years have been approved at 11 billion rubles. This will help the regions expand their taxable bases by creating small and medium-sized companies in the vacated industrial zones and settle the problem of single-industry cities.

In addition to industrial and technology parks, there will be industrial clusters, which will help develop cooperation ties between companies from different regions and also offer an opportunity to reduce ***producer*** costs.

As of now, 29 regions have created 50 clusters comprising 1,800 companies that employ over 700,000 people. We propose paying subsidies for the expansion of clusters and believe that this model will help streamline the distribution of capacities throughout the country. It should be said that over 50 percent of our manufacturing companies are now located in the Central and Volga federal districts, and they manufacture over 70 percent of innovative products in Russia.

To moderate this imbalance in the region's industrial development, the government offers tax incentives for nine special economic zones and 45 priority development areas. In addition, we have complemented all the state ***programmes*** with special chapters on the development of the Russian Far East and the North Caucasus Federal District, as per your instruction.

To continue to balance industrial and interregional development, we have created a State Industry Information System (SIIS). Unlike the State ***Planning*** Committee, which issued instructions to ***producers***, the SIIS only provides information on oversupply or market gaps, which companies can use to take independent decisions.

This does not only concern businesses since we do not always see companies' opportunities in the regions from the federal perspective - and, in fact, the regional heads themselves do not always have objective data on what is happening locally. I will not name anyone specifically among the regional heads but there have been cases when, for example, somebody would come to me with a proposal to build an electric steel-making plant in the region. When asked where they were going to get scrap metal, they said, "in the region next door." But there is already a million-plus city with strong electrometallurgy in that region. Certain questions arise and this information system will allow us to avoid such issues.

This system now comprises almost the entire catalogue, high-tech products that our companies are ***producing*** or will be ***producing***. We also ***plan*** to develop a directory of investment projects for private investors and a digital platform for companies to be able to access regional trading sites with subcontracting opportunities. Thus, each company will have access to the entire domestic market.

In addition, we also propose developing a common regional industrial policy standard. All regions will use this standard as guidance in developing both technology and, most importantly, their export potential. Last year, we worked with the Russian Export Centre to test general approaches to increasing non-commodity exports in the first 22 regions. There is a total of 17 federal support ***programmes*** being administered by three separate bodies: the Russian Export Centre, the Export Insurance Agency of Russia (EXIAR) and Eximbank of Russia.

We propose establishing a "one-stop shop" based at the Russian Export Centre, across all regions, and consolidate all resources and mechanisms available today for export support. The Russian Export Centre will become the administrator of the budget funds. This will ensure comprehensive promotion of the regional products in external markets.

Thank you. Please support our proposal.

[...]

Central Bank Governor Elvira Nabiullina: Mr President, colleagues,

The accessibility of financial resources, including bank loans, is certainly an economic growth factor. Previously, when market lending conditions deteriorated, the Central Bank worked to promote special low interest loans to support non-commodity exports, project financing, as well as small and medium-sized businesses. Overall, limits on the use of these reduced rates exceeded 500 billion rubles in that period of time.

However, this is a temporary measure, and we are gradually abandoning it in light of the falling interest rates in the economy and the increasing accessibility of loans. But still, we have only used two thirds of the approved allocations in the key areas, which means that we have some unused capacity.

Of course, our strategy is to make market rate loans accessible to the people. There are grounds for attaining this goal, considering that basic indicators in our banking sector returned to the pre-crisis level last year. We also have sufficient funds, sufficient liquidity, and there are grounds for our banks to increase their loans to the national economy in current conditions.

The Central Bank's priority is not just to ensure the stability of banks and financial institutions. We want financial institutions and banks above all to play their role in financing economic growth and to be efficient intermediaries between saving and lending.

Although the overall volume of loans in the economy grew by 4.7 percent last year (net of the exchange rate), there is a problem in this area, first of all in the lending structure. Retail lending is recovering very rapidly. Loans to individuals are growing seven times faster than corporate loans. Last year, retail loans increased by 12.7 percent, while loans to non-financial organisations grew only by 1.8 percent.

Of course, the revival of retail lending is a good factor, because it means the demand is recovering as well, and increased demand for industrial goods is evidence of consumer confidence. However, we must not allow overheating, because consumer lending should grow at a comparable pace with the growth of people's incomes, and it must also be commensurate to loans in the real economy sector. Therefore, we will adjust our regulation system so as to encourage banks to provide not only retail loans but also loans to the real economy sector.

We have recently held many discussions on performance or incentive-based regulation at banks. What does this mean? Not all loans, including corporate loans, have the same effect in terms of economic growth. Our analysis shows that a considerable number of banks issue a major part of loans for merger and acquisition transactions.

For example, four banks allocated nearly 2.5 trillion rubles in corporate loans, while in fact this money was not used for development but for the purchase or sale of assets. This entails greater risks, because the borrower must use part of its profits not only to pay interest on production loans, but also interest on loans taken out to buy assets.

This is why we ***plan*** to introduce differentiated reserve requirements. [...]

I would like to say a few words about other methods, in addition to bank loans, for attracting financing for new projects, investment projects and industrial development.

You have issued instructions on bonds, and measures have been taken to simplify the bond offering procedures. It should be said that there were some positive changes in 2017. In addition to borrowing loans, our non-financial entities, that is, real economy companies have reported a growth of 1.4 trillion rubles through a 26 percent increase in the value of their bonds.

The value of loans has increased by 1.8 percent, while the value of bonds is up 26 percent, although the overall share of bonds is not very large, some 15 percent total, but it can grow, and many large and medium-sized companies can use this instrument to attract funds. We are considering a system of loan-backed securitisation for small businesses.

Equity financing is where we have fallen short of our target so far. Investment projects are often implemented not with borrowed funds but with the company's own equity. The share of equity financing is only 8.5 percent in Russia, while it is 52 percent in China, 57 percent in India, 26 percent in Brazil and 21 percent in South Africa. I only provided the figures for the BRICS countries.

The use of this instrument can be facilitated by increased transparency and a higher level of corporate governance. It is a financial resource we could make use of, and this is how non-state pension funds can help us develop our companies.

[...]

Vladimir Putin: Mr Katyrin, go ahead, please.

President of the Chamber of Commerce and Industry Sergei Katyrin: Mr President, colleagues,

I would like you to address two aspects that are not perhaps global in scale, but are still, in my view, sufficiently important.

First, the exhibition and fair activities; this is an important tool for promoting products in local, federal and international markets. Today Russia hosts 2,500 exhibitions per year and the services rendered amount to about $800 million. We have one million square metres of indoor areas. This is the seventh result in the world, despite the fact that we have started developing this infrastructure only recently. Nevertheless, the effect is significant, as we can see.

We hold 38,000 fairs per year, with sales amounting to 500 billion rubles. What I mean is that this exhibition and fair industry is sufficiently large-scale and important, but it lacks rules and regulations. At the Chamber's congress two years ago - I think you remember this, Mr President - you supported our initiative to create this regulatory framework.

Jointly with the Industry and Trade Ministry, we have prepared an exhibition activity development concept and a relevant draft law. The concept has been approved, while the draft has been held up somewhere. It has not been adopted up to this day. We would like to ask you to give this matter a push, because, in our view, it could strengthen our regions' industrial potential.

Vladimir Putin: Where has it been held up? With Mr Manturov, I suppose?

Sergei Katyrin: No, Mr Manturov drafted this law together with us. It is somewhere in the Government, as far as we know.

Vladimir Putin: All right, we will look for it, it isn't a needle in a haystack. We will find it.

[...]

Economic Development Minister Maxim Oreshkin: You have mentioned labour productivity in your opening remarks. In fact, we launched this ***programme*** late last year. It includes seven regions and a further nine regions are joining it later this year. At the first stage, it involves 84 enterprises. There were some very striking cases at some of these, where better organisation managed to boost labour productivity by tens of percentage points. I will tell you about this separately.

We feared that this productivity growth would lead to redundancies, but at these enterprises we see a situation where productivity growth leads to a win in competition and an increase in revenues. As a result, they hire additional staff and forge forward. We are cooperating with the Industry and Trade Ministry on this project, which is why it is making strides.

Generally, we believe that inculcating culture, efficiency culture, and promoting steady [labour] productivity growth is among our main tasks. Under this particular project, we focus on training teams. When people start seeing what it is all about, they just realise what opportunities in terms of optimisation are available and achieve fantastic results.

Now let me address the project funding business. We are ***planning*** to sign the first deals at the Investment Forum in Sochi two weeks from now. Companies will receive 10-15-year loans at 8-9-percent interest and 170 billion rubles.

[...]

General Director of the Federal Corporation for Developing Small and Medium Business Alexander Braverman: I have a small comment. My colleagues said that the accessibility of funds is now the main problem for companies, especially small and medium-sized ones. Over a year ago, we introduced, together with the Central Bank, an encouragement ***programme*** which offers an interest rate 3 percentage points lower than for loans in other sectors. However, it is focused on industry, primarily the high-tech sector.

The Government has allocated 652 million rubles in bank subsidies, which will allow us together with the Economic Development Ministry - we are implementing this ***programme*** together, and we are grateful to the Finance Ministry for its prompt assistance - to allocate 25.1 billion rubles in loans to a targeted group of industries, namely, biotechnology, microelectronics and robotics. This is why funds have become more accessible.

Second, we spoke about the business navigator. Kazakhstan, Belarus and Armenia have requested access to this instrument, because they have nothing of this kind. They have asked for the methodology of using this instrument. The Government has approved the free transfer of this instrument, which will expand our integration opportunities.

And lastly, Mr Manturov, I suggest that you align the State Industry Information System with the business navigator so as to create a synergistic effect.

[...]

Finance Minister Anton Siluanov: Speaking about the model budget, we support this proposal, because it will allow regions to include their expenses in industry development funds. We will take these expenses into account when calculating inter-budget transfers. I think that we should also use modern methods for stimulating industrial development, such as special investment contracts.

We have devised a new format of special investment contracts. We have extended the list of sectors that can use this instrument to include ***agriculture***, transport infrastructure and modern technology. In addition to tax incentives, investors are offered conditions such as tax base stability and tax incentives for investment in infrastructure.

Also, when discussing state procurement, we will take into account the priority importance of products manufactured within the framework of special investment contracts. In essence, special investment contracts are contracts between the state and investors that stipulate stable terms and the marketing of products that are manufactured as the result of this investment. View this as an important method of facilitating industrial development. We have drafted a bill to this effect, and it is being coordinated now. We will strongly rally for its adoption during the Parliament's spring session.

[...]

Vladimir Putin: We have drafted an instruction and have it coordinated with nearly all participants. Are there are comments regarding it? No?

I would like to thank all our colleagues who have contributed to drafting our decisions and today's meeting.

Today we discussed the development of the Russian regions' industrial potential. The industrial potential of the regions constitutes the industrial potential of the country as a whole. In fact, the main goal of this meeting, as well as of the work that has been accomplished by the working group, is to stimulate the regional teams to work together with the Government and businesses by adjusting their legal framework so that the financial authorities and the Government can join in this work and support the regional authorities in this crucial work of priority significance for economic development.

I would like to thank the working group again and to urge all our colleagues to meticulously implement the decisions which we have prepared and will sign today.

Thank you very much.

February 1, 2018, Rostov-on-Don

Source: President of the Russian Federation website in English 1100 gmt 2 Feb 18

**Load-Date:** February 2, 2018

**End of Document**



[***Myronivsky Hliboproduct (MHP) - Q3 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NP8-9XS1-F0J5-82KX-00000-00&context=1516831)

Ukraine Food & Drink Report

July 1, 2017 Saturday

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**Length:** 928 words

**Highlight:** MHP is the leading poultry ***producer*** in Ukraine, accounting for about half of the chicken commercially ***produced*** in the country. MHP's domestic strength owes much to its vertical integration. The company's local standing has been improved by the 2008 acquisition of Ukrainian Bacon; MHP also runs its own meat-selling franchising system. MHP has been listed on the London Stock Exchange since April 2008.

**Body**

**SWOT Analysis**

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| Strengths | MHP is the leading poultry ***producer*** in Ukraine by some margin, with a market share around 50%. Vertical integration allows for a high degree of self-sufficiency. Ability to expand by acquisition, as signified by the takeover of Ukrainian Bacon. The group has direct access to raw materials across the country. The company has a significant export trade. It provides about 85% of poultry exports from Ukraine. |
| Weaknesses | Consumption of higher-value items has been falling due to adverse economic conditions. High inflation has been undermining growth in demand for value-added products. |
| Opportunities | The company can tailor some of its products more to lower-income consumers without over-extending its margins. Economy products portfolio continuing to perform well as consumers switch to poultry from more expensive meats. Poultry benefited from the deep-rooted trend to discretion as thrifty consumers traded down from higher-value meats such as beef. Demand for poultry remains strong, especially in key export markets. |
| Threats | Multinational competition will continue to threaten specific product segments, particularly value-added areas. Falling number of retail outlets to reduce opportunities for product placement. The company will need to trim its prices in order to secure volumes. |

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| **Company Overview** | Myronivsky Hliboproduct (MHP) is the leading poultry ***producer*** in Ukraine, accounting for about half of the chicken commercially ***produced*** in the country. MHP's domestic strength owes much to its vertical integration. The company's local standing has been improved by the 2008 acquisition of Ukrainian Bacon; MHP also runs its own meat-selling franchising system. MHP has been listed on the London Stock Exchange since April 2008. |

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| **Strategy** | MHP's Ukrainian Bacon unit continued to play a strong role in the mass market push in 2010. The firm's poultry sales performed well during the economic downturn, as consumers switched from higher-cost meats such as beef. Looking outside Ukraine, MHP's international profile was strengthened considerably by its April 2008 London Stock Exchange initial public offering. The listing, which raised USD330mn, was the first by a Ukrainian ***agricultural*** company in London. In July 2010, the firm started exporting its poultry products to neighbouring Russia, where demand for poultry is expected to grow strongly over the coming years as anticipated income growth provides strong momentum to overall food consumption. Export growth is likely to take on more ***strategic*** importance for MHP. In mid-2011, the company appointed George Logush, a former executive and board member at US food conglomerate Kraft Foods, as its new vice president, aiming to improve its marketing strategies and boost sales figures. Around the same time, Yuriy Kosiuk, MHP's CEO, launched a new fast-food chain called Kryla in Kiev, Ukraine. In November 2011, MHP announced ***plans*** to increase the share of poultry for export. In 2013, the company said it ***planned*** to double the volume of exports with the launch of its largest site in the Vinnytsia region, which in the first year was expected to ***produce*** 100,000 tonnes of poultry per annum. The complex came into operation earlier than ***planned*** in 2012. By 2018, the company expects Vinnytsia to more than double MHP's previous 400,000 tonnes production capacity. The company also revealed that it is considering expansion into the EU poultry market through the possible acquisition of meat processing companies in Germany and other EU countries. Targets in Italy, Slovakia and France are also being considered with the potential deal estimated in the range of EUR100mn-EUR150mn. The start of Ukrainian poultry exports to the EU has already been approved by regulative bodies. In early 2013, the International Finance Corporation announced that it is providing MHP with a USD50mn loan to support the company in implementing its expansion ***programme*** in the central Ukraine region of Vinnytsia. The poultry ***producer*** ***plans*** to increase its staff by 6,000 to around 32,800 during the next five years, while the network of small- and medium-sized businesses and individual franchises that sells the company's products is also expected to expand. In summer 2015, the company announced that its poultry sales in 2014 had increased 18% y-o-y to 525,460 tonnes and that its chicken meat exports had increased 15% y-o-y in the same period to reach 140,920 tonnes. Between June and December 2014 the company exported poultry meat to the EU with zero import duty, which resulted in more than 16,500 tonnes, about 12% of total poultry export in that year. The company also increased its sunflower oil exports by 23%, to reach 296,150 tonnes. In October 2015, MHP announced its ***plans*** to acquire 100,000ha of ***agricultural*** land as well as continue its investment in the second stage of the Vinnytsia poultry farm. Completion of the second stage is ***planned*** for 2021 and now has permission to export to 64 countries. In October 2016 the company announced ***plans*** to invest up to USD500mn in the construction of the second stage. In Q117 MHP's exports rose 60% y-o-y to 49,150 tonnes, with base effects from a poor 2016 playing a major part in the increase. Combined with a 2% y-o-y decline in domestic sales, exports accounted for 40% of total sales, a record figure for the firm. Europe accounted for 21% of total exports, but this level is likely to decline later in the year as MHP has used nearly half of its duty-free export quota in the first quarter of 2017. |

**Load-Date:** June 2, 2017

**End of Document**



[***-IsDB and AfDB partner to boost agriculture and fight drought in Nigeria, Somalia and Uganda***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R1B-BP61-F0K1-N3YR-00000-00&context=1516831)

ENP Newswire

November 23, 2017 Thursday

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**Length:** 691 words

**Body**

A joint initiative of the Islamic Development Bank (IsDB) and African Development Bank (AfDB) will boost ***agriculture*** value chains and enhance drought resilience in Nigeria, Somalia and Uganda.

The initiative is part of a broad coalition to boost collaboration between the two institutions in ***agriculture***, water and sanitation. The combined active portfolio of both institutions in these sectors in Nigeria, Somalia and Uganda is worth US$ 1 billion, with several projects in the pipelines to expand their support. Stronger ties between AfDB and IsDB will help ramp up ***agricultural*** production along important crop and livestock value chains while preventing and mitigating climate change induced droughts will help achieve the objectives of 'Say No To Famine/Alliance to End Famine in Africa.'

The investments are complemented with institutional capacity building to develop enabling environments for sustainable, green and inclusive growth. There is broad stakeholder agreement that collaborative and coordinated efforts are needed to swiftly deal with weather shocks that often have devastating consequences for the most vulnerable population. 'It is good to see this strong partnership between the African Development Bank and the Islamic Development Bank further evolving, in terms of depth, breath, resource commitments, leverage and speed of delivery' says AfDB Vice-President for Regional Development, Integration and Business Delivery, Khaled Sherif. VP Sherif recalled that the Presidents of the two institutions recently signed a Memorandum of Understanding that clearly outlines the way forward to strengthen the partnership. Dr. Akinwumi Adesina, AfDB President (right) with Dr. Bandar Hajjar, IsDB President (left) in July 2017 during the signing ceremony of the US $ 2bn partnership agreement between the two institutions at the AfDB headquarters in Abidjan. 'While the MOU is continent-wide and cross-sectoral, we jointly identified immediate synergies in the broader FEED Africa and Say No To Famine domain, which cover varying levels of short-term, medium-term and longterm ***interventions***, to deliver even more efficiently and effectively to the benefit of communities in the three countries,' VP Sherif added. IsDB Vice President, Mansur Muhtar stated: 'Indeed, there is much to gain from the collaboration between our organizations. It is here that we can utilize our respective competitive advantages best and maximize the utilization of available resources.' 'This can be achieved in particular by avoiding duplication and concentrating the stipulated initiatives in support of our member countries in the identified sectors and areas that promise to be most impactful for local populations. We will also expand this partnership throughout the operationalization of upcoming initiatives by bringing in additional partners, especially the private sector,' VP Muhtar added. For example, in Nigeria the Plateau State Potato Value Chain Support Project of the AfDB and the ***planned*** IsDB's Agro Pastoral Development Project in Kano State will promote higher household incomes through productive agro-pastoral activities. In Somalia, AfDB's Say No To Famine project approved earlier this year is providing emergency assistance support and facilitating drought resilience building through the restoration of community assets which is complemented by IsDB's ongoing Drylands Development Project. Both at appraisal stages and a prime example of parallel co-financing, IsDB's Irrigation Development Project and AfDB's ***Agriculture*** Value Chain Development ***Programme*** showcase their commitment to help Ugandans benefit from the tremendous business opportunities that exist in ***agriculture***, from the primary sector through manufacturing to ***agriculture*** ***produce***-related services in collaboration with the government. Discussions are also ongoing to scale up several projects, among them, the ***Strategic*** Towns Water Supply and Sanitation Project in Uganda, which will be appraised later this year and presented to the AfDB Board of Directors for approval in early 2018.

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** November 23, 2017

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[***Register of Commission documents: Outermost regions of the EU: A stronger and renewed partnership Document date: 2018-01-19 EPRS\_BRI(2018)614669 Briefing***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RJ1-4S11-JDG9-Y1V1-00000-00&context=1516831)

Impact News Service

January 30, 2018 Tuesday

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**Length:** 7364 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

Briefing January 2018 EPRS | European Parliamentary Research Service Author: Christiaan van Lierop Members' Research Service PE 614.669 EN Outermost regions of the EU A stronger and renewed partnership SUMMARY The EU's outermost regions qualify for special treatment owing to structural difficulties, such as remoteness, difficult topography or economic dependence on a few products, which can severely hamper their development. Specific support mechanisms exist under cohesion, ***agricultural*** and fisheries policies, with the Commission outlining measures aimed at assisting outermost regions in its communications published in 2004, 2008, and 2012. Nevertheless, with the outermost regions continuing to face numerous challenges in areas such as mobility, unemployment and climate change, discussions were launched on the formulation of a new strategy, which was published in October 2017. The result of extensive consultation with stakeholders, including Parliament and the outermost regions themselves, the 2017 communication puts forward a new approach to support their development by making the most of the outermost regions' assets, exploiting new opportunities for growth and job creation and giving greater recognition to their specific circumstances and needs. To achieve this, the communication outlines a series of concrete and coordinated actions to be taken at EU and national level, as well as by the outermost regions, and calls for a stronger partnership between outermost regions, their respective Member States, and the EU. While broadly welcoming the new strategy, the outermost regions and its partners have highlighted several key issues that it fails to cover.

Equally, although the Commission puts forward many commitments and positive measures, the strategy is very much a work in progress, and its measures will need to be developed further and incorporated into the EU legislative framework before they can be rolled out on the ground. In this context, the future shape of the EU's legislative and financial proposals post-2020 will be of crucial importance for the successful delivery of this strategy. This is a revised and updated version of a briefing from March 2017. In this briefing:  Introduction  Legal background and available support  Challenges facing the outermost regions  Towards a renewed strategy for the outermost regions  2017 Commission communications on the outermost regions  Outlook  Main references EPRS Outermost regions: A stronger and renewed partnership Members' Research Service Page 2 of 12 Introduction Nine EU regions are currently classified as outermost regions, owing to their remoteness from the European continent: five French overseas departments (French Guiana, Guadeloupe, Martinique, Mayotte and Réunion), one French overseas community (Saint-Martin), two Portuguese autonomous regions (Madeira and the Azores), and one Spanish autonomous community (the Canary Islands). With regional GDP substantially below the EU average, the outermost regions are clearly in a fragile economic situation, yet this figure alone does not reflect the full breadth of challenges they face. Figure 1 – Location of the outermost regions The Commission's 2016 Regional Competitiveness Index, which ranks EU regions on the basis of 50 indicators in such areas as infrastructure, health and innovation, reveals that the outermost regions rank significantly lower than their position based on GDP alone, with low scores in areas such as labour market efficiency and infrastructure suggesting serious structural problems. Similarly, the 2016 EU regional Social Progress Index, drawn up by the Commission in collaboration with the NGO Social Progress Imperative, shows that the outermost regions score poorly in terms of the opportunities available to people who live there, with both indexes demonstrating just how the outermost regions' structural disadvantages impact on their development. To help offset these challenges, the EU provides for a number of measures to support the development of such regions. Table 1 – Outermost regions ranked by GDP per head PPS and 2016 Regional Competitiveness Index score NUTS 2 outermost region 2014 GDP per head (PPS) % of EU average GDP per head (PPS) ranking (out of 263) Regional Competitiveness Index 2016 RCI 2016 ranking (out of 263) Difference in ranking (number of places) Azores 71 198 16.7 234 -36 Canary Islands 79 174 27.1 217 -43 Guadeloupe 73 192 26.8 218 -26 French Guiana 58 234 0.0 262 -28 Madeira 72 191 25.2 223 -32 Martinique 75 180 39.7 175 +5 Réunion 70 202 26.5 219 -17 Data source: Regional Competitiveness Index, 2016; (no data available for Mayotte and Saint-Martin). EPRS Outermost regions: A stronger and renewed partnership Members' Research Service Page 3 of 12 Legal background and available support Defining outermost regions The outermost regions are an integral part of the European Union and, in accordance with Article 355 of the Treaty on the Functioning of the European Union (TFEU) (as amended under Article 355(6)), are fully governed by the provisions of the Treaties. These regions have a unique status under the Treaties that distinguishes them from EU overseas countries and territories (OCTs), which are not part of the single market, and regions with permanent natural or demographic handicaps (see below). Their remoteness, insularity, small size, difficult topography and climate and economic dependence on a few products, all of which severely restrict their development, mean that outermost regions qualify for special treatment under Article 349 TFEU. This article provides for specific measures in areas such as customs and trade policies, ***agriculture*** and fisheries policies or access to structural funds, to help support their development and limit the impact of their structural challenges. The scope of application of Article 349 was significantly clarified in December 2015 following a European Court of Justice decision, which ruled that the Council had the power, under Article 349, to adopt specific measures laying down the conditions of application to outermost regions not only for the provisions of the Treaties, i.e primary legislation, but also in respect of the provisions of secondary legislation, affirming Council's right to adopt measures such as regulations on the basis of Article 349. By confirming Article 349 as the legal basis for secondary legislation for the outermost regions, this could pave the way for more specific measures for these regions. Regions with permanent natural or demographic handicaps Defined in Article 174 TFEU, regions with permanent natural or demographic handicaps enjoy a different status to the outermost regions. Article 174 provides that the Union shall aim to reduce disparities between the levels of development of the various regions and the backwardness of the least favoured regions, stipulating also that, among the regions concerned, particular attention should be paid to regions that suffer from severe and permanent natural or demographic handicaps such as northernmost regions with very low population density and island, cross-border and mountain regions. Crucially this provision stipulates that the Union shall develop and pursue its actions leading to the strengthening of its economic, social and territorial cohesion, which means that the regions defined in Article 174 are eligible for special treatment, primarily within the framework of cohesion policy. This is in contrast to the outermost regions: Article 349 TFEU providing that specific measures may be adopted laying down the conditions of application of the Treaties to outermost regions, including common policies. Outermost regions and the cohesion policy framework The Common Provisions Regulation (CPR), which introduces a common set of rules for all five European Structural and Investment Funds and outlines 11 thematic objectives that are aligned with the five headline targets of the Europe 2020 strategy, states that the outermost regions should benefit from specific measures and from additional funding to offset their structural social and economic situation together with the handicaps resulting from the factors referred to in Article 349 TFEU. Annex VII of the CPR, meanwhile, provides for an additional special allocation, corresponding to an aid intensity of €30 per inhabitant per year, to be allocated, among others, to the outermost NUTS level 2 regions. In addition, while Article 120 (3)(b) establishes a co-financing rate of 85 % for the outermost regions for the 2014-2020 period, the co-financing rate from the funds to a EPRS Outermost regions: A stronger and renewed partnership Members' Research Service Page 4 of 12 priority axis may be modulated in respect of the outermost regions referred to in Article 349 TFEU. The European Regional Development Fund (ERDF) Regulation provides that the scope of support from the ERDF may be extended to include the financing of operating aid to offset the additional costs resulting from the economic and social situation of the outermost regions. While the regulation establishes the percentage of ERDF resources that must be allocated to thematic objectives one to four depending on the category of region in question, Article 12 stipulates that these provisions shall not apply to the specific additional allocation for the outermost regions, stating that this allocation may be used to offset the additional costs incurred in supporting any of the 11 thematic objectives. It may also be used to finance freight transport services and start-up aid for transport services and operations linked to storage constraints, the excessive size and maintenance of production tools and the lack of human capital in the local market, and to finance operating aid covering public service obligations in the outermost regions. In terms of funding, €6.6 billion has been allocated to the outermost regions under the ERDF and ESF for the 2014-2020 period across a total of 14 operational ***programmes***: eight regional operational ***programmes*** (one for each region except for the joint regional ***programme*** for Guadeloupe and Saint-Martin), and six European territorial cooperation ***programmes*** covering cooperation across such areas as the Caribbean region, the Indian Ocean area, or between Mayotte and its neighbouring islands of Comoros and Madagascar. This total amount also includes the special allocation for outermost regions, which amounts to €484.1 million for the Canaries, €443.3 million for France's outermost regions and €115.7 million for the Azores Islands and Madeira. With regard to European territorial cooperation (ETC), it is also worth emphasising that, in accordance with the ETC Regulation, regions in outermost regions along maritime borders separated by more than 150 km may be included as cross-border areas in order to facilitate cross-border cooperation for outermost regions. Under the ETC Regulation, the sum of €50 million from the allocation for interregional cooperation has also been specifically set aside for cooperation involving outermost regions. ***Agriculture*** and fisheries In view of the difficult ***agricultural*** conditions and to boost their self-sufficiency in terms of food supply, the outermost regions are also supported by a number of specific measures under the European ***Agricultural*** Fund for Rural Development (EAFRD) that can foster their development. The EAFRD Regulation provides that a maximum EAFRD contribution rate of 85 % shall apply to rural development ***programmes*** in the outermost regions, rising to 90 % for specific measures, while for investments in physical assets in outermost regions, EAFRD funding may provide up to 75 % of the eligible investment. The European Maritime and Fisheries Fund (EMFF) also includes specific measures for the outermost regions, with the EMFF Regulation providing that state aid may be authorised in the outermost regions for sectors ***producing***, processing and marketing fishery and aquaculture products, stipulating that operations located in the outermost regions may benefit from an increase of 35 % in specific aid intensity. In addition, Article 70 provides for EMFF support for the compensation of additional costs incurred by operators in the fishing, farming, processing and marketing of certain fishery and aquaculture products from the outermost regions, referred to as the 'Fisheries POSEI'. Similarly, outermost regions also receive support under the ***programme*** of options specifically relating to remoteness and insularity (POSEI), which is financed by the European ***Agricultural*** EPRS Outermost regions: A stronger and renewed partnership Members' Research Service Page 5 of 12 Guarantee Fund. The POSEI, which replaces the first pillar of the Common ***Agricultural*** Policy (direct payments) in the outermost regions, comprises measures that aim to ensure specific supply arrangements and provide support for local production, with the scheme providing annual allocations amounting to €278.41 million for the French outermost regions, €268.42 million for the Canary Islands and €106.21 million for the Azores and Madeira. A report published by the Commission on 15 December 2016 considers that the overall performance of the ***programme*** from 2006 to 2014 was positive, particularly in terms of its ability to address the ***agricultural*** challenges facing the outermost regions, and that it plays a critical role in maintaining traditional and 'diversification' of production in these regions. Challenges facing the outermost regions Their remote location and isolation has a measurable impact on many aspects of life in Europe's outermost regions, with their unique geographical situation generating significant additional costs in many areas. Parliament examines this issue in its 2012 resolution, drawing attention to monopolies, abuse of dominant positions and cartel offences in the outermost regions, all of which have the effect of exacerbating living costs that are already high. This situation is compounded by the outermost regions' reliance on imported fossil fuels. The Committee of the Regions (CoR) has also focused on this problem, with its 2008 opinion on the outermost regions, noting that remoteness leads to additional costs and is a singular barrier to the growth and economic sustainability of the outermost regions, limiting opportunities for their residents and reducing the competitiveness of their industries. Mobility is clearly a key challenge in the outermost regions. In view of their remote location, these regions are highly dependent on transport links. As highlighted by the CoR in its 2014 opinion on mobility in geographically and demographically challenged regions, airports can be vital to the survival of the outermost regions and for allowing them to connect, both with their respective countries and with the rest of the EU. However, problems such as increased costs and funding needed to ensure service provision, depopulation, and fluctuating consumer demand for public transport services, can all have a negative impact on public transport in the outermost regions. This in turn can stifle economic growth, with Parliament noting in its 2008 resolution on the strategy for the outermost regions that the inadequate nature of services, as well as problems with running regional transport services in such areas, represent major barriers hampering the economic development and accessibility of the outermost regions. Unemployment is a perennial problem in the outermost regions. In 2008, Parliament emphasised the urgent need to adopt measures to combat unemployment, poverty and unequal income distribution in the outermost areas. Progress appears to be slow in this area, however, with Parliament's 2014 resolution noting that the outermost regions have some of the highest unemployment rates in the EU, including particularly high levels among young people. Clearly, this problem also has wider ramifications for society, with the Conference of Presidents of the Outermost Regions, a body which brings together the presidents of the executive bodies of the nine outermost regions, expressing concern that the structural and serious nature of their unemployment is having a lasting impact on the social cohesion of these regions, a point raised in its 2015 final declaration. While there are many reasons for unemployment in the outermost regions, the CoR has suggested it is aggravated by the mobility problems local residents face, effectively forcing them to remain in their region and increasing unemployment rates. EPRS Outermost regions: A stronger and renewed partnership Members' Research Service Page 6 of 12 Equally, outermost regions' close proximity to less prosperous third countries means that they also face substantial migratory pressures in this connection. Taken together with a population growth rate that is often much higher than the EU average, Parliament notes that this has led to significant economic and social tensions in the outermost regions. According to the EP, social exclusion represents one of the most fundamental problems facing these regions. In its 2014 resolution, Parliament identifies strong population growth as one of the factors that has contributed to a major housing shortage in some outermost regions, also highlighting the role of growing desertification in others, which has led to the deterioration of the traditional built environment. The impact of 'brain drain', where young people leave a region in search of better opportunities elsewhere, is also a particular challenge in outermost regions, a point raised by Parliament in its 2014 resolution, which voices concern at the severe skills drain from the outermost regions brought about by high unemployment rates and a lack of suitable training opportunities. Energy is another obstacle, with Parliament highlighting the challenges posed by isolated energy systems, noting that fossil fuel dependency is aggravated by distance and geographical isolation. It has also argued that the outermost regions' remoteness has been exacerbated in recent years by the digital divide between them and mainland Europe, resulting from delays in setting up and modernising ICT infrastructure in the outermost regions, hampering the development and competitiveness of these regions. In contrast to other regions of the EU, the conditions for carrying out activities in areas such as ***agriculture*** or fisheries are more challenging on account of a number of factors specific to the outermost regions, with the small size of farm holdings and the limited market both having a major impact on farming, a point also raised by Parliament. It notes that this already difficult situation is compounded by the challenges of diversification and competitiveness, as well as by new challenges, which include globalisation, market liberalisation, food safety and sustainable development. Furthermore, in spite of the existence of specific support schemes in the outermost regions, Parliament has noted that the POSEI ***programme*** to help farmers in outermost regions suffers from chronic underfunding. Challenges also remain in the fisheries sector, with Parliament's April 2017 resolution on the management of the fishing fleets in the outermost regions drawing attention to problems, such as the difficulties that local fishermen face with accessing credit or insurance for their vessels, or the high level of illegal, unreported and unregulated fishing taking place in the outermost regions' exclusive economic zones. Finally, environmental issues are also a particularly pressing problem in outermost regions, with Parliament's 2012 resolution highlighting the effects of climate change in the outermost regions, especially rising sea levels, and the CoR also recognising the importance of this issue in its 2008 opinion on the strategy for the outermost regions. European Commission communications on the outermost regions The Commission has published a number of strategies for the outermost regions, setting out a common framework for action in areas such as cohesion policy, ***agriculture*** and maritime policies. The 2012 communication, which presented how the Commission can work in partnership with the outermost regions to achieve the Europe 2020 objectives of delivering smart, sustainable and inclusive growth, was one of the points of departure for the discussions that would lead to the formulation of a new strategy in October 2017. 2012 communication Building on the 2004 Commission communication, which outlined a strategy for the outermost regions based on the three axes of improving accessibility, improving EPRS Outermost regions: A stronger and renewed partnership Members' Research Service Page 7 of 12 competitiveness, and promoting regional integration in neighbouring regions, and the 2008 communication, which focused on capitalising on the unique assets of the outermost regions, the Commission's June 2012 communication outlined a ***plan*** to help the outermost regions become more self-reliant, economically stronger and capable of creating sustainable jobs by tapping into their own assets. The strategy set out in the 2012 communication is based on five axes: improving access to the single market; increasing competitiveness; strengthening regional integration within the outermost regions' geographic zones; reinforcing the social dimension of outermost regions; and mainstreaming climate change action into all relevant policies; implemented by a series of measures and proposals for the future, with an internal and an external dimension. The communication emphasises the importance of cohesion policy for delivering Europe 2020 and outlines proposals for traditional sectors such as ***agriculture***, fisheries and tourism, and emerging sectors, including research and sustainable energy. For ***agriculture***, the Commission proposed maintaining the POSEI ***agricultural*** scheme, with a number of adaptations, while, in the area of fisheries, it recommended that outermost regions continue to receive support for fisheries, noting that support for aquaculture and processing businesses could create new job opportunities. The strategy also called on outermost regions to make tourism sustainable and more efficient. In the area of emerging sectors, the strategy concentrated on research and innovation, stressing that the participation of the outermost regions in RTD networks will be key for delivering smart growth in these regions. Developing entrepreneurship is another area of focus, with the communication also highlighting the need for the outermost regions to do more to integrate within their own regional neighbourhoods. Assessing the 2012 communication While welcoming the Commission's commitment to work in partnership with the outermost regions, the CoR's opinion on the outermost regions of the EU in the light of the Europe 2020 strategy regrets that the axes set out in the communication are not supported by any practical and specific measures, particularly for the accessibility axis, which is vital for the outermost regions' development. In its 2013 opinion on the outermost regions of the European Union, the European Economic and Social Committee (EESC) regrets that the communication makes no reference to the potential negative impact of EU trade policy on the outermost regions, particularly free trade or economic partnership agreements. Meanwhile, the final declaration of the 20th Conference of the Presidents of the Outermost Regions drew attention to the need to mainstream the fight against climate change as set out in the 2012 communication, in view of the particularly vulnerable nature of these regions. Towards a renewed strategy for the outermost regions In light of these outstanding issues, and with the Commission due to review implementation of the measures proposed in the 2012 communication by the end of 2017, an expert working group was set up by the Commission with a view towards creating a new strategy for the outermost regions. With the publication of the new communication for the outermost regions scheduled for autumn 2017, stakeholders, including the outermost regions themselves, began the process of drafting their contributions to feed into the discussions on the new strategy. This process was arguably given renewed impetus by the preparations for the Fourth Forum of the Outermost Regions, held on 30-31 March 2017. Hosted by the European Commission in Brussels, this event is a key platform for debate between the outermost EPRS Outermost regions: A stronger and renewed partnership Members' Research Service Page 8 of 12 regions, the EU institutions, civil society and external stakeholders. Entitled 'The Outermost Regions, European lands in the world: toward a renewed strategy', it provided a forum for discussion on future EU policies for the outermost regions, helping participants to contribute to the Commission communication on a renewed EU strategy for the outermost regions. Conference of Presidents of the Outermost Regions 2017 memorandum The Forum of the Outermost Regions saw the official presentation of a memorandum drafted by the presidents of the outermost regions, outlining a number of proposals for ensuring that greater account is taken of the outermost regions in EU policies post-2020. Reaffirming the need for the EU to adopt a differentiated approach when designing policies in order to take account of the specific nature of the outermost regions, the outermost regions called for the maintenance of the specific provisions within cohesion policy, highlighting the role of economic sectors with high growth and jobs potential, including ***agriculture*** and fisheries and emerging sectors such as renewable energy. It also included proposals covering horizontal policies that can impact on the competitiveness and economic development of outermost regions, such as state aid, taxation or research, arguing that EU trade policy should take greater account of the effects of EU trade agreements with third countries on the economies of the outermost regions, and include the preparation of impact assessments before the negotiation of any agreements that could affect them. The document also drew attention to the major need for core infrastructure in areas such as transport or energy, and stressed that the outermost regions' inability to access the trans-European networks was holding back their development, adding that closer integration and cooperation between outermost regions and third countries should be encouraged. Conference of Peripheral and Maritime Regions (CPMR) While welcoming the cohesion policy framework's positive measures in support of the outermost regions, the 2017 final declaration of the 37th annual conference of the Islands Commission of the CPRM called on the EU institutions and Member States to ensure that the discussions on cohesion policy post-2020 take full account of the challenges facing the outermost regions. It recommended the inclusion of a specific reference to territorial cohesion and Article 349 TFEU in the provisions on partnership and multi-level governance (Article 5 CPR), to ensure the full involvement of outermost regions in the preparation of future operational ***programmes***, and earmarking at national level to guarantee that the percentage of ERDF and ESF funds set aside for island and outermost regions corresponds at least to the percentage of the population living in such areas. On regional state aid, the Islands Commission called for the continuation of the special treatment given to outermost regions under Article 107(3)(a) TFEU, and advocates action to allow state aid for large businesses in the outermost regions, as this can have a positive impact on the economic structure of the EU's most vulnerable regions. In addition to the Conference of Presidents and the CPMR, the Member States concerned also shared their views with the Commission on the future shape of the new strategy for the outermost regions. In its contribution to the strategy, Portugal emphasised that the outermost regions should be seen as an asset for the development of the entire EU, in view of the unique development opportunities they offer due to their geographic position, biodiversity and marine and maritime resources, adding that these features justify the reinforcement of the EU's special treatment for the outermost regions. At the same time, it noted there was still a need to address challenges such as the distance from the outermost regions to the European continent, their economic dependence on few EPRS Outermost regions: A stronger and renewed partnership Members' Research Service Page 9 of 12 products, mobility and unemployment, highlighting that the new strategy should put forward related proposals in areas such as cohesion policy, ***agriculture***, transport and communications. The Spanish authorities' contribution stated that their core objective was to strengthen the role of Article 349 TFEU as the legal and political framework for the outermost regions, noting that the process of adaptation to the internal market could be so complicated in some areas that consideration should be given to an approach involving special instruments for these regions. Similarly to Portugal, Spain emphasised the need to capitalise on the ***strategic*** position of the outermost regions and to view them as a source of opportunities in their geographical zones. European Parliament Parliament was also actively involved in the discussions surrounding the communication on a new strategy for the outermost regions, adopting a resolution on promoting cohesion and development in the outermost regions on 6 July 2017 (rapporteur: Younous Omarjee, GUE/NGL, France). Voicing concern that the articles of the Treaties dealing with the outermost regions have not been implemented to the fullest extent possible, the report calls on the Commission to propose an action ***plan*** to implement a consistent and effective strategy for them. On ***agricultural*** policy, the text considers that POSEI has been very successful, yet regrets that successive reforms of the common organisations of the market have failed to take sufficient account of the specific characteristics of the outermost regions. The report calls for a support scheme for sugar-cane growers in the event of a fall in world sugar prices, as well as measures to support milk and banana production, and urges the Commission to encourage the use of labels of origin and other quality certification by local farmers. It also calls for policy coherence to ensure that the outermost regions' efforts to make their industries competitive are not compromised by the EU's free trade agreements with third countries. On trade, it notes that the increasing number of trade agreements with third countries threatens the competitiveness of the EU ***producers*** of those goods, and calls for EU trade negotiations to take account of the specific characteristics of outermost regions and products sensitive to them. Parliament also urges the Commission to honour its commitment to ensure that proposed trade agreements are accompanied by impact assessments, and calls for the maintenance of tariff and non-tariff barriers where they are crucial for the protection of products from the outermost regions. On sustainable maritime policy, fisheries and blue growth, the report notes that sustainable blue growth represents an opportunity to reduce the structural inequalities between outermost regions and mainland Europe. It calls on the Commission to consider introducing a support system for sustainable fisheries in the outermost regions based on Article 349, reflecting the POSEI ***programme*** for ***agriculture***, and urges the Commission and Council to implement all the measures set out in Parliament's 2017 resolution on the management of fishing fleets in the outermost regions. With regard to cohesion policy, Parliament stresses that Article 349 TFEU allows for specific access to structural funds for the outermost regions and considers that all outermost regions should be trea

ted as 'least developed regions'. Emphasising that cohesion policy should remain one of the main instruments of European action post-2020, particularly for the outermost regions, Parliament urges the Commission to create an additional allocation under the European Social Fund to support employability, mobility and training in the outermost regions. On the issue of competition policy and state aid, Parliament calls on the Commission to increase its action to tackle large monopolies in the outermost regions and to guarantee EPRS Outermost regions: A stronger and renewed partnership Members' Research Service Page 10 of 12 the extension of exceptional tax regimes for the outermost regions after 2020 based on a thorough assessment of their situation. Lastly, in terms of research, the environment, education, culture, transport, energy and telecommunications, the report considers that the EU's cross-cutting ***programmes*** should include access conditions specific to the outermost regions in order to ensure their participation, and urges the Commission to fully integrate outermost regions into trans-European transport, energy and telecommunications networks. In this light, it also calls for the creation of a specific POSEIstyle ***programme*** for transport to promote cohesion and reduce the regions’ isolation. 2017 Commission communication on the outermost regions Recognising the clear need to improve efforts to allow the outermost regions to take full advantage of the benefits of EU membership and drawing on the contributions from the various stakeholders, the Commission's October 2017 communication puts forward a new approach for supporting the development of the outermost regions, which involves capitalising on their assets and exploiting the opportunities available for growth and job creation. Based on a stronger partnership between these regions, the Member States and the EU institutions, this approach puts a greater focus on the specificities and needs of these regions and sets out concrete actions to be taken by the EU, Member States and the outermost regions, outlined in more detail in an annex to the communication. The strategy is structured around four pillars. New governance based on a strong partnership will seek to ensure that the Commission takes greater account of the needs of outermost regions and establish EU policies more suited to their situation by adapting EU policies to the unique circumstances of these regions. With this in mind, the Commission identifies various measures, such as setting up an ad hoc platform to exchange views on the interests and concerns of outermost regions and ensuring that the interests and concerns of outermost regions are given due consideration during the impact assessment and policy evaluation process. Building on the outermost regions' unique assets draws attention to the assets of the outermost regions, which should be better exploited to create jobs and business opportunities, calling on outermost regions to focus on areas where they have comparative advantages and on traditional activities important for creating jobs. With regard to the blue economy, the action to be taken by the Commission includes a commitment to consider specific measures for outermost regions under new EU ***programmes*** to support the sustainable development of fisheries and other blue economy sectors. In the area of ***agriculture*** and rural development, the Commission will seek to continue the POSEI Regulation and to maintain specific provisions for the outermost regions in the European ***Agricultural*** Fund for Rural Development. Energy related measures include a commitment to mainstream the good 'clean energy' practices developed by outermost regions, which have access to better renewable energy resources than continental Europe, while the Commission will include the outermost regions' preparedness for extreme weather events as a new policy area under the 2018-2020 LIFE ***programme***, due to their vulnerability to climate change. With the outermost regions experiencing some the highest unemployment rates in the EU, especially in the case of young people, the pillar on enabling growth and job creation sets out ***plans*** for the Commission to strengthen efforts to promote Erasmus plus, including Erasmus Pro, designed to encourage mobility for apprentices, and promote the European Solidarity Corps for young people in the outermost regions. Emphasising the need for the outermost regions to develop their businesses' capacity to operate in the single market, the Commission commits to considering the special needs of enterprises EPRS Outermost regions: A stronger and renewed partnership Members' Research Service Page 11 of 12 from the outermost regions in new schemes helping SMEs to improve their competitiveness on the international markets. Given the importance of digital accessibility, the Commission will encourage the exchange of best practices and information on broadband rollout via the EU network of broadband competence offices. Noting that regular and reliable connections to Europe and within outermost regions themselves can spur growth and jobs, the strategy commits the Commission to launching a study on the connectivity needs of outermost regions, together with their needs for EU funding in this area. Scaling-up outermost regions' cooperation with their neighbourhood and beyond will build on existing initiatives to promote regional cooperation, strengthening the links between outermost regions and their neighbouring countries and particularly encourage joint ***programming*** and ***planning*** of projects, the need for which was put into sharp focus recently in the wake of the 2017 disaster on Saint-Martin/Sint-Maarten. The Commission will consider focusing new EU investments on priority and larger scale projects in the outermost regions geographical area and encourage cooperation between these regions and their neighbours through the closer alignment of funding instrument rules. Assessing the 2017 communication While noting that the Commission's 2017 communication should make it possible to address the challenge of implementing Article 349 systematically, the Committee of the Regions' recent draft opinion, 'Towards full implementation of the renewed European strategy for the outermost regions' (due for adoption in plenary on 31 January 2018), regrets that the document fails to tackle such issues of key importance for the outermost regions as the impact of cohesion policy, specific adjustments in the field of social and employment policy, transport policy or the future of special tax and customs regimes. It considers that the blue economy has significant potential for growth and jobs in the EU and welcomes that the new communication recognises that renewable energies are insufficiently developed. It also calls on the Commission to put forward a new specific tool aimed at offsetting the additional costs relating to the production and storage of clean energies. It also supports the Commission initiative to facilitate outermost regions' access to the EFSI and calls on the Commission to ensure a consistent approach to state aid for these regions. With regard to cohesion policy, the draft regrets that the new communication does not address cohesion policy and reiterates its support for a post-2020 cohesion policy that is strengthened, simplified and focused on ensuring equal opportunities across the EU. In particular, it regrets that the special additional allocation under the ERDF, which is vital for the outermost regions, has not been sufficiently developed by the communication, and considers that it should be strengthened and maintained. Acknowledging that outermost regions have untapped potential, which can help them become economic drivers for neighbouring countries, it welcomes Commission recognition of the importance of territorial impact studies, yet regrets the absence of an ambitious and coherent ***strategic*** framework to make these regions' economies more international. The adoption of the communication was welcomed with satisfaction in the final declaration of the 22nd Conference of Presidents of the outermost regions, held in Kourou and Cayenne in French Guiana on 26-27 October 2017. The Conference expressed its satisfaction with the European Commission's commitment to adapt EU policies to the specific situation of the outermost regions, which includes a tailored approach that takes account of the reality of the regions. It welcomed the fact that the Commission had based EPRS Outermost regions: A stronger and renewed partnership Members' Research Service Page 12 of 12 its work on the proposals put forward in the Conference of President's memorandum, some of which would come into being with immediate effect. The conference regretted, however, that vital policies for the development of the outermost regions had been omitted while others had not been given sufficient attention. In addition, while noting that the communication included a number of positive developments and commitments on the part of the Commission to cater to the specific needs of the outermost regions, it felt that, given the absence of any long term perspective, the proposed measures remain a work in progress. Outlook Despite a number of shortcomings, such as a failure to cover certain key issues for the outermost regions or to adequately address the question of cohesion policy, the new strategy appears to take account of many of the proposals put forward by the outermost regions themselves. This has led to the formulation of a strategy with a legitimate basis that arguably has the potential to boost development in the outermost regions by establishing a stronger partnership with the EU and capitalising on their unique assets. In parallel, discussions have begun on the future of cohesion policy, which is of particular interest to the outermost regions given the vital role that ESIF funds play in supporting them. Parliament remains committed to maintaining the core of the current cohesion policy legislative framework beyond 2020. Its June 2017 resolution on the building blocks for a cohesion policy post-2020 strongly opposed any scaling down in EU cohesion policy and emphasises the value of this policy in addressing the challenges inherent to outermost regions, whose specific tools and financing should be maintained post-2020. Nevertheless, while the report stressed the need to maintain the EU budget share for cohesion policy at an adequate level after 2020, questions remain as to how likely this is in a context of increasing budgetary pressure exacerbated by UK withdrawal from the EU. The future shape of the post-2020 financial and legislative framework will clearly have a crucial role to play in this context. As highlighted by the Conference of Presidents of the outermost regions, the strategy’s commitments still need to be further developed and subsequently incorporated into the legislative and financial proposals post-2020. Only then will it be possible to truly assess the real impact of the new Commission strategy for the outermost regions. Main references Communication on a strong and renewed ***strategic*** partnership with the EU's outermost regions, COM(2017) 623, European Commission, October 2017. Disclaimer and Copyright This document is prepared for, and addressed to, the Members and staff of the European Parliament as background material to assist them in their parliamentary work. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of the Parliament. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy. © European Union, 2018. Photo credits: © buster\_keat0n / Fotolia. [*eprs@ep.europa.eu*](mailto:eprs@ep.europa.eu) [*http://www.eprs.ep.parl.union.eu*](http://www.eprs.ep.parl.union.eu) (intranet)   [*http://www.europarl.europa.eu/thinktank*](http://www.europarl.europa.eu/thinktank) (internet)   [*http://epthinktank.eu*](http://epthinktank.eu) (blog)

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[***Pest control in PNG coffee industry a pressing matter***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-73DG-00000-00&context=1516831)

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**Body**

With an eye on high-value niche markets, the policymakers of Papua New Guinea are determined to rehabilitate the domestic coffee industry, while also capitalising on growing international demand. In order to realise these goals, numerous issues will need to be addressed. In addition to unstable commodity prices, a combination of short- and long-term factors are threatening to put PNG's coffee production at risk, particularly the emergence of a pest infestation that has the potential to cost the industry millions in revenue.

**Lay Of The Land**

In terms of regulation, the industry is led by the governmental Coffee Industry Corporation (CIC). The entity states that PNG exports around 1m bags per annum for a turnover of PGK500m ($158.5m), with around 65% of the cost of exports or free on board prices charged to farmers. The majority of PNG coffee exports are sent to Europe - Germany being the largest consumer - the US, Japan, South Korea and Canada.

Coffee has served as an important source of revenue for the government, with the majority of yields concentrated in the Eastern Highland Province, the Western Highland Province and Simbu. While being PNG's most important product and a major contributor to foreign exchange receipts, harvests are not what they once were. Today approximately 95% of coffee is ***produced*** by smallholder growers who own an estimated average of less than 1500 trees per grower, with some having as little as 20 trees running alongside subsistence crops. This is a major change from when the industry had more than 150 commercial operations, many of which were under the management of large, international brands.

According to the Rural Industries Council, approximately 397,000 households grow coffee, which equates to around 1.6m people who directly benefit from cultivating the crop. Furthermore, the CIC suggests the industry employs as many as 3m people.

The fragmented segment is complex in nature. According to the CIC, there are 35 wet factories that transform coffee cherries to parchment, 60 dry factories that convert the parchment into green bean, 18 licensed exporters of green beans and six manufacturers in the business of roasting. A total of 750,854 bags were ***produced*** in 2016, equating to an output of 45,069 tonnes.

As a result of the limited training in commercial growing and trading among smallholder growers, as well as ailing infrastructure, coffee yields are well below market potential. Likewise, instability in international commodity prices has led to sporadic crop development since the vast majority of coffee crops are grown by highly price-sensitive smallholders. Moreover, the coffee berry borer, an insect which first began emerging in PNG in early 2017, threatens to destroy existing crops.

**Pest Control**

Native to Africa, the coffee berry borer is considered one of the most harmful coffee crop pests in the world. Its presence could be devastating if not addressed effectively, with the Ministry of ***Agriculture*** estimating that 80% of PNG's coffee production could be lost, although discussions with industry experts on the ground suggest that this figure is too high. Since its detection in Banz, Jiwaka Province, the industry has been on high alert.

As of May 2017 authorities were assessing the extent to which the pest had multiplied, with the aim of identifying the exact geographical spread and any possible eradication or containment methods. After several warnings from the CIC about the borer, Tommy Tomscoll, the minister of ***agriculture*** and livestock, pledged PGK50m ($15.9m) to help contain the spread. However, by mid-2017 only PGK20m ($6.3m) had been issued to the CIC and the PNG Quarantine Authority. A number of industry players have pressed the government to issue more funds in the second half of 2017 to further assist the containment effort.

There are a mix of containment and eradication methods that can be employed, and some industry experts believe that the removal of plants where the pest is present will not be necessary. Potaisa Hombunaka, project manager for the Productive Partnerships in ***Agriculture*** ***Programme*** (PPAP), told OBG, "The notion of cutting down tress and burning them is the wrong course of action. The insect only survives on the berry, so there is no need to cut the whole tree down." Therefore, a less wasteful solution may be for the government to remove berries from the trees in affected areas and compensate the individual farmers for their loss.

While the arrival of the coffee berry borer may lead to a reduction in production numbers in the near term, there is a silver lining. This is not the first time PNG's ***agriculture*** sector has had to deal with a destructive insect. The cocoa pod borer surfaced in 2008 and destroyed a portion of cocoa crop over a number of years. Recently, production has grown with the planting of cocoa pod borer-resistant crops. With that in mind, some industry experts have chosen to highlight the benefits of the arrival of the coffee berry borer, saying it will better prepare stakeholders to deal with similar future risks and develop new pest-resistant trees.

**Stimulates**

Despite major drawbacks in the market, the implementation of numerous ***programmes*** is assisting the long-term development of coffee cultivation, helping the industry reach its full potential. In an effort to protect the valuable crop, several rehabilitation initiatives are well under way, including the PPAP, which is funded by the World Bank, the EU and the International Fund for ***Agricultural*** Development to support the planting of new trees and acquire better farming equipment.

Since its inception in 2010, the PPAP has yielded strong results for the industry. Coffee production per farmer has risen significantly, from 382 kg per ha in 2011 to 816 kg per ha by the end of 2014. Similarly, the average net income earned by smallholder growers increased by 64%, from PGK2000 ($634) in 2012 to PGK3280 ($1040) at end-2014.

Originally the project was scheduled to last until June 2016, but due to its early success it has now been extended to June 2019.

By that date the PPAP ***plans*** to have 15,000 ha applying improved management practices, with each ha ***producing*** 600 kg of coffee. In terms of funding, the PPAP has been broken into three core components: institutional strengthening and industry coordination ($13.7m), productive partnerships ($21.1m) and market access infrastructure ($20.2m).

Moreover, 200 km of rural roads will be rehabilitated and kept up with maintenance agreements, which will greatly aid the development of supply chains when transporting goods from harvest areas to ports or more populated areas of the country.

**Streamlining**

Public initiatives are also bolstering the segment. The government vision under the CIC is to rapidly increase coffee production by 2018 with a priority of developing the harvesting skills of smallholders who dominate the market.

To achieve this, farmers around the country are currently being trained on how to improve the quality of their coffee and educated on guidelines to meet certification requirements that are being implemented. A major component of the ***plan*** is to rehabilitate existing plantations and lessen bottlenecks that stem from outdated infrastructure.

While the 2018 ***plan*** does not have a specific production target, industry expectations are set at 1.5m 60-kg bags. According to the CIC, 30% of the estimated 1m bags sold annually are priced at a premium rate, while 70% are sold at a discounted value due to smallholders' varied farming techniques. Another ***strategic*** objective of the CIC is to connect already certified growers to buyers in niche markets in order to increase the amount of bags sold at a premium rate. However, increasing smallholder growers' level of commercial awareness and certifying more farms will be a major challenge to achieving these goals.

**Load-Date:** March 12, 2020

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[***Register of Commission documents: Palestine 2017 AAP-AD2: Commission Implementing Decision on the Annual Action Programme 2017 in favour of Palestine to be financed from the general budget of the Union Document date: 2017-09-27 COM-AC\_DR(2017)D053178-01(ANN01) Comitology - Right of scrutiny***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R13-MHW1-JDG9-Y0JN-00000-00&context=1516831)

Impact News Service

November 17, 2017 Friday

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**Body**

Brussels: Public Register European Parliament has issued the following document:

  This action is funded by the European Union

a

Annex 1

of the Commission Implementing Decision on the Annual Action ***Programme*** 2017

 for Palestine[1]

to be financed from the general budget of the Union

Action Document 'Towards a democratic and accountable Palestinian State'

Information for Potential Grant Applicants

Work ***Programme*** for Grants

This document constitutes the work ***programme*** for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012) in the following sections concerning calls for proposals: 5.3.1.2 and 5.3.4.1 and in the following sections concerning grants awarded directly without a call for proposals: 5.3.2.1

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | 1. Title/basic act/ CRIS number | 'Towards a democratic and accountable Palestinian State' CRIS number: ENI/2017/40195 financed under European Neighbourhood Instrument |  |  |  |  |
|  | 2. Zone benefiting from the action/location | Palestine The action shall be carried out at the following location: West Bank and Gaza Strip |  |  |  |  |
|  | 3. ***Programming*** document | European Joint Strategy in Support of Palestine 2017-2020 ? Towards a democratic and accountable Palestinian State |  |  |  |  |
|  | 4. Sector of concentration/ thematic area | Pillar 1 [2]- Governance Reform, Fiscal Consolidation and Policy Reform Pillar 4 - Access to Self-sufficient Water and Energy Pillar 5 - Sustainable Economic Development Complementary support for civil society |  |  |  |  |
|  | 5. Amounts concerned | Total estimated cost: EUR 34,910,000 Third party contribution: EUR 7,310,000 Total amount of EU budget contribution: EUR 27,600,000 This action is co-financed in joint co-financing by: - France and Denmark for an amount of EUR 3,000,000. This action is co-financed in parallel co-financing by: - France (Agence Française de Developpement - AFD) for an amount of EUR 4,000,000. This action is co-financed by potential grant beneficiaries for an indicative amount of EUR 310,000. |  |  |  |  |
|  | 6. Aid modality(ies) and implementation modality(ies) | Project Modality   Governance Reform, Fiscal Consolidation and Policy Reform Indirect Management with the World Bank (WB) Direct Management: call for proposals for twinning projects Access to Self-sufficient Water and Energy Indirect Management with the Palestinian Authority (PA) Indirect Management with the United Nations Office for Project Services (UNOPS) Indirect Management with Member State Agency: AFD Direct Management ? grant direct award with Oxfam   Sustainable Economic Development Indirect Management with Member State Agency: Belgium Technical co-operation (BTC)   Complementary support for civil society Direct Management: Grants ? call for proposal   Direct Management: procurement of services (audit, evaluation, communication and visibility) |  |  |  |  |
|  | 7. DAC code(s) | Governance Reform, Fiscal Consolidation and Policy Reform 15111 - Public finance management 15110 ? Public Sector Policy and Administration Management 15114 ? Domestic Revenue Mobilisation Access to Self-sufficient Water and Energy 14021 - Water supply - large systems, 14030 - Drinking Water Supply - Basic systems; 23210 - Energy generation, renewable sources ? multiple technologies Sustainable Economic Development 32130 ? SME Development Complementary support for civil society 16061 - Culture and recreation |  |  |  |  |
| 8. Markers (from CRIS DAC form) | General policy objective | Not targeted | Significant objective | Main objective |  |  |
| Participation development/good governance | ? | ? |  |  |  |  |
| Aid to environment | ? | ? |  |  |  |  |
| Gender equality (including Women In Development) | ? |  | ? |  |  |  |
| Trade Development | ? |  | ? |  |  |  |
| Reproductive, Maternal, New born and child health |  | ? | ? |  |  |  |
| RIO Convention markers | Not targeted | Significant objective | Main objective |  |  |  |
| Biological diversity |  | ? | ? |  |  |  |
| Combat desertification |  | ? | ? |  |  |  |
| Climate change mitigation | ? |  | ? |  |  |  |
| Climate change adaptation | ? |  | ? |  |  |  |
|  | 9. Global Public Goods and Challenges (GPGC) thematic flagships | Good Governance and Public Administration Environment and Climate Change; Human Development/Health; Sustainable Energy Good Governance and Public Administration + Human development, social justice and culture |  |  |  |  |
|  | 10. Sustainable Development Goals | Sustainable Development Goal 6. Ensure availability and sustainable management of water and sanitation for all Sustainable Development Goal 7. Ensure access to affordable, reliable, sustainable and modern energy for all Sustainable Development Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all Sustainable Development Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive |  |  |  |  |
|  |  |  |  |  |  |  |

* Context

1.1 Country and sectors

Palestine has been marked by the ongoing Arab-Israeli conflict and fifty years of occupation, that brought restrictions on the movement of people and goods, limited access to land and natural resources (including water), administrative division of the West Bank (areas A, B and C), expansion of settlements and settlers' violence, and demolitions and displacements in Area C and Jerusalem. Internal division in Palestinian politics since 2007, the continuous blockade of Gaza and the absence of any clear political horizon have led to high level of frustrations, lack of cohesion, reforms' setbacks and de-development, and recurrent waves of violence. The territory remains highly fragmented with growing disparities and divisions between the West Bank, East Jerusalem and the Gaza strip.

Israeli occupation is the primary driver of poverty in Palestine, making complex the delivery of assistance in Palestine. Home to 4.8 million people, Palestine is a lower middle-income country, ranking 114 (out of 188) in terms of the Human Development Index in 2016. According to the World Bank, Palestinians are getting poorer on average for the third year in a row. Gross domestic product (GDP) per capita has been shrinking since 2013 and donor support declined significantly in recent years (budget support in particular has decreased by 40% since 2011). 25% of Palestinians currently live in poverty. Without a political breakthrough (ease of restrictions, lifting of the blockade on Gaza, permanent peace agreement), the Palestinian economy will continue to perform far below its potential.

Due to its limited revenue potential, low tax revenue and limited borrowing capacity, the Palestinian Authority (PA) is still reliant on foreign aid, which represented some 20% of the projected budget in 2016. At the same time, the PA succeeded in reducing its budget deficit to 8.1% of GDP in 2016. While the main factors contributing to this situation relate to broader political issues, the slow progress in the Public Financial Management reform agenda did not encourage confidence in donors. The draft Public Finance Management (PFM) strategy 2017–2022 prepared by the Ministry of Finance and ***Planning*** (MoFP) in 2016, if operationalised, would provide the Palestinian Authority (PA) with a framework for reforms and contribute to improving donor confidence, transparency and sustainability of public expenditures and efficiency in the provision of essential public services.

Sustained economic growth depends also on internal factors, such as the dynamism of the private sector and the availability of reliable and affordable services. Insufficient power in Gaza limits the supply of drinkable water to the population. 96% of the aquifer provides water unfit for human consumption, due to salinisation and pollution. 30% of Gazan households are currently supplied with water only for 6-8 hours every 4 days.

The West Bank also suffers from water shortages, affecting Palestinians' health and economic potential (for example, only 6.8% of cultivated land in the West Bank is irrigated). This is mostly due to Israel's appropriation of groundwater resources, which makes necessary the development of an efficient wastewater reuse system for irrigation purposes, as well as for environmental reasons. Currently, there are 5 operational large-scale wastewater treatment plants in the West Bank[3] and only about 60% of the generated wastewater is collected.

Palestine depends 98% on energy import from neighbouring countries, Israel in particular. Energy dependency affects Palestine's water production and pumping. Water service providers are among the biggest energy consumers in the country. Energy insecurity affects the daily operation of water infrastructure. Only the Gaza Strip has some energy generation capacity, whereas renewable energy (13% of consumption in 2015) is the only indigenous source in the West Bank but its significant potential remains largely untapped due to Israeli restrictions. Energy prices are among the highest in the region.

With regards to the Gaza Strip, the 'de-development's trajectory' remains worrying. 38.8% of the population is below the poverty line and the unemployment rate is over 40% (more than double than in the West Bank). The constraints to private sector development in the Strip are manifold. They notably include multiple wars, restrictions on imports, exports and movements, dysfunctional governance and service delivery imposed by the de facto authorities, poor electricity supply and limited access to finance. The blockade continues to hinder recovery and increases investment costs.

Delivery of basic services provided to Palestinians is also deteriorating. Growing governance challenges are developing on the Palestinian side. No progress to date in intra-Palestinian reconciliation and the persisting fiscal crisis faced by the PA, the absence of a national democratic process and the 'suffocation' of civil society have all contributed to undermine the credibility of the Palestinian leadership. This, in turn, was accompanied by a slowdown in the pace of reforms being implemented by the PA (with few exceptions).

Palestine has very rich cultural traditions reflecting the social, economic, religious and geographical diversity of its people. National identify and cultural heritage have been deeply affected by the occupation and fragmentation, which are not only threatening the economic and territorial stability of Palestine, but also attacking its identity and capacity to be creative in the area of culture. 1.1.1 Public Policy Assessment and EU Policy Framework

Since 2008, the EU has been supporting the PA's national reform agenda with ***interventions*** aligned to subsequent ***planning*** cycles. In recent years the EU has increased its policy dialogue, notably in the context of the Results Oriented Framework. The European Joint Strategy in Support of Palestine 2017-2020 – Towards a democratic and accountable Palestinian State is closely aligned with the PA National Policy Agenda 2017-2022 Putting Citizens First. The European Joint Strategy identifies PFM reforms, improved access to Water and Energy and Private Sector Development among the main priorities for EU and Member States’ development cooperation.

With regards to public finance management, the last Public Expenditure Financial Assessment (PEFA) was conducted in 2013. Since then, the MoFP improved both the downstream and upstream cycle of the budget. A draft PFM strategy 2017–2022 is being prepared by the MoFP and expected to be approved by the Cabinet in the coming months. Its main objective is to provide an integrated legal and regulatory framework of the PFM system, which operates to collect public resources effectively and equitably, and to manage spending of those resources on a ***programmes***-based budget in line with the Sectoral Strategies and the National Policy Agenda. The EU in Palestine is committed to the PFM sector reform not only for transparency and accountability purposes but also to improve sustainability of service delivery.

With regards to water, the Palestinian Water Authority ***Strategic*** Development ***Plan*** 2017-2022 has the following objectives: i) integrated management and sustainable development of water resources, ii) improving quality and reliability of water supply, iii) improving wastewater services and structures iv) development of water sector institutions to reinforce good governance and v) ensuring financial sustainability of water service providers.

In the field of energy, the Renewable Energy and Energy Efficiency Law sets the institutional framework in the renewable energy sector and defines the support mechanisms to be used to develop the sector. The Renewable Energy Strategy sets the vision for the sector, the targets and the means to achieve them. There is an increasing private sector interest on Renewable Energy investments, especially larger ones. The legal and regulatory framework for Energy Efficiency, in particular for investment, needs to be completed.

The Start-up and business incubators action is fully aligned with the National Policy Agenda 2017-2022 and notably its Pillar 3 - Sustainable Development/National priority: “Economic independence” (National Policies: Building Palestine’s Future economy, Creating Job opportunities; Improving Palestine’s Business environment). It is also relevant to the following other national priorities: “Social Justice and Rule of Law” (with regard to Gender and Youth) and “Quality education for all” (from education to employment).

The National Policy Agenda recognises the importance of preserving national identity and cultural heritage. Under this national policy priority the aim is to support cultural innovation and production, preserve and develop Palestine’s cultural heritage, develop traditional handicrafts and promote Palestine as a tourist destination. The Palestinian National ***Strategic*** ***Plan*** for Culture defined culture[4], creativity and heritage (intangible) as essential drivers for a democratic, inclusive society that provides equal opportunity for all. 1.1.2 Stakeholder analysis

Governance Reform, Fiscal Consolidation and Policy Reform: the capacity of the MoFP to ***plan*** and steer the implementation of PFM reforms is considered moderately sufficient. The implementation of the reforms will require significant skills development on the part of the Ministry and of relevant institutions' staff. To address these shortcomings, the MoFP, with the support of the World Bank, established and trained a ***strategic*** management group at the Directorate General for International Relations, which should lead the PFM reform. The draft PFM strategy suggests the institution of a technical committee, to follow up on the strategy implementation. Main stakeholders on the donor side are the EU, the United Kingdom, France and the World Bank. The International Monetary Fund (IMF) provides policy advice to the PA in tax administration, legislative reform, single treasury account and regularly reviews PFM reforms' progress. Civil society participation and oversight in the sector is limited. The most active Non-Governmental Organisation (NGO), focusing on the prevention of corruption and fostering transparency and integrity is AMAN-Transparency Palestine, which relies on international funding. Oxfam Novib manages a ***programme*** that brings together a range of NGOs and civil society organisations CSOs, including AMAN to monitor the budget and tax policies of the PA.

The State Audit and Administrative Control Bureau (SAACB), the MoFP's Customs Department and the General Administration of Borders and Crossings (GABC) will benefit from the twinning instrument with a view to support the implementation of the PFM strategy and fiscal consolidation. Their capacity to engage in the instrument is considered satisfactory. In particular, the MoFP's Customs Department and the GABC are already engaging closely with the European Union Border Assistance Mission at the Rafah Crossing Point (EUBAM).

Access to Self-sufficient Water and Energy: the Palestinian Water Authority (PWA) capacity as entity responsible for strategy, policies, ***planning*** and management of water resources is considered as sufficient. The Coastal Municipality Water Unit[5] (CMWU) is considered to be skilled with high level of technical expertise. CMWU's expertise will ensure an appropriate supervision of activities and the technical training of the main stakeholders (private water vendors and local communities). The participation of community-based organisations (CBOs) will be empowered through the development of their capacities in water quality monitoring. The capacity building activities will be developed by Oxfam oPTI which has a long and standing relationship with Gaza Civil Society and proven relevant ***interventions*** with regards to participation enhancement and capacity building. Oxfam oPTI has elaborated in 2016 the proposal related to the brackish desalination plants in the frame of its humanitarian ***intervention***. Main stakeholders on the donor side in the water sector in Gaza are the EU, Germany, Spain, France and the World Bank. The estimated direct beneficiaries from the Non-Revenue Water reduction approach will be around 120,000 inhabitants of the Khan Younis Governorate and part of the 50,000 inhabitants of Rafah Governorate that already benefit of EU-funded desalination projects. For the brackish desalination plants, it is estimated that around 128,000 people could benefit from the ***intervention***. The assistance to the Office of the Quartet (OQ) will be channelled through UNOPS, which has a long and positive performance record in Palestine and the appropriate administrative capacities to carry out the task. The OQ - in turn - has unique characteristics which positions it ideally to co-ordinate donors' initiatives in the infrastructure sector requiring intense and delicate triangular co-ordination with the Government of Israel.

In the West Bank, technical approach and modalities of the ***planned*** ***intervention*** have been discussed at length with the Palestinian Energy and Natural Resources Authority (PENRA), the Palestinian Water Authority (PWA), AFD, the Palestinian Energy & Environment Research Centre (PEC), the Joint Water and Sanitation Service Council (JWSSC), the West Bank Water Department (WBWD) and the Tubas District Electricity Company (TDECO). Co-ordination is advanced both at the donors and institutional level. The Israeli Co-ordinator of Government Activities in the Territories (COGAT) was also consulted with regard to security (import of two +/- 60m high wind mills and turbines) has given its 'in principle' agreement. Consultations with CSOs and the PA in Tubas and Ramallah were undertaken and the Environmental and Social Impact Assessment (ESIA) is currently being implemented. The proposed project will tackle the northern West Bank in particular the Tubas Governorate, with estimated indirect beneficiaries from the action totalling 67,000 (2016 data from PCBS). AFD is one of the most important and active donors and implementing agency in the water and energy sectors in Palestine. AFD (France) is the EU lead donor for energy within the context of the European Joint Strategy 2017-2020[6].

Sustainable Economic Development: The technical and business capacities of Gazan entrepreneurs and their access to finance are limited, especially for women and youth. There are a number of dynamic business incubators/accelerators in the Gaza Strip and there is scope to reinforce their capacities by increasing their exposure to international best practices. The Islamic University of Gaza, notably, has been supported by the on-going EU funded 'Start-up Business Incubators in Palestine' project and proved to be a solid partner. This new action would continue to work with the University and support additional incubators in the Gaza Strip. The Ministry of National Economy (MoNE)’s capacity to influence the situation in the Gaza Strip is currently limited due to the control of the de facto Government. However, the Ministry will be involved in the overall monitoring of the action. The project team will closely co-ordinate with civil society organisations (business development organisations, trade unions and employers' organisations, chambers of commerce, women and youth support organisations), relevant projects, universities, Technical and Vocational Education and Training (TVET) institutions, the Palestinian Fund for Employment and Social Protection as well as with financial institutions and investors. The Belgium Technical Co-operation (BTC) is a frequent and reliable implementing partner of the EUREP, with assignments going beyond the currently on-going above mentioned Start-up Business Incubators project.

Complementary support for society: Key civil society organisations have been essential in activating the sector, but culture remains the domain of a limited number of interested groups and there is still a need to reach out to areas outside city centres. The main national stakeholders are the Ministry of Culture (MoC) with some relevant competences also in other Ministries, a broad range of cultural Civil Society Organisations (CSOs), cultural institutions, and Community Based Organisations (CBOs). As the market value of culture and public funding for the cultural sector are very low, international donor organisations both governmental and non-governmental (mainly private foundations) play an important role in supporting cultural initiatives and artistic productions. 1.1.3 Priority areas for support/problem analysis

Governance Reform, Fiscal Consolidation and Policy Reform: the main problems the proposed ***intervention*** aims to address include (i) poor expenditure management and control at MoFP and line Ministries undermining service delivery to citizens, (ii) insufficient PFM accountability that restricts civil society oversight over the PA activity and has reduced donors’ budget support, and (iii) lack of transparency and efficiency in the procurement sphere allowing corruption. Twinning projects will address identified capacity building needs in PA institutions in charge of auditing expenditure and of collecting and accounting for custom duties.

Access to Self-sufficient Water and Energy: throughout Palestine, energy and water scarcity and the competing demand for these assets require the introduction of technologies and methods minimising energy cost and increasing efficiency. Investing on renewable energy solutions and enhancing the capacity of the waste water treatment plants by increasing households' connections to the sewage network align to this approach. About a third of the water supply of the West Bank is provided by the Israeli water company, the other two thirds are ground water extracted through water pumps[7] powered via the grid or, in case of power cuts, through a system of power generators. The electricity bill is the highest running cost for Palestinian businesses, households and service providers with Israel still providing 95% of the power. Power demand for water infrastructure accounts for 1,200Mwh/year and is expected to double in the coming years, while overall imports from Israel are 13,000 MWh/year. The increasing demand for power will result in an increased stress of the electricity grid and higher dependency on Israel power supply. In the Gaza Strip, the improvement of the water supply and the reduction of non-revenue water are essential to meet basic human needs and to maximise the effect of existing infrastructure (from wells to desalination plants). It is also necessary to improve the system's efficiency with the formalisation of illegal connections, the reduction of leakages and the upgrading of existing community-based infrastructures (brackish desalination plants contribute significantly to the improvement of water supply to the population). The current energy crisis in Gaza (decrease of power supply to less than 4 hours per day) has a strong impact on water infrastructure and water distribution). Most of CMWU facilities are equipped with back-up generators that allow running the facilities at minimum level and the Gaza network could be managed by segment. Therefore, drinkable water is provided per geographical sector and per time slot with beforehand information by radio spot.

Sustainable Economic Development: in Gaza, the private sector suffered from several conflicts over the last ten years of Hamas rule and from the blockade imposed by Israel. More than 40% of the population is unemployed (65% in the case of women). The creation of sustainable micro, small and medium sized businesses (MSMEs) is crucial in this dire context. However, entrepreneurs in the Gaza Strip lack key technical and business skills and sufficient access to finance. In addition, the business development environment in Gaza needs to be improved. The main constraints towards the project objectives will be the obstacles faced by the private sector in Gaza (restrictions on movement and access, access to electricity, political instability). The main asset for the project is the dynamism of business incubators and accelerators and of entrepreneurs in Gaza.

Complementary support for civil society: the Palestinian identity is deeply affected and threatened by the Israeli occupation. The EU intends to support Palestinian creativity and freedom of expression as a tool for Palestinian people – especially the youth – to express themselves, have a positive image of their culture and promote their identity in the world.

Particular attention will however be paid to prevent that EU-supported Palestinian civil society organisations are also engaged in online and offline activities inciting to hatred and/or violence against the State of Israel, its citizens and/or Jews.  Eligibility conditions of the calls for proposals to be launched under this action will include strict compliance with the EU Framework Directive on racism and xenophobia.

* Risks and Assumptions

Governance Reform, Fiscal Consolidation and Policy Reform

|  |  |  |
| --- | --- | --- |
| Risks | Risk level (H/M/L) | Mitigating measures |
| Uncertain PA's ability to exercise authority in Gaza, limiting the implementation of PFM reforms to the West Bank | H | Close monitoring of political developments; provision of parallel EU support to facilitate the reintegration of Gaza civil servants on stand-by under FA ENI/2015/038-315 |
| Overlapping of donors' ***interventions*** | M | Regular meetings among donors and with the PA; active participation in the PFM working group. |
| Insufficient understanding of the newly introduced Twinning concept by selected Ministries and agencies | M | Systematic interaction ensured throughout the implementation of the ***programme*** (e.g through twinning steering committees) |
| Assumptions |  |  |
| - The PA remains committed to implementing the PFM strategy and related reforms |  |  |

Access to Self-sufficient Water and Energy

|  |  |  |
| --- | --- | --- |
| Risks | Risk level (H/M/L) | Mitigating measures |
| Unpredictable political situation in conjunction with poor implementing capacity of the PA in the Gaza strip | H | The project will use decentralized implementation with ***interventions*** at local level (including CSOs) where possible. |
| Poor capacity from the private vendors and local communities to operate the brackish desalination plants and monitor the water quality | M | Capacity building and training developed under a job creation approach |
| Tubas grid model, network performance and load flow do not allow operations of the new systems | L | AFD pre-feasibility study indicates that the operation of the two RE systems is adapted to the requirements of each water system and the system is complementary to the existing grid. |
| Israeli restrictions for the import of wind energy technology into West Bank. | H | Co-ordination with COGAT to obtain the authorisation to enter materials into West Bank. |
| Delays in importing wind energy technology affecting the contractor's schedule with risk of financial repercussions and/or withdraw from the project. | M | A ***plan*** B for a staged approach allowing reallocation to photovoltaic (PV) systems of unspent funds for wind mills shall be developed. |
| Assumptions |  |  |
| - All relevant stakeholders remain committed to the action's objectives and results; - The Gaza Reconstruction Mechanism (GRM) remains functional. - The electricity supply in Gaza is sufficiently stable or improves from its current level. |  |  |

Sustainable Economic Development

|  |  |  |
| --- | --- | --- |
| Risks | Risk level (H/M/L) | Mitigating measures |
| Unpredictable political situation impacting the Gazan economy and the project | H | The project implementation will remain sufficiently flexible to adapt to the changing environment in Gaza |
| Difficulties to reach all relevant target groups in Gaza | H | Adjust outreach strategy to the different type of beneficiaries targeted |
| Assumptions |  |  |
| - Project stakeholders remain engaged |  |  |

Complementary support for civil society

|  |  |  |
| --- | --- | --- |
| Risks | Risk level (H/M/L) | Mitigating measures |
| Projects? implementation is hampered by the unpredictable political situation in the region | H | Systemic mitigation measures will be developed at the launching of each project to ensure projects? continuity |
| Poor capacity of smaller CSOs to access EU funding | H | Development of sub-granting schemes allowing small organisations, especially in remote areas, to access to EU funding |
| Project implementers are involved in online and offline activities inciting to hatred and/or violence against the State of Israel, its citizens and/or Jews. | M | Online and offline checks will be carried out during the selection phase of projects |
| Assumptions |  |  |
| - Cultural stakeholders continue to consider the EU as a reliable partner; - All relevant stakeholders remain committed to the action's objectives and results. |  |  |

* LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1         Lessons learnt

Governance Reform, Fiscal Consolidation and Policy Reform

– Identify critical PFM problems or entry points that the MoFP, at senior level, is motivated to address on a priority basis with line Ministries (incentive approach).

– Provide tailor-made capacity building and training ***interventions***, identified together with the MoFP, with the aim to enable staff to implement the medium term reforms.

– Improve co-ordination with other development partners and joint monitoring in view of leveraging activities and enhance policy dialogue.

– The twinning instrument is introduced in Palestine for the first time and therefore there is no previous Palestine specific experience in this area. Selection of sectors proposed for implementation via twinning has been done based on twinning criteria developed from lessons learnt from twinning elsewhere.

Access to Self-sufficient Water and Energy

– Need to ensure the quality of the design for the technical parameters are adapted to the needs and restriction of entry of material into Gaza.

– Need to reflect the value-added tax (VAT) exemption applicable for private company established in Gaza in the administrative clause of tenders.

– Need to develop local skills to ensure operation, maintenance and monitoring of the EU funded infrastructure, incorporating CBO's monitoring.

– Importance of close follow-up with COGAT for the authorisation for the shipment of supplies from abroad and on the entry of materials, based on a detailed list of items.

– Crucial importance of the water-energy nexus in Palestine and need to factor the energy dimension early in the ***planning*** of water projects.

Sustainable Economic Development

– Managerial and technical capacities of entrepreneurs need to be reinforced.

– Start-up enterprises need seed funding and linkage to investors.

– Further co-operation is needed to improve synergies between different stakeholders of the entrepreneurship environment in Gaza.

– The potential of international outsourcing opportunities needs to be unlocked.

– The role and capacity of trade unions and employers' organisations need to be strengthened.

Complementary support for civil society

– Need for a ***strategic*** approach in supporting civil society in the field of culture, focusing on integrated, long-term cultural sector development ***plan*** rather than short-term projects.

– There is the need to involve the relevant Palestinian Ministries (especially the Ministry of Culture) during the design and implementation phase of ***interventions*** in the field of culture. 3.2         Complementarity, synergy and donor co-ordination

Governance Reform, Fiscal Consolidation and Policy Reform

In the Public Finance Management (PFM) sector, the engagements of various donors (mainly The Department for International Development (DFID), World Bank and EU but also IMF, France and recently Denmark) have been stable over last years. The World Bank has supported the downstream budget process since 2013 with new tools and procedures put in place, while the upstream budget cycle or taxation is supported by DfID and the IMF. Since 2006, the EU has supported the State Audit and Administrative Control Bureau (SAACB) by reinforcing its management and staff capacity and its institutional, legal and regulatory framework. Furthermore, through the PEGASE Direct Financial Support mechanism, the EU and Member States provide direct financial support to the recurrent expenditure of the Palestinian Authority.

Through the Local Aid Co-ordination Secretariat (LACS) PFM donor group, donors are in the process of reviewing their engagement, with a view to enhance synergy and co-ordination of their future support for the implementation of the PFM reform strategy.

The European Union Border Assistance Mission at the Rafah Crossing Point (EUBAM) works closely with the Global Alliance for Buildings and construction (GABC) as well as with the Customs Department of the Ministry of Finance and ***Planning*** (MoFP).

Access to Self-sufficient Water and Energy

Water is a focal sector of EU support to Palestine with a total of EUR 118 million invested from 2006 to 2016. EUR 77 million has been committed between 2012 and 2016 alone, including 41 million for Gaza. The current proposals are a follow up and completion of previous phases funded respectively under the Instrument for Stability (IfS) and under various Annual Action ***Programmes*** (AAP) respectively in 2011, 2012, 2015 and 2016. In Gaza, the project for the reduction of Non-Revenue Water will complement the Short-Term Low Volume Desalination Plant (Phase I, II and III) and the Non-Revenue Water component initiated in Rafah and Khan Younis Governorates (AAP 2012). The ***intervention*** on the Brackish Desalination Plant is considered as a short-term measure to tackle the lack of quality water in Gaza while the Gaza Central Desalination Plant (GCDP) is still in the design process.

EU and AFD investments in the water and energy infrastructure of Tubas Governorate will be consolidated by the renewable energy (RE) supply system using solar and wind resources; the expansion of the households' connections to the sewage network is aimed at increasing the productivity of the EU-funded wastewater treatment plant under construction (AAP 2011). Since 2015 a SUDEP[8] grant is supporting Tubas Municipalities to cut 10% of the energy consumption. The EU and Member States approach is as well co-ordinated through dedicated informal energy and water working groups as well as through the LACS structure.

The Office of the Quartet (OQ) is playing an important role to facilitate large scale projects in the field of water and energy in Gaza through dialogue with the PA and the Government of Israel. They have been asked by the PA to lead the Task Force on Gas for Gaza and the GCDP.

Sustainable Economic Development

This action is a follow-up of the project “Start-up Business Incubators in Palestine” (ENPI/2014/350-744), implemented by the BTC and ending in December 2018. The new action will build on the results of this project and focus on Gaza entrepreneurs. The action is also complementary to other EU-funded initiatives, including the Palestinian Market Development ***Programme*** (PMDP), the TVET ***Programme*** and the support to the European Palestinian Credit Guarantee Foundation (EPCGF). The initiative will also be co-ordinated with BTC ***programmes*** focusing on young professionals and MSMEs skills development. Synergies will also be sought with relevant regional ***programmes***, including notably the 'Enhancement of the Business Environment in the Southern Mediterranean' (EBESM), the SANAD Fund for MSMEs and the Next Society project (that aims at strengthening innovation ecosystems and supporting innovators). The project will also take into account the approach that is being developed by the Commission to support innovative eco-systems.

Complementary support for civil society

The EU has been so far one of the main supporter of the cultural sector in Palestine. Among other donors, the mission and mandate of the European cultural institutes operating in Palestine is mainly focused on the promotion of their national culture and language. As such, they contribute on an ad hoc basis to build the capacities of Palestinian civil society active in the field of culture by providing the opportunity to collaborate with European cultural operators/trainers. The UNESCO is also active in Palestine, mainly in the preservation of the cultural heritage. 3.3         Cross-cutting issues

Governance Reform, Fiscal Consolidation and Policy Reform

Civil society: in compliance with PEFA standards, the eight Budget documents (as well as a Citizen budget) are published on the MoFP website. The MoFP conducted a public hearing with civil society and private sector in January 2017 to discuss the 2016 budget execution and to present the proposed 2017 budget which was approved on 31 January 2017. The proposed project will follow up on previous Open Government Partnership towards fiscal transparency, fight against corruption, access to information and citizen engagement.

Gender equality: the PA has officially engaged in gender responsive ***planning*** and budgeting, with the adoption of a Cabinet decision on mainstreaming gender in budgetary processes in 2009. In 2012, the Palestinian Cabinet passed a resolution forming the National Committee for Gender Responsive Budgeting. Gender units were created in 35 Ministries and institutions and the budget department adopted a new requirement for all Ministries to consider gender in their budgets. However, the draft PFM strategy does not yet fully address gender mainstreaming.

In the preparation and implementation of twinning projects, special attention will be paid to ensure gender equality, good governance/anti-corruption measures and human rights safeguards through in-built trainings and adapted indicators.

Access to Self-sufficient Water and Energy

Gender equality will be promoted including through dedicated awareness campaigns. The involvement of CBOs in the monitoring will ensure a fair representation of women.

Environmental sustainability and protection are addressed together with health risk mitigation, as the actions are aiming at reducing risks from the supply of unmonitored water, unfit for human consumption. The rehabilitation works of the water network will reduce losses and favour the optimal use of available resources in a highly constrained water context.

Good governance principles: the use of local systems and empowerment of local stakeholders are embedded in the design of the activities. The capacity of the water service provider will be strengthened through the action.

Climate Change: the establishment of renewable energy infrastructure will reduce by 80% the fossil fuels and electricity required to operate Joint Service Councils' (JSC) wells and pumping stations.

Sustainable Economic Development

Gender equality: access of women to the job market in Gaza is very limited. 78% of women aged 15 years and above do not participate in the labour force. The action will promote the participation of women in the project activities.

Youth: youth are also marginalised with regards to access to economic opportunities. The action will promote the participation of the youth in the project activities.

Social partners (trade unions and employers' organisations) will be mobilised to contribute to the success of the action. Communication and outreach ***plan*** will be designed to promote the participation of youth and women. The project team will also directly co-ordinate with and support Youth and Women Associations and ***programmes***. Data and indicators will be disaggregated by age and gender.

Environmental sustainability and protection: the action will prioritise beneficiaries whose projects have a positive impact on the environment.

Complementary support for civil society

Gender equality and youth: past support to the cultural sector in Palestine has shown that it can integrate all sections of the population, including the ones whose voice is usually not heard. Culture is an accessible vehicle for women and for minorities to express themselves. The action will focus on youth participation.

* Description of the action

4.1         Objectives/results and options

The main Overall Objective is to contribute to a more effective and efficient provision of services within an increasingly innovative and inclusive Palestinian society.

The Specific Objectives are:

* To improve the PA's Public Financial Management and fiscal position;

1. To achieve sufficient, equitable, affordable and sustainable access to energy, safe water and sanitation services;
2. To enhance MSMEs' competitiveness in the Gaza Strip;
3. To enhance Palestinian culture and the Palestinian identity and to better promote it, including abroad.

The Expected Results are:

Result 1.1:     Strengthened MoFP's capacity to steer and monitor the implementation of the PFM strategy;

Result 1.2:     Improved capacities of PA institutions in charge of auditing expenditures and of and accounting for custom duties.

Result 2.1:     Increased water supply in Gaza;

Result 2.2:     Improved quality and sustainability of water and energy services in Tubas Governorate.

Result 3:        Strengthened capacity of Gazan entrepreneurs and of the Gaza business environment.

Result 4:        Reinforced Palestinian identity and improved recognition of Palestinian culture especially in Europe. 4.2         Main activities

Governance Reform, Fiscal Consolidation and Policy Reform

Result 1.1:     Strengthened MoFP's capacity to steer and monitor the implementation of the PFM strategy

1.1.1 Support to the MoFP for implementation of the PFM strategy

* Technical advice, training and monitoring for the budget execution and control at central and selected sector levels (e.g medical referrals, wage bill);

1. Technical support to advance the alignment of the accounting and reporting with international standards;
2. Technical support on the procurement policy and frameworks;
3. Implementation of Public Expenditure and Financial Accountability assessment (PEFA) and similar internationally recognised diagnostic tools, jointly with other donors;
4. Preparation of an Organic Budget Law;
5. Support to strengthen civil society engagement for oversight activities, in particular follow up on the Open Government Partnership.

Result 1.2:     Improved capacities of PA institutions in charge of auditing revenues/expenditures and of collecting and accounting for custom duties.

1.2.1 Support to the State Audit and Administrative Control Bureau (SAACB) via twinning

* Peer-to-peer training to strengthen the capacity of SAACB staff to carry out effective audits, perform ***strategic*** ***planning***, improve management and train their own staff;

1. Reinforce SAACB's institutional, legal and regulatory framework, so that it can operate in accordance with INTOSAI standards and best professional practices.

1.2.2 Support to Customs Department (MoFP) and the General Administration for Border and Crossing/Customs Service via twinning

* Preliminary assessments of legal and procedural conditions in place;

1. Procedural training to conduct adequate border control;
2. Reinforce the institutional capacities to conduct increased activity in fighting frauds, tax evasion and tax avoidance;
3. Training to improve professional performance of the GABC/MoFP;
4. Analysis of best practices and establishing of a system tracking corruption cases.

Access to Self-sufficient Water and Energy

Result 2.1:     Increased water supply in Gaza

2.1.1 Non-Revenue Water (NRW) in Gaza

The action will be composed of 4 main activities that will improve the supply of water and the Non-revenue water in the Southern Governorates (Rafah and Khan Younis).

* Improving the Water Distribution System including:

– Upgrade, rehabilitation and configuration of water distribution networks, in order to reduce the NRW;

– Expansion of water networks to accommodate the transfer of water ***produced*** by the STLV Desalination plant;

– Construction of a water reservoir (estimated to 4,000 m³) in Rafah city associated with booster stations and transmission lines;

– Implementation of a leak detection campaign to enhance the NRW management ***plan*** (including metering management and networks maintenance scheduling) and upgrade of the hydraulic modelling for pressure monitoring.

* Control Commercial Losses (through the provision of meters including bulk meters);

1. Awareness campaign on the water rights and obligations;
2. Support CMWU on new tariff approach.

2.1.2 Rehabilitation of brackish desalination plants

* Support to the rehabilitation/upgrade of Public Brackish Water Desalination Plants refurbish, upgrade and repair up to 16 existing Reverse Osmosis (RO) brackish water desalination plants operated by CMWU with daily production capacities ranging from 50m3 to 1000m3;

1. Consolidate energy autonomy, introducing renewable energy solutions to ensure a minimal operation of the plants in situations of power disruption in Gaza;
2. Strengthening water vendors’ capacity to provide safe and affordable drinking water;
3. Training and Capacity Building with a focus on Community Engagement and Involvement;
4. Support for the establishment of an optimal financial management system for operational and maintenance costs to ensure sustainability, including affordability to pay.

2.1.3 Assistance to the Office of the Quartet in its facilitation role between the Palestinian Authority (PA) and the Government of Israel (GoI) in the water and energy sectors in Gaza

* Assist in the development of an adequate dialogue (bilateral and trilateral meetings, task forces) together with the relevant stakeholders with a focus on Gaza Central Desalination Plant (GCDP) and the new 161 Kv line.

1. Develop mitigation measures that could support the dialogue between the parties.

Result 2.2:     Improved quality and sustainability of water and energy services in Tubas Governorate

EU funding is earmarked to the below activities within the 'Nexus' ***Programme*** co-financed by AFD:

* Supply, instalment and operations of a hybrid symbiotic renewable energy system, composed of 2 wind turbines, 1 PV plant and 4 smaller PV structures;

1. Establishment of house connections for sewage network (500).

AFD will finance further upgrades of the network and institutional capacity development in Tubas, Tammoun and Aqqaba.

Sustainable Economic Development

Result 3:        Strengthened capacity of Gazan entrepreneurs and of the Gaza business environment.

* Provide training/coaching to entrepreneurs;

1. Provide seed funding to start-up enterprises/early growth stage companies; encourage self-employment and job creation;
2. Link start-up enterprises to existing sources of financing.
3. Reinforce the capacities of business incubators/accelerators;
4. Develop links between MSMEs, Incubators and training providers;
5. Develop partnerships between incubators and business membership organisations to identify international outsourcing opportunities.

Complementary support for civil society

Result 4:        Reinforced Palestinian identity and improved recognition of Palestinian culture worldwide.

* Strengthen the managerial and financial capacity of cultural organisations;

1. Provide flexible small-scale support to cultural activities (through sub-granting scheme).

4.3         ***Intervention*** logic

Governance Reform, Fiscal Consolidation and Policy Reform

In line with the ***strategic*** objectives of the co-operation between the Palestinian Authority and the EU, the overarching rationale of the proposed ***intervention*** is to maintain the viability of the two-state solution and to support the Palestinian Authority's state-building activities. Specifically, the project responds to institution building efforts undertaken by the MoFP to implement the PFM strategy and related reforms in particular to: (i) make better use of national resources and ensure more effective and transparent implementation of policy decisions through the budget; (ii) better support service delivery to the public; and (iii) restore confidence of the development partners to mitigate the risk of continued aid decline, in particular through budget support. In this context, it is of utmost importance for the PA's accountability to improve its PFM system. The PFM system in the West Bank and Gaza has to improve in terms of mechanisms and transparency of national resources’ allocation and service delivery to the public. It has to be noted that, although the project addresses the entire territory, its implementation may initially be limited to the West Bank, given the PA's current lack of authority over the Gaza Strip. The ***intervention*** logic of twinning projects is to improve PA's institutions' capacity, at their request, on a pre-identified subject through peer-to-peer support provided by EU Member State public officials to their counterparts.

Access to Self-sufficient Water and Energy

Without the supply of additional water resources, the Gaza aquifer could be irremediably damaged by 2020 and citizens are at risks of lack of drinking water. The upgrade of brackish desalination plants, along with the development of renewable energy, and the improvement of water supply (with a target on leakages and Non-Revenue Water) are some of the solutions for a short-term mitigation before the construction of bigger infrastructure (GCDP) or agreements on additional water supply from Israel. The impact of the ***interventions*** will be an improvement of the health and socio-economic levels of the population in the southern Gaza governorates and will contribute to a better access to drinkable water. The components linked to capacity building and awareness campaign should increase respectively the water supply with limitation of losses on the networks, the adequate operation and management of the brackish desalination plants, the involvement of CBOs in the monitoring of water quality and supply and the sensitisation of citizens (with a strong focus on women) to water cycle and water rights & obligations.

The reform of the Palestinian electricity sector started in 2009 with the endorsement of the Electricity Law, to pass later through the milestones of the creation of the Palestinian transmission Company (PETL) in 2014. However, so far the Palestinian electricity regulator is not empowered to license any of the Palestinian market operators wanting to ***produce*** power in Palestine and PETL has not signed its first PPA for the import of bulk 161 kv from Israel under the terms of the 2016 Memorandum of Understanding between the PA and the Government of Israel. Palestinian Distribution Companies (DISCOs) - and those municipalities not yet merged in a DISCO - struggle to keep up with the level of service required and to control the rate of non-payments. Overall, the stress of the competing demand for energy heavily affects the DISCOs performance. Accordingly, Tubas JWSSC, WBWD, TDECO, and the North West Bank electricity distribution company, intend to develop a synergic response to their needs, also taking advantage of the recently endorsed Renewable Energy Law (2015).

Sustainable Economic Development

In Gaza, entrepreneurs’ competitiveness is hampered by weak capacities and an inadequate business development ecosystem. The action will reinforce the capacities of entrepreneurs through the provision of training/coaching, seed funding, as well as through linking them to investors. It will improve the business development ecosystem in Gaza by reinforcing the capacities of business incubators/accelerators in line with international best practices; developing links and synergies between MSMEs, incubators and training providers (such as TVET institutions and Universities) as well as developing partnerships between incubators and business membership organisations to identify international outsourcing opportunities.

Complementary support for civil society

A dedicated EU-funded ***programme*** to protect and promote Palestinian identity would contribute to human development in Palestine by involving the main institutional stakeholders and reinforcing the role of the civil society organisations. It will also contribute to developing the capacities of cultural CSOs especially in the management of cultural operations. As this action focuses mainly on support to civil society development, it will be undertaken through projects directly implemented by CSOs.

* Implementation

5.1         Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 184(2)(b) of Regulation (EU, Euratom) No 966/2012. 5.2         Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission’s authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute technical amendments in the sense of point (i) of Article 2(3)(c) of Regulation (EU) No 236/2014. 5.3         Implementation modalities 5.3.1    Governance Reform, Fiscal Consolidation and Policy Reform 5.3.1.1 Indirect management with an international organisation

A part of this action will be implemented in indirect management with the World Bank in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation relates to the achievement of result 1.1 under section 4.1 and entails supporting the MoFP and other concerned Ministries and institutions to operationalise and advance the PFM strategy and related reforms. It will be done through a Multi-Donor Trust Fund (MDTF) with France and Denmark as co-donors. The MDTF will have both a Bank Executed and Recipient Executed component. In addition, the World Bank will implement a complementary parallel recipient executed project through their Investment Project Financing (IPF) Lending Instrument. This implementation is justified by the World Bank being one of the lead institutions in the PFM sector. It has been engaged in the sector since 2013 and has developed a specific know-how and a trust relation with the MoFP. Locally, EU and the World Bank have managed to build a long-term institutional relation through regular bilateral co-ordination meetings and through the PFM sector Working Group. The entrusted entity would carry out the following budget-implementation tasks: contractual arrangement with MoFP for the recipient executed activities will be made by the World Bank. 5.3.1.2 Grants: Calls for proposals on twinning projects (direct management)

(a) Objectives of the grant, fields of ***intervention***, priorities of the year and expected results

Calls for proposals will be launched to implement proposed twinning projects related to the achievement of result 1.2 under section 4.2 above. Indicatively two twinning projects are foreseen for an amount of EUR 2,500,000. The exact size of each grant will be decided based on the type of sector identified, needs of the beneficiary administration, duration of the project, and typology of costs in the specific field of the project. Discussions with the PA show proposed twinning projects fall under the pillar of governance reform, fiscal consolidation and policy reform.

Specific objectives of the two projects to be financed under the decision, in their specific field, will be:

– To improve capacities of PA institutions in charge of auditing expenditures and of collecting and accounting for custom duties.

– To strengthen the dialogue between the EU and the PA regarding PFM implementation and financial accountability for public funds.

The expected results is the reinforcement of the administrative capacity of respective institutions benefiting from twinning support through partnership co-operation between Palestinian public administrations and those of EU Member States. Twinning projects will be implemented in accordance with the applicable Twinning Manual.

(b) Eligibility conditions

In line with Article 4(10)b of Regulation (EU) No 236/2014, participation in twinning calls for proposals is limited to public administrations of EU Member States being understood as central or regional authorities of a Member State as well as their bodies and administrative structures and private law bodies entrusted with a public service mission under their control provided they act for the account and under the responsibility of that Member State. Specific eligibility conditions of the calls for proposals to be launched under this action will include strict compliance with the EU Framework Directive on racism and xenophobia.

(c) Essential selection and award criteria

The essential selection criterion is the operational capacity of the applicant. The essential award criteria are the technical expertise of the applicant, and the relevance, methodology and sustainability of the proposed action.

(d) Maximum rate of co-financing

Grants will finance 100% of the Twinning Budget[9].

(e) Indicative trimester to launch the call

The Call for Proposals should be launched in the first trimester following the signature of the relevant Financing Agreement – tentatively in the second trimester of 2018.

(f) Use of lump sums/flat rates/unit costs

Twinning contracts include a system of unit costs and flat rate financing, defined in the Twinning Manual, for the reimbursement of the public sector expertise provided by the selected Member States administrations. The use of this system of unit costs and flat rate financing has been approved by Commission decision C(2017)1122 of 21 February 2017. 5.3.2    Access to Self-sufficient Water and Energy 5.3.2.1 Grant: direct award 'Rehabilitation of brackish desalination plants' (direct management)

(a) Objectives of the grant, fields of ***intervention***, priorities of the year and expected results

The objective of the grant is to provide sustainable and practical contributions to enhance safe, sustainable, and affordable drinking water for the population of the Gaza Strip. The ***interventions*** relate to the achievement of result 2.1 under section 4.1 and will be linked to the rehabilitation of brackish desalination plants, the improvement of the technical capacities of the operators and the creation of community based owned monitoring mechanisms. The expected results are better water quality delivery, reinforcement of capacities for all stakeholders and job creation.

(b) Justification of a direct grant

Under the responsibility of the Commission’s authorising officer responsible, the grant may be awarded without a call for proposals to Oxfam Opti. The recourse to an award of a grant without a call for proposals is justified because:

– the country is in a crisis situation referred to in Article 190(2) RAP

– the emergency situation of the water sector in Gaza and the importance to develop alternative solution to the water crisis as short-term measure before the construction of the Gaza Central Desalination Plant;

– the extensive field knowledge of Oxfam Opti;

– the pilot nature of the action, aimed at developing a model for further reproduction.

(c) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the call, design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.  Specific eligibility conditions of the calls for proposals to be launched under this action will include strict compliance with the EU Framework Directive on racism and xenophobia.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 90%. In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The essentiality of full funding will be justified by the Commission’s authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative trimester to conclude the grant agreement: 1st trimester of 2018. 5.3.2.2 Indirect management with an international organisation, UNOPS (Support to the Office of the Quartet)

A part of this action may be implemented in indirect management with UNOPS in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. The aim (as outlined in result 2.1 under section 4.1 above) is to facilitate the dialogue between the Palestinian Authority (PA) and the Government of Israel (GoI) to positively develop the water and energy sector in particular in Gaza. It will be done through a Delegation Agreement with UNOPS with the objective to reinforce the capacity of the Office of the Quartet. This implementation is justified because: i) the staffing of the Office of the Quartet (OoQ) is managed through UNOPS; ii) the OoQ's mandate includes to support Palestinian economic development and is the most appropriate vehicle to develop a solid dialogue between the PA and Government of Israel. The entrusted entity would carry out the following budget-implementation tasks: general implementation and monitoring of activities; procurement, contracting and paying technical staff; reporting; monitoring and evaluation for the activities aiming to develop dialogue between the PA and the Government of Israel. 5.3.2.3 Indirect management with the Palestinian Authority (Non-Revenue Water)

A part of this action (related to the achievement of result 2.1 under section 4.1) with the objective of improving the supply of water in the Southern Governorates (Rafah and Khan Younis) – Non Revenue water in Gaza may be implemented in indirect management with the Palestinian Authority in accordance with Article 58(1)(c)(vi) of Regulation (EU, Euratom) No 966/2012 according to the following modalities:

– The Palestinian Authority will act as the contracting authority for the procurement and grant procedures. The Commission will control ex-ante all the procurement and grant procedures.

– Payments are executed by the Commission.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012, the Palestinian Authority shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012, will be laid down in the financing agreement concluded with the Palestinian Authority. 5.3.2.4 Indirect management with a Member State

A part of this action may be implemented in indirect management with Agence Française de Developpement (AFD) in accordance with Article 58(1)(c)(v) of Regulation (EU, Euratom) No 966/2012. This implementation relates to the achievement of result 2.2 under section 4.1 and entails the support towards strengthened water and energy services in the north of the West Bank. This implementation modality is justified in the light of the close co-operation between the EU and the AFD in the water and energy sector in general and in particular in Tubas in the latest years. AFD has substantial experience in implementing water projects in Palestine and specifically in the north of the West Bank together with experience in the energy efficiency sector. The entrusted entity would carry out, amongst others, the following budget-implementation tasks: monitoring of the project activities and co-ordination with the PA, procurement i.e ex-ante control, paying, reporting, monitoring and evaluation, visibility. 5.3.3    Sustainable Economic Development 5.3.3.1 Indirect management with a Member State

A part of this action may be implemented in indirect management with the Belgium Technical Co-operation (BTC) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012. This implementation relates to the achievement of result 3 under section 4.1 and entails the support to entrepreneurship, business incubators and business environment in Gaza. This implementation is justified because this action is a follow-up to the project “Start-up Business Incubators in Palestine” (ENPI/2014/350-744) currently being implemented by BTC. In addition to implementing this project, BTC has large experience in local economic development and TVET in Palestine. The entrusted entity would carry out the following budget-implementation tasks: general implementation and monitoring of activities, procurement and award of grants, contracting, paying, reporting, monitoring and evaluation. 5.3.4 Complementary support for civil society 5.3.4.1 Grants: call for proposals 'Preserve and reinforce Palestinian culture as part of fostering national identity' (direct management).

This implementation modality relates to the achievement of result 4 under section 4.1 The awarded grants will support Palestinian cultural operators (especially cultural CSOs) in developing their capacities and shall contribute to reinforce the Palestinian cultural sector inside and outside Palestine.

(a) Objectives of the grants, fields of ***intervention***, priorities of the year and expected results

Objectives:

– Support Palestinian cultural operators, especially civil society organisations in developing their capacities.

– Contribute to reinforcing the Palestinian cultural sector inside and outside Palestine.

Fields of ***intervention***:

– Strengthening of the organisational, managerial and financial capacities of cultural sector organisations (develop the capacities of the major cultural operators especially in cultural management, fund raising, etc.).

– Promotion of the Palestinian culture abroad and especially in Europe.

– Support to small cultural projects, especially for organisations based in remote and rural areas (through sub-granting scheme).

Priorities:

– Actions that promote values of tolerance and respect for diversity.

– Actions that promote respect for human rights and fundamental freedoms.

– Actions that reinforce the sense of community among Palestinian people through overcoming territorial fragmentation.

– Actions that support the Palestinian narrative.

Expected Results:

– Improved management capacity of cultural operators in Palestine.

– Accessible opportunities to Palestinian youth and women for creativity and self-expression through cultural means.

– Enhanced engagement of Palestinian audience in remote and rural areas.

– Increased participation of Palestinian artists in European festivals and competitions.

– Improved public awareness in Europe about the Palestinian culture and narrative.

(b) Eligibility conditions[10]

To be eligible for a grant, the applicant must be a legal person, be non-profit-making and; be a specific type of organisation such as NGOs, educational institutes, networks, cultural operators, etc and not acting as an intermediary. The applicant may act with co-applicant(s). Priority will be given to projects where a Palestinian organisation is the lead applicant. Subject to the information to be published in the call for proposal, the indicative amount of the EU contribution per grant will range between EUR 100,000 to EUR 400,000 and the grants may be awarded to sole beneficiaries and to consortia of beneficiaries (co-ordinator and co-beneficiaries). The indicative duration of the grant implementation period is 12-36 months. Specific eligibility conditions of the calls for proposals to be launched under this action will include strict compliance with the EU Framework Directive on racism and xenophobia.

(c) Essential selection and award criteria

The essential selection criteria are financial and operational capacity of the applicant. The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(d) Maximum rate of co-financing

The maximum possible rate of co-financing for grants under this call is 90% due to the low auto-financing capacity of the targeted beneficiaries. In accordance with Articles 192 of Regulation (EU, Euratom) No 966/2012, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100%. The eisationssentiality of full funding will be justified by the Commission’s authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(e) Indicative timing to launch the call: 2nd trimester of 2018. 5.3.5 Procurement (direct management)

Services contracts will be concluded for audit, evaluation, communication and visibility in line with points 5.8, 5.9 and 5.10 5.3.6 Changes from indirect to direct management mode due to exceptional circumstances

If the indirect management mode cannot be implemented due to circumstances outside of the Commission’s control, the alternative implementation modality is the direct management mode.

|  |  |  |  |
| --- | --- | --- | --- |
| Procurement (direct management) | Type (works, supplies, services) | Indicative number of contracts | Indicative trimester of launch of the procedure |
| Public Finance Management reform | Services | 1 | 4th Trimester 2018 |
| Non-Revenue Water in Gaza | Works | 2 | 4th Trimester 2018 |
| Non-Revenue Water in Gaza | Services | 2 | 2nd Trimester 2018 and 2019 |
| Procurement of the RE infrastructure (PVs and Wind Turbines) | Supplies and Works | 2 | 4th Trimester 2018 |
| Procurement of the HHs connections to the sewage network | Direct award to T-JWSSC | 1 | 2nd Trimester 2019 |
| Sustainable Economic Development | Services | 1 | 4th Trimester 2018 |

5.4     Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission’s authorising officer responsible may extend the geographical eligibility in accordance with Budget Article 9(2)(b) of Regulation (EU) No 236/2014 on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.   5.5     Indicative budget

|  |  |  |
| --- | --- | --- |
|  | EU contribution (EUR) | Indicative third party contribution(EUR) |
| 5.3.1 Governance Reform, Fiscal Consolidation and Policy Reform | 4,500,000 |  |
| 5.3.1.1 Indirect management with the World Bank | 2,000,000 | 3,000,000 |
| 5.3.1.2 Grants: Twinning (direct management) | 2,500,000 |  |
| 5.3.2 Access to Self-sufficient Water and Energy | 18,250,000 |  |
| 5.3.2.1 ? Direct grant to OXFAM (direct management) | 1,500,000 | 150,000 |
| 5.3.2.2 ? Indirect management with UNOPS | 500,000 |  |
| 5.3.2.3 ? Indirect management with the Palestinian Authority | 8,500,000 |  |
| 5.3.2.4 ? Indirect management with AFD | 7,750,000 | 4,000,000 |
| 5.3.3 Sustainable Economic Development | 1,650,000 |  |
| 5.3.3.1 Indirect management with BTC | 1,650,000 |  |
| 5.3.4 Complementary support for civil society | 2,000,000 |  |
| 5.3.4.1 Grants: Call for proposals (direct management) | 2,000,000 | 160,000 |
| 5.8 Evaluation and 5.9 Audit | 350,000 |  |
| 5.10 Communication and visibility | 450,000 |  |
| Contingencies | 400,000 |  |
| Total | 27,600,000 | 7,310,000 |

5.6     Organisational set-up and responsibilities

Governance Reform, Fiscal Consolidation and Policy Reform:

The World Bank Multi-Donor Trust Fund foresees a governance structure to monitor the ***programme***. A Joint PA-Donor Steering Committee will be set up with specific Terms of Reference describing roles and responsibilities of members. Steering committees will also be organised with twinning partners in line with the applicable Twinning Manual.

Access to Self-sufficient Water and Energy:

With regards to the Non-Revenue Water component in the Southern Governorates, a Steering Committee will be set up with all relevant stakeholders (including civil society) and should intervene at three key stages of the project implementation: 1) approval of the design and location of the works, 2) approval of the awareness campaign concept and 3) discussion and approval of the water tariff. For a transparent and effective implementation of the project, a Project Management Committee will also be established. Its main mandate is to ensure technical standards, provide technical inputs and review project progress in bi-monthly meetings. A Steering Committee will also be set with regards to the rehabilitation of brackish desalination plants by OXFAM. The Steering Committee should meet regularly to select targeted areas, monitor scheme with Community Based Organisations and accountability of the activities, and approve capacity building scheme.

With regards to the support to the Office of the Quartet (OQ) for the establishment of appropriate dialogue between the Palestinian Authority and the Government of Israel (via UNOPS), the activities will be monitored through a Steering Committee composed by EUREP, UNOPS, OQ, PWA and PENRA. The Steering Committee should meet regularly to give guidance, to determine the short-term expected outputs and to monitor the activities implemented by the OQ.

Direct implementation from the local operators, in compliance to the 2014 Water Law, and with the support of TDECO with regard to the energy component, is foreseen for the Nexus ***Programme***. AFD will sign a financial agreement with the MoFP and a delegation agreement with the EU. The PWA jointly with PENRA will co-lead the project through a Steering Committee (SC) composed of all relevant actors.

Sustainable Economic Development

A Steering Committee will be set up by BTC with the participation of the Ministry of National Economy and the EU. Close co-ordination will be maintained with all relevant stakeholders in the Gaza Strip.

Complementary support for civil society

A Steering Committee will be established, involving the main stakeholders (MoC, Ministry of Tourism and Antiquities (MoTA), main private foundations, local authorities, networks of CSOs, etc.) with the main objective to oversee the various phases of the project implementation and monitoring. Close co-ordination will be maintained with all the other donors, especially EU Member States and their national cultural centres. 5.7     Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partners' responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log frame matrix (for project modality) or the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation. Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews). 5.8     Evaluation

Having regard to the nature of the action, different evaluations will be carried out for this action or its components via independent consultants contracted by the Commission and via an implementing partner. A mid-term evaluation may be carried out in particular with respect to the Access to Self-sufficient Water and Energy component. Furthermore, final evaluations may be carried out for the different components of the action, contracted by the Commission. They will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the specificity of the action components.

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, 1 contract for evaluation services shall be concluded under a framework contract or competitive negotiated procedure in the middle of the operational implementation and 5 contracts for evaluation services shall be concluded through framework contracts or competitive negotiated procedure in the end of the operational implementation. 5.9     Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements. Indicatively, 3 or more contracts for audit services might be concluded under a framework contract or competitive negotiated procedure during the operational implementation period or the closure phase of this action. 5.10   Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility ***Plan*** of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility ***Plan*** of the Action and the appropriate contractual obligations.

Indicatively, one or two contracts for visibility and communication activities might be concluded under negotiated competitive procedure during the operational implementation period of this action.

Communication and visibility foreseen under this action document will cover needs in a transversal approach in line with a more holistic and comprehensive approach to visibility and communication.

  APPENDIX - Indicative Logframe matrix (for project modality) [11]

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action without an amendment to the financing Decision. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | Results Chain | Indicators | Baselines (incl. reference year) | Targets (incl. reference year) | Sources and means of verification | Assumptions |
| Overall objective: Impact | Contribute to a more effective and efficient provision of services within an increasingly innovative and inclusive Palestinian society. | Sustainable Development Goals indicators:   6.1.1: Proportion of population using safely managed drinking water services   7. .1.1 Proportion of population with access to electricity   8.2.1 Annual growth rate of real GDP per employed person   16.6.1 Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar). |  |  | SDG Reports   Palestinian Central Bureau of Statistics (PCBS)   PA fiscal reporting, World Bank and IMF reports | The political situation does not deteriorate further.   The political rift between West Bank and Gaza does not escalate further. |

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| Specific objective(s): Outcome(s) | 1) To improve the PA's Public Financial Management and fiscal position ;                 2) Sufficient, equitable, affordable and sustainable access to energy, safe water and sanitation services;                                                 3) MSMEs' competitiveness enhanced in the Gaza Strip;                   4) Palestinian cultural sector enhanced and accessible to all; and Palestinian identity better promoted, including abroad. | N.B To be refined during the project proposal preparation 1.1 Reports issued to a committee for decisions on the quarterly allotments for budget execution. 1.2 E-referrals and CCS serve as a guide for in-year budget execution of MoH 1.3 Citizen budget issued every year     2.1 # of inhabitants accessing safe and adequate quantity of water for drinking and domestic purposes.\* and \*\*   2.2 % of new connections meeting the PA and WHO water quality standards. \*     2.3. Share of renewable energy for operating the water infrastructures;     2.4 Cost saving in energy for the T-JWSSC                   3.1 Number of Gazan entrepreneurs reporting enhanced competitiveness and access to markets         4.1 Number of cultural operators in Palestine that increase their cultural management capacity   4.2 Number of Palestinian artists who take part in European competitions / festivals     4.3% of people participating to cultural activities in remote and rural areas | 2013 PEFA assessment                           1. 2016: 430,000 inhabitants have access to water through networks in the area.   2. 2017: 0 new connection     3 ? 2016: no share of renewable energy   4 ? 2016: 0 NIS/year                     3. At the beginning of the project                       1. Survey at the launching of the ***programme*** (total # of cultural organisations in Palestine in 2016: 612)   2. Survey at the launching of the ***programme*** (info not available yet)   3. 2016: 10% of the cultural audience are in remote and rural areas (estimated data) | Intermediate: 2018 PEFA                       1. 2020: 500,000 inhabitants are connected to the new and upgraded water supply systems   2. More than 90% of the new connections and upgraded desal. plants meet the PA and WHO water quality standards   3 - 2020: Energy ***produced*** by the RE hybrid solar&wind installation provides for 5600MWh/year (20% comes from the grid&power generators)   4. Cost savings on energy for water infrastructure with the project and jointly for the T-JWSSC, WBWD and TEDCo jointly reach 3M NIS /year       100               1. At least 5% have increased their capacities in cultural management (30 cultural operators)       2. Increase of at least 5% in the total number of Palestinian artists who take part in European competitions/festivals       3. By: 2020: 20% of cultural audience in remote and rural areas | IFMIS Decisions of the quarterly cash committee Next PEFA report IMF reports World Bank reports                 - PWA reports - CMWU reports - Project monitoring reports - Number of customers registered in the utility/council registry - External evaluation reports                                 Project progress reports             Project progress reports   External evaluation reports   Annual reports of the Ministry of Culture   Annual reports of the Ministry of Tourism and Antiquities   PCBS annual statistics | The PA remains committed to implementing the PFM strategy and related reforms             No significant deterioration of the current political and security context;   Rift between Gaza and the West Bank does not escalate further and PA retains a presence in Gaza;   Stakeholders remain committed to the project's objective and results.                   The situation in Gaza does not deteriorate further |
| Outputs | 1.1 Strengthened MoFP's capacity to steer and monitor the implementation of the PFM strategy                                     1.2 Improved capacities of PA institutions in charge of auditing revenues/expenditures and of collecting and accounting for custom duties. | 1.1.1 A referral Committee is in place and operating efficiently     1.1.2 Payroll and HR systems connection in place and tested in a pilot ministry (Education) 1.1.3 The accounting and reporting is aligned with GFS and IPSAS and allow fair and timely picture of the PA accounts. 1.1.4 Framework agreements in the Portal are in place 1.1.5 Regular PEFA assessment are carried out 1.1.6 Reduction of timeline for the Financial Statement 2017     1.2.1 Trained institutions consistently apply revised procedures 1.2.2% of frauds, tax evasion/avoidance detected 1.2.3 INTOSAI standards and equivalent best professional practices are met by SAACB | TBC                       2017: 0     February 2017: 65%   2017: 0 | TBC                     2020: 3 counterpart institutions applying revised procedures 2020:% detection of frauds, tax evasion/avoidance increased to over 70% (to be validated after inception report) 2020: INTOSAI or equivalent best professional certificates are awarded to SAACB | E-referrals database and FMIS       Payroll IT system at MoFP and HR IT system at GPC).   Monthly financial reports and financial statements   Procurement Portal   PEFA report   OGP meetings' minutes           MoFP / GABC / SAACB reports     Palestinian Customs Department / MoFP reports |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Outputs | 2.1 Increased water supply in Gaza | 2.1.1 Number of inhabitants covered by water networks and receiving water with less than 10% of service disruption   2.1.2% of infrastructure energy needs covered by renewable energy   2.1.3% of reduction of Non-revenue Water \*   2.1.4% of the bills collected based on an appropriate tariff   2.1.5 Number of citizens (gender disaggregated data's) aware of water rights and obligations   2.1.6 Number of CBOs fully operational in monitoring the water quality   2.1.7 ? Number of regular meetings between PWA and GoI   2.1.8 Number of agreements (formal/informal) on dual use and staff material movement initiated by OQ and signed | 2.1.1 2016: 430,000       2.1.2 2016 ? 0%       2.1.3 2016: 35%     2.1.4 2016: 50%     2.1.5 -2017 ? 150,000       2.1.6 ? 2017 - 0 CBO's     2.1.7 0 regular meetings facilitated by OQ   2.1.8 ? 2017 - 0 agreements (formal/informal) signed | 2.1.1 2020: 500,000       2.1.2 - 2020: 30%       2.1.3 2020: 30%   2.1.4 2019: 90%     2.1.5 -2020 ? 500,000       2.1.6 ? 2020 ? minimum 16 CBO's   2.1.7 2018: Trimestral regular meetings   2.1.8 ? 2018 ? minimum 2 agreements (formal/informal) signed | PWA reports   CMWU reports   Project monitoring reports   CMWU Registry and Books   Specific reports on the awareness campaigns                                   Project reports | Availability of funds   Quality of the work provided by the contractors   Delays in approval from COGAT for the entry of materials in Gaza   Appropriate staff recruited for the project)   Willingness of the citizens to change behaviour                   Willingness of PA and GoI to collaborate |
|  | 2.2 Improved quality and sustainability of water and energy services in Tubas Governorate | 2.2.1 ? No. of kms of water network rehabilitated or extended   2.2.2 ? No. of prepaid meters installed   2.2.3 ? leakage detection and water quality system tools installed   2.2.4 ? No. HHs connections to the sewage network   2.2.5 ? No. MW installed capacity of wind turbines   2.2.6 ? No. MW installed capacity of PV plant   2.2.7 ? No. MW installed capacity of PV on structure | 2.2.1 ? 2016: 0   2.2.2 - 2016: 0   2.2.3 - 2016: 0   2.2.4 - 2016: 0   2.2.5 - 2016: 0   2.2.6 - 2016: 0   2.2.7 - 2016: 0 | 2.2.1 ? 2020: 80 kms   2.2.2 2020: 2 SCADA systems installed   2.2.3 ? 2020: leakage detection and water quality management tools are operational   2.2.4 ? 2020: 500   2.2.5 ? 2020: 1,7 MW     2.2.6 ? 2020: 1,7   2.2.7 ? 2020: 0.3 MW | Project monitoring reports   Steering Committees' Minutes   Ad hoc reports   T-JWSSC, WBWD, TEDCo records   PWC and PENRA reporting | Availability of funds   Quality of the work provided by the contractors   Quality of the technical and management capacity at T-JWSSC level   Delays in approval from COGAT for the entry of materials in West Bank   Appropriate staff recruited for the project |
|  | 3. Strengthened capacity of Gazan entrepreneurs and of the Gaza business environment | 3.1 Number of entrepreneurs trained by the project.     3.2 Number of start-up enterprises benefitting from seed funding   3.3 Number of start-up enterprises for which additional funding is secured.     3.4 Number of incubators and accelerators supported     3.5 Number of partnerships developed     3.6 Number of outsourcing opportunities developed | 0       0       0         0       0       0 | 400       100       5         2 or more       4 or more       3 or more | Project progress reports     Project progress reports     Project progress reports       Project progress reports     Project progress reports     Project progress reports | No significant deterioration of the current political and security context;   Stakeholders remain committed to the project's objective and results. |
|  | 4. Reinforced Palestinian identity and improved recognition of Palestinian culture especially in Europe | 4.1 Number of cultural organisations trained in cultural management   4.2 Number of small cultural organisations in remote and rural areas benefitting from an EU Grant | 0           0 | 60           60 | Project progress reports       Project progress reports | Stakeholders remain committed to the project   Sub-grants are allocated upon clear and transparent rules |

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[1].              This designation shall not be construed as recognition of a State of Palestine and is without prejudice to individual positions of the Member States on this issue.

[2].                     These are the relevant pillars of the European Joint Strategy (EJS) in Support of Palestine 2017-2020 – Towards a democratic and accountable Palestinian State.

[3].                     Located in Al-Bireh, Ramallah, Jenin, West Nablus, Jericho and Tulkarem (Wastewater Pre-Treatment Plant).

[4].              Culture is defined as cultural heritage (cultural property, antiquities and museums, folklore, manuscripts); literature (fiction, poetry, literary studies, screenplays, theatre plays); libraries, performing arts, cultural industries etc.

[5].              CMWU is the autonomous regional water and wastewater utility in Gaza.

[6]               C(2017) not yet adopted

[7].              According to the National Water and Wastewater Strategy of the Palestinian Authority (NWWSPA): 'The Palestinian water allocation according to the Oslo Agreement is 118 million m3. 51 million m3 out of 100 million m3 is annually consumed in irrigating 115,000 dunums, while 49 million m3 is annually consumed for domestic and industrial uses; […] Unaccounted for Water (UfW) is more than 35% and there is about 51 million m3 of purchased water from the Israeli water company Mekorot (4 million m3 for ***agricultural*** purposes and 47 million m3 for drinking). This brings the total Palestinian consumption of water to 151 million m3'.

[8].              Sustainable Urban Demonstration Projects (SUDEP) - South Support Mechanism.

[9].              As provided for in the twinning manual.

[10].            With regard to Israeli entities: follow Guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards (OJ C 205, 19.7.2013, p. 9).

[11].                   Mark indicators aligned with the relevant ***programming*** document mark with '\*' and indicators aligned to the EU Results Framework with '\*\*'.

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[***Venture Funding Deals: Four $100m-Plus Rounds, Including Allogene's $300m***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S8G-YN21-F0JS-Y0MF-00000-00&context=1516831)

Scrip Intelligence

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**Body**

Derived from [***Strategic*** *Transactions*](https://www.pharmamedtechbi.com/deals) , Informa's premium source for tracking life sciences deal activity, the Venture Funding Deals column provides a comprehensive monthly review of emerging biopharmaceutical companies that have received venture funding. This month's column covers deals announced in April 2018.

Allogene Rakes In $300m Series A Round; Gets Key CAR-T Assets

[*Allogene Therapeutics Inc.*](http://www.pharmaintelligence.informa.com/companies/201800121) launched with former executives from   [*Kite Pharma Inc.*](http://www.pharmaintelligence.informa.com/companies/201100168) and a $300m Series A round provided by TPG, Vida Ventures, BellCo Capital, the   [*University of California*](http://www.pharmaintelligence.informa.com/companies/198700442) Office of the Chief Investment Officer and   [*Pfizer Inc.*](http://www.pharmaintelligence.informa.com/companies/198600199). TPG, Vida, BellCo, and Pfizer all get board seats.

In addition to the funding, which was one of the largest biotech Series A rounds on record, Allogene also commences operations with a pipeline of 17 off-the-shelf chimeric antigen receptor T-cell (CAR-T) assets for solid and blood cancers from Pfizer. The big pharma originally gained global rights to 16 of the candidates (all currently preclinical) from [*Cellectis SA*](http://www.pharmaintelligence.informa.com/companies/200200562) in 2014. It paid $80m up front and was responsible for $185m in milestone fees per project.The 17th, Phase I UCART19, came from Cellectis through   [*Servier SA*](http://www.pharmaintelligence.informa.com/companies/199000150); Cellectis granted Servier an option to the leukemia candidate in 2014, and when Servier exercised the option in 2015, it turned around and licensed it to Pfizer. Allogene now gets all of the CAR-T assets from Pfizer and will have to pay the original milestone fees and royalties to Cellectis. Pfizer gets a 25% ownership stake in Allogene through the Series A round and retains an 8% interest in Cellectis.

Allogene's president and CEO is David Chang, former executive vice president of R&D and chief medical officer at [*Kite Pharma Inc.*](http://www.pharmaintelligence.informa.com/companies/201100168), now part of   [*Gilead Sciences Inc.*](http://www.pharmaintelligence.informa.com/companies/198601242) He is joined by former Kite Chairman, President and CEO Arie Belldegrun, who will serve as executive chairman. (Belldegrun founded Vida Ventures, one of the Series A contributors.)

Arvinas Closes $55m Series C Round

[*Arvinas Inc.*](http://www.pharmaintelligence.informa.com/companies/201300559), which is developing cancer therapeutics based on protein degradation, raised $55m through its Series C round from new investors Nextech Invest (lead), Deerfield Management, Hillhouse Capital and Sirona Capital as well as returning backers Canaan Partners, 5AM Ventures, RA Capital Management, OrbiMed and New Leaf Venture Partners. Arvinas will use the proceeds to advance its two lead projects, including one that targets the androgen receptor for castration-resistant prostate cancer and another that targets the estrogen receptor for ER+ positive breast cancer, into clinical trials. Funds also will support development of early-stage cancer and CNS candidates.

Ayala Pharmaceuticals Gets $17m In Series A Round

[*Ayala Pharmaceuticals*](http://www.pharmaintelligence.informa.com/companies/201700548), an Israeli start-up developing cancer therapies, raised $17m through its Series A round. Company investors include Israel Biotech Fund, aMoon and Harel Insurance.

Ayala was formed at the end of 2017 with two candidates in-licensed from [*Bristol-Myers Squibb Co.*](http://www.pharmaintelligence.informa.com/companies/198601245) Proceeds from the Series A will help advance lead project AL101 (formerly BMS906024) into Phase II trials by the end of 2018. The gamma secretase inhibitor is in development for metastatic adenoid cystic carcinoma, and Ayala ***plans*** to expand to additional potential indications, including triple-negative breast cancer, in the future. The other gamma secretase inhibitor from BMS is BMS986115, in preclinical studies for solid tumors. (   [*"Israeli Startup Ayala Taking BMS Cancer Drug Into Phase II With $17m Financing" "Scrip"*](http://Scrip.pharmaintelligence.informa.com//SC100717//))

BenevolentAI Closes $115m Early Equity Round

In what appears to be a Series B round, [*BenevolentAI*](http://www.pharmaintelligence.informa.com/companies/201600629), which is using a digital health care platform that uses artificial intelligence (AI) for drug discovery and development, raised $115m (at a pre-money valuation of $2bn) from new investors as well as existing backers, including Woodford Investment Management. Credit Suisse was the placement agent.

The company will use the proceeds to scale drug development activities, expand its disease areas of focus, and increase its AI capabilities. (Part of the funds are also earmarked for use in science-based industries outside health, including advanced materials, ***agriculture***, and energy storage.) BenevolentAI's AI platform, known as a bioscience machine brain, includes algorithms, deep-learning linguistic models, and AI tools able to correlate, assimilate, analyze, and translate knowledge from scientific papers, patents, clinical trial information, structured data sets, and other information sources. That knowledge is then used to decipher the molecular process of disease and links these disease signatures within patients to ensure that the ideal treatment is given to the patient who will respond the best. The technology is capable of quickly generating candidates at scale to enable greater efficiency in discovery and development processes, including better target selection, decreased failure rates, and improved compound optimization. Focusing on rare or difficult-to-treat diseases such as motor neuron disease, Parkinson's, glioblastoma, and sarcopenia, the company's pipeline already has more than 20 ***programs***, ranging from early-stage discovery to Phase IIb, and includes small-molecule compounds in-licensed from Janssen in 2016. BenevolentAI has raised over $200m since its 2013 inception.

Eidos Therapeutics Closes $64m Series B Round

[*Eidos Therapeutics Inc.*](http://www.pharmaintelligence.informa.com/companies/201800128) raised $64m in a Series B financing round led by RA Capital Management. The company's parent,   [*BridgeBio Pharma*](http://www.pharmaintelligence.informa.com/companies/201700449), and new investors Janus Henderson, Viking Global Investors, Aisling Capital, Perceptive Advisors, Cormorant Asset Management and Amzak Health Investors also participated. RA and Aisling took board seats.

Eidos is developing an oral therapy for transthyretin (TTR) amyloidosis (ATTR). Lead small molecule AG10 can bind to tetrameric TTR and create strong molecular bonds, effectively "super-stabilizing" TTR; it is in Phase II trials. The company has raised $91m since inception and ***plans*** to use the proceeds from the current round to fund Phase II and III trials for AG10.

Cedilla Therapeutics Launches With $56m Series A

[*Cedilla Therapeutics*](http://www.pharmaintelligence.informa.com/companies/201800159), which is focused on proteomics-based drug discovery, launched with $56m in Series A funding from Third Rock Ventures. Cedilla is studying protein stability as it relates to disease progression (initially cancer), and aims to develop targeted therapies that degrade protein targets as a primary mechanism of action.

The company's multi-faceted drug discovery engine has four components designed to enhance endogenous degradation pathways: direct ligand-induced degradation triggered by binding small molecules to proteins; identification and disruption of stabilizing protein-protein interactions; discovery of upstream regulators that modulate protein stability; and proteome susceptibility mapping. The company was incubated at Third Rock for 18 months prior to launch. It is headed by former [*Millennium Pharmaceuticals Ltd.*](http://www.pharmaintelligence.informa.com/companies/199700238) founding scientist Alexandra Glucksmann; scientific founders include professors from   [*Harvard Medical School*](http://www.pharmaintelligence.informa.com/companies/199300098),   [*University of California, San Francisco*](http://www.pharmaintelligence.informa.com/companies/199400008) and the   [*Dana-Farber Cancer Institute*](http://www.pharmaintelligence.informa.com/companies/199100019).

Constellation Raises $100m Through Late-Stage Round

The epigenetics-based cancer drug discovery firm [*Constellation Pharmaceuticals Inc.*](http://www.pharmaintelligence.informa.com/companies/200800268) raised $100m through a late-stage venture round from new investors Cormorant Asset Management, Deerfield Management, Fidelity Management & Research, Hillhouse Capital, NS Investment, OrbiMed, Sirona Capital and Venrock Healthcare Partners. Returning backers included The Column Group, Third Rock Ventures, Venrock, SROne, University of California Investment Office, Topspin Partners and Casdin Capital. (   [*"Finance Watch VC Investment Soars In Q1 Putting Biopharma On Track For A Record Year" "Scrip"*](http://Scrip.pharmaintelligence.informa.com//SC122884//))

Constellation previously completed a $55m mezzanine round in 2015. The company ***plans*** to use the proceeds from the current financing to support Phase I/II trials of both CPI1205 for castration-resistant prostate cancer and CPI0610 for myelofibrosis. Funds will also go towards preclinical development of a next-generation EZH2 inhibitor for solid tumors.

Corvidia Brings In $60m Through Series B

[*Corvidia Therapeutics Inc.*](http://www.pharmaintelligence.informa.com/companies/201600123) raised $60m in its Series B financing led by Venrock, which was joined by other new backers Andera (formerly Edmond de Rothschild), Cormorant Asset Management, HBM Healthcare Investments, Fresenius Medical Care Ventures and Venrock Healthcare Capital Partners as well as returning shareholders Apple Tree Partners,   [*MedImmune LLC*](http://www.pharmaintelligence.informa.com/companies/198700795), and Sofinnova Partners. The company will use the proceeds for ongoing development of its pipeline including a Phase II candidate for chronic kidney disease.

Crescendo Biologics Closes $70m Series B

[*Crescendo Biologics Ltd.*](http://www.pharmaintelligence.informa.com/companies/200900436), which is developing T-cell engagers for cancer, raised $70m through its Series B round. Lead investors Andera Partners (formerly Edmond de Rothschild Investment Partners) and Quan Capital were joined by returning investors Sofinnova Partners, IP Group, EMBL and Takeda Ventures. Proceeds will help the company advance its lead candidate CB307, a bispecific PSMA-targeted T-cell engager, into clinical trials.

EryDel Closes (EURO)26.5m Late-Stage Equity Round

In what appears to be its Series C round, [*EryDel SPA*](http://www.pharmaintelligence.informa.com/companies/201800162) raised (EURO)26.5m ($32.4m) in a venture round led by Sofinnova, which added a board member. Returning backers Genextra SPA and Innogest SGR also participated. The company is developing a red blood cell-based drug delivery device for rare neurodegenerative diseases.

Proceeds will fund ongoing development of EryDel's lead product, EryDex, including an ongoing pivotal Phase III trial (initiated in March 2017) for neurological symptoms associated with ataxia telangiectasia (AT), which is a rare autosomal recessive disorder marked by progressive neurodegeneration, involuntary movements and delayed peripheral neuropathy. The EryDex system, which received orphan drug designation both from the FDA and the EMA, encapsulates dexamethasone sodium phosphate (DSP; an approved pain medication) into autologous erythrocytes (red cells taken from the patient's own blood) in a process that permits the opening of erythrocyte pores and diffusion of DSP into the cells, which are then re-infused once a month into the patient. The company's CE-marked Red Cell Loader (RCL) is a noninvasive electromechanical device that automates the EryDex system by handling the blood, drug and processing solutions. Industry sources say the company has raised (EURO)58.5m to date.

Innovent Biologics Closes $150m Series E Round

Chinese biotech [*Innovent Biologics Inc.*](http://www.pharmaintelligence.informa.com/companies/201200784) raised $150m in its Series E round. Capital Group Private Markets led with a $90m commitment and was joined by new investors Cormorant Asset Management, Rock Springs Capital and Ally Bridge Group, along with returning backers Temasek, Hillhouse, Legend Capital, Lilly Asia Venture and Taikang Insurance. The company will use the proceeds to build up its clinical ***programs***; Innovent currently has 16 projects in development, including candidates for cancer, ophthalmic indications, autoimmune conditions and cardiovascular diseases. (   [*"Finance Watch Former Alexion Execs Raise $37m To Launch RareDisease Focused RallyBio" "Scrip"*](http://Scrip.pharmaintelligence.informa.com//SC122987//))

Kodiak Sciences Gets $33m Via Mezzanine Financing

Ophthalmic-focused [*Kodiak Sciences Inc.*](http://www.pharmaintelligence.informa.com/companies/201000056) raised $33m in a mezzanine financing of convertible debt to Perceptive Advisors, ArrowMark Partners and existing investors. The company will use the proceeds to move its KSI301 into the clinic. The anti-VEGF therapy is in development for wet age-related macular degeneration and diabetic retinopathy. (Apr.)

Macrolide Closes $20m Series B

Antibiotics developer [*Macrolide Pharmaceuticals Inc.*](http://www.pharmaintelligence.informa.com/companies/201500124) raised $20m in its Series B financing led by returning shareholders Advent Life Sciences, Gurnet Point Capital, Novartis Venture Fund, Roche Ventures and SR One. The company will use the funds to develop oral and IV macrolide antibiotics and for ongoing trials to support filing of an investigational new drug (IND) application for its lead candidate aimed at resistant Gram-negative pathogens.

Magenta Therapeutics Raises $52m In Series C Round

[*Magenta Therapeutics Inc.*](http://www.pharmaintelligence.informa.com/companies/201600651) (developing treatments to improve bone marrow transplant outcomes in patients with autoimmune diseases, cancer, and genetic diseases) raised $52m in Series C funding led by Casdin Capital. New investors EcoR1 Capital, Eventide Asset Management, Watermill Asset Management, and other long-term institutional investors also participated, along with returning backers Be The Match BioTherapies and Access Industries. Be The Match takes a board seat. Proceeds will support preclinical and clinical development of pipeline projects, including treatments for bone marrow transplant patient preparation, stem cell harvesting and expansion (including lead candidate MGTA456), and post-transplant complications.

Poseida Closes $30.5m Series B

T-cell therapy developer [*Poseida Therapeutics Inc.*](http://www.pharmaintelligence.informa.com/companies/201500334) raised $30.5m in an oversubscribed Series B financing led by Longitude Capital, which adds a board member, and was joined by other new backers Vivo Capital and the Tavistock Group as well as returning shareholder    [*Malin Corp. PLC*](http://www.pharmaintelligence.informa.com/companies/201500123). The company will use the money for ongoing development of its gene therapies and autologous and allogeneic CAR-T immunotherapies. (   [*"Finance Watch VC Investment Soars In Q1 Putting Biopharma On Track For A Record Year" "Scrip"*](http://Scrip.pharmaintelligence.informa.com//SC122884//))

Promethera Sells (EURO)9.3m In Convertible Bonds

[*Promethera Biosciences SA NV*](http://www.pharmaintelligence.informa.com/companies/200900519), which is developing cell-based treatments for liver diseases, raised (EURO)9.3m ($11.5m) through the issuance of convertible bonds to existing investors and new buyers, including Shibuya Corp. and Shinsei Corporate Investment. Proceeds will support continued development of the company's candidates for liver conditions including non-alcoholic steatohepatitis, fibrosis and acute-on-chronic liver failure. Concurrent with the funding, Promethera also announced that it acquired   [*Baliopharm AG*](http://www.pharmaintelligence.informa.com/companies/201800147), a privately held Swiss antibody firm with a pipeline of potential therapies for autoimmune diseases and cancer. (   [*"Deal Watch Fresenius Drops Bid For Akorn Citing DataIntegrity Concerns" "Scrip"*](http://Scrip.pharmaintelligence.informa.com//SC122954//))

RallyBio's Veteran Execs Assemble $37m Series A

Rare disease start-up RallyBio Inc. raised $37m in its Series A financing led by 5AM Ventures, Canaan Partners and New Leaf Venture Partners, which were joined by Connecticut Innovations.

The company was founded earlier this year by three seasoned leaders from the biopharma industry with a vast knowledge of R&D and bioinformatics. RallyBio aims to develop large- and small-molecule candidates against mechanisms with strong biological foundations. Its focus will be on therapies for rare and ultra-rare diseases.

ReviveMed Closes $1.5m Seed Round

[*ReviveMed Inc.*](http://www.pharmaintelligence.informa.com/companies/201800153), which uses artificial intelligence in drug discovery and development, raised $1.5m in its seed financing round led by Rivas Capital, which adds a board member and was joined by TechU, Team Builder Ventures, WorldQuant Ventures and 11 undisclosed investors.

The company spun off from [*Massachusetts Institute of Technology*](http://www.pharmaintelligence.informa.com/companies/198601048) in 2016 and is studying metabolomics, which is the large-scale study of small molecules ***produced*** by cellular activity. This data can provide insight as to what is observed in disease symptoms, unlike the use of genetic factors that indicate what may happen in a disease. Metabolomics data can also show the genetic and environmental interactions, which indicate the effects of environment, lifestyle and the microbiome. ReviveMed says that its artificial intelligence platform is the first to enable the rapid, high-throughput and cost-effective application of metabolic data in the identification of new disease mechanisms for drug discovery. It also uses biomarkers to identify which patients will benefit by targeting the disease mechanism. The company's first ***programs*** will focus on metabolic diseases and non-alcohol fatty liver disease.

Revolution Medicines Raises $56m In Series B Round

Cancer drug developer [*Revolution Medicines Inc.*](http://www.pharmaintelligence.informa.com/companies/201500065) raised $56m through its Series B round. Nextech Invest led and takes a board seat, and was joined by Series A investors The Column Group and Third Rock Ventures, as well as Casdin Capital, Schroder Adveq and other institutional investors. Proceeds will support ongoing R&D, including work on the company's lead candidate, an SHP2 inhibitor entering clinical trials this year for advanced cancers.

RubrYc Closes $10m Series A

Antibody drug discovery firm [*RubrYc Therapeutics Inc.*](http://www.pharmaintelligence.informa.com/companies/201800150) raised $10m in its Series A financing led by Third Point Ventures, which was joined by Paladin Capital Group and Vital Venture Capital. Founded last year, the company is using unique chemical libraries provided by   [*HealthTell Inc.*](http://www.pharmaintelligence.informa.com/companies/201300517) for use in mapping the surfaces of drug targets and identifying off-target binding. These molecular libraries focus on the key regions of the human proteome that define therapeutically relevant protein binding interfaces. RubrYc ***plans*** to both collaborate with biotech firms and perform in-house drug discovery.

Pain-Focused Start-Up Sollis Gets $50m In Early-Stage Round Led By Deerfield

Pain-focused start-up [*Sollis Therapeutics Inc.*](http://www.pharmaintelligence.informa.com/companies/201800143) raised $50m in an early-stage equity round led by Deerfield Management, which committed $40m. The money will fund the company through FDA approval of its non-opioid and non-steroid drug-device combo for sciatica and also support its development in other potential chronic or acute pain indications.

A proposal for funding submitted by an external evaluator to the Ohio Third Frontier Commission (OTFC) in December 2017 details that the technology was initially developed by [*Medtronic PLC*](http://www.pharmaintelligence.informa.com/companies/198600185), which has a 5% stake in Sollis and could license the technology to Sollis if the start-up meets certain investment thresholds. Expected to soon begin a US pivotal clinical trial, the STX015 platform reformulates clonidine, an analgesic and anti-inflammatory medicine (FDA approved in 1996 for spinal epidural use for pain indications), into a micro-pellet, which is then placed in the spinal cord through an epidural injection. The implanted drug provides targeted, extended-release delivery for a month-long period to treat sciatica pain. Last year, in addition to a $2m grant from the OTFC, Sollis received seed funding from the Neurotechnology Innovations Translator (NIT), an incubator of Ohio-based neuroscience start-ups.

Series C Round Brings $63.7m To Synthorx

[*Synthorx Inc.*](http://www.pharmaintelligence.informa.com/companies/201400262), which is developing protein therapeutics for autoimmune diseases and cancer, raised $63.7m through its Series C round from ten investors including OrbiMed (lead and takes a board seat), new backers Medicxi and Osage University Partners, and returning investors Avalon Ventures, RA Capital Management and Correlation Ventures. The company is developing modified cytokines called Synthorins, and will use the Series C proceeds to advance its candidates, including lead immuno-oncology project Synthorin IL-2, through development.

Tetherex Closes $50m Series B Round

[*Tetherex Pharmaceuticals Inc.*](http://www.pharmaintelligence.informa.com/companies/201800154), which is developing treatments for inflammatory diseases, thrombosis and cancer, raised $50m through its Series B round from investors including MPM Capital (lead) and a group of Oklahoma-based buyers. According to a Form D, a total of 240 investors participated.

Tetherex was spun out of [*Selexys Pharmaceuticals Corp.*](http://www.pharmaintelligence.informa.com/companies/201200618) in 2014 and is developing cell adhesion proteins. Series B funds will support work on lead candidate SelK2, a first-in-class P-selectin glycoprotein ligand 1 (PSGL1) inhibitor entering Phase II later this year for venous thromboembolism in patients undergoing total knee replacement surgery. Another Phase II trial in Crohn's disease or other inflammatory conditions also could be pursued.

X-Biotix Gets $7m Via Series A

Antibiotics developer [*X-Biotix Therapeutics Inc.*](http://www.pharmaintelligence.informa.com/companies/201700282) raised $7m in its Series A financing from undisclosed private investors. The company will use the funds for ongoing development of its small-molecule antibiotic scaffolds aimed at gram-negative infections. X-Biotix launched out of   [*X-Chem Inc.*](http://www.pharmaintelligence.informa.com/companies/201400157) in 2016 and is using the firm's DEX DNA-encoded libraries of over 120bn barcoded small molecules in its drug discovery efforts. Last year X-Biotix teamed up with   [*Harvard Medical School*](http://www.pharmaintelligence.informa.com/companies/199300098) to develop antibiotics that overcome resistance.

From the editors of Start-Up

By [*Deanna Kamienski*](mailto:deanna.kamienski@informa.com),   [*Beth Detuzzi*](mailto:beth.detuzzi@informa.com),   [*Maureen Riordan*](mailto:maureen.riordan@informa.com)

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[***Treasurer faces tax battle after revealing budget focused on next election - as it happened; Scott Morrison insists all of tax package needs to be legislated together, including flat tax rate · This live blog is closed. Follow today's live blog for all the Australian federal budget 2018 news, reaction, and analysis***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S8J-9X41-JCJY-G03P-00000-00&context=1516831)

The Guardian(London)

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**Length:** 22369 words

**Byline:** Amy Remeikis (now) Christopher Knaus(earlier)

**Body**

block-time published-time 12.58pm BST

And now to fall in a heap

There is a lot to digest from this budget - one of those things being just how little there is in it. And what is missing - any increase to Newstart, climate change funding, foreign aid increases...

The government doesn't see it that way, of course. But that is their job.

The next big battle will be over Scott Morrison's insistence that all the tax package needs to be legislated together. Including the flat rate tax from 2024. Which will see, once again for the people at the back, someone earning $41,000 taxed at the same rate as someone earning $200,000.

Apparently not having learnt from the company tax debate, the government is giving this "fairness" idea another shot on a different playground.

It doesn't mean anything in real terms though. For it to become a reality, Malcolm Turnbull would need to be voted in at the next election. And then, three years after that, another Coalition leader would have to be voted in. And the Coalition would need to still be thinking it's a good idea. Which we have no idea if they will, because it is seven years away and, given governments have no idea what is coming for them the next day, they have bupkis chance of guessing what is happening in seven years.

Then there is the headline $530 tax offset (which earners between $41,000 and $90,000 will receive, while above and below those markers there's a tapering off), which won't pop into tax returns until July 2019. After the election.

So plenty to chew over. For now, I shall bid you adieu, because, well, it has been a long day. And tomorrow ***plans*** on being just as long. Morrison wants to introduce his tax package legislation. There will be a lot of "budget is great, budget is terrible" commentary to cover, and there is also the high court decision. That decides Katy Gallagher - but then also Josh Wilson, Justine Keay, Susan Lamb and Rebekha Sharkie's political fates.

So we close tonight with the possibility of five byelections in our future ( Tim Hammond is still to officially resign from Perth) and a general election due sometime between August and May.

I need a Bex and a lay down.

A massive thank you to Mike Bowers for keeping me sane, Christopher Knaus for holding the fort and just generally being wonderful and all of the Guardian brains trust who went above and beyond for you today to make sure you had all the details as quickly as possible. I am not kidding when I say I ran in heels for you, clutching a thermos and a computer and with a pink faux fur coat flapping behind me.

Don't say we don't care.

We'll be back bright-eyed and bushy tailed early tomorrow morning \*, so make sure you get some rest and take care of you.

\*This is most likely a lie.

block-time updated-timeUpdated at 1.05pm BST

block-time published-time 12.45pm BST

Ian Henschke, the chief advocate for National Seniors Australia, has described the budget as a "mixed bag".

Henschke said the extra aged care places - 14,000 announced tonight and 6,000 announced in December - were welcome.

But it was nowhere near enough to meet demand, he said.

"But that is only 20,000 packages and we know there are 100,000 Australians who want to stay in their own homes, who are not getting the level of package that they want. So we believe there is a long way to go to meet that need."

The $22m for elder abuse in the budget was welcome, and showed the government had been listening to public concern.

block-time updated-timeUpdated at 12.51pm BST

block-time published-time 12.32pm BST

The lack of significant preventative health spending in the budget has drawn the ire of the Public Health Association of Australia.

Its chief executive, Michael Moore, said there was "lip service, a lot of lip service, on prevention", but the actual expenditure had not changed dramatically from 1.5% of the health budget. Canada's spend was 6% of its health budget, he said.

"Everybody knows that prevention is better than a cure," he said. "There are a few good things on prevention in there, of course. We can see an injury prevention ***program***, we can see immunisation, particularly pertussis, these are positive aspects, there's suicide prevention."

block-time updated-timeUpdated at 12.34pm BST

block-time published-time 12.31pm BST

If you just want to know what you will get - have a play with this [*handy tool*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you), put together by people at the Guardian who are much smarter than I.

block-time updated-timeUpdated at 12.34pm BST

block-time published-time 12.29pm BST

Now, that tax thing.

So the $530 maximum offset won't come into play until tax time NEXT year. That's because it is May. The measure doesn't start until 1 July 2018. It is impossible for you to receive any of the offset until your next tax cycle, in 2019. That is after the election.

block-time updated-timeUpdated at 12.35pm BST

block-time published-time 12.26pm BST

Now that the conga line of reaction is starting to wind down, I can have a look at some of the measures I didn't get to during that insanity.

It's sad news for celebrities - they will no longer able to licence their face, no matter how beautiful, to a company or trust to avoid tax.

The lack of beautiful tax-avoiding faces will bring an "unquantifiable gain to revenue".

block-time updated-timeUpdated at 12.35pm BST

block-time published-time 12.24pm BST

The peak body representing Australia's aid organisations was highly critical of measures to cut the foreign aid budget.

Marc Purcell, the chief executive of the Australian Council for International Development, said he was hoping the government's "foot would come off of the throat" of the aid sector, following cuts of 30% in the past five years.

He was disappointed. "Unfortunately, despite a slight blip this year in going up, it continues to go down over the forward estimates," he said. "This is very disappointing given we have just announced a $3.8bn loan, almost equivalent to the entire aid ***program***, to arms exporters. We have rising threats and influence from China in the region.

"We really should be using our aid ***program*** to leverage our relationships and actually build stronger ties with developing countries in our part of the world."

He said there had been some increase in aid in the Pacific, which was welcome.

But he said the boost was largely due to an investment in the deep sea cable ***program*** in the Pacific, which lacked transparency and came at the expense of other areas of the aid spend.

block-time updated-timeUpdated at 12.36pm BST

block-time published-time 12.20pm BST

And if you need the text of that email to staff, here it is from Amanda Meade:

Dear colleagues,

The government has tonight announced it will freeze the ABC's annual funding indexation for three years from July 2019, which will cost the organisation $84m. This will be compounded by the decision to cease a further $43m in funding to support quality news and current affairs services and follows the cumulative $254m in cuts imposed since 2014.

This decision comes at a critical time for us. As you are all aware from our conversations following this year's annual public meeting, we are at a watershed moment as a public broadcaster as we continue to strive to deliver the high standards of ***programming*** Australian audiences expect, despite escalating global competition and rising production costs.

Let me be frank with you: I am very disappointed and concerned that after the measures we have introduced in recent years to deliver better and more efficient services, the government has now seen fit to deliver what amounts to a further substantial budget cut. This decision will make it very difficult for the ABC to meet its charter requirements and audience expectations.

However, we will continue to pursue our strategy during triennial funding negotiations with the government this year to achieve the proper levels of funding we require to meet the expectations of not only our current audiences but those of the next generation.

Our priorities have and always will be to our audiences and the ***programming*** we create for them. Our success in this is a tribute to the talent, dedication and high-quality work of our teams right across the country and the world.

Our public interest journalism, breaking news coverage and independent analysis are highly valued by the community, including across regional Australia. The drama, comedy and children's content we deliver every hour are likewise important to the cultural life of the country. And services like triple j, RN and ABC Local remain crucial channels for audiences everywhere to join the national conversation.

Unfortunately, the government has overlooked this contribution and the trust and value more than 80% of Australians place in us as an independent national broadcaster.

In a [*statement in response*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) I have made clear this decision will have an impact on our audiences.

We will continue to oppose the decision and seek every opportunity to reverse the cuts in the coming months before they take effect.

Michelle Guthrie

block-time updated-timeUpdated at 12.23pm BST

block-time published-time 12.19pm BST

Perhaps unsurprisingly, super funds aren't overly happy with the budget measures hitting the sector. Christopher Knaus reports:

Super funds are furious with two budget measures. The government announced it will seek to reunite Australians with their inactive super funds, to prevent them being gradually eroded through fees.

The Association of Superannuation Funds of Australia says the change will see inactive super funds handed to the Australian Taxation Office, where the funds will only attract returns equal to the consumer price index.

Martin Fahy, the chief executive, is also "very concerned" about a decision to stop young people being billed for life insurance through superannuation automatically. He said "large numbers" of people aged 25 or younger had dependents, and the changes put them and their children at risk. He described it as "a very undesirable move".

block-time published-time 12.18pm BST

Michelle Guthrie has emailed ABC staff about the cuts:

enltrMichelle Guthrie has emailed all ABC staff saying she's "disappointed and concerned" their funding has been cut in [*#Budget2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you). An all staff meeting has been called for Wednesday.   [*pic.twitter.com/14OqQygMnV*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Alice Workman (@workmanalice) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time published-time 12.16pm BST

The foreign aid spending cuts are rippling out across the sector:

enltrSTATEMENT: ***Plan*** International Chief Susanne Legena slams foreign aid in [*#Budget2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) as 'narrow-minded', as sector reels from $141m loss.   [*#AusPol*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#foreignaid*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*https://t.co/phmxYQyK5C*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*pic.twitter.com/Ccm5P2fgbM*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- ***Plan*** Australia (@PlanAustralia) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time published-time 12.12pm BST

Here's a bit more from Richard Di Natale :

Bottom line is, when I hear tax cuts, as somebody who worked as a doctor, I heard crowded emergency departments, people on waiting lists, people having to spend more to see their GP, people having to spend more to buy books and stationary. What I hear when I hear tax cuts, we are not going to fund essential services. Newstart, we have people who are living on,barely living on 40 bucks a day. At the same time, we are promising over$100 billion in tax cuts"

block-time published-time 12.09pm BST

The IPA is not overly happy:

"The proposed income tax cuts in the 2018 Budget are too timid and too slow. Tax cuts for all Australians should be delivered right now, not on the never-never," said Daniel Wild, Research Fellow at the free market think tank the Institute of Public Affairs.

Under the 2018-19 Budget released today, debt is expected to reach a record $561 billion, taxes a record $473 billion, and spending a record $484 billion.

"The so-called 'tax speed limit' is a smokescreen to hide the fact that this is the highest taxing, highest spending, and highest debt Budget in Australia's history.

"The true cause of higher taxes is higher spending. Every dollar in extra spending must be paid for with higher taxes, either now or in the future.

"The only way to deliver permanent tax cuts is to implement permanent spending cuts. "They are repeating the mistake they made with the business tax cut by not cutting the top personal income tax rate until 2024."

\*\*\*End statement\*\*\*

block-time published-time 12.08pm BST

The retail sector is happy with the budget.

Russell Zimmerman, executive director of the ?Australian Retailers Association, said the income tax cuts would flow through to the retail industry, as would the infrastructure spend.

He said the commitment to tackle black market sales of tobacco was welcome.

"Currently in Australia there is about 14% of all tobacco that comes in that is illegal product," he said.

block-time published-time 12.08pm BST

Kylie Walker, chief executive, Science & Technology Australia:

"We're delighted, after campaigning for many years, to see ***strategic*** and strong investment in scientific research infrastructure.

"In this budget, the government has committed to $1.9bn over ten years, and front-loaded that over the next four years.

"This infrastructure is satellites, we're talking about super computers, ships, and the particle accelerators that enable important scientific research to take place.

"STEM is going to be the future of this country so we're very pleased to see that.

"We're also pleased to see a specific commitment to gender equity initiatives in science and technology and mathematics, particularly initiatives to encourage girls and women to not only study science and technology but also to pursue a career and stay in science and technology.

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block-time published-time 12.07pm BST

The chief executive of Oxfam, Helen Szoke, said the federal aid budget had been cut by $141m in the next four years, adding to existing cuts for a total of $444m that "will be taken away from the vulnerable in our region and people in countries we should be supporting".

"Overseas aid is less than 1% of the overall government spend and yet again it's been treated just like taking money out of the bank - without regard to our roles and responsibilities across the world," she said.

block-time published-time 12.06pm BST

Jason Davies-Kildea, of the Salvation Army, has slammed the lack of investment in social housing or an increase to Newstart.

Davies-Kildea said there was nothing for the budget in this helped by the Salvation Army, those who struggled to put food on the table and keep the lights on.. He said their "plight has gone unheard".

"There may be a few people tonight who are glad about what they are getting out of tonight's budget, but they won't be any of the people, unfortunately, who come to the Salvation Army for help," he said.

"If you're one of the 116,000 people who are homeless tonight, or one of the 100,000 on the social housing waiting list, unfortunately there is no good news for you in this budget."

block-time published-time 12.04pm BST

ABC $83 million cut 'can't be absorbed by efficiency measures alone'

Michelle Guthrie has responded to the news of the $83 million indexation cut (with part of that funding being redirected to Communications and the Arts, which is contributing to the Captain Cook memorial statue in Scott Morrison's electorate).

From Guthrie's statement:

The government's decision to freeze the ABC's indexation from July 2019 will cost the broadcaster $84 million over three years and will be compounded by the decision to cease a further $43 million in funding to support quality news and current affairs services.

This decision comes at a critical time for the ABC as it commences triennial funding negotiations with the government and comes on top of a cumulative $254 million in cuts imposed since 2014.

The ABC's independence and its commitment to in-depth analysis and commentary has never been more valued or trusted by Australian audiences, nor so critical to the challenges facing the nation.

ABC managing director Michelle Guthrie said the impact of the decision could not be absorbed by efficiency measures alone, as the ABC had already achieved significant productivity gains in response to past budget cuts.

The ABC is now more important than ever given the impact of overseas players in the local media industry and the critical role the ABC plays as Australia's most trusted source of news, analysis and investigative journalism.

Our talented and dedicated content makers consistently deliver award winning public interest journalism, regional services and critically acclaimed original Australian ***programs*** and content.

Stable, adequate funding is essential if we are to continue to deliver for Australian audiences."

The ABC's long-term strategy published at an Annual Public Meeting in February 2018 outlines the broadcaster's ***plan*** to respond to changing audience expectations, and to remain as relevant in the future as it always has been in the past.

The ABC will continue to negotiate its funding requirements with the Government to ensure it can deliver on this commitment to a future which ensures the ABC remains relevant in the digital age.

Guthrie also rejected as unnecessary the proposed efficiency review given efficiency ***programs*** introduced by the ABC in recent years.

block-time updated-timeUpdated at 12.16pm BST

block-time published-time 12.01pm BST

Kirsten Deane, Every Australian Counts campaign:

Tonight we've taken a step in the very long road to the National Disability Insurance Scheme (NDIS).

We've seen the NDIS funded, not just in this budget, but across the forward estimates, so in budgets to come.

It's great to finally see the NDIS become a permanent part of the Australian economic and social landscape.

It was great to hear the treasurer say that every single dollar and every single cent that is needed for the NDIS will be there and always will be.

Our message to the treasurer is: We will hold you to that.

We're going to be here next budget, and the budget after that, and the budget after that, and the budget after that

We're going to be eternally vigilant to make sure every single government honours its commitment to people with disability and their families and funds the NDIS, and it will be a brave politician in the future who decides to mess with the NDIS."

block-time updated-timeUpdated at 12.14pm BST

block-time published-time 11.59am BST

Tim Storer is also on that ABC panel. Here's his first take:

I'm encouraged by the prospect of reducing debt. I didn't see a lot of broadening of the tax base. I am encouraged by the income tax cuts in the short-term for lower and middle-income earners. I do see the longer term being quite less progressive than we have in Australia at present.

Health and aged care has been addressed.Education not so much. Inequality I don't feel has been addressed. There is nothing for Newstart and reduction in aid and other migrant ***programs***. Infrastructure I am encouraged by the spending in that area."

block-time published-time 11.57am BST

Derryn Hinch is on that same ABC panel:

I was watching it and thinking about Paul Keating and bringing home the bacon budget. This won't do that. It will put a few rashers in the frying pan. It's done for the election. It hasn't offended many people, apart from Richard! It hasn't shaken many people. I'm very impressed by the aged care issues, if they follow through on those. The fact you can now join the ski club and spend the kids' inheritance, you can mortgage your home to the government and you can draw down 1.5 times the pension so it gives you more quality of life. That is good. The fact they will appoint an aged care quality and safety commissioner, they haven't done ratios in aged care. I didn't hear him mention company tax cuts at all. Did anybody else?"

To answer that question - it is in there, but until the Senate - in particular Tim Storer and Derryn Hinch, move, it remains a pipe dream.

block-time updated-timeUpdated at 12.11pm BST

block-time published-time 11.54am BST

James Pearson, chief executive, Australian Chamber of Commerce and Industry (ACCI):

"This is a budget that's taken the country in the right direction. It would have been good to see more ambition on long-term budget repair.

"The Australian business community welcomes government's commitment to staying the course to deliver business tax cuts and it's welcome, too, to see the extension of the instant asset write off which so many small businesses around the country taken advantage of and using to reinvest in their businesses.

"It's good to see the government's giving back to people on lower incomes some of their own money in the form of tax relief and that over time they'll be addressing the pernicious issue of bracket creep, which is taxation by stealth, and extending that tax relief to higher income earners.

"We're pleased to see there'll be significant investment ... in regional cities and communities.

"The budget forecasts are built on an expectation of strong economic growth, and that depends on the business community to deliver.

He ended by calling on both major parties, and the Senate, to support the government's ***plan*** to help businesses invest.

block-time updated-timeUpdated at 12.10pm BST

block-time published-time 11.53am BST

Richard Di Natale is now on the ABC - and he is pointing out that the tax ***plan*** put forward by the government is "a US-style tax ***plan***" and says the Greens will NOT be supporting the flat tax.

We have a progressive taxation system in this country. We want to have a fair and decent society. The more you earn, the more you pay into the tax system. We have a big problem with income inequality in Australia. Under this ***plan***, if you are on 40K, you get a few hundred bucks in terms of a tax break. You are on $200,000, you get over $7,000. This will rip over $100 billion that's money that could go into schools, into hospitals, world-class NBN, public transport. We should be increasing Newstart, and instead we've got this Trump US-style flat tax being proposed by the government. No, we won't support those changes.

block-time updated-timeUpdated at 12.06pm BST

block-time published-time 11.50am BST

The Greens respond

The Greens leader, Richard Di Natale, has said the income tax cuts will "turbocharge inequality" but would not commit to block the tax ***plan***.

He said:

Under the rewriting of the tax rules, somebody on $200,000 - when you look at the full implementation of this ***plan*** - will get $7,000. If you're on $40k or $50k you get a few hundred dollars - that's not fair, that's turbocharging inequality.

Nadine Flood, the national secretary of the Community and Public Sector Union, said the budget "continues the government's ideological obsession with privatising public services" and giving contracts to big business. She said it introduces new initiatives but does not hire public servants to do the jobs.

Flood noted the budget cuts Centrelink's numbers by 1,200, argued the Australian Securities and Investment Commission is busy chasing banks caught out in the royal commission and yet its jobs were also cut.

The Rural Doctors Association of Australia president, Adam Coltzau, backed the government ***plan*** to cut foreign doctors and said an increase in Australians training to be doctors meant that "slowly over time we won't need as many foreign doctors... we'll have our own home-grown doctors".

Bastian Seidel, the president of the Royal Australian College of General Practitioners, welcomed funding for 3,000 extra doctors to become specialist GPs. He also backed the cut to foreign GPs, arguing it was "entirely appropriate" given the doubling of Australian medical graduates in the last 10 years.

He said:

"I'm an overseas-trained doctor and, quite frankly, that was fine 10 years ago but right now we have domestic medical students, we have local graduates and they need to be trained. There are bottlenecks now - we need to create more internship places, and we need to create postgraduate training opportunities for our domestic students."

block-time updated-timeUpdated at 12.05pm BST

block-time published-time 11.48am BST

The Climate Council points out that there is no money for climate change. (TELL THAT TO THE BUDGET TREE).

From their statement:

Climate Council Acting CEO Dr Martin Rice said it was disappointing the federal government's 2018 budget had appeared to ignore climate change, despite the nation's greenhouse gas pollution levels continuing to rise for more than three consecutive years.

The federal government's continuous failure to seriously tackle climate change is an embarrassment," he said. "Australia is one of the most vulnerable countries to climate change in the developed world, with worsening extreme weather events including severe heatwaves, supercharged storms, heavy rainfall, flooding, droughts and bushfires.

block-time updated-timeUpdated at 12.02pm BST

block-time published-time 11.46am BST

CARE Australia is not happy:

Australian aid projects will be scaled-back as the result of this year's Federal Budget, CARE Australia has warned.

CARE Australia Chief Executive Sally Moyle said the aid cuts announced in the budget, which follow years of consecutive cuts, would have devastating consequences.

"This is a selfish decision by the federal government," Moyle said.

"There is no reason for these cuts. Budget repair is well underway and it is shocking and deeply saddening that next year fewer children will be vaccinated, educated and lifted out of poverty.

"We are prosperous, we can help people move out of poverty - at home and abroad.

"We are a rich nation in a neighbourhood of developing nations and we should be doing all we can to support them. At a time when other world powers are investing in influence and diplomacy, it is reckless of Australia to be taking a step back.

"We're part of a global community and we must do what we can to ensure everyone has access to things like education and health services, not just the privileged few."

Moyle said Australian aid was needed now more than ever.

"Myanmar refugees are suffering absolutely atrocious conditions brought on by monsoon rains in Bangladesh. Meanwhile, conditions in Syria and Yemen continue to deteriorate and there are fears East Africa could face another food crisis this year. This is a time when Australia should be stepping up not retreating."

Moyle said the unpredictable nature of the Australian aid budget had made it more difficult to respond to the long-term needs of people living in poverty, particularly in our own region.

"When Australian aid invests in women's and children's health, it saves lives. But like any good investment, aid needs extensive ***planning*** and predictable funding streams to be effective. This constant uncertainly helps no one and it's the world's poorest people who suffer as a result."

\*\*\*End statement\*\*\*\*

block-time updated-timeUpdated at 12.02pm BST

block-time published-time 11.45am BST

The Brotherhood of St Laurence's Conny Lenneberg points out that once again, there is nothing for those on Newstart.

"The long forgotten people of this federal budget - yet again - are Australians who rely on Newstart to make ends meet," said Lenneberg. "After 25 years of economic growth, our country's unemployment benefit remains far too low."

Lenneberg said increasing Newstart is not just about being fair - it makes good economic sense.

"Newstart is so utterly inadequate - as little as $38.98 a day - that many people on the payment can't afford to properly conduct their job search. They are struggling to cover the basics of life. The truth is that there are costs involved in looking for work: maintaining a mobile phone, paying for transport and having presentable clothing to attend interviews.

"Disturbingly, housing costs are so high these days that an increasing number of vulnerable people on Newstart are forced into homelessness. Newstart should enable people to get into work, but the unintended consequences of very low rates is that it presents a huge barrier to employment. How can you properly look for a job when you can't even afford to keep a roof over your head?"

In the lead-up to the next federal election, the Brotherhood of St Laurence urges all parties to commit to address this deep flaw in our social security system.

"Fixing Newstart is a moral challenge for our democracy. It is not fair to consign people searching for work to poverty amid such a run of economic prosperity. It is not only welfare groups, but economists and business who are calling for an urgent increase in Newstart. We must share the pie," Ms Lenneberg said.

block-time updated-timeUpdated at 12.01pm BST

block-time published-time 11.43am BST

Uniting Care national director, Claerwen Little, said the budget failed to introduce critical supports for the nation's most disadvantaged. She said she was "very, very disappointed" in the lack of any rise in the Newstart allowance.

She also criticised the lack of support for refugees and new migrants.

"We'll be working with the government to see what we can do about that," she said.

Andrew Conway, chief executive of the Institute of Public Accountants, which represents small businesses, likened the budget to a "ever-lasting gobstopper" rather than a sugar hit for his members.

Conway said the income tax cuts would flow through to small businesses. Infrastructure spending would also help to boost the stocks of small business, he said.

"The PAYG concessions and reductions will benefit small businesses both directly and indirectly as Australians go out and spend their tax cuts," he said.

Disability advocates have welcomed the government's commitment to fully fund the NDIS. People with Disability Australia co-chief executive Therese Sands said she hoped the funding, outlined in the budget papers, would "end the uncertainty for people with disability".

"We will be holding all sides of government to account for the clear statement in the budget papers that the NDIS is fully funded, now and into the future," Sands said.

block-time updated-timeUpdated at 11.59am BST

block-time published-time 11.40am BST

The Australian Medical Association's president, Michael Gannon, described the budget as "safe and steady".

He welcomed a raft of measures, including the 20,000 aged care places, funding for Indigenous health, eye health, ear health, mental health and remote dialysis treatment.

"We welcome the centrepiece, a workforce package, focussed around trying to overcome the inequity that rural Australians suffer in terms of access to health services," he said.

"We're pleased that government has listened to the AMA's arguments, saying we don't need a new medical school, but end-to-end training in five cities and towns should help to overcome some of this disadvantage."

But he warned a lot of questions remained after the budget. "Perhaps the main point of this budget is what it doesn't say," Gannon said.

"There's no mention of the government's signature reform, the healthcare homes. There's no mention of how any savings from the MBS reviews are going to be reinvested in healthcare."

block-time updated-timeUpdated at 11.58am BST

block-time published-time 11.39am BST

PwC labels this the 'Slurpee budget'

J eremy Thorpe, partner and chief economist, PwC Australia

You know when you stick your hand behind the sofa and you find some loose change? Well that's what this budget is like.

Scott Morrison stuck his hand under the sofa and found an additional $35bn since December last year.

So what did he do with it? Well, he spent $15bn of it, but he saved $20bn. And on that basis the government is claiming budget repair.

But this is a lost opportunity to really address and further advance the paying down of debt to save that burden on our future generations.

This budget actually poses challenges from an intergenerational perspective and creates additional tensions. While individually meritorious, the additional funding provided to the baby boomers certainly poses a challenge for later generations that will need to pay that back, over and over again.

The budget is the Slurpee Budget. We're going to get a sugar high, an initial hit as the windfall spending flows through the economy.

Hopefully we avoid the brain freeze. But maybe in the long run it would be better if we didn't have that sugar hit at all.

block-time updated-timeUpdated at 11.50am BST

block-time published-time 11.38am BST

Back to some of that reaction:

From Chris Knaus :

Annie Butler, the secretary of the Australian Nursing and Midwifery Federation, welcomed the government's announcement of increased aged care funding, including the additional 20,000 aged care places. But she warned it was not enough to fix the aged care "crisis" in Australia.

Butler said it would still not guarantee safe care for older Australians. It was still not enough to ensure private providers would employ enough staff and nurses.

"The best way to do that is to mandate minimum staffing ratios in aged care," she said. Butler also slammed large for-profit aged care companies that were taking huge amounts in taxpayer subsidies, while avoiding their own tax obligations."

block-time published-time 11.36am BST

On to Labor's ***plans***:

Question: Under Labor's ***plans***, top taxpayers will pay 50 per cent of their income to the government. The former Labor Prime Minister Paul Keating has described that as unacceptable, why do you think that is okay?

Bowen: The government's priority was to give a tax cut to people earning more than $180,000. We don't see the case made for that. Again,our options remain but we will have more to say on Thursday.

Question: Why should people who have potentially worked hard, or they might have reached the top of their field, have to give half of their income to the government?

Bowen: The Medicare Levy wouldn't apply above $80,000. The budget repair levy was brought in to repair the budget. The budget is not repaired. We don't have a healthy and sustainable surplus. Tough decisions are necessary. People have to make a contribution to help get the budget back into balance. We are being up front and honest about that before an election. I believe our ***plans*** will stand the utmost scrutiny by you at the next election.

Question: Given the unexpected revenue windfall,when would Labor anticipate having the budget back in surplus?

Bowen: The same year as the government.

block-time published-time 11.33am BST

And the bracket creep measure (moving the higher tax threshold from $87,000 to $90,000).

You want to see bracket creep - you want to see taxes as low as can be affordable. We will have plenty to say, not only about tax but about budget repair, about getting the budget back to a healthy sustainable surplus. This government has given up on what we were told was the debt and deficit disaster. They used to have a clear objective of 1% of GDP in the immediate future. Now we don't see that until the end of the decade. They have given up. This is a government, a prime minister and treasurer desperate to try and claw back their political goodwill and they are giving away tax cuts in 2024 in an attempt to do so."

It is essentially the same answer for the abolishment of the higher tax bracket.

That comes in 2024. They would make a significant change to the tax system, they want to legislate that now when we don't know what the financial circumstances will be in 2024. We will have plenty more to say. There is not even a cost of that particular measure in the budget papers. I mean, as I said, you would be very critical of us if we tried that. This government is saying vote for us, sign up, we should sign up for something in 2024, two elections away, keep voting for us and we will give you a tax cut

block-time updated-timeUpdated at 11.53am BST

block-time published-time 11.30am BST

But as for the 2024 ***plan***?

It is ridiculous to say the tax cut will be in place in 2024. We will have plenty more to say about our ***plans*** for the Australian people. There is not a breakdown in the budget papers. If I did that, you would be laughing me out of the studio as the treasurer of Australia. These guys are being completely reckless.

block-time updated-timeUpdated at 11.52am BST

block-time published-time 11.30am BST

Will Labor vote on the tax offset?

Yes, we will support the tax cuts which apply on the 1 July 2018 with low wages growth, that is justified. On the other tax cuts, firstly, I think the Australian people look cynically at Malcolm Turnbull and Scott Morrison, who last year were telling them we needed to increase tax through the Medicare levy. Now saying we know what the situation will be in 2024 and we will be able to give you an income tax cut. You don't know what the economic circumstances will be in 2024, I don't. It is a hoax."

block-time updated-timeUpdated at 11.44am BST

block-time published-time 11.29am BST

Chris Bowen is now in front of Leigh Sales.

He says that Labor is very much looking forward to facing off against the government with their competing tax ***plans***:

If you look at this budget, in the best global economic circumstances in a decade, we have a wafer-thin surplus which doesn't get to 1% of GDP until the end of the decade. And we have gross debt over half a trillion dollars. Now on the matter of what's in it for the Australian people? We have a government doubling down or their $80 billion of corporate tax cuts. Still making Australians work until they are 70 to get the age pension. All the elements of the budget that have failed remain in this budget as well."

block-time updated-timeUpdated at 11.43am BST

block-time published-time 11.27am BST

Tony Mahar, chief executive, National Farmers Federation:

Australian ***agriculture*** is currently valued at around $60bn. We are striving towards a $100bn industry. What we were looking for from the government from tonight's budget was a greater commitment to mobile black spots and telecommunications.

If we are going to get to a $100bn industry, telecommunications digital technology is going to play a key part in that journey.

We were also looking for great funding and resources to risk management in the Australian ***agriculture*** sector [that] would help contribute to a $100bn industry.

We welcome from the government measures that will develop our markets, including greater commitment to ag counsellors in some of these overseas markets where we sell so much high-quality food and fibre, and measures that will address the non-tariff barriers and non-tariff measures that stop Australian food and fibre getting off the ports onto supermarket shelves.

block-time updated-timeUpdated at 11.43am BST

block-time published-time 11.26am BST

That tax offset will help boost the economy Scott Morrison says, because people will spend it, not bank it.

He knows this, because he spends a lot of time talking to ordinary Australians. And they will need it for school uniforms, and car rego and things.

They need to deal with a lot of pressure. Paying for those things, whether it is your quarterly electricity bill, it's a half-year's electricity bill. That is important. That is important relief. They need it now. We are giving it to them."

Except they are not giving it to you now. You'll get it at tax time.

block-time published-time 11.24am BST

And here are the lines we are going to hear again and again and again:

It is their money. It is theirs. I trust Australians to look after their own money and spend it on what they think is most important to them. Others may want the government to make those decisions for them. I don't think those Australians do. That - I know you are not suggesting this - it is an offensive idea that you should give your money to the government because they know best. We have set what our number is. It should be no higher than 23.9%. It is based on the post-GST period. That is a sensible level of taxation. We don't think you should breach that speed limit; if you drive too fast, you'll crash the car.

block-time updated-timeUpdated at 11.41am BST

block-time published-time 11.22am BST

Leigh Sales pulls Morrison up on this trend of having 10-year budgets - quite rightly pointing out that there is no such thing as a 10-year budget - that the budget goes over four years (and even those outlier years are a guessing game).

Here is what Morrison says in regards to debt:

Okay, it comes down by $30 billion over the next four years, $30 billion reduction in net debt in the next four years alone in this budget. Then it falls over the medium term. As Peter Costello said on your ***program***, it takes a good decade of being in surplus to turn these things around. And that is what we are ***planning*** for. You can't achieve that, as he knows, without a stronger economy because that is what that Coalition government was able to provide for and that is what this Coalition government is providing for, a stronger economy.

block-time updated-timeUpdated at 11.40am BST

block-time published-time 11.20am BST

Scott Morrison is really taken with this idea of a speed limit (so much so, that the budget papers had a speed limit sign with 23.9 mocked up on it. I kid you not. It was the one laugh I had during those looooong hours).

"2019-20 is when we will return to balance. These conditions in these times are different. That government went through their period, their expenditure grew at 3.3% above inflation, ours is 1.9% above inflation. On that measure, our expenditure growth has been the lowest of any government in the last 50 years. And our tax to GDP is also lower because we have set a clear speed limit on taxes. 23.9%, and that is a hard limit, it is in our fiscal rules. If you control your taxes, you control your spending. You shouldn't give anyone any government a blank cheque on taxes and we refuse to take one and no-one should offer any such measure."

Just a reminder that that number is also largely arbitrary.

block-time updated-timeUpdated at 11.38am BST

block-time published-time 11.18am BST

Dr John Falzon, St Vincent de Paul Society:

If you're locked out of a job or locked into an insecure job, tonight's budget doesn't even bring home the two minutes noodles. It does, however, bring home the caviar for the corporates.

As for being an infrastructure budget, there's nothing wrong with building rail and road, but if you want to build a nation you've got to do more.

You've got to build roads for people out of poverty, and not just out of poverty on Newstart and into poverty in paid work, because everyone deserves a fair crack at happiness.

Tonight we were looking for a vision of hope, but for the people experiencing unemployment, underemployment, homelessness and housing stress, they have been yet again served dollops of despair.

If you want to build a nation, you'd invest in social infrastructure. Social housing that is so desperately needed because everyone deserves to have a place to call home.

Fairly funded education and health for all, not just those who can fork out without feeling the pinch.

And surely you would lift the rate of Newstart for the people this government continues to tear down.

block-time updated-timeUpdated at 11.37am BST

block-time published-time 11.18am BST

At least one ratings agency remains to be convinced

As we've learned this evening, the treasurer has ***produced*** a budget with a package of income tax cuts costing $140bn over the medium term, and because it's a pre-election statement, there are very few nasties. S&P Global Ratings says in response, hmmm, maybe... not.

It's keeping its negative outlook on Australia's AAA credit rating. This is S&P's statement:

The budgetary position has improved over the past year, aided by strength in the Australian and global economies. The government has also shown a commitment to fiscal prudence with its ***plan*** to return a balanced budget earlier than previously announced. These developments have helped ease the negative pressures on the Australian sovereign ratings.

Nevertheless, risks to the country's fiscal outlook remain, including increasing external economic uncertainties in recent months. Global trade tensions, coupled with rising investor aversion to emerging markets in recent months, may dampen economic growth among Australia's key trading partners.

As such, risks to the government's ***plan*** for an earlier return to budget surpluses are significant. The outlook on the long-term Australian sovereign ratings remains negative for now to reflect these uncertainties.

block-time updated-timeUpdated at 11.31am BST

block-time published-time 11.16am BST

The budget website has crashed.

It's only 8.16pm

block-time published-time 11.16am BST

Here is what Morrison had to say about that whole giving away half of the additional revenue:

We are not giving anything away, it is their money. They earned it. They pay us tax. We don't - this isn't a spend. We are saying when taxes rise too high, we say we've got to give the money back. If you run taxes too high as an economy, it ends up costing them their own jobs, their own investment, their own futures.

block-time published-time 11.15am BST

The government has taken $84m from the ABC and effectively handed some of it \_ $17.6m \_to SBSin a move sure to increase the enmity between the two public broadcasters.

The budget has once again shown no love for Aunty, despite perceptions managing director Michelle Guthrie is keen to please the Coalition.

The cut over three years is certain to lead to even more job losses and reduced services. The additional funding for ABC news gathering in the last budget has not been continued, which will also leave a big gap.

Communications minister Mitch Fifield is expected to announce a second efficiency review of the ABC, further adding to the pain.

block-time published-time 11.14am BST

But he is outright denying that the government is benefiting from stronger conditions - which he is.

"I disagree with that. Over the last several years, we have done everything from expanding our defence industry ***programs***, we have lowered taxes for small and medium-sized businesses, for new start-up businesses, we have invested in science and technology, we have a $75 billion infrastructure ***program***. We have been investing in a growing economy."

It's true that a growing economy has helped - but a lot of that has been driven by mining companies. And the government is spending about half of the extra revenue it was handed.

block-time published-time 11.12am BST

Scott Morrison has made it to the ABC studios: and says that stronger economies "don't happen by accident".

You have to work hard. Businesses and employees work hard and that is what is happening in the Australian economy. We have turned around an economy as an Australian people that several years ago was seeing investment in the negative. Now it is in the positive. Business confidence is up. Conditions are up. Businesses are starting. This is happening because of the settings that are in place and the hard work and enterprise of Australians."

block-time updated-timeUpdated at 11.24am BST

block-time published-time 11.06am BST

Cassandra Goldie, the chief executive of the Australian Council of Social Services, has said although the government may claim the budget benefits low and middle income earners "this is not that budget". Goldie said that in the first four years, most of the benefit of tax cuts will go to people earning $48-90,000 a year. Those earning more than $37,000 "will be lucky to get $4 a week", and those earning less due to casual or intermittent work will get "no benefit whatsoever". Acoss is most disappointed the budget did not lift the Newstart payment.

The Australian Industry Group chief executive, Innes Willox, said the budget is a "great cause for optimism", citing the fact it moves the budget back towards surplus, confirms the company tax cuts, gives low income earners a tax cut and commits to infrastructure spending. But the budget needed to "significantly more on skills and training", he said. Willox said AiG "thinks the forecasts do stand up", but notes to achieve wage rises of more than 3% economic activity will have to increase. He noted in March wage rises in enterprise agreements were 2.5%, above inflation, citing it as evidence wages are improving.

Correna Haythorpe, the president of the Australian Education Union, said the budget had "failed preschools, schools and TAFE". Teachers particularly wanted a guarantee schools would reach 100% of the schools resource standard, and are disappointed that funding to give four year olds 15 hours of preschool was only rolled over one year to 2019.

block-time published-time 11.03am BST

Now Scott Morrison is RUNNING through the halls to get to the ABC studios for the traditional treasurer interview with 7.30.

block-time published-time 11.03am BST

The treasurer finishes his speech. There's a standing ovation. Malcolm Turnbull looks like he has actually met Santa Claus. There are hugs and handshakes and happy faces.

On one side of the chamber.

block-time published-time 11.02am BST

So far the "women's budget" appears to be a bunch of other measures rolled together. Here is what Kelly O'Dwyer had to say:

Economic capability for women

More women than ever are working, with 5.8 million now employed in Australia. We are committed to ensuring that women have every opportunity to engage in paid work, have the right support to expand their skills, take advantage of new employment opportunities and save for their retirement.

To do this, Budget 2018-19 will:

· make personal income taxes lower, fairer and simpler for all Australians through the Government's Personal Income Tax ***Plan***;

· encourage more women to pursue STEM education and careers by providing $4.5 million over four years;

· help women take advantage of opportunities in the health care and social assistance industry by providing $64.3 million to establish a Jobs and Market Fund to grow the National Disability Insurance Scheme's workforce;

· develop women's financial capability by providing $10 million for initiatives to put women in control of their financial lives, now and in the future, as part of a $50 million fund to promote the financial capabilities of Australian consumers;

· support the national rollout of the Skills Checkpoint for Older Workers ***Program*** for women, and men, between 45 and 70 years of age by providing $3.3 million as part of the More Choices for a Longer Life Package; and

· help to protect the superannuation balances of nearly 2 million women in Australia, with low and inactive accounts, from undue erosion which will enable women to make the most of their hard earned superannuation savings by:

- capping certain fees at 3 per cent for accounts with balances less than $6,000 (low balances);

- banning exit fees;

- offering insurance only on an opt in for young members, inactive accounts, and low balance accounts; and

- empowering the ATO to reunite people's lost and low and inactive accounts with their active accounts where possible.

Protecting women's safety and welfare

The Turnbull Government has zero tolerance to violence against women and is committing $54.4 million to services for women affected by violence and for online safety initiatives in this Budget. This includes:

· an additional $11.5 million for the national sexual assault, domestic and family violence counselling service 1800RESPECT over two years;

· $6.7 million to maintain funding for DV-alert to continue its domestic violence response training for community frontline workers;

· $14.2 million over four years for the Office of the eSafety Commissioner to help make cyberspace safe for women; and

· $22 million over five years to address abuse of older Australians, which affects up to 20 per cent of elderly women.

This builds on the more than $300 million that has been spent on women's safety.

Enhancing women's health and wellbeing

The Turnbull Government is guaranteeing the essential services that Australians rely on. This Budget builds on the Government's record investment in health care, which is expected to increase from $78.8 billion in 2018-19 to $85 billion in 2021-22. This funding will provide critical investments that support women's health and wellbeing at every stage of life, including:

· targeted investment of $20.9 million over five years to improve the health of new families, particularly pregnant women and children;

· $1 million over three years to improve diagnosis and treatment of endometriosis, in addition to the $2.5 million already announced for research as part of the first National Action ***Plan*** for Endometriosis;

· $703.6 million to list Ribociclib (Kisqali®) on the Pharmaceutical Benefits Scheme from 1 July 2018 to treat advanced or metastatic breast cancer - without a subsidy, the treatment would cost patients over $71,820 per year;

· adding 3D breast tomosynthesis to the Medicare Benefits Schedule as an interim measure while long-term funding is considered by the Medical Services Advisory Committee;

· providing the whooping cough (pertussis) vaccine to every pregnant woman in the country, protecting both baby and mother from this life-threatening disease; and

· delivering an additional 14,000 high-level home care packages through the More Choices for a Longer Life Package to support older Australians.

block-time updated-timeUpdated at 11.09am BST

block-time published-time 11.00am BST

On foreign affairs spending, Julie Bishop got some good news (not unexpected, given what we have seen going on in the region).

We will strengthen relationships with our Pacific partners and work together to support the region's stability, security and economic opportunities. The region will benefit from over $1.3 billion in aid in 2018-19 - our largest ever contribution.

This includes funding for undersea telecommunications cables to Papua New Guinea and Solomon Islands, delivering faster, cheaper and more reliable communications infrastructure, and providing economic and development benefits.

The budget also further delivers on the government's largest diplomatic expansion in over 40 years and the white paper's commitment to open more overseas missions over the next 10 years, providing $10.8 million for a new consulate general in Kolkata, India. The new consulate general will help Australian businesses access opportunities in India's growing mining sector, and protect and advance our interests in a changing Indo-Pacific. We will also provide $8.4 million to open a high commission in Tuvalu. Tuvalu is a key member of the Pacific Islands Forum and an important partner in the Pacific.

We will invest an estimated $4.2 billion in total eligible Official Development Assistance in 2018-19, including $410 million for humanitarian funding, helping those most in need after a crisis.

An additional $10 million will support the new Australian Aid: Friendship Grants scheme for Australian community groups to tackle poverty in the Indo-Pacific.

block-time updated-timeUpdated at 11.04am BST

block-time published-time 10.59am BST

On Indigenous affairs:

There is $550 million over five years for a new agreement with the Northern Territory government for remote housing.

And, as already pointed out, the government will implement reforms to the Community Development ***Programme*** (CDP) from 2019 with changes to jobseeker support, participation requirements and reporting requirements.

block-time updated-timeUpdated at 11.01am BST

block-time published-time 10.57am BST

The peak seniors' body, Cota, has embraced the government's aged care package:

Australia's leading seniors' advocacy organisation, COTA Australia has welcomed the Federal Budget as a positive step towards preparing for and supporting an older population and capitalising on the opportunities it presents.

COTA Australia Chief Executive Ian Yates said the Government's More Choices for a Longer Life Package will ensure better co-ordination of services across government and more support for Australians at every stage of their life.

This is the first time we have had a full ageing package that takes a proactive approach to an ageing Australia and takes a life cycle approach that recognizes the need to prepare properly for an ageing population and support all Australians as they move through life.

The challenge now is to make sure that this is not a one off, so we will be asking the government to commit to an Ageing Strategy that will tie the budget measures together, monitor their progress and recommend change and expansion based on experience, making sure the momentum begun tonight carries through for all Australians as they age.

Every cent spent on supporting independence as we age, keeping people connected to the workforce and community, and on preventative health, is money saved in emergency wards, acute health care and on our already stretched aged care system.

This Budget goes a significant way towards helping Australians continue to work if they choose to do so, help Australians ***plan*** financially for their retirement, and support us all as we get older by improving access to home care and choice in aged care.

block-time updated-timeUpdated at 11.04am BST

block-time published-time 10.55am BST

The chaplaincy ***program*** is now permanently extended: with a focus on anti-bullying measures.

block-time updated-timeUpdated at 10.59am BST

block-time published-time 10.54am BST

While Scott Morrison continues talking, we are out there gathering the reaction for you, from the stakeholders and lobby groups.

It's a long line, but we'll start bringing you that reaction as soon as possible.

block-time published-time 10.51am BST

A key point to take from Labor's response is that they will back the personal income tax measures - which provide up to $530 as a tax offset for people earning between $41,000 and $90,000.

The opposition doesn't mentioned whether or not it will support the measures from 2024 - which will see that flat rate tax put in, where everyone on $41,000 up to $200,000 will pay the same tax rate.

Scott Morrison wants to put that through as one big package - legislate it all together or bust, but that's today.

And there is nothing stopping Labor from legislating it out of existence, if it wins government.

block-time updated-timeUpdated at 10.58am BST

block-time published-time 10.48am BST

Labor has just responded to the budget, with Chris Bowen issuing a press release declaring the government to have "failed":

Tonight was Malcolm Turnbull's last chance to fix five years of unfairness - and he failed.

This unfair budget gives big business and the banks an $80 billion tax handout, and makes Australians pay for it with savage cuts.

* It fails the fairness test on pensioners - Turnbull is cutting the energy supplement, costing pensioners $14 a fortnight, and forcing people to keep working until they are 70.

1. It fails the fairness test on education - Turnbull is still cutting $17 billion from schools, and has $270 million in new cuts to TAFE.
2. It fails the fairness test on hospitals - Turnbull's cuts mean Australians will be stuck on hospital waiting lists for longer.
3. It fails the fairness test on Medicare - Turnbull's freeze on the rebate for specialists means Australians will pay even more when they visit the doctor.

Any budget that gives a handout to big business but hurts pensioners is a bad budget.

This budget also fails the fiscal test. Even with $40 billion in additional tax revenue:

* Net debt for this coming year is double what it was when the Liberals came to office; and

1. Gross debt, which crashed through half a trillion dollars on their watch for the first time in history, will remain well above half a trillion dollars every year for the next decade.

Clearly the government has committed billions of dollars on the back of a temporary global economic upswing - we have seen how that plays out before.

Labor will back the personal income tax measures that begin on July 1 this year, and we'll have more to say in the future about how else we'll help working people.

We know middle class and working class people are struggling with the cost of living - this is overdue relief, but it doesn't make up for Turnbull's cost of living increases and cuts to penalty rates.

Most of this package is off in the never never - it's a hoax for Mr Turnbull to tell people they have to vote for him at least two more times before they tax relief in 2024.

Funding just 14,000 new in-home aged care packages over four years is another hoax, with funding being cut from residential aged care to pay for it. There are still 100,000 people on Turnbull's waiting list for in-home care. It's a particularly cruel hoax after promising older Australians they would address the crisis.

After five years of the Liberals - health care costs more, housing costs more, education costs more and energy costs more.

Every budget is about choices. Yet again, Turnbull has chosen the top end of town - and he's making you pay for it.

A Shorten Labor government will make different choices.

We will improve our schools, fix our hospitals and save Medicare.

We will make university more accessible, guarantee the future of Tafe and put local jobs first.

We will deliver genuine tax relief for working Australians, protect pensioners and improve the budget bottom line.

A Shorten Labor government will deliver a fair go for Australia.

\*\*\*End statement\*\*\*

block-time updated-timeUpdated at 10.57am BST

block-time published-time 10.46am BST

The super stuff Scott Morrison has just mentioned is actually very good - and potentially one of the best, and long overdue, measures of the budget.

"Through the Australian Taxation Office, we'll be proactively finding your lost super and have it sent automatically to your active superannuation account, ensuring it doesn't get eaten up in ongoing fees. We are banning exit fees on superannuation accounts for when you want to change funds, because you should be able to do so when you want to.

We will stop superannuation funds forcing people under 25 to pay for life insurance policies they have not asked for, or do not need."

They'll also be limiting fees on accounts under $3,000 to 3%.

block-time updated-timeUpdated at 10.53am BST

block-time published-time 10.43am BST

While we are looking at this budget, David Leyonhjelm has allowed the Parliamentary Budget Office to publish the costings he requested for some of the government's policies.

You'll find the detail on that, [*here*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time published-time 10.40am BST

The government has apparently conceded its remote work-for-the-dole scheme is a failure. The budget has revealed a redirected $1.1bn for a drastic reform of its key elements, after several years of criticism that it unfairly targeted Indigenous people, was discriminatory and overly punitive, and didn't take into account the realities of remote community life.

Under the reforms the ***program*** will be reshaped to more closely resemble the non-remote Jobseeker ***program***.

From 1 February next year, the number of hours a CDP participant must work has been reduced from 25 to 20, and the penalty system, which critics said led to vulnerable families going without food and essentials, has been scrapped and replaced with the Job Seeker demerit-based system.

From next year payment recipients can fulfil their work requirements through current CDP job providers, or through one of up to 6,000 newly subsidised positions in communities. Eligible employers can apply for wage subsidies of up to $26,034 over two years, with bonus payments based on job seeker retention.

The CDP will still run separately to the Jobseeker ***program***.

The $1.1bn will come from the departments of prime minister & cabinet, social services, and human services. Treasury officials said the money will cover the entirety of the ***program***.

block-time published-time 10.36am BST

The Speech

What does Scott Morrison want you to remember? How is the government going to sell the budget?

For that - let's look at the speech:

What have you achieved? (He opens with this and quickly moves on when the chamber starts laughing. Probably not the greatest opening line)

What are you going to do now? What does it mean for me?

These are the questions Australians want answered tonight. So let me get to it.

A stronger economy. More jobs. Guaranteeing essential services. The government living within its means. That is what this budget is about.

The Australian economy is now pulling out of one of the toughest periods we have faced in generations.

The global financial crisis was significant. But coming off our once in a hundred years mining investment boom had an even bigger impact, ripping $80 billion out of our economy.

This directly impacted Australians and their families, including holding back wages.

During this difficult time, the government has been working to strengthen the Australian economy and get the budget back on track. And we have been making real progress.

... Our national economy is strengthening, but it is also true that the benefits are yet to reach everyone. This will take more time.

... We live in a very competitive world. If we make the wrong calls, other countries will "cut our lunch".

There's a lot to lose. We can't ease off.

In this year's budget, there are five thigs we must do to further strengthen our economy to guarantee the essentials Australians rely on:

1. Provide tax relief to encourage and reward working Australians, and reduce cost pressures on households, including lowering electricity prices.

2. Keep backing business to invest and create more jobs, expecially small and medium sized businesses.

3. Guarantee the essential services Australians rely on, like Medicare, hospitals, schools, and caring for older Australians.

4. Keep Australians safe, with new investments to secure our borders,

and, as always:

5. Ensure that the government lives within its means, keeping spending and taxes under control.

block-time updated-timeUpdated at 10.47am BST

block-time published-time 10.33am BST

10 things you need to know about the budget

1. Tax changes are a-coming. Low and middle income earners will save between $200 and $530 a year on their tax bill, through a tax offset. But the government has also flagged its intentions for wider tax reform, introducing a flat tax rate of 32.5% for everyone earning between $41,000 and $200,000, while abolishing the 37 % tax bracket entirely - but not until July 2024.

2. There's a big chunk of money earmarked for infrastructure funding - but most of it won't be spent for years. The federal government will direct $4.5bn towards roads, but major public transport projects will have to wait years for the lion share of funding announced in the budget. $24.5bn has been directed to new commitments, but only $4bn of that is being spent in the next four years.

3. Robo-debt is to continue and the government is ***planning*** a scheme to make sure outstanding fines are paid, one way or another.

Having judged it a massive success, the government has ***planned*** to extend its "fraud detection and debt recovery activities" scheme which it says will save $299m over three years. It is also ***planning*** on working with the states to set up a scheme to claw back fine and infringement payments from social security. Under the scheme, "the Commonwealth will be able to make compulsory deductions with the welfare payments of serial fine defaulters". The government will also have the power to suspend or cancel welfare payments for those on outstanding arrest warrants for indictable criminal offences.

4. New Australians will have to wait another year to receive welfare assistance, while refugees will see their wait for Newstart doubled to 26 weeks.

Under this measure, the government will increase the waiting period for newly arrived migrants from three to four years, before they are allowed to access welfare benefits. That will save $203m over five years it predicts. This is called "encouraging self-sufficiencies for newly arrived migrants" in a lovely stroke of Orwellian language. Another $68.1m over four years will be saved by doubling the wait refugees can receive full Jobactive services, from 13 to 26 weeks.

5. Super changes to protect low balance funds and those under 25.

Those pesky insurance fees you probably don't know you're paying as part of your super fund? You will have to opt-in for that now, for anyone under 25 or with a fund under $6,000. It's part of a ***plan*** to protect super balances of young Australians and those with low balance accounts, from fee erosion. Exit fees will also be banned for anyone attempting to change accounts and fees for accounts under $3,000 will be limited to 3%.

6. Cuts to the ABC. Again. To help fund a Captain Cook statue in Scott Morrison's electorate.

It's buried as an 'indexation cut' but it's there. "In order to ensure the ABC continues to find back-office efficiencies the government will pause indexation of the ABC's operational funding". That will save $83.7m over three years, from 2019 and maintain the organisation's base operational funding at 2018 levels. In a fun fact, that money will be directed to "other Communications and the Arts portfolio priorities" (as well as to broader budget repair). But in a quite handy quirk of the budget book, on the page before, we see the 250 th anniversary of James Cook's voyage is to be commemorated with a $25 million statue (as part of a wider $48.7 million package also including consultation with indigenous communities and an educational component), which is to be partly funded by the department of Communications and the Arts. It is to sit in Botany Bay. Which sits in Morrison's electorate.

7. The 'black' economy is under the spotlight.

Funny-money is getting its time in the sun. The government ***plans*** on clawing back all that revenue it is losing to 'chop-chop' (illegal) tobacco. Home Affairs estimates it can earn $3.6bn from the crackdown. An "economy wide cash payment limit" will also be put in place, meaning no more cash transactions of $10,000 or more.

8. You're living longer! Yay.

As Scott Morrison says in his speech we are living longer - and that's a good thing. Not sure we needed the reminder that not dying is a positive, but here we are. To help make those additional years as comfortable as possible, the government is ***planning*** to increase the pension work bonus to allow age pensioners to earn an additional $25 a week without reducing their pension.

The pension loan scheme is being expanded, which allows pensioners to use their homes as equity to boost their retirement incomes - the reverse mortgage scheme. There's extra money for training mature aged workers with new skills to keep them employed - up to $2000. And a wage subsidy of up to $10,000 for businesses with older employees (aged over 50).

Then there is the aged care component. $1.6bn is being spent to support an additional 14,000 additional high-level home care packages. There's also $61.7m to improved the My Aged Care website and $14.8m to streamline how older Australians are assessed for their packages. A further $82.5m is being spent on mental health services for older Australians, including a $20m "loneliness" package, to help people "remain connected to their communities".

9. New measures to help crack down on multinationals avoiding their tax commitments.

The company tax cuts are STILL on the agenda, with the government not giving up on its slated $65bn tax cut, despite not having the numbers. But the government is also moving to add to previously announced measures to make sure income earned in Australia, can be taxed by Australia. Those additional measures include strengthening the so-called "thin capitalisatio" rules, which are meant to stop companies loading up on debt, in order to shift profits off-shore. The government also wants to strengthen its anti-avoidance rules. Stapled Structures - (the most simple explanation of which I can think of is if an international company owns a port and a trust and then claims the port earnings as "passive" in order to send it into the trust, thereby claiming a better tax rate) are also under examination. The government wants to make sure that Australian investors will be able to compete on "fairer terms", "particularly when investing in land-rich investments", so those are also under the microscope.

10. The figures

The budget cash deficit is $14.5bn for 2018-19 or 0.8% of GDP.

Net debt is sitting at $349.851bn for this year and is then estimated to taper off

Gross debt will peak at $579bn in 2019-20

The budget is forecast to return to balance in 2020 and then hit an $11bn surplus in 2021

Most of the spending in this budget comes from better than expected revenue - $25.9bn extra, to be exact, which is a combination of Treasury getting its forecasts wrong and better than expected employment growth and revenue from mining companies. It's also been pushed along by the hope that stronger wage growth will return in the future.

block-time published-time 10.33am BST

The 2018 budget - what's the feel?

It's Amy back with you - let's get started:

In a very quick nutshell - because we have a lot to get through tonight (and over the coming days) - what is the 2018 budget?

It's the budget you deliver when you want voters to remember you at the ballot box, that's for sure. It's largely harmless and seems aimed at pissing off the least amount of people possible, while also making as many people kinda-happy-but-at-least-OK as they can. Unless you owe the government money - robodebt is continuing, and the government ***plans*** on deducting court-ordered fines from your social security payments - or are a migrant - you need to wait another year, from three to four before you can access welfare, or a refugee - you need to wait 26 weeks now, not 13, before accessing job seeker help, or work for the ABC - there's a $80 million indexation cut in there - you will probably forget this budget fairly quickly. And with the hangover of 2014 still in the air, forgettable is good.

If you earn anywhere up to $90,000, you will receive up to $530 come tax time, as an offset payment from the government. The government is selling that as a "more than $1,000' saving for families, assuming you have two people earning between $41,000 and $90,000. Earn under that and you'll taper up to the $530 offset. Earn over it and you'll taper down to zero the closer you get to $120,000.

But it's the future where it gets a little hinky. The government ***plans*** on legislating the third stage of its tax reform, which will see the 37% tax bracket abolished completely, meaning everyone earning between $41,000 and $200,000 will be paying the same flat tax rate of 32.5%. The government is selling that as "simplifying" the tax system, and making it "fairer" because most of us will spend the majority of our working lives on the same tax rate. But it also means that someone earning $41,000 will be paying the same tax rate as someone earning $200,000. That's an idea a few conservative American think tanks have been playing around with, as a way of lowering the tax burden on top earners, by equalising the tax rate. It's not due to come into effect until the Never-Never - seven years from now, which is three years beyond the budget's forwards and two elections away. But it's a way the government can signal to its base and high income earners that it has a ***plan*** for them. It may not be now - this is when the low and middle income earners get their sugar hit - but it is in the works. Meanwhile, that sound you can hear is the government's critics preparing campaigns on fairness.

Also in the future is the majority of that giant infrastructure package we have heard so much about. Most of that is because the projects aren't ready yet, or at the stage when most of money needs to be spent. But it means that of the $24.5 billion, $4 billion will be spent on roads, and the rest is earmarked for public transport projects beyond the next four years. The money is there, and it makes a great headline figure - but it won't be spent for years.

Aged care gets a much needed boost, with the government increasing its spend on in-house care, with the aim to keep people in their own homes for longer, negating the need for as much residential care.

There's also that crackdown on the so-called black economy and a stronger crackdown on multinationals which avoid paying their tax.

But it is mostly about those headline figures - $530 a year in tax offset. $24.5 billion in infrastructure. Increased spending on aged care. Mature age workers spending. Record job growth. And a surplus of $11 billion slated for 2021, with the budget predicted to return to balance in 2020.

There's more to come and more to go through - but these are the figures you'll be hearing coming out of government MP's mouths for the next few months.

block-time updated-timeUpdated at 10.44am BST

block-time published-time 10.30am BST

We're a minute away. Let's give the last word to the Australian Council of Social Service. What do they want in budget relief for the nation's most disadvantaged. The Acoss wishlist:

* Increase inadequate Newstart payments

1. restore family payments
2. dump cuts to the energy supplement
3. dump the ***plan*** to raise the pension age to 70

enltrBudget tips [*@cassandragoldie*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) : focus on Newstart & restoring family payments. Aust 8th lowest tax country in OECD, warns   [*@ACOSS*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) on   [*@BizTicky*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you). Coalition has made $15bn of SocialSecurity cuts: lowest incomes hit hard. Dump cuts to Energy Suppl & stop ***plan*** to raise Pension Age to 70.

- Gerard Thomas (@gerardthomas\_1) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time published-time 10.20am BST

Ten minutes to go!

I can assure you my running shoes are on, and I am prepared to run the kilometre or so (well, it feels like it) from the lock up room back to the press gallery to start giving you the run down on this thing.

The big reveal starts the moment Scott Morrison's speech hits the despatch box, and the sound of 100s of journalists hitting 'send' can be heard around the nation. Or at least around these corridors.

But before we begin, let's remember what the government wants this budget to do - it is likely to the be the last one before we head back to the polls, and the government wants this document to be the start of the recovery process and switch them over to election mode. But whether or not this budget can reverse more than 12 months of distraction, own goals, and in-fighting is a whooole other story.

block-time published-time 10.16am BST

Greens leader Richard Di Natale was on the ABC a short while ago. He slammed the government's budget priorities, and pointed to multinational tax avoidance as an issue that ought to be a clear priority. Di Natale also calls for a Buffet rule (a minimum tax rate of 30% on individuals making more than $1m).

He said the treasurer "got lucky" because of strong commodity prices.

enltr"We've got a tax avoidance system, not a tax system, we've got huge loop holes that need to be closed..." [*@RichardDiNatale*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) tells   [*@PatsKarvelas*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#auspol*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#rndrive*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#Budget2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*https://t.co/9x85t192fX*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*pic.twitter.com/b2pHlbJSpC*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- RN Drive (@RNDrive) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time published-time 10.08am BST

The clock is ticking down to 7.30, which means we are almost ready to bust out of our cages.

For those new to the process, here is what is going to happen; Scott Morrison will step onto the chamber floor to deliver his budget speech, and from that moment, we all hit publish. I'll be dashing back to the blog, to give you the headlines of the budget, and then Morrison will head to the ABC studios for the treasurer's traditional appearance on 7.30. From there, every group you can think of and then some more will be lining up to give their instant reaction to the budget - which we will bring you into the night.

block-time updated-timeUpdated at 10.22am BST

block-time published-time 10.07am BST

Just a little more on the legislation passed by the house of representatives earlier concerning the home affairs department. The bill was largely administrative, but helped facilitate the introduction of the Australian Security Intelligence Organisation into the portfolio. That brings Asio into a portfolio that also includes the Australian Federal Police, Austrac, and the Australian Criminal Intelligence Commission. Turnbull spoke [*about the purpose of the bill last year*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) :

Today I am introducing legislation to establish a Home Affairs portfolio which will bring together Australia's security, law enforcement, criminal intelligence and emergency management functions under the direction of one senior minister.

A new Department of Home Affairs will be responsible for setting strategies and coordinating policies on counterterrorism and violent extremism, counter foreign interference, serious and organised crime, cybersecurity, border security, immigration and social cohesion.

The portfolio will include the Department of Immigration and Border Protection as well as the Australian Federal Police, AUSTRAC and the Australian Criminal Intelligence Commission.

The bill also clarified ministerial powers and confirmed the statutory independence of the different agencies, despite the fact they will now all come under the home affairs portfolio. It also boosted the oversight powers of the attorney-general. You can read more about the bill in its explanatory memorandum, if [*you're that way inclined*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you).

Only two lower house members voted against it: Adam Bandt, of the Greens, and Andrew Wilkie, the independent.

enltrBREAKING: ALP just voted with Libs to set up Dutton's new Home Affairs ministry, giving this brutal man unprecedented powers. This is how societies turn bad. I voted against, along with Andrew Wilkie [*#greens*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*pic.twitter.com/WiM8WSVWRM*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Adam Bandt (@AdamBandt) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

Labor supported the bill but used the chance to voice concerns. I mentioned Peter Khalil spoke out against Dutton's concentration of power. He was joined by the shadow attorney-general, Mark Dreyfus, who expressed concern about the expansion of the home affairs portfolio.

Most democratic nations are careful to avoid the concentration of power in a single entity or in a single person, instead favouring systems with checks and balances.

Under these arrangements a single minister... will alone be responsible for complex decisions that until now have been debated by multiple single ministers who have shared responsibility for our nation's security.

block-time published-time 9.49am BST

Hello!

I am coming to you from beyond the great budget lock-up, where I am frazzled, and over-caffeinated and attempting to wrap my head around these measures, as well as reporting to you for the live coverage.

Isn't that clever? Well, prepare to be dazzled in just a short while - we are all putting the final words on our pieces and preparing to flee the confines of this room very, very soon to bring you the 2018-19 budget.

block-time updated-timeUpdated at 9.56am BST

block-time published-time 9.47am BST

We want your budget gifs

We think the talented politics live readership can help us illustrate tonight's budget coverage in the blog.

So we'd like you to tweet apt gifs to @AmyRemeikis and @knausc in the meantime. We want the gifs that you think best reflect the nature of the budget.

Can I suggest the timeless and widely applicable "y tho"? More of a meme than a gif, I know. But you get the idea.

enltrShow me a meme/gif that's you. This is me, for potato face and also cos y tho [*pic.twitter.com/hrhSaybSi7*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Hayley (TPB) (@TeaPartyBeauty) [*July 28, 2017*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

We'll get as many of the best offerings into the blog as we can manage in between actually telling what's in the budget and what Scott Morrison (and others) have to say about it.

block-time published-time 9.36am BST

It's gone eerily quiet here in the big house. Both chambers have suspended sitting and I've been reduced to watching Outsiders on Sky. Send help.

Only an hour to go until the treasurer's budget speech.

block-time updated-timeUpdated at 9.37am BST

block-time published-time 9.18am BST

Just a little more on that Greens motion in the Senate. Senator Rachel Siewert tells me the foreign interference bill risks casting Indigenous rangers as "foreign agents when engaging in so-called political advocacy". That's because they are funded by an American charitable trust.

"This is truly farcical, they are our First Peoples and it demonstrates the glaring flaws in the legislation," Siewert says.

"The government clearly hasn't thought through the consequences of this legislation."

block-time published-time 9.08am BST

AAP is reporting on fears expressed by the Greens that the foreign interference bill could have an unintended impact on Indigenous rangers. Here's their report:

Indigenous rangers could be unfairly caught up in the federal government's crackdown on foreign political influence, senators have warned.

A Greens motion calling on the government to acknowledge foreign influence legislation could go further than intended passed the upper house on Tuesday.

Indigenous rangers are partly funded by an American charitable trust, raising concerns they could fall foul of the proposed laws.

But Liberal frontbencher James McGrath said rangers' foreign funding would not be banned by the legislation.

"It merely requires groups funded by foreign principles for the purpose of influencing Australian democracy to register," Senator McGrath told parliament.

Labor senator Jacinta Collins said there were very real concerns charities and not-for-profit organisations could suffer unintended consequences of the bill.

"We can clean-up donations without silencing our community sector," she told senators.

block-time updated-timeUpdated at 9.14am BST

block-time published-time 8.57am BST

One of the best things about budget day, in my humble opinion, is the 'toons. Usually the best come the morning after. But we've already had some crackers, including from our very own First Dog on the Moon.

enltrBudget eve is upon us... [*pic.twitter.com/KzCQJ6KN5f*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Richard Di Natale (@RichardDiNatale) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

enltrThe Prime Minister for New South Wales... My toon in today's [*@theheraldsun*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#auspol*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#Budget2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*pic.twitter.com/LgD3qpbOM2*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Mark Knight (@Knightcartoons) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

enltr [*@roweafr*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) 's latest cartoon. For more:   [*https://t.co/FaurRmAY3B*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#auspol*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#Budget2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*pic.twitter.com/yCt5NruBrc*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Financial Review (@FinancialReview) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

enltrWe're on the road to nowhere... [*#auspol*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#budget2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*pic.twitter.com/TTqoFu56P6*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Peter Broelman (@Broelman) [*May 7, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time updated-timeUpdated at 9.21am BST

block-time published-time 8.38am BST

Down in the house, they're debating [*laws setting out some of the*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) ministerial powers of Dutton and others following the creation of the department of home affairs.

The bill was introduced in December last year and has been scrutinised by the Joint Committee on Intelligence and Security. Labor supports the substance of it. But Labor's Peter Khalil is using the opportunity to again criticise Dutton's significant centralisation of unchecked power.

Many of us have expressed significant concern with respect to the concentration of power within the home affairs portfolio. I've been one of those.

He goes on:

In some respects this minister has built an empire through blatant disregard for democratic process... We can't abide this, deputy speaker, we urge the government to put a stop to minister Dutton's power grab.

Nick McKim, a Greens senator is outraged that Labor has voted with the government to facilitate "Dutton's massive new power grab - the department of Home Affairs".

enltrBreaking: Labor has just voted with the LNP to support Dutton's massive new power grab - the Department of Home Affairs. This is an attempt to reshape Australia's entire immigration, intelligence and security systems to become more hostile, suspicious and secretive. [*pic.twitter.com/FYbhzj4PTY*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Nick McKim (@NickMcKim) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time updated-timeUpdated at 8.44am BST

block-time published-time 8.16am BST

"It's gone from a debt truck to Truckasaurus."

That's how Tim Watts, a Labor MP, has described the doubling of net debt under the Coalition. Bear with me here while I explain. He's referring to Turnbull's [*campaign as opposition leader in 2009*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you), in which he drove a truck around the country decrying Labor's debt and deficit.

Watts is on a Sky News panel with new Liberal senator Amanda Stoker. Stoker is repeatedly asked what Australians should do with the small amount of money they will pocket through the income tax relief to be handed down in tonight's budget. She says the beauty of a tax cut is people can spend it "however they like".

She then concedes:

$25 is a small amount. Compare it to what's on offer from Labor, it looks pretty darn good.

block-time updated-timeUpdated at 8.20am BST

block-time published-time 7.59am BST

Shadow human services minister, Linda Burney, is talking welfare on Sky News. She said Labor wants to review Newstart, which is currently about $40 a day. Burney doesn't nominate a level she thinks it ought to be.

Burney says she's expecting the government to announce 1,000 additional labour hire workers for Centrelink, a measure we've already heard about.

Burney is asked how she would change Centrelink, were she in office. She said Labor's approach would be to support the people working at Centrelink, and changing the department's culture to one of "assisting and supporting people".

She says there is nothing wrong with recovering accurate welfare debts, but that:

My experience and the experience of 20,000 Australians last year was that the government accused people of owing money when the bulk of those people didn't owe any money at all.

She is, of course, referring to the robo-debt ***program***.

block-time updated-timeUpdated at 8.07am BST

block-time published-time 7.49am BST

What do we already know about the budget?

Can't contain your excitement for the budget's release ? Need to know right now what's in it? Well, lucky for you, most of its contents have already been strategically dropped by the government. Here's a handy/sizeable list of what we know so far.

* Surplus: we're expecting the government to announce it will return to surplus a year earlier than expected, in 2019-20. It is only expected to be a slim surplus.

1. Great Barrier Reef funding: the Coalition has promised $500m to improve the state of the reef. It includes money to tackle the crown-of-thorns starfish, and to reduce run-off.
2. Income tax relief : the government says lower and middle-income earners will receive income tax relief in the budget. Labor says it amounts to about $10 a week, and have described it as a "burger or a milkshake tax cut", invoking the 2003 slogan of former Liberal senator Amanda Vanstone, which landed her in hot water.
3. Infrastructure investment : there's $24bn for infrastructure investment, although we'll need to wait for the budget to see how much of the money comes in the form of grants, and how much is equity investment, which allows the government to keep it off the books. The money will be used to boost freight transport and cut congestion around Sydney airport, the Port Botany rail extension in Sydney, the Melbourne airport rail link, and an upgrade to the Bruce Highway.
4. Aged care : the government will fund 20,000 new places for home care to help the aged stay in their own homes for longer. It also ***plans*** to increase the income threshold for aged pensioners.
5. Health : Lifeline will receive a $34m funding boost. Whooping cough immunisation will be provided free to pregnant women in a $29.5m initiative. Spinraza, a drug for spinal muscular atrophy, has been added to the PBS.
6. Captain Cook monument : $50m to be spent on a new monument to mark Captain Cook's arrival in Australia.
7. Child protection : a new Brisbane-based police unit to crack down on child exploitation material, at a cost of nearly $70m.
8. Disability : another $300m to help those with a disability to secure employment.
9. Aid : there have been late reports today that the government will boost foreign aid funding to our Pacific neighbours. Little detail for now, but watch this space.
10. Beer : a 40% tax cut for local brewers, which will benefit craft breweries.

enltrPresenting my very festive budget lockup cake for 2018. It's inspired by suggestions ScoMo could play Santa as well as the lump of coal he brought to question time last year. [*#Auspol*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#Budget2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#budget*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#jinglebells*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*pic.twitter.com/s5AO09zCy1*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Lisa Martin (@LMARTI) [*May 7, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time updated-timeUpdated at 8.09am BST

block-time published-time 7.22am BST

Labor's Ed Husic just appeared on Sky News. He said Labor would put the budget in a stronger long-term position than the government through its policies on dividend imputation, superannuation, and negative gearing, all of which he characterised as "tough calls".

"The government's got a chance to deliver a fair and responsible budget, let's see how they go," Husic says.

block-time updated-timeUpdated at 7.51am BST

block-time published-time 7.12am BST

Some news on Bob Hawke's condition. You'll have read earlier that the former prime minister was hospitalised at Royal North Shore Hospital overnight [*after having "the wobbles"*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you). AAP is reporting that he is "fine" and will be out within the next two days.

"He is doing fine and hopes to be discharged within the next 24 to 48 hours," his private secretary said in a statement to AAP on Tuesday.

block-time updated-timeUpdated at 7.50am BST

block-time published-time 7.05am BST

A bit more colour from question time this afternoon. Much like Malcolm, we're all checking our watches. Not long now until the budget is released.

Time check please Photograph: Dean Lewins/AAP Barnaby Joyce enjoying the view from the backbenches Photograph: Dean Lewins/AAP Bill Shorten was thrilled by Peter Costello's contribution to the deficit debate Photograph: Dean Lewins/AAP 'Keep smiling Barnaby, just keep smiling.' Photograph: Dean Lewins/AAP Peter Dutton practices his 'jobs and growth' muscles Photograph: Mick Tsikas/AAP

block-time updated-timeUpdated at 7.48am BST

block-time published-time 6.52am BST

We're back onto live exports in the house. We're hearing a range of Coalition voices urging against a suspension of the trade. Earlier this morning, Barnaby Joyce likened the situation to that of greyhounds in New South Wales. He cautioned against a knee -jerk response that would disproportionately impact those complying with their obligations.

"The initial outpouring as regards the treatment of greyhounds was overtaken by the sense of how we affected those people in the greyhound racing industry," Joyce said.

Just now, we heard Liberal MP Rowan Ramsey, urging against a suspension. He says the "stakes are high" and that the last suspension of live exports caused "untold damage" to the industry. The vast majority of live export ships complied with the standards, he said. But he acknowledges:

It is clear that as a nation we do not tolerate this kind of treatment of our animals. And the industry is unsustainable if it continues.

block-time updated-timeUpdated at 7.24am BST

block-time published-time 6.33am BST

Question time: debt and deficit, banks and the royal commission

And that's that for question time on budget day. It finished off with the usual rhe toric on welfare recipients from the Coalition. I wouldn't be surprised to see some measures ramping up debt recovery or cracking down on welfare fraud in the budget tonight.

So, what did we learn during the hour of power?

* Labor initially focused its attack on the comments of former treasurer, Peter Costello. Costello, no doubt to the unbridled joy of the Coalition , said last night the nation's debt had reached such a level that it would not be paid off in his lifetime. Turnbull said Labor were the last organisation in the world to lecture anyone on debt and deficit. The last time they had a surplus was 1989, Turnbull said. "We're not going to take lectures from the Labor party on debt and deficit."

1. Turnbull was asked about the comments of Kerry Schott, the architect of the national energy guarantee, who said there was no longer a case for investing in new coal-fired power plants. Does Turnbull agree? Turnbull said simply that his energy policy was "technology agnostic".
2. Labor continued to prosecute the government over its handling of the banking royal commission. Why, Labor asked repeatedly, did Turnbull wait two years to announce a royal commission ? And why is the government giving so much in taxpayer handouts to the big four ? Turnbull took full responsibility for the timing of the decision. He said they wanted to implement reforms to protect customers and allow redress.
3. We also heard concerns from Tanya Plibersek on the plight of banking misconduct victims who have signed non-disclosure agreements when receiving compensation from the banks. Would those agreements prevent victims from talking to the royal commission ? Attorney-general Christian Porter said the royal commission had already indicated it would take a dim view of banks that attempted to enact non-disclosure agreements for people who spoke to the inquiry.

Prime minister Malcolm Turnbull during question time in the House of Representatives at Parliament House in Canberra. Photograph: Mick Tsikas/AAP

block-time updated-timeUpdated at 6.46am BST

block-time published-time 6.14am BST

Labor MP Matt Thistlethwaite has another question on the banks. He says the government has given $17bn in handouts to the big four. He asks how much of the ***planned*** company tax cuts would go to AMP and whether "now [is] really the right time to be rewarding a company like that"?

Turnbull says:

I'm not going to go into specific matters which are currently before the royal commission. We are determined to ensure that the wrongdoing that has occurred... does not happen again and that those who have done the wrong thing are held to account.

block-time updated-timeUpdated at 6.40am BST

block-time published-time 6.08am BST

We've had a couple more questions from Labor on the banks. They're really going for the jugular. The main points of attack are the Coalition's two-year delay in calling the royal commission and the billions of dollars in taxpayer support being handed to the big four.

Turnbull says of the delay:

As I've said publicly the decision that I took and I take full responsibility for it... was because I believed that we should get on with the substantive reforms to protect consumers and to give people redress. And we have done that.

block-time updated-timeUpdated at 6.45am BST

block-time published-time 5.58am BST

A question on the banks and the royal commission. Many victims of banking misconduct have found themselves in a difficult position. Those who received compensation payments from banks often did so on the condition that they sign a non-disclosure agreement. It was a tactic used by the Catholic church to effectively silence victims of child sexual abuse.

Labor's Tanya Plibersek asks whether the royal commission will be able to hear the evidence of such persons, including their testimony about the imposition of the non-disclosure agreements themselves.

The attorney-general, Christian Porter, said it was "obviously a very serious issue". He said the head of the banking royal commission, Kenneth Hayne, has addressed it and indicated that if any bank "sought to enact a non-disclosure clause" to prevent people talking to the royal commission, then the royal commission would turn its microscope "scrupulously over that bank, its conduct, and the types of agreements it signed".

Porter said that position is entirely appropriate.

block-time updated-timeUpdated at 6.37am BST

block-time published-time 5.50am BST

Labor MP Mark Butler throws a question to Malcolm Turnbull on the national energy guarantee. He asks whether Turnbull agrees with Kerry Schott, the architect of the policy, that there is no longer an investment case for building new coal-fired power plants. Or does he agree with his Coalition colleagues who are attacking Schott?

Turnbull sidesteps the question. He says the policy is "technology agnostic".

Let me say the national energy guarantee, that's the government's energy policy, which brings together for the first time climate and energy policy in one market-based instrument, that is technology agnostic. And that provides a level playing field in which there is a role for every type of energy generation.

Prime minister Malcolm Turnbull during question time in the House of Representatives at Parliament House in Canberra on Tuesday. Photograph: Dean Lewins/AAP

block-time updated-timeUpdated at 6.33am BST

block-time published-time 5.43am BST

Shorten is up and questioning the government's reported ***plan*** for tax relief for low and middle-income earners. Shorten asks how it's fair to give families only $10 a week in tax relief, while giving the Commonwealth Bank a $7.5m handout every week.

Turnbull encourages him to watch the treasurer's budget speech tonight.

block-time updated-timeUpdated at 6.28am BST

block-time published-time 5.36am BST

Liberal MP Julia Banks, who you'll remember from her [*controversial comments on Newstart*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you), gets up to throw a dixer to Kelly O'Dwyer.

Labor seem to have been waiting. The cacophony from their side of the house is deafening, and speaker Tony Smith warns them to pipe down.

Someone on the opposition benches makes a wise crack, sparking laughter and applause.

Banks replies: "Thanks for the applause", before forging on with her question.

block-time updated-timeUpdated at 6.25am BST

block-time published-time 5.29am BST

And just like that, the truce is over.

Labor are again pressing the attack using Costello's comments on debt and deficit.

Turnbull responds in much the same way.

There is no group of people in Australia less qualified to lecture any of us on debt and deficit than the Labor party. The last Labor party surplus was delivered in 1989.

Turnbull's quip draws a chorus of laughter from the benches behind him.

Prime minister Malcolm Turnbull during question time in the House of Representatives at Parliament House in Canberra on Tuesday. Photograph: Dean Lewins/AAP

block-time updated-timeUpdated at 6.19am BST

block-time published-time 5.24am BST

Hostilities are called off temporarily to welcome Peter Frazer, a road safety campaigner, who is present in the public gallery. Frazer's daughter, Sarah, was killed in a tragic crash in 2012, and he has spent the years since campaigning to reduce road trauma.

You can read a little more on [*Frazer's story in this piece I wrote in 2016*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you). He's a lovely bloke and tireless in his efforts.

Related: [*'It's not inevitable': sudden rise in road deaths prompts search for answers*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time updated-timeUpdated at 6.18am BST

block-time published-time 5.14am BST

Attacks on 'debt and deficit' mark the start of question time

And we're off. Opposition leader Bill Shorten makes early use of Peter Costello's comments on debt last night, trying to pin down Malcolm Turnbull using the words of the former treasurer.

Turnbull is having none of it. He says Labor left a structural deficit that "the Coalition has been unwinding ever since".

We're not going to take lectures from the Labor party on debt and deficit. Even after robbing self-funded retirees, discriminating against them, seizing the benefits of franking credits in a cash grab... even after that they can't make their budget ***plans*** add up.

block-time updated-timeUpdated at 6.16am BST

block-time published-time 5.08am BST

We're about to head into question time.

Malcolm Turnbull is on his feet in the house, paying tribute to Tasmanian senator, Jocelyn Newman, who was in parliament for 15 years. Newman, a minister in the Howard government, passed away on 1 April, after a long struggle with Alzheimer's disease. Newman drove welfare reforms while in parliament, including the creation of Centrelink, and created youth allowance ***programs***. Turnbull says Newman helped usher in a "landmark shift that helped to see welfare as a hand up rather than a hand out".

Former family and community services minister senator Jocelyn Newman, pictured in 2000. Photograph: Alan Porritt/AAP

block-time updated-timeUpdated at 6.14am BST

block-time published-time 5.00am BST

AAP has just filed this report on a pre-budget meeting of Coalition MPs:

Malcolm Turnbull has vowed to sell the government's latest budget all the way to the next election.

The prime minister, addressing a meeting of Liberal and Nationals MPs in Canberra on Tuesday, urged his colleagues to personalise the budget message of a strong economic ***plan*** for jobs and growth and one that delivered tax relief, ensured the delivery of essential services as well as providing funding for new infrastructure to make life better for Australians.

Turnbull noted the budget's better-than-expected revenue booty was down to the creation of one million jobs during the life of the government and 130,000 fewer people on welfare.

The government had also delivered the lowest spending growth in 50 years, he said.

The prime minister reiterated his commitment to an election early next year, leaving open the possibility of another budget before voters go to the polls.

Treasurer Scott Morrison has promised his third budget will show the government knows how to deliver a stronger economy with a ***plan*** that will improve opportunities for all Australians.

"It's a ***plan*** for lower taxes and for reducing the pressure on households," he told reporters on his way into Parliament House.

block-time updated-timeUpdated at 6.09am BST

block-time published-time 4.49am BST

Labor is continuing to make hay of Peter Costello's comments on the ABC last night. Costello said the level of debt amassed by the federal government makes it unlikely the nation will pay it off within his lifetime.

Labor MP Amanda Rishworth points out that the Coalition spent years attacking Labor over "debt and deficit" when it was in opposition. The shoe is now on the other foot.

"Of course what we've seen now is the treasurer hasn't been talking about that, and seems to be pretty relaxed about a level of debt that Peter Costello has criticised," Rishworth tells the ABC.

She says Labor is working on an economic platform that puts lower and middle income earners at its centre. She ducks a question on whether Labor would match the Coalition's income tax cuts, but says they are nothing compared to the government's $80bn in company tax cuts.

block-time updated-timeUpdated at 6.01am BST

block-time published-time 4.38am BST

Farmers label live export suspension as 'lazy politics, lazy policy'

One of the other issues energising the parliament today is live exports. You'll no doubt remember that Labor has called for a suspension of live exports in the wake of shocking vision of cruelty aired on 60 Minutes. The Greens want it stopped permanently and more urgently.

The National Farmers Federation were in parliament today to tell the press gallery just what they think of Labor and the Greens' proposals. In news that will shock no one, the NFF is not a big fan.

The NFF chief executive officer, Tony Mahar, said there were ways to fix the industry without resorting to a ban or a suspension.

"We're not entertaining the idea of a suspension. We want it fixed. Your question before about measures, whether it's destocking rates or better ventilation, better boat, vets on boats, cameras on boats, there's ways to fix this trade and we think that a ban or a suspension is lazy politics, lazy policy," he said.

"We're up for the challenge to fix it."

CEO of the Australian Farmers' Federation Tony Mahar speaks to the media during a press conference at Parliament House in Canberra. Photograph: Lukas Coch/AAP

block-time published-time 4.25am BST

Some non-budget news first up, we've just heard from Mark Butler, Labor MP for Port Adelaide and a former shadow water minister. Butler has just urged for vigilance after the Murray-Darling Basin ***Plan*** was saved through an eleventh-hour agreement between Labor and the Coalition.

He says there are still those within the Coalition who want to kill it off.

"There are still voices within the Coalition, including Barnaby Joyce and others, who don't like this ***plan***," Butler told the ABC.

"But to his credit, David Littleproud has worked constructively with our shadow minister, Tony Burke. The ***plan*** is back on track, we now need to be vigilant in coming years that it is implemented in full."

block-time updated-timeUpdated at 4.31am BST

block-time published-time 4.22am BST

Hello! Christopher Knaus here, taking you through the six hours leading up to the budget's release. My dear colleagues have left me all alone in the office. They'll be locked up until 7.30pm, with only budget papers and caffeine for solace.

But fear not. There's plenty of fun to be had until then. You might remember that last year news of the controversial banking tax broke while the press gallery were stuck in the lock-up. Who knows what we'll see this time around.

enltrSometimes you forget you're an [*#auspol*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) nerd until you realise that not every 23 year old has aspirations of being part of the media lock-up for   [*#Budget2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*pic.twitter.com/WIK5gyAqVj*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Melyssa Troy (@MelyssaTroy) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time published-time 4.03am BST

OK, on that note, it is time for us to go line up for the budget lock-up.

I'll be off-line until a few seconds after 7.30, when I will be dashing through these hallways to come back to you like nobody's business.

Chris Knaus will keep you occupied and entertained and may even have some more recent song references for you. You never know your luck in the big city.

Behave.

block-time updated-timeUpdated at 4.13am BST

block-time published-time 3.58am BST

And while I'm on a music theme...

Livin' alone I think of all the friends I've known But when I dial the telephone Nobody's home

enltrBarnaby in the house this afternoon [*@AmyRemeikis*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*@GuardianAus*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#politicslive*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*pic.twitter.com/3fzjtVchlh*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Mikearoo (@mpbowers) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time updated-timeUpdated at 4.00am BST

block-time published-time 3.56am BST

Sommmmmewhere out there, if love can see us through

Then, we'll be to-get-her, somewhere out there

Out where, dreaaaaamms come trueeeeeee

enltrEd Husic with a pic of his colleague who resigned last week the former member for Perth [*@TimHammond1*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) in the reps chamber as the House resumes sitting this afternoon   [*@AmyRemeikis*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*@GuardianAus*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#politicslive*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*pic.twitter.com/tRuMMX1Fwm*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Mikearoo (@mpbowers) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time updated-timeUpdated at 3.57am BST

block-time published-time 3.48am BST

Barnaby Joyce is presenting a committee report in parliament, from the backbench.

There are not a lot of people inside the chamber to hear it.

block-time published-time 3.37am BST

It's beginning to look a lot like bud-get.

Treasurer Scott Morrison and Finance minister Mathias Cormann at the traditional budget day picture opportunity. Photograph: Mike Bowers for the Guardian

And from the other angle

Front on. Photograph: Mike Bowers for the Guardian

block-time updated-timeUpdated at 5.13am BST

block-time published-time 3.33am BST

We are getting close to that time where I will hand you over to Chris Knaus, while I enter one of Dante's lesser known circles, the budget lock-up.

block-time updated-timeUpdated at 3.35am BST

block-time published-time 3.24am BST

Alex Hawke points out, even managing to rummage up some semblance of passion, that Labor hasn't delivered a surplus in 30 years.

He then starts quoting Billy Joel's We Didn't Start the Fire. None of the verses though. Just the bit everyone knows.

block-time updated-timeUpdated at 3.26am BST

block-time published-time 3.21am BST

Alex Hawke is called upon to defend the government's budget from "the party that wants to spend more, the party that wants to tax more".

"We won't be lectured by a party that comes to the table with higher expenditure," he said. Very loudly.

block-time published-time 3.16am BST

Over in the Senate and Mitch Fifield has been given the boss job, with Mathias Cormann busy with the budget.

block-time published-time 3.15am BST

Chris Bowen has launched straight into a budget attack in the House of Representatives.

He says the Labor party wants to see "budget repair which is real, but also fair".

Jim Chalmers is up next - he says "we don't hear a peep" about the "budget emergency" any more - and why? "Because they have failed the test they set for us."

"Whatever happened to that budget emergency? What ever happened to the debt and deficit disaster? We don't hear about it any more, not because it has been fixed, but because we are so close to an election."

block-time updated-timeUpdated at 3.17am BST

block-time published-time 3.00am BST

The bells are ringing for parliament - but with everything else which has been going on today, the parliament sitting has become the side show today.

block-time updated-timeUpdated at 3.04am BST

block-time published-time 2.24am BST

Brendan O'Connor really enjoyed Peter Costello's 7.30 interview. Here he is talking to Sky this morning:

I think Peter Costello understands the process well enough to know - and the leaks that have already been provided to the media well enough to know - that this government has said for the last four years, the last four Budgets that we have an emergency to deal with. Now it's turned its back on that, and is trying to provide some very pathetic sweeteners to save their own bacon. That's what's happening.

That's why you've seen Costello in a very dramatic way, Kieran, I've never seen a former minister of the same political party come out on the eve of the Budget and actually attack so centrally.

block-time updated-timeUpdated at 2.30am BST

block-time published-time 2.23am BST

So while Peter Costello fights the budget, John Hewson lines up behind him, George Christensen ***plans*** on getting some new robes and Tony Abbott takes aim at George Brandis, some people are still thinking about the budget.

Not all people, but some people.

Here is First Dog's take:

enltrLast night's budget eve cartoon about budget eve. icymi etc [*https://t.co/2xoq0S1yX9*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- First Dog on the Moon (@firstdogonmoon) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time published-time 1.54am BST

It is all happening!

Tony Abbott is now taking aim at George Brandis over [*this Peter Hartcher piece in the Sydney Morning Herald*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you).

Particularly this bit, it seems:

"Abbott's leadership was probably the only time that the Liberal party in government pursued a set of policies so ideologically rightwing," according to Brandis. For instance, Abbott's "reluctance to embrace multiculturalism was out of sync with modern Australian values, and the trenchant resistance" to same-sex marriage "was increasingly out of touch with community values".

Brandis's former leader has just tweeted his response:

enltrGeorge Brandis has begun his ambassadorship with a partisan attack that rewrites history. How could the Liberal Party under my leadership have been "ideologically right-wing" when I had him as part of the leadership group?

- Tony Abbott (@TonyAbbottMHR) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time updated-timeUpdated at 2.04am BST

block-time published-time 1.52am BST

AMP's three women board members resign

The fallout continues for the embattled AMP Limited.

AMP has just announced that three non-executive directors have resigned and are stepping down from the board.

They are the only three women on the eight-person board.

Vanessa Wallace and Holly Kramer will step down ahead of the annual general meeting. The longest-serving director, Patty Akopiantz, will serve until the end of 2018, to facilitate a "measured process of board renewal".

Wallace has also resigned as chairman of AMP Capital Holdings.

AMP interim executive chairman Mike Wilkins said:

"Our shareholders are demanding board accountability and need to know that meaningful change is under way.

"I'd like to thank Patty, Vanessa and Holly for their service to AMP. They are extremely capable directors who have all made valuable contributions and brought great diversity of thought and experience to the board.

"They have listened to and acted on the feedback from our investors."

AMP has also confirmed that the resolution for the election of Andrew Harmos as a non-executive director remains in place and will be voted at the AGM.

enltrAMP's just announced three people are stepping down from its board. Guess who the three are? [*#auspol*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*pic.twitter.com/gWxSN5huqK*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Gareth Hutchens (@grhutchens) [*May 8, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time updated-timeUpdated at 2.31am BST

block-time published-time 1.34am BST

George Christensen to become a deacon - but will stay in parliament

Look, we all need a treat now and then.

This is yours, for budget morning:

From Australian Associated Press:

Outspoken Nationals MP George Christensen is set to be ordained a deacon in the Anglican church.

However, Christensen has renominated to run for his Queensland seat of Dawson at the next federal election and won't be throwing the Turnbull government's numbers into a spin.

If he was to quit early, it could put the government's one-seat majority in jeopardy.

When he was 21, the conservative MP was accepted into a Catholic seminary in Melbourne, but left after a few weeks.

In 2014, he joined the Antiochian Orthodox church.

More recently he became an Anglican, but retained his conservative Christian position by attaching himself to one of the few Anglican dioceses in Australia that does not ordain women priests, The Murray, in South Australia.

In July he will be ordained a deacon by Bishop John Ford.

Christensen told AAP on Tuesday he intended to stay on in parliament, as his unpaid deacon role would allow him to carry on with his day job.

He won't be moving to South Australia, but rather is expected to be attached to a parish in Mackay, in his home diocese of north Queensland, where he will assist with services and other activities.

"I am humbled to have my vocation to ordination in the church discerned," he said.

Christensen said he had explored a number of Christian traditions over his life, but slipped out of church-going in his 20s.

However since then he had been "outed as a strong Christian".

"It's no real surprise, but it's another step on my faith journey that I've been thinking about for a long time."

Christensen has been studying theology through the Sydney College of Divinity and says he could be ordained a priest in the future, but only once he leaves parliament.

Asked whether he ***planned*** to be a chaplain to fellow MPs, he said, "We have a chaplain in Parliament House. I don't intend to usurp his role.

"The role of a deacon and a member of parliament - there is some synergy element to it," he said.

Christensen has had a controversial career in parliament, calling for a burqa ban and cuts to immigration, and speaking out against action on climate change and same-sex marriage.

block-time updated-timeUpdated at 2.07am BST

block-time published-time 1.15am BST

Chris Bowen said he hadn't spoken to Bob Hawke, or his family, as yet, but understood he went to hospital after experiencing "the wobbles" and wanted to get it checked out.

enltrBob Hawke is - and will remain - the greatest AUSTRALIAN this nation has ever ***produced***. He's funny, sweet, caring, sensitive and brilliantly intelligent. He will have a speedy recovery and be back at the cricket in summer sculling a beer.

- Sam Dastyari (@samdastyari) [*May 7, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time published-time 12.50am BST

Enter the LMITO

Just looking at that tax relief for a moment, I think it is better explained as a tax offset - or rebate - than a tax cut.

The West Australian [*had a bit more information about it this morning*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you). Shane Wright, Phoebe Wearne and Sarah Martin wrote that there is now a Low and Middle Income Tax Offset - so it is now no longer the Lito (the low income tax offset), it's the LMITO.

The West Oz understands it will be extended from $66,667 to $125,000 (tapered, of course).

But you don't get any of it until next year. When you put your tax return in. From the West Oz report:

The increase for millions of workers will come into effect next financial year, giving low and middle-income earners a boost believed to be as much as $530 a year from July 1 next year after income earners lodge their tax return.

It will deliver tax relief to 92 per cent of working Australians and will be paid on a sliding scale, with those earning less than $37,000 to get about $200 extra a year, climbing by about 3¢ a dollar for those earning up to $45,000.

Currently, the Low Income Tax Offset expires for those earning $66,667 but this is expected to be lifted to about $125,000, with the amount paid decreasing by about 1.5¢ a dollar once a worker earns more than $90,000 a year.

In a bid to also offer permanent tax relief and address bracket creep for middle-income Australians, Mr Morrison will lift the 32.5 per cent tax bracket from $87,000 to $90,000, delivering tax relief to an extra 179,000 Australians. For someone earning more than $90,000, the change will deliver $135 a year or about $2.60 a week."

So that's $2.60 a week for someone earning more than $90,000.

And unlike franking credits, if you get your taxable income down to $0 and still have some Litmo offset later, I don't think you'll be getting a cheque from the government.

So, in short, the tax offset will be tapered by how much you earn, you won't get it until tax time next year, and for someone earning more than $90,000 (the new 32.5 % tax bracket), it amounts to $2.60 a week.

block-time updated-timeUpdated at 1.16am BST

block-time published-time 12.35am BST

Chris Bowen is back talking about the budget we haven't seen yet:

"We will come to this budget with a view to long-term healthy surpluses," he says, having also said Labor will support tax relief for low and middle earners.

Everything else: "We will have to look at the detail."

block-time updated-timeUpdated at 12.37am BST

block-time published-time 12.12am BST

John Hewson also had a bit to say about the budget this morning (based on what has been reported, no, he has not seen it as yet).

"I suspect there's a bit of a back payment of company tax, a pick-up in commodity prices and a fairly strong growth in employment over the last 12 months or so," [*he told Radio National this morning.*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

"Now I don't see on the basis of partial evidence that any of those things is going to be sustained.

"Now they're falling into the Howard-Costello trap of having unexpectedly strong revenue and committing it rather than putting it away for a rainy day."

block-time updated-timeUpdated at 12.16am BST

block-time published-time 11.56pm BST

There is still that (arbitrary) figure of the 23.9% "handbrake" Scott Morrison wants to put on tax, with the government ***planning*** on legislating a tax-to-GDP-ratio.

Chris Bowen is not a fan:

enltr. [*@Bowenchris*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) : What   [*@scottmorrisonmp*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) is talking about when he says 23.9 per cent is one, a handbrake on budget repair and two, leaving future generations to pay off the debt. MORE:   [*https://t.co/VwFo5sESkV*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#amagenda*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*#Budget2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)   [*pic.twitter.com/REYOBzZRi9*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

- Sky News Australia (@SkyNewsAust) [*May 7, 2018*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

block-time updated-timeUpdated at 12.16am BST

block-time published-time 11.54pm BST

Bob Hawke is still in hospital, but we are told he is "fine" and just in for some tests.

block-time published-time 11.48pm BST

Chris Bowen had a chat to Sky. Apart from saying that Labor would focus on debt reduction, as well as tax relief (Bowen is ***planning*** on having an extra $68bn or so from changes Labor has ***planned*** for the franking credits), the shadow treasurer says the opposition will be looking at the budget for "fairness".

block-time updated-timeUpdated at 11.49pm BST

block-time published-time 11.44pm BST

It's not just us who are flat out this morning; the chief whip, Nola Marino, has called in all the Coalition staff for a meeting. It's time for the budget morning gee up!

block-time updated-timeUpdated at 11.49pm BST

block-time published-time 11.42pm BST

So what do we know about the budget so far?

* Tax cuts for low- and middle-income earners, between $5 and $10 a week

1. Raising the $87,000 tax bracket to $90,000
2. Multibillion (up to $25bn) infrastructure spending
3. Aged care package, aimed at cutting the in-home care waiting list
4. A surplus is predicted one year earlier than expected (2019-2020)
5. The Medicare rebate freeze for GP visits will lift - rising by 55 cents
6. $500m for the Great Barrier Reef
7. $140m for Queensland's film industry (attracting more productions)
8. Seed funding for the national space agency - $50m
9. Changes to the petroleum resources rent tax
10. Crackdown on "chop chop" tobacco (expected to raise more than $3bn in revenue)
11. Tax on smaller kegs equalised, so craft brewers are not penalised.

block-time updated-timeUpdated at 11.51pm BST

block-time published-time 11.23pm BST

Mike Bowers tells me that Scott Morrison was looking very pleased with himself this morning. Mathias Cormann followed closely behind, and he was also "cool as a cucumber, sauntering up the treasurer's corridor like he was taking a leisurely Sunday walk".

block-time updated-timeUpdated at 11.29pm BST

block-time published-time 11.19pm BST

Tanya Plibersek was given the job this morning of talking all things budget:

Tonight's budget is a make-or-break budget for the prime minister and the government. This is a government that continues to prioritise their obsession with big business tax cuts ahead of the services and supports that families and ordinary Australians rely on.

In tonight's budget, you'll still see $80bn worth of tax cuts to big business. Ordinary families will see a cut to their family tax benefit, to afford $80bn worth of big business cuts. You'll see cuts to schools, $17bn worth of cuts to schools, so that this government can afford $17bn of tax cuts to the big banks. You'll still see cuts to hospitals so this government can prioritise a $16,000 tax cut for someone on $1m a year.

You'll see tonight, a budget built on wrong priorities where ordinary families are hurt. The services they rely on are cut. So that the government can pursue its big business tax cuts, including the $17bn cuts to the banks tax bills.

On the other hand, Labor, later in the week, will outline its priorities for a fairer approach that prioritises low- and middle-income families.

This government manages to find $80bn to give big business a tax cut, but it can't manage to find the money to properly fund our schools, properly fund our hospitals, properly support our families. People have been talking about this tax cut for a year now. As Scott Morrison has been building up, the fact that there's going to be tax cuts in this budget and it seems we've learned overnight that the tax cut will be in the order of about 10 bucks a week. Once upon a time, Amanda Vanstone described a tax cut like this as something like a hamburger and a milkshake tax cut. It looks likes tonight's won't be a hamburger and a milkshake. You'll have to take your pick - a hamburger or a milkshake.

block-time updated-timeUpdated at 11.32pm BST

block-time published-time 11.13pm BST

The Centre Alliance senator Stirling Griff has commented on the Murray Darling Basin ***Plan***, labelling [*the deal between Labor and the government*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) "disappointing".

Griff told ABC AM the 36 water sustainability projects are "mired in secrecy" and accused the government of asking the Senate to "blindly vote on a $1.5bn ***plan*** without having any oversight of these projects". He said:

"Yes we understand the importance of having all states on board, we understand the importance of the ***plan*** existing and not falling down. But you can't have a situation where you have $1.5bn of expenditure and 36 projects that nobody knows anything about... The fear is we won't get the water that's expected, that's the bottom line."

Labor's environment spokesman Tony Burke said it had done a deal because the government had come to the table on the critical issues of compliance and guaranteeing a further 450 gigalitres of environmental water.

Burke told Radio National that 605 gigalitres of water will be restored using environmental projects with water buybacks as a fallback. He said:

"Whether these individual projects stack up or not in the long term is something that gets reconciled with set dates and milestones... if they don't stack up, the water still be bought through buyback."

block-time updated-timeUpdated at 11.38pm BST

block-time published-time 11.13pm BST

Oh and Peter Costello and Scott Morrison are still tight, despite Costello's ***intervention*** last night.

What does Morrison have to say about the claim we'll all be dead before the debt is paid off?

I encourage my friend and mentor to tune in tonight."

block-time published-time 11.10pm BST

Sarah Hanson-Young is none too happy with the deal struck between Labor and the government regarding the Murray-Darling Basin.

From her statement:

Instead of delivering more water for the Murray, Labor has teamed up with the Turnbull government to reduce the amount of water returned to the environment.

South Australians who trusted Labor to fight for the Murray at the last election have ended up being played for fools. Now, Labor's agreed to backflip on its February opposition to the Northern Basin's 70 billion litre cut, in addition to 605 billion litre downstream.

Labor said it supported a healthy river before the state election. Now it's sold out.

In exchange for Labor's sellout, the government agreed to "reiterate" its support for the 450 gigalitres of upwater. That's it. No ***plan***, no legislation, just a "reiteration".

Without a legislative commitment, Labor's gained nothing, and it's sold out the River.

The Greens will be moving to make the delivery of the 450 gigalitres law. The test will be what Labor and the government do when it's brought to a vote."

\*\*\*end statement\*\*\*

block-time updated-timeUpdated at 11.14pm BST

block-time published-time 11.06pm BST

I stand corrected - Amanda Vanstone described [*the 2003 tax cuts*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) (under then treasurer Peter Costello ) as enough to buy "a sandwich and a milkshake, if you are lucky. Not much".

That was in regards to the tax cuts which gave average earners between $4 and $5 a week.

block-time updated-timeUpdated at 11.11pm BST

block-time published-time 11.03pm BST

And what could start the morning off better than your pre-budget message from Scott Morrison ?

(No questions on the budget though, please)

Prepare yourself. He's feeling a little poetic this morning.

Wherever you are in Australia today, it might be on the tram, the train or the bus, you might be driving one of our rural roads. Be on site already. Getting your kids off to school. Caring for an elderly parent, and you've exchanged that smile this morning that's so special.

Wherever you are today in Australia, the economy we all will live in in this country over the next 10 years will determine so much for our lives. The choices we have. The job market our kids walk into, you walk into. The retirement you have. The opportunities you want for your family. The care that you can provide to those you love. And your mates. The economy, the strength of that economy, that we will live in, will determine so many things. The ***plan*** for a stronger economy that I'll be announcing tonight is about improving the opportunities for all Australians to live in a stronger economy. It's a ***plan*** for lower taxes and for reducing the pressure on households.

It's a ***plan*** to back business to create more jobs. As you know, more than 1,000 jobs created every day in the past year. It's a ***plan*** to guarantee the essential services that Australians rely on every day. It's a ***plan*** to keep Australians safe as Coalition governments know how to do. And it's a ***plan***, as always, that the government lives within its means. That's our ***plan*** for a stronger economy. So Australians can live in a stronger economy and have the choices and the future that they want, they deserve, they work hard for, and we'll back them and deliver."

block-time updated-timeUpdated at 11.17pm BST

block-time published-time 10.58pm BST

Happy budget day!

Good morning and welcome to budget day!

We are just short of 12 hours to finding out how Scott Morrison ***plans*** on helping the government woo voters in what is (most likely) the last budget before the next election.

But he will deliver it under the shadow of some friendly fire. Peter Costello gave a, well, not exactly helpful interview to ABC's 7.30 overnight.

From Gareth Hutchen's [*report:*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you)

"We've now had 10 years of deficit, cumulatively that means to cover that we've had to borrow about $370bn. We went from having no net debt to borrowing about $370bn," Costello said.

"That money doesn't go away. We're going to be paying interest on it until somebody pays it back.

"You're looking at a decade at least [of budget surpluses], maybe beyond," he said.

"I think the probabilities are we'll never get back to where we were. You and I will die before that happens."

Oh - he also added in a few lines about the "forgotten people" - those who earn over $100,000, who he said hasn't had a tax cut in forever. Those poor people.

But speaking of tax cuts, [*the Daily Telegraph*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) reports low- and middle-class earners are about to get about $10 a week in tax relief - or $500 a year. (Not sure that's still a burger and a milkshake a week, with today's prices, but you'd get at least one of the duo). Sky News is reporting the $87,000 tax bracket is going to be bumped up to $90,000. We'll find out more a couple of seconds after 7.30pm, so stay tuned.

Scott Morrison has just arrived for the traditional budget morning doorstop, also known as the most frustrating press stop of the year, as the treasurer gives his spiel while telling you all will be revealed tonight.

But he says the government is "living within its means" and there will be debt reduction, as well as tax cuts, and a big infrastructure spend.

And of course, there is that $100bn aged care package (over five years) which was announced last year, but we'll find out how they intend to spend that now - and from looking over the reviews, it is not a stretch to say it will be on cutting the in-home care waiting list, and training more staff.

Then there is the [*Murray-Darling deal*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) struck between Labor and the government late yesterday, and the high court judgment tomorrow looms large.

So plenty to keep us busy!

Mike Bowers has been out and about for hours. You'll catch him on Twitter ( [*@mpbowers*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) ) and on Instagram (   [*@mikepbowers*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) ). You'll find me lurking in the comments, or at   [*@amyremeikis*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you) or   [*@pyjamapolitics*](https://www.theguardian.com/australia-news/ng-interactive/2018/may/08/the-complete-2018-budget-choose-what-matters-to-you).

I'll be heading into the lock-up with the Guardian brains trust later this afternoon, but you'll be in the hands of the lovely Christopher Knaus for those hours. Aren't you lucky?

OK. Grab your coffees, or whatever it is that gets you through the morning and let's get started!

block-time updated-timeUpdated at 11.27pm BST

**Load-Date:** May 8, 2018

**End of Document**



[***Washington: COUNTERING AMERICA'S ADVERSARIES THROUGH SANCTIONS ACT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P52-B0B1-JDG9-Y30N-00000-00&context=1516831)

Impact News Service

July 26, 2017 Wednesday

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**Length:** 43264 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 Mr. ROYCE of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R 3364) to provide congressional review and to counter aggression by the Governments of Iran, the Russian Federation, and North Korea, and for other purposes. The Clerk read the title of the bill. The text of the bill is as follows: H.R 3364 Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, SECTION 1. SHORT TITLE; TABLE OF CONTENTS. (a) Short Title.--This Act may be cited as the ``Countering America's Adversaries Through Sanctions Act''. [[Page H6242]] (b) Table of Contents.--The table of contents for this Act is as follows: Sec.

1. Short title; table of contents. TITLE I--SANCTIONS WITH RESPECT TO IRAN Sec. 101. Short title. Sec. 102. Definitions. Sec. 103. Regional strategy for countering conventional and asymmetric Iranian threats in the Middle East and North Africa. Sec. 104. Imposition of additional sanctions in response to Iran's ballistic missile ***program***. Sec. 105. Imposition of terrorism-related sanctions with respect to the IRGC. Sec. 106. Imposition of additional sanctions with respect to persons responsible for human rights abuses. Sec. 107. Enforcement of arms embargos. Sec. 108. Review of applicability of sanctions relating to Iran's support for terrorism and its ballistic missile ***program***. Sec. 109. Report on coordination of sanctions between the United States and the European Union. Sec. 110. Report on United States citizens detained by Iran. Sec. 111. Exceptions for national security and humanitarian assistance; rule of construction. Sec. 112. Presidential waiver authority. TITLE II--SANCTIONS WITH RESPECT TO THE RUSSIAN FEDERATION AND COMBATING TERRORISM AND ILLICIT FINANCING Sec. 201. Short title. Subtitle A--Sanctions and Other Measures With Respect to the Russian Federation Sec. 211. Findings. Sec. 212. Sense of Congress. Part 1--Congressional Review of Sanctions Imposed With Respect to the Russian Federation Sec. 215. Short title. Sec. 216. Congressional review of certain actions relating to sanctions imposed with respect to the Russian Federation. Part 2--Sanctions With Respect to the Russian Federation Sec. 221. Definitions. Sec. 222. Codification of sanctions relating to the Russian Federation. Sec. 223. Modification of implementation of Executive Order 13662. Sec. 224. Imposition of sanctions with respect to activities of the Russian Federation undermining cybersecurity. Sec. 225. Imposition of sanctions relating to special Russian crude oil projects. Sec. 226. Imposition of sanctions with respect to Russian and other foreign financial institutions. Sec. 227. Mandatory imposition of sanctions with respect to significant corruption in the Russian Federation. Sec. 228. Mandatory imposition of sanctions with respect to certain transactions with foreign sanctions evaders and serious human rights abusers in the Russian Federation. Sec. 229. Notifications to Congress under Ukraine Freedom Support Act of 2014. Sec. 230. Standards for termination of certain sanctions with respect to the Russian Federation. Sec. 231. Imposition of sanctions with respect to persons engaging in transactions with the intelligence or defense sectors of the Government of the Russian Federation. Sec. 232. Sanctions with respect to the development of pipelines in the Russian Federation. Sec. 233. Sanctions with respect to investment in or facilitation of privatization of state-owned assets by the Russian Federation. Sec. 234. Sanctions with respect to the transfer of arms and related materiel to Syria. Sec. 235. Sanctions described. Sec. 236. Exceptions, waiver, and termination. Sec. 237. Exception relating to activities of the National Aeronautics and Space Administration. Sec. 238. Rule of construction. Part 3--Reports Sec. 241. Report on oligarchs and parastatal entities of the Russian Federation. Sec. 242. Report on effects of expanding sanctions to include sovereign debt and derivative products. Sec. 243. Report on illicit finance relating to the Russian Federation. Subtitle B--Countering Russian Influence in Europe and Eurasia Sec. 251. Findings. Sec. 252. Sense of Congress. Sec. 253. Statement of policy. Sec. 254. Coordinating aid and assistance across Europe and Eurasia. Sec. 255. Report on media organizations controlled and funded by the Government of the Russian Federation. Sec. 256. Report on Russian Federation influence on elections in Europe and Eurasia. Sec. 257. Ukranian energy security. Sec. 258. Termination. Sec. 259. Appropriate congressional committees defined. Subtitle C--Combating Terrorism and Illicit Financing Part 1--National Strategy for Combating Terrorist and Other Illicit Financing Sec. 261. Development of national strategy. Sec. 262. Contents of national strategy. Part 2--Enhancing Antiterrorism Tools of the Department of the Treasury Sec. 271. Improving antiterror finance monitoring of funds transfers. Sec. 272. Sense of Congress on international cooperation regarding terrorist financing intelligence. Sec. 273. Examining the counter-terror financing role of the Department of the Treasury in embassies. Sec. 274. Inclusion of Secretary of the Treasury on the National Security Council. Sec. 275. Inclusion of all funds. Part 3--Definitions Sec. 281. Definitions. Subtitle D--Rule of Construction Sec. 291. Rule of construction. Sec. 292. Sense of Congress on the ***strategic*** importance of Article 5 of the North Atlantic Treaty. TITLE III--SANCTIONS WITH RESPECT TO NORTH KOREA Sec. 301. Short title. Sec. 302. Definitions. Subtitle A--Sanctions to Enforce and Implement United Nations Security Council Sanctions Against North Korea Sec. 311. Modification and expansion of requirements for the designation of persons. Sec. 312. Prohibition on indirect correspondent accounts. Sec. 313. Limitations on foreign assistance to noncompliant governments. Sec. 314. Amendments to enhance inspection authorities. Sec. 315. Enforcing compliance with United Nations shipping sanctions against North Korea. Sec. 316. Report on cooperation between North Korea and Iran. Sec. 317. Report on implementation of United Nations Security Council resolutions by other governments. Sec. 318. Briefing on measures to deny specialized financial messaging services to designated North Korean financial institutions. Subtitle B--Sanctions With Respect to Human Rights Abuses by the Government of North Korea Sec. 321. Sanctions for forced labor and slavery overseas of North Koreans. Sec. 322. Modifications to sanctions suspension and waiver authorities. Sec. 323. Reward for informants. Sec. 324. Determination on designation of North Korea as a state sponsor of terrorism. Subtitle C--General Authorities Sec. 331. Authority to consolidate reports. Sec. 332. Rule of construction. Sec. 333. Regulatory authority. Sec. 334. Limitation on funds. TITLE I--SANCTIONS WITH RESPECT TO IRAN SEC. 101. SHORT TITLE. This title may be cited as the ``Countering Iran's Destabilizing Activities Act of 2017''. SEC. 102. DEFINITIONS. In this title: (1) Act of international terrorism.--The term ``act of international terrorism'' has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104- 172; 50 U.S.C 1701 note). (2) Appropriate congressional committees.--The term ``appropriate congressional committees'' has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C 1701 note). (3) Foreign person.--The term ``foreign person'' means a person that is not a United States person. (4) Iranian person.--The term ``Iranian person'' means-- (A) an individual who is a citizen or national of Iran; or (B) an entity organized under the laws of Iran or otherwise subject to the jurisdiction of the Government of Iran. (5) IRGC.--The term ``IRGC'' means Iran's Islamic Revolutionary Guard Corps. (6) Knowingly.--The term ``knowingly'' has the meaning given that term in section 14 of the Iran Sanctions Act of 1996 (Public Law 104-172; 50 U.S.C 1701 note). (7) United states person.--The term ``United States person'' means-- (A) a United States citizen or an alien lawfully admitted for permanent residence to the United States; or (B) an entity organized under the laws of the United States or of any jurisdiction within the United States, including a foreign branch of such an entity. SEC. 103. REGIONAL STRATEGY FOR COUNTERING CONVENTIONAL AND ASYMMETRIC IRANIAN THREATS IN THE MIDDLE EAST AND NORTH AFRICA. (a) In General.--Not later than 180 days after the date of the enactment of this Act, and every 2 years thereafter, the Secretary of State, the Secretary of Defense, the Secretary of the Treasury, and the Director of [[Page H6243]] National Intelligence shall jointly develop and submit to the appropriate congressional committees and leadership a strategy for deterring conventional and asymmetric Iranian activities and threats that directly threaten the United States and key allies in the Middle East, North Africa, and beyond. (b) Elements.--The strategy required by subsection (a) shall include at a minimum the following: (1) A summary of the near- and long-term United States objectives, ***plans***, and means for countering Iran's destabilizing activities, including identification of countries that share the objective of countering Iran's destabilizing activities. (2) A summary of the capabilities and contributions of individual countries to shared efforts to counter Iran's destabilizing activities, and a summary of additional actions or contributions that each country could take to further contribute. (3) An assessment of Iran's conventional force capabilities and an assessment of Iran's ***plans*** to upgrade its conventional force capabilities, including its acquisition, development, and deployment of ballistic and cruise missile capabilities, unmanned aerial vehicles, and maritime offensive and anti- access or area denial capabilities. (4) An assessment of Iran's chemical and biological weapons capabilities and an assessment of Iranian ***plans*** to upgrade its chemical or biological weapons capabilities. (5) An assessment of Iran's asymmetric activities in the region, including-- (A) the size, capabilities, and activities of the IRGC, including the Quds Force; (B) the size, capabilities, and activities of Iran's cyber operations; (C) the types and amount of support, including funding, lethal and nonlethal contributions, and training, provided to Hezbollah, Hamas, special groups in Iraq, the regime of Bashar al-Assad in Syria, Houthi fighters in Yemen, and other violent groups across the Middle East; and (D) the scope and objectives of Iran's information operations and use of propaganda. (6) A summary of United States actions, unilaterally and in cooperation with foreign governments, to counter destabilizing Iranian activities, including-- (A) interdiction of Iranian lethal arms bound for groups designated as foreign terrorist organizations under section 219 of the Immigration and Nationality Act (8 U.S.C 1189); (B) Iran's interference in international commercial shipping lanes; (C) attempts by Iran to undermine or subvert internationally recognized governments in the Middle East region; and (D) Iran's support for the regime of Bashar al-Assad in Syria, including-- (i) financial assistance, military equipment and personnel, and other support provided to that regime; and (ii) support and direction to other armed actors that are not Syrian or Iranian and are acting on behalf of that regime. (c) Form of Strategy.--The strategy required by subsection (a) shall be submitted in unclassified form, but may include a classified annex. (d) Appropriate Congressional Committees and Leadership Defined.--In this section, the term ``appropriate congressional committees and leadership'' means-- (1) the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the majority and minority leaders of the Senate; and (2) the Committee on Ways and Means, the Committee on Financial Services, the Committee on Foreign Affairs, and the Speaker, the majority leader, and the minority leader of the House of Representatives. SEC. 104. IMPOSITION OF ADDITIONAL SANCTIONS IN RESPONSE TO IRAN'S BALLISTIC MISSILE ***PROGRAM***. (a) Sense of Congress.--It is the sense of Congress that the Secretary of the Treasury and the Secretary of State should continue to implement Executive Order 13382 (50 U.S.C 1701 note; relating to blocking property of weapons of mass destruction delivery system proliferators and their supporters). (b) Imposition of Sanctions.--The President shall impose the sanctions described in subsection (c) with respect to any person that the President determines, on or after the date of the enactment of this Act-- (1) knowingly engages in any activity that materially contributes to the activities of the Government of Iran with respect to its ballistic missile ***program***, or any other ***program*** in Iran for developing, deploying, or maintaining systems capable of delivering weapons of mass destruction, including any efforts to manufacture, acquire, possess, develop, transport, transfer, or use such capabilities; (2) is a successor entity to a person referred to in paragraph (1); (3) owns or controls or is owned or controlled by a person referred to in paragraph (1); (4) forms an entity with the purpose of evading sanctions that would otherwise be imposed pursuant to paragraph (3); (5) is acting for or on behalf of a person referred to in paragraph (1), (2), (3), or (4); or (6) knowingly provides or attempts to provide financial, material, technological, or other support for, or goods or services in support of, a person referred to in paragraph (1), (2), (3), (4) or (5). (c) Sanctions Described.--The sanctions described in this subsection are the following: (1) Blocking of property.--The President shall block, in accordance with the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.), all transactions in all property and interests in property of any person subject to subsection (b) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person. (2) Exclusion from united states.--The Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any person subject to subsection (b) that is an alien. (d) Penalties.--A person that violates, attempts to violate, conspires to violate, or causes a violation of subsection (c)(1) or any regulation, license, or order issued to carry out that subsection shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section. (e) Report on Contributions to Iran's Ballistic Missile ***Program***.-- (1) In general.--Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report describing each person that-- (A) has, during the period specified in paragraph (2), conducted any activity that has materially contributed to the activities of the Government of Iran with respect to its ballistic missile ***program***, or any other ***program*** in Iran for developing, deploying, or maintaining systems capable of delivering weapons of mass destruction, including any efforts to manufacture, acquire, possess, develop, transport, transfer, or use such capabilities; (B) is a successor entity to a person referred to in subparagraph (A); (C) owns or controls or is owned or controlled by a person referred to in subparagraph (A); (D) forms an entity with the purpose of evading sanctions that could be imposed as a result of a relationship described in subparagraph (C); (E) is acting for or on behalf of a person referred to in subparagraph (A), (B), (C), or (D); or (F) is known or believed to have provided, or attempted to provide, during the period specified in paragraph (2), financial, material, technological, or other support for, or goods or services in support of, any material contribution to a ***program*** described in subparagraph (A) carried out by a person described in subparagraph (A), (B), (C), (D), or (E). (2) Period specified.--The period specified in this paragraph is-- (A) in the case of the first report submitted under paragraph (1), the period beginning January 1, 2016, and ending on the date the report is submitted; and (B) in the case of a subsequent such report, the 180-day period preceding the submission of the report. (3) Form of report.--Each report required by paragraph (1) shall be submitted in unclassified form but may include a classified annex. SEC. 105. IMPOSITION OF TERRORISM-RELATED SANCTIONS WITH RESPECT TO THE IRGC. (a) Findings.--Congress makes the following findings: (1) The IRGC is subject to sanctions pursuant to Executive Order 13382 (50 U.S.C 1701 note; relating to blocking property of weapons of mass destruction delivery system proliferators and their supporters), the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C 8501 et seq.), Executive Order 13553 (50 U.S.C 1701 note; relating to blocking property of certain persons with respect to serious human rights abuses by the Government of Iran), and Executive Order 13606 (50 U.S.C 1701 note; relating to blocking the property and suspending entry into the United States of certain persons with respect to grave human rights abuses by the Governments of Iran and Syria via information technology). (2) The Iranian Revolutionary Guard Corps-Quds Force (in this section referred to as the ``IRGC-QF'') is the primary arm of the Government of Iran for executing its policy of supporting terrorist and insurgent groups. The IRGC-QF provides material, logistical assistance, training, and financial support to militants and terrorist operatives throughout the Middle East and South Asia and was designated for the imposition of sanctions by the Secretary of the Treasury pursuant to Executive Order 13224 (50 U.S.C 1701 note; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism) in October 2007 for its support of terrorism. (3) The IRGC, not just the IRGC-QF, is responsible for implementing Iran's international ***program*** of destabilizing activities, support for acts of international terrorism, and ballistic missile ***program***. (b) In General.--Beginning on the date that is 90 days after the date of the enactment of this Act, the President shall impose the sanctions described in subsection (c) with respect to the IRGC and foreign persons that are officials, agents, or affiliates of the IRGC. [[Page H6244]] (c) Sanctions Described.--The sanctions described in this subsection are sanctions applicable with respect to a foreign person pursuant to Executive Order 13224 (50 U.S.C 1701 note; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism). SEC. 106. IMPOSITION OF ADDITIONAL SANCTIONS WITH RESPECT TO PERSONS RESPONSIBLE FOR HUMAN RIGHTS ABUSES. (a) In General.--Not later than 90 days after the date of the enactment of this Act, and annually thereafter, the Secretary of State shall submit to the appropriate congressional committees a list of each person the Secretary determines, based on credible evidence, on or after the date of the enactment of this Act-- (1) is responsible for extrajudicial killings, torture, or other gross violations of internationally recognized human rights committed against individuals in Iran who seek-- (A) to expose illegal activity carried out by officials of the Government of Iran; or (B) to obtain, exercise, defend, or promote internationally recognized human rights and freedoms, such as the freedoms of religion, expression, association, and assembly, and the rights to a fair trial and democratic elections; or (2) acts as an agent of or on behalf of a foreign person in a matter relating to an activity described in paragraph (1). (b) Sanctions Described.-- (1) In general.--The President may, in accordance with the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.), block all transactions in all property and interests in property of a person on the list required by subsection (a) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person. (2) Penalties.--A person that violates, attempts to violate, conspires to violate, or causes a violation of paragraph (1) or any regulation, license, or order issued to carry out paragraph (1) shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section. SEC. 107. ENFORCEMENT OF ARMS EMBARGOS. (a) In General.--Except as provided in subsection (d), the President shall impose the sanctions described in subsection (b) with respect to any person that the President determines-- (1) knowingly engages in any activity that materially contributes to the supply, sale, or transfer directly or indirectly to or from Iran, or for the use in or benefit of Iran, of any battle tanks, armored combat vehicles, large caliber artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems, as defined for the purpose of the United Nations Register of Conventional Arms, or related materiel, including spare parts; or (2) knowingly provides to Iran any technical training, financial resources or services, advice, other services or assistance related to the supply, sale, transfer, manufacture, maintenance, or use of arms and related materiel described in paragraph (1). (b) Sanctions Described.-- (1) Blocking of property.--The President shall block, in accordance with the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.), all transactions in all property and interests in property of any person subject to subsection (a) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person. (2) Exclusion from united states.--The Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, any person subject to subsection (a) that is an alien. (c) Penalties.--A person that violates, attempts to violate, conspires to violate, or causes a violation of subsection (b)(1) or any regulation, license, or order issued to carry out that subsection shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section. (d) Exception.--The President is not required to impose sanctions under subsection (a) with respect to a person for engaging in an activity described in that subsection if the President certifies to the appropriate congressional committees that-- (1) permitting the activity is in the national security interest of the United States; (2) Iran no longer presents a significant threat to the national security of the United States and to the allies of the United States; and (3) the Government of Iran has ceased providing operational or financial support for acts of international terrorism and no longer satisfies the requirements for designation as a state sponsor of terrorism. (e) State Sponsor of Terrorism Defined.--In this section, the term ``state sponsor of terrorism'' means a country the government of which the Secretary of State has determined to be a government that has repeatedly provided support for acts of international terrorism for purposes of-- (1) section 6(j)(1)(A) of the Export Administration Act of 1979 (50 U.S.C 4605(j)(1)(A)) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.)); (2) section 620A(a) of the Foreign Assistance Act of 1961 (22 U.S.C 2371(a)); (3) section 40(d) of the Arms Export Control Act (22 U.S.C 2780(d)); or (4) any other provision of law. SEC. 108. REVIEW OF APPLICABILITY OF SANCTIONS RELATING TO IRAN'S SUPPORT FOR TERRORISM AND ITS BALLISTIC MISSILE ***PROGRAM***. (a) In General.--Not later than 5 years after the date of the enactment of this Act, the President shall conduct a review of all persons on the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury for activities relating to Iran-- (1) to assess the conduct of such persons as that conduct relates to-- (A) any activity that materially contributes to the activities of the Government of Iran with respect to its ballistic missile ***program***; or (B) support by the Government of Iran for acts of international terrorism; and (2) to determine the applicability of sanctions with respect to such persons under-- (A) Executive Order 13382 (50 U.S.C 1701 note; relating to blocking property of weapons of mass destruction delivery system proliferators and their supporters); or (B) Executive Order 13224 (50 U.S.C 1701 note; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism). (b) Implementation of Sanctions.--If the President determines under subsection (a) that sanctions under an Executive order specified in paragraph (2) of that subsection are applicable with respect to a person, the President shall-- (1) impose sanctions with respect to that person pursuant to that Executive order; or (2) exercise the waiver authority provided under section 112. SEC. 109. REPORT ON COORDINATION OF SANCTIONS BETWEEN THE UNITED STATES AND THE EUROPEAN UNION. (a) In General.--Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees a report that includes the following: (1) A description of each instance, during the period specified in subsection (b)-- (A) in which the United States has imposed sanctions with respect to a person for activity related to the proliferation of weapons of mass destruction or delivery systems for such weapons to or by Iran, support for acts of international terrorism by Iran, or human rights abuses in Iran, but in which the European Union has not imposed corresponding sanctions; and (B) in which the European Union has imposed sanctions with respect to a person for activity related to the proliferation of weapons of mass destruction or delivery systems for such weapons to or by Iran, support for acts of international terrorism by Iran, or human rights abuses in Iran, but in which the United States has not imposed corresponding sanctions. (2) An explanation for the reason for each discrepancy between sanctions imposed by the European Union and sanctions imposed by the United States described in subparagraphs (A) and (B) of paragraph (1). (b) Period Specified.--The period specified in this subsection is-- (1) in the case of the first report submitted under subsection (a), the period beginning on the date of the enactment of this Act and ending on the date the report is submitted; and (2) in the case of a subsequent such report, the 180-day period preceding the submission of the report. (c) Form of Report.--The report required by subsection (a) shall be submitted in unclassified form but may include a classified annex. SEC. 110. REPORT ON UNITED STATES CITIZENS DETAINED BY IRAN. (a) In General.--Not later than 90 days after the date of the enactment of this Act, and every 180 days thereafter, the President shall submit to the appropriate congressional committees and leadership a report on United States citizens, including United States citizens who are also citizens of other countries, detained by Iran or groups supported by Iran that includes-- (1) information regarding any officials of the Government of Iran involved in any way in the detentions; and (2) a summary of efforts the United States Government has taken to secure the swift release of those United States citizens. (b) Form of Report.--The report required by subsection (a) shall be submitted in unclassified form, but may include a classified annex. (c) Appropriate Congressional Committees and Leadership Defined.--In this section, the term ``appropriate congressional committees and leadership'' means-- (1) the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the majority and minority leaders of the Senate; and (2) the Committee on Ways and Means, the Committee on Financial Services, the Committee on Foreign Affairs, and the Speaker, [[Page H6245]] the majority leader, and the minority leader of the House of Representatives. SEC. 111. EXCEPTIONS FOR NATIONAL SECURITY AND HUMANITARIAN ASSISTANCE; RULE OF CONSTRUCTION. (a) In General.--The following activities shall be exempt from sanctions under sections 104, 105, 106, and 107: (1) Any activity subject to the reporting requirements under title V of the National Security Act of 1947 (50 U.S.C 3091 et seq.), or to any authorized intelligence activities of the United States. (2) The admission of an alien to the United States if such admission is necessary to comply with United States obligations under the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations, signed at Lake Success June 26, 1947, and entered into force November 21, 1947, or under the Convention on Consular Relations, done at Vienna April 24, 1963, and entered into force March 19, 1967, or other applicable international obligations of the United States. (3) The conduct or facilitation of a transaction for the sale of ***agricultural*** commodities, food, medicine, or medical devices to Iran or for the provision of humanitarian assistance to the people of Iran, including engaging in a financial transaction relating to humanitarian assistance or for humanitarian purposes or transporting goods or services that are necessary to carry out operations relating to humanitarian assistance or humanitarian purposes. (b) Implementation.--The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C 1702 and 1704) to carry out this Act. (c) Rule of Construction.--Nothing in this Act shall be construed to limit the authority of the President under the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.). (d) Definitions.--In this section: (1) ***Agricultural*** commodity.--The term ``***agricultural*** commodity'' has the meaning given that term in section 102 of the ***Agricultural*** Trade Act of 1978 (7 U.S.C 5602). (2) Good.--The term ``good'' has the meaning given that term in section 16 of the Export Administration Act of 1979 (50 U.S.C 4618) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.)). (3) Medical device.--The term ``medical device'' has the meaning given the term ``device'' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C 321). (4) Medicine.--The term ``medicine'' has the meaning given the term ``drug'' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C 321). SEC. 112. PRESIDENTIAL WAIVER AUTHORITY. (a) Case-by-Case Waiver Authority.-- (1) In general.--The President may waive, on a case-by-case basis and for a period of not more than 180 days, a requirement under section 104, 105, 106, 107, or 108 to impose or maintain sanctions with respect to a person, and may waive the continued imposition of such sanctions, not less than 30 days after the President determines and reports to the appropriate congressional committees that it is vital to the national security interests of the United States to waive such sanctions. (2) Renewal of waivers.--The President may, on a case-by- case basis, renew a waiver

under paragraph (1) for an additional period of not more than 180 days if, not later than 15 days before that waiver expires, the President makes the determination and submits to the appropriate congressional committees a report described in paragraph (1). (3) Successive renewal.--The renewal authority provided under paragraph (2) may be exercised for additional successive periods of not more than 180 days if the President follows the procedures set forth in paragraph (2), and submits the report described in paragraph (1), for each such renewal. (b) Contents of Waiver Reports.--Each report submitted under subsection (a) in connection with a waiver of sanctions under section 104, 105, 106, 107, or 108 with respect to a person, or the renewal of such a waiver, shall include-- (1) a specific and detailed rationale for the determination that the waiver is vital to the national security interests of the United States; (2) a description of the activity that resulted in the person being subject to sanctions; (3) an explanation of any efforts made by the United States, as applicable, to secure the cooperation of the government with primary jurisdiction over the person or the location where the activity described in paragraph (2) occurred in terminating or, as appropriate, penalizing the activity; and (4) an assessment of the significance of the activity described in paragraph (2) in contributing to the ability of Iran to threaten the interests of the United States or allies of the United States, develop systems capable of delivering weapons of mass destruction, support acts of international terrorism, or violate the human rights of any person in Iran. (c) Effect of Report on Waiver.--If the President submits a report under subsection (a) in connection with a waiver of sanctions under section 104, 105, 106, 107, or 108 with respect to a person, or the renewal of such a waiver, the President shall not be required to impose or maintain sanctions under section 104, 105, 106, 107, or 108, as applicable, with respect to the person described in the report during the 30-day period referred to in subsection (a). TITLE II--SANCTIONS WITH RESPECT TO THE RUSSIAN FEDERATION AND COMBATING TERRORISM AND ILLICIT FINANCING SEC. 201. SHORT TITLE. This title may be cited as the ``Countering Russian Influence in Europe and Eurasia Act of 2017''. Subtitle A--Sanctions and Other Measures With Respect to the Russian Federation SEC. 211. FINDINGS. Congress makes the following findings: (1) On March 6, 2014, President Barack Obama issued Executive Order 13660 (79 Fed. Reg. 13493; relating to blocking property of certain persons contributing to the situation in Ukraine), which authorizes the Secretary of the Treasury, in consultation with the Secretary of State, to impose sanctions on those determined to be undermining democratic processes and institutions in Ukraine or threatening the peace, security, stability, sovereignty, and territorial integrity of Ukraine. President Obama subsequently issued Executive Order 13661 (79 Fed. Reg. 15535; relating to blocking property of additional persons contributing to the situation in Ukraine) and Executive Order 13662 (79 Fed. Reg. 16169; relating to blocking property of additional persons contributing to the situation in Ukraine) to expand sanctions on certain persons contributing to the situation in Ukraine. (2) On December 18, 2014, the Ukraine Freedom Support Act of 2014 was enacted (Public Law 113-272; 22 U.S.C 8921 et seq.), which includes provisions directing the President to impose sanctions on foreign persons that the President determines to be entities owned or controlled by the Government of the Russian Federation or nationals of the Russian Federation that manufacture, sell, transfer, or otherwise provide certain defense articles into Syria. (3) On April 1, 2015, President Obama issued Executive Order 13694 (80 Fed. Reg. 18077; relating to blocking the property of certain persons engaging in significant malicious cyber-enabled activities), which authorizes the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of State, to impose sanctions on persons determined to be engaged in malicious cyber-hacking. (4) On July 26, 2016, President Obama approved a Presidential Policy Directive on United States Cyber Incident Coordination, which states, ``certain cyber incidents that have significant impacts on an entity, our national security, or the broader economy require a unique approach to response efforts''. (5) On December 29, 2016, President Obama issued an annex to Executive Order 13694, which authorized sanctions on the following entities and individuals: (A) The Main Intelligence Directorate (also known as Glavnoe Razvedyvatel'noe Upravlenie or the GRU) in Moscow, Russian Federation. (B) The Federal Security Service (also known as Federalnaya Sluzhba Bezopasnosti or the FSB) in Moscow, Russian Federation. (C) The Special Technology Center (also known as STLC, Ltd. Special Technology Center St. Petersburg) in St. Petersburg, Russian Federation. (D) Zorsecurity (also known as Esage Lab) in Moscow, Russian Federation. (E) The autonomous noncommercial organization known as the Professional Association of Designers of Data Processing Systems (also known as ANO PO KSI) in Moscow, Russian Federation. (F) Igor Valentinovich Korobov. (G) Sergey Aleksandrovich Gizunov. (H) Igor Olegovich Kostyukov. (I) Vladimir Stepanovich Alexseyev. (6) On January 6, 2017, an assessment of the United States intelligence community entitled, ``Assessing Russian Activities and Intentions in Recent U.S Elections'' stated, ``Russian President Vladimir Putin ordered an influence campaign in 2016 aimed at the United States presidential election.'' The assessment warns that ``Moscow will apply lessons learned from its Putin-ordered campaign aimed at the U.S Presidential election to future influence efforts worldwide, including against U.S allies and their election processes''. SEC. 212. SENSE OF CONGRESS. It is the sense of Congress that the President-- (1) should continue to uphold and seek unity with European and other key partners on sanctions implemented against the Russian Federation, which have been effective and instrumental in countering Russian aggression in Ukraine; (2) should engage to the fullest extent possible with partner governments with regard to closing loopholes, including the allowance of extended prepayment for the delivery of goods and commodities and other loopholes, in multilateral and unilateral restrictive measures against the Russian Federation, with the aim of maximizing alignment of those measures; and (3) should increase efforts to vigorously enforce compliance with sanctions in place as of the date of the enactment of this Act with respect to the Russian Federation in response to the crisis in eastern Ukraine, cyber intrusions and attacks, and human rights violators in the Russian Federation. [[Page H6246]] PART 1--CONGRESSIONAL REVIEW OF SANCTIONS IMPOSED WITH RESPECT TO THE RUSSIAN FEDERATION SEC. 215. SHORT TITLE. This part may be cited as the ``Russia Sanctions Review Act of 2017''. SEC. 216. CONGRESSIONAL REVIEW OF CERTAIN ACTIONS RELATING TO SANCTIONS IMPOSED WITH RESPECT TO THE RUSSIAN FEDERATION. (a) Submission to Congress of Proposed Action.-- (1) In general.--Notwithstanding any other provision of law, before taking any action described in paragraph (2), the President shall submit to the appropriate congressional committees and leadership a report that describes the proposed action and the reasons for that action. (2) Actions described.-- (A) In general.--An action described in this paragraph is-- (i) an action to terminate the application of any sanctions described in subparagraph (B); (ii) with respect to sanctions described in subparagraph (B) imposed by the President with respect to a person, an action to waive the application of those sanctions with respect to that person; or (iii) a licensing action that significantly alters United States' foreign policy with regard to the Russian Federation. (B) Sanctions described.--The sanctions described in this subparagraph are-- (i) sanctions provided for under-- (I) this title or any provision of law amended by this title, including the Executive orders codified under section 222; (II) the Support for the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014 (22 U.S.C 8901 et seq.); or (III) the Ukraine Freedom Support Act of 2014 (22 U.S.C 8921 et seq.); and (ii) the prohibition on access to the properties of the Government of the Russian Federation located in Maryland and New York that the President ordered vacated on December 29, 2016. (3) Description of type of action.--Each report submitted under paragraph (1) with respect to an action described in paragraph (2) shall include a description of whether the action-- (A) is not intended to significantly alter United States foreign policy with regard to the Russian Federation; or (B) is intended to significantly alter United States foreign policy with regard to the Russian Federation. (4) Inclusion of additional matter.-- (A) In general.--Each report submitted under paragraph (1) that relates to an action that is intended to significantly alter United States foreign policy with regard to the Russian Federation shall include a description of-- (i) the significant alteration to United States foreign policy with regard to the Russian Federation; (ii) the anticipated effect of the action on the national security interests of the United States; and (iii) the policy objectives for which the sanctions affected by the action were initially imposed. (B) Requests from banking and financial services committees.--The Committee on Banking, Housing, and Urban Affairs of the Senate or the Committee on Financial Services of the House of Representatives may request the submission to the Committee of the matter described in clauses (ii) and (iii) of subparagraph (A) with respect to a report submitted under paragraph (1) that relates to an action that is not intended to significantly alter United States foreign policy with regard to the Russian Federation. (5) Confidentiality of proprietary information.-- Proprietary information that can be associated with a particular person with respect to an action described in paragraph (2) may be included in a report submitted under paragraph (1) only if the appropriate congressional committees and leadership provide assurances of confidentiality, unless such person otherwise consents in writing to such disclosure. (6) Rule of construction.--Paragraph (2)(A)(iii) shall not be construed to require the submission of a report under paragraph (1) with respect to the routine issuance of a license that does not significantly alter United States foreign policy with regard to the Russian Federation. (b) Period for Review by Congress.-- (1) In general.--During the period of 30 calendar days beginning on the date on which the President submits a report under subsection (a)(1)-- (A) in the case of a report that relates to an action that is not intended to significantly alter United States foreign policy with regard to the Russian Federation, the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives should, as appropriate, hold hearings and briefings and otherwise obtain information in order to fully review the report; and (B) in the case of a report that relates to an action that is intended to significantly alter United States foreign policy with regard to the Russian Federation, the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives should, as appropriate, hold hearings and briefings and otherwise obtain information in order to fully review the report. (2) Exception.--The period for congressional review under paragraph (1) of a report required to be submitted under subsection (a)(1) shall be 60 calendar days if the report is submitted on or after July 10 and on or before September 7 in any calendar year. (3) Limitation on actions during initial congressional review period.--Notwithstanding any other provision of law, during the period for congressional review provided for under paragraph (1) of a report submitted under subsection (a)(1) proposing an action described in subsection (a)(2), including any additional period for such review as applicable under the exception provided in paragraph (2), the President may not take that action unless a joint resolution of approval with respect to that action is enacted in accordance with subsection (c). (4) Limitation on actions during presidential consideration of a joint resolution of disapproval.--Notwithstanding any other provision of law, if a joint resolution of disapproval relating to a report submitted under subsection (a)(1) proposing an action described in subsection (a)(2) passes both Houses of Congress in accordance with subsection (c), the President may not take that action for a period of 12 calendar days after the date of passage of the joint resolution of disapproval. (5) Limitation on actions during congressional reconsideration of a joint resolution of disapproval.-- Notwithstanding any other provision of law, if a joint resolution of disapproval relating to a report submitted under subsection (a)(1) proposing an action described in subsection (a)(2) passes both Houses of Congress in accordance with subsection (c), and the President vetoes the joint resolution, the President may not take that action for a period of 10 calendar days after the date of the President's veto. (6) Effect of enactment of a joint resolution of disapproval.--Notwithstanding any other provision of law, if a joint resolution of disapproval relating to a report submitted under subsection (a)(1) proposing an action described in subsection (a)(2) is enacted in accordance with subsection (c), the President may not take that action. (c) Joint Resolutions of Disapproval or Approval Defined.-- In this subsection: (1) Joint resolution of approval.--The term ``joint resolution of approval'' means only a joint resolution of either House of Congress-- (A) the title of which is as follows: ``A joint resolution approving the President's proposal to take an action relating to the application of certain sanctions with respect to the Russian Federation.''; and (B) the sole matter after the resolving clause of which is the following: ``Congress approves of the action relating to the application of sanctions imposed with respect to the Russian Federation proposed by the President in the report submitted to Congress under section 216(a)(1) of the Russia Sanctions Review Act of 2017 on \_\_\_\_\_\_\_ relating to \_\_\_\_\_\_\_\_.'', with the first blank space being filled with the appropriate date and the second blank space being filled with a short description of the proposed action. (2) Joint resolution of disapproval.--The term ``joint resolution of disapproval'' means only a joint resolution of either House of Congress-- (A) the title of which is as follows: ``A joint resolution disapproving the President's proposal to take an action relating to the application of certain sanctions with respect to the Russian Federation.''; and (B) the sole matter after the resolving clause of which is the following: ``Congress disapproves of the action relating to the application of sanctions imposed with respect to the Russian Federation proposed by the President in the report submitted to Congress under section 216(a)(1) of the Russia Sanctions Review Act of 2017 on \_\_\_\_\_\_\_ relating to \_\_\_\_\_\_\_\_.'', with the first blank space being filled with the appropriate date and the second blank space being filled with a short description of the proposed action. (3) Introduction.--During the period of 30 calendar days provided for under subsection (b)(1), including any additional period as applicable under the exception provided in subsection (b)(2), a joint resolution of approval or joint resolution of disapproval may be introduced-- (A) in the House of Representatives, by the majority leader or the minority leader; and (B) in the Senate, by the majority leader (or the majority leader's designee) or the minority leader (or the minority leader's designee). (4) Floor consideration in house of representatives.--If a committee of the House of Representatives to which a joint resolution of approval or joint resolution of disapproval has been referred has not reported the joint resolution within 10 calendar days after the date of referral, that committee shall be discharged from further consideration of the joint resolution. (5) Consideration in the senate.-- (A) Committee referral.--A joint resolution of approval or joint resolution of disapproval introduced in the Senate shall be-- (i) referred to the Committee on Banking, Housing, and Urban Affairs if the joint resolution relates to a report under subsection (a)(3)(A) that relates to an action that is not intended to significantly alter United States foreign policy with regard to the Russian Federation; and (ii) referred to the Committee on Foreign Relations if the joint resolution relates to a report under subsection (a)(3)(B) that relates [[Page H6247]] to an action that is intended to significantly alter United States foreign policy with respect to the Russian Federation. (B) Reporting and discharge.--If the committee to which a joint resolution of approval or joint resolution of disapproval was referred has not reported the joint resolution within 10 calendar days after the date of referral of the joint resolution, that committee shall be discharged from further consideration of the joint resolution and the joint resolution shall be placed on the appropriate calendar. (C) Proceeding to consideration.--Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order at any time after the Committee on Banking, Housing, and Urban Affairs or the Committee on Foreign Relations, as the case may be, reports a joint resolution of approval or joint resolution of disapproval to the Senate or has been discharged from consideration of such a joint resolution (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the joint resolution, and all points of order against the joint resolution (and against consideration of the joint resolution) are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. (D) Rulings of the chair on procedure.--Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a joint resolution of approval or joint resolution of disapproval shall be decided without debate. (E) Consideration of veto messages.--Debate in the Senate of any veto message with respect to a joint resolution of approval or joint resolution of disapproval, including all debatable motions and appeals in connection with the joint resolution, shall be limited to 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees. (6) Rules relating to senate and house of representatives.-- (A) Treatment of senate joint resolution in house.--In the House of Representatives, the following procedures shall apply to a joint resolution of approval or a joint resolution of disapproval received from the Senate (unless the House has already passed a joint resolution relating to the same proposed action): (i) The joint resolution shall be referred to the appropriate committees. (ii) If a committee to which a joint resolution has been referred has not reported the joint resolution within two calendar days after the date of referral, that committee shall be discharged from further consideration of the joint resolution. (iii) Beginning on the third legislative day after each committee to which a joint resolution has been referred reports the joint resolution to the House or has been discharged from further consideration thereof, it shall be in order to move to proceed to consider the joint resolution in the House. All points of order against the motion are waived. Such a motion shall not be in order after the House has disposed of a motion to proceed on the joint resolution. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. The motion shall not be debatable. A motion to reconsider the vote by which the motion is disposed of shall not be in order. (iv) The joint resolution shall be considered as read. All points of order against the joint resolution and against its consideration are waived. The previous question shall be considered as ordered on the joint resolution to final passage without intervening motion except two hours of debate equally divided and controlled by the sponsor of the joint resolution (or a designee) and an opponent. A motion to reconsider the vote on passage of the joint resolution shall not be in order. (B) Treatment of house joint resolution in senate.-- (i) If, before the passage by the Senate of a joint resolution of approval or joint resolution of disapproval, the Senate receives an identical joint resolution from the House of Representatives, the following procedures shall apply: (I) That joint resolution shall not be referred to a committee. (II) With respect to that joint resolution-- (aa) the procedure in the Senate shall be the same as if no joint resolution had been received from the House of Representatives; but (bb) the vote on passage shall be on the joint resolution from the House of Representatives. (ii) If, following passage of a joint resolution of approval or joint resolution of disapproval in the Senate, the Senate receives an identical joint resolution from the House of Representatives, that joint resolution shall be placed on the appropriate Senate calendar. (iii) If a joint resolution of approval or a joint resolution of disapproval is received from the House, and no companion joint resolution has been introduced in the Senate, the Senate procedures under this subsection shall apply to the House joint resolution. (C) Application to revenue measures.--The provisions of this paragraph shall not apply in the House of Representatives to a joint resolution of approval or joint resolution of disapproval that is a revenue measure. (7) Rules of house of representatives and senate.--This subsection is enacted by Congress-- (A) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such is deemed a part of the rules of each House, respectively, and supersedes other rules only to the extent that it is inconsistent with such rules; and (B) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House. (d) Appropriate Congressional Committees and Leadership Defined.--In this section, the term ``appropriate congressional committees and leadership'' means-- (1) the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the majority and minority leaders of the Senate; and (2) the Committee on Financial Services, the Committee on Foreign Affairs, and the Speaker, the majority leader, and the minority leader of the House of Representatives. PART 2--SANCTIONS WITH RESPECT TO THE RUSSIAN FEDERATION SEC. 221. DEFINITIONS. In this part: (1) Appropriate congressional committees.--The term ``appropriate congressional committees'' means-- (A) the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the Committee on Finance of the Senate; and (B) the Committee on Foreign Affairs, the Committee on Financial Services, and the Committee on Ways and Means of the House of Representatives. (2) Good.--The term ``good'' has the meaning given that term in section 16 of the Export Administration Act of 1979 (50 U.S.C 4618) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.)). (3) International financial institution.--The term ``international financial institution'' has the meaning given that term in section 1701(c) of the International Financial Institutions Act (22 U.S.C 262r(c)). (4) Knowingly.--The term ``knowingly'', with respect to conduct, a circumstance, or a result, means that a person has actual knowledge, or should have known, of the conduct, the circumstance, or the result. (5) Person.--The term ``person'' means an individual or entity. (6) United states person.--The term ``United States person'' means-- (A) a United States citizen or an alien lawfully admitted for permanent residence to the United States; or (B) an entity organized under the laws of the United States or of any jurisdiction within the United States, including a foreign branch of such an entity. SEC. 222. CODIFICATION OF SANCTIONS RELATING TO THE RUSSIAN FEDERATION. (a) Codification.--United States sanctions provided for in Executive Order 13660 (79 Fed. Reg. 13493; relating to blocking property of certain persons contributing to the situation in Ukraine), Executive Order 13661 (79 Fed. Reg. 15535; relating to blocking property of additional persons contributing to the situation in Ukraine), Executive Order 13662 (79 Fed. Reg. 16169; relating to blocking property of additional persons contributing to the situation in Ukraine), Executive Order 13685 (79 Fed. Reg. 77357; relating to blocking property of certain persons and prohibiting certain transactions with respect to the Crimea region of Ukraine), Executive Order 13694 (80 Fed. Reg. 18077; relating to blocking the property of certain persons engaging in significant malicious cyber-enabled activities), and Executive Order 13757 (82 Fed. Reg. 1; relating to taking additional steps to address the national emergency with respect to significant malicious cyber-enabled activities), as in effect on the day before the date of the enactment of this Act, including with respect to all persons sanctioned under such Executive orders, shall remain in effect except as provided in subsection (b). (b) Termination of Certain Sanctions.--Subject to section 216, the President may terminate the application of sanctions described in subsection (a) that are imposed on a person in connection with activity conducted by the person if the President submits to the appropriate congressional committees a notice that-- (1) the person is not engaging in the activity that was the basis for the sanctions or has taken significant verifiable steps toward stopping the activity; and (2) the President has received reliable assurances that the person will not knowingly engage in activity subject to sanctions described in subsection (a) in the future. (c) Application of New Cyber Sanctions.--The President may waive the initial application under subsection (a) of sanctions with respect to a person under Executive Order 13694 or 13757 only if the President submits to the appropriate congressional committees-- (1) a written determination that the waiver-- (A) is in the vital national security interests of the United States; or (B) will further the enforcement of this title; and (2) a certification that the Government of the Russian Federation has made significant efforts to reduce the number and intensity of cyber intrusions conducted by that Government. [[Page H6248]] (d) Application of New Ukraine-Related Sanctions.--The President may waive the initial application under subsection (a) of sanctions with respect to a person under Executive Order 13660, 13661, 13662, or 13685 only if the President submits to the appropriate congressional committees-- (1) a written determination that the waiver-- (A) is in the vital national security interests of the United States; or (B) will further the enforcement of this title; and (2) a certification that the Government of the Russian Federation is taking steps to implement the Minsk Agreement to address the ongoing conflict in eastern Ukraine, signed in Minsk, Belarus, on February 11, 2015, by the leaders of Ukraine, Russia, France, and Germany, the Minsk Protocol, which was agreed to on September 5, 2014, and any successor agreements that are agreed to by the Government of Ukraine. SEC. 223. MODIFICATION OF IMPLEMENTATION OF EXECUTIVE ORDER 13662. (a) Determination That Certain Entities Are Subject to Sanctions.--The Secretary of the Treasury may determine that a person meets one or more of the criteria in section 1(a) of Executive Order 13662 if that person is a state-owned entity operating in the railway or metals and mining sector of the economy of the Russian Federation. (b) Modification of Directive 1 With Respect to the Financial Services Sector of the Russian Federation Economy.--Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall modify Directive 1 (as amended), dated September 12, 2014, issued by the Office of Foreign Assets Control under Executive Order 13662, or any successor directive (which shall be effective beginning on the date that is 60 days after the date of such modification), to ensure that the directive prohibits the conduct by United States persons or persons within the United States of all transactions in, provision of financing for, and other dealings in new debt of longer than 14 days maturity or new equity of persons determined to be subject to the directive, their property, or their interests in property. (c) Modification of Directive 2 With Respect to the Energy Sector of the Russian Federation Economy.--Not later than 60 days after the date of the enactment of this Act, the Secretary of the Treasury shall modify Directive 2 (as amended), dated September 12, 2014, issued by the Office of Foreign Assets Control under Executive Order 13662, or any successor directive (which shall be effective beginning on the date that is 60 days after the date of such modification), to ensure that the directive prohibits the conduct by United States persons or persons within the United States of all transactions in, provision of financing for, and other dealings in new debt of longer than 60 days maturity of persons determined to be subject to the directive, their property, or their interests in property. (d) Modification of Directive 4.--Not later than 90 days after the date of the enactment of this Act, the Secretary of the Treasury shall modify Directive 4, dated September 12, 2014, issued by the Office of Foreign Assets Control under Executive Order 13662, or any successor directive (which shall be effective beginning on the date that is 90 days after the date of such modification), to ensure that the directive prohibits the provision, exportation, or reexportation, directly or indirectly, by United States persons or persons within the United States, of goods, services (except for financial services), or technology in support of exploration or production for new deepwater, Arctic offshore, or shale projects-- (1) that have the potential to ***produce*** oil; and (2) that involve any person determined to be subject to the directive or the property or interests in property of such a person who has a controlling interest or a substantial non- controlling ownership interest in such a project defined as not less than a 33 percent interest. SEC. 224. IMPOSITION OF SANCTIONS WITH RESPECT TO ACTIVITIES OF THE RUSSIAN FEDERATION UNDERMINING CYBERSECURITY. (a) In General.--On and after the date that is 60 days after the date of the enactment of this Act, the President shall-- (1) impose the sanctions described in subsection (b) with respect to any person that the President determines-- (A) knowingly engages in significant activities undermining cybersecurity against any person, including a democratic institution, or government on behalf of the Government of the Russian Federation; or (B) is owned or controlled by, or acts or purports to act for or on behalf of, directly or indirectly, a person described in subparagraph (A); (2) impose 5 or more of the sanctions described in section 235 with respect to any person that the President determines knowingly materially assists, sponsors, or provides financial, material, or technological support for, or goods or services (except financial services) in support of, an activity described in paragraph (1)(A); and (3) impose 3 or more of the sanctions described in section 4(c) of the of the Ukraine Freedom Support Act of 2014 (22 U.S.C 8923(c)) with respect to any person that the President determines knowingly provides financial services in support of an activity described in paragraph (1)(A). (b) Sanctions Described.--The sanctions described in this subsection are the following: (1) Asset blocking.--The exercise of all powers granted to the President by the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.) to the extent necessary to block and prohibit all transactions in all property and interests in property of a person determined by the President to be subject to subsection (a)(1) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person. (2) Exclusion from the united states and revocation of visa or other documentation.--In the case of an alien determined by the President to be subject to subsection (a)(1), denial of a visa to, and exclusion from the United States of, the alien, and revocation in accordance with section 221(i) of the Immigration and Nationality Act (8 U.S.C 1201(i)), of any visa or other documentation of the alien. (c) Application of New Cyber Sanctions.--The President may waive the initial application under subsection (a) of sanctions with respect to a person only if the President submits to the appropriate congressional committees-- (1) a written determination that the waiver-- (A) is in the vital national security interests of the United States; or (B) will further the enforcement of this title; and (2) a certification that the Government of the Russian Federation has made significant efforts to reduce the number and intensity of cyber intrusions conducted by that Government. (d) Significant Activities Undermining Cybersecurity Defined.--In this section, the term ``significant activities undermining cybersecurity'' includes-- (1) significant efforts-- (A) to deny access to or degrade, disrupt, or destroy an information and communications technology system or network; or (B) to exfiltrate, degrade, corrupt, destroy, or release information from such a system or network without authorization for purposes of-- (i) conducting influence operations; or (ii) causing a significant misappropriation of funds, economic resources, trade secrets, personal identifications, or financial information for commercial or competitive advantage or private financial gain; (2) significant destructive malware attacks; and (3) significant denial of service activities. SEC. 225. IMPOSITION OF SANCTIONS RELATING TO SPECIAL RUSSIAN CRUDE OIL PROJECTS. Section 4(b)(1) of the Ukraine Freedom Support Act of 2014 (22 U.S.C 8923(b)(1)) is amended by striking ``on and after the date that is 45 days after the date of the enactment of this Act, the President may impose'' and inserting ``on and after the date that is 30 days after the date of the enactment of the Countering Russian Influence in Europe and Eurasia Act of 2017, the President shall impose, unless the President determines that it is not in the national interest of the United States to do so,''. SEC. 226. IMPOSITION OF SANCTIONS WITH RESPECT TO RUSSIAN AND OTHER FOREIGN FINANCIAL INSTITUTIONS. Section 5 of the Ukraine Freedom Support Act of 2014 (22 U.S.C 8924) is amended-- (1) in subsection (a)-- (A) by striking ``may impose'' and inserting ``shall impose, unless the President determines that it is not in the national interest of the United States to do so,''; and (B) by striking ``on or after the date of the enactment of this Act'' and inserting ``on or after the date of the enactment of the Countering Russian Influence in Europe and Eurasia Act of 2017''; and (2) in subsection (b)-- (A) by striking ``may impose'' and inserting ``shall impose, unless the President determines that it is not in the national interest of the United States to do so,''; and (B) by striking ``on or after the date that is 180 days after the date of the enactment of this Act'' and inserting ``on or after the date that is 30 days after the date of the enactment of the Countering Russian Influence in Europe and Eurasia Act of 2017''. SEC. 227. MANDATORY IMPOSITION OF SANCTIONS WITH RESPECT TO SIGNIFICANT CORRUPTION IN THE RUSSIAN FEDERATION. Section 9 of the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014 (22 U.S.C 8908(a)) is amended-- (1) in subsection (a)-- (A) in the matter preceding paragraph (1), by striking ``is authorized and encouraged to'' and inserting ``shall''; and (B) in paragraph (1)-- (i) by striking ``President determines is'' and inserting ``President determines is, on or after the date of the enactment of the Countering Russian Influence in Europe and Eurasia Act of 2017,''; and (ii) by inserting ``or elsewhere'' after ``in the Russian Federation''; (2) by redesignating subsection (d) as subsection (e); (3) in subsection (c), by striking ``The President'' and inserting ``except as provided in subsection (d), the President''; and (4) by inserting after subsection (c) the following: ``(d) Application of New Sanctions.--The President may waive the initial application [[Page H6249]] of sanctions under subsection (b) with respect to a person only if the President submits to the appropriate congressional committees-- ``(1) a written determination that the waiver-- ``(A) is in the vital national security interests of the United States; or ``(B) will further the enforcement of this Act; and ``(2) a certification that the Government of the Russian Federation is taking steps to implement the Minsk Agreement to address the ongoing conflict in eastern Ukraine, signed in Minsk, Belarus, on February 11, 2015, by the leaders of Ukraine, Russia, France, and Germany, the Minsk Protocol, which was agreed to on September 5, 2014, and any successor agreements that are agreed to by the Government of Ukraine.''. SEC. 228. MANDATORY IMPOSITION OF SANCTIONS WITH RESPECT TO CERTAIN TRANSACTIONS WITH FOREIGN SANCTIONS EVADERS AND SERIOUS HUMAN RIGHTS ABUSERS IN THE RUSSIAN FEDERATION. (a) In General.--The Support for the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014 (22 U.S.C 8901 et seq.) is amended by adding at the end the following: ``SEC. 10. MANDATORY IMPOSITION OF SANCTIONS WITH RESPECT TO CERTAIN TRANSACTIONS WITH PERSONS THAT EVADE SANCTIONS IMPOSED WITH RESPECT TO THE RUSSIAN FEDERATION. ``(a) In General.--The President shall impose the sanctions described in subsection (b) with respect to a foreign person if the President determines that the foreign person knowingly, on or after the date of the enactment of the Countering Russian Influence in Europe and Eurasia Act of 2017-- ``(1) materially violates, attempts to violate, conspires to violate, or causes a violation of any license, order, regulation, or prohibition contained in or issued pursuant to any covered Executive order, this Act, or the Ukraine Freedom Support Act of 2014 (22 U.S.C 8921 et seq.); or ``(2) facilitates a significant transaction or transactions, including deceptive or structured transactions, for or on behalf of-- ``(A) any person subject to sanctions imposed by the United States with respect to the Russian Federation; or ``(B) any child, spouse, parent, or sibling of an individual described in subparagraph (A). ``(b) Sanctions Described.--The sanctions described in this subsection are the exercise of all powers granted to the President by the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.) to the extent necessary to block and prohibit all transactions in all property and interests in property of a person determined by the President to be subject to subsection (a) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person. ``(c) Implementation; Penalties.-- ``(1) Implementation.--The President may exercise all authorities provided to the President under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C 1702 and 1704) to carry out subsection (b). ``(2) Penalties.--A person that violates, attempts to violate, conspires to violate, or causes a violation of subsection (b) or any regulation, license, or order issued to carry out subsection (b) shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section. ``(d) Application of New Sanctions.--The President may waive the initial application of sanctions under subsection (b) with respect to a person only if the President submits to the appropriate congressional committees-- ``(1) a written determination that the waiver-- ``(A) is in the vital national security interests of the United States; or ``(B) will further the enforcement of this Act; ``(2) in the case of sanctions imposed under this section in connection with a covered Executive order described in subparagraph (A), (B), (C), or (D) of subsection (f)(1), a certification that the Government of the Russian Federation is taking steps to implement the Minsk Agreement to address the ongoing conflict in eastern Ukraine, signed in Minsk, Belarus, on February 11, 2015, by the leaders of Ukraine, Russia, France, and Germany, the Minsk Protocol, which was agreed to on September 5, 2014, and any successor agreements that are agreed to by the Government of Ukraine; and ``(3) in the case of sanctions imposed under this section in connection with a covered Executive order described in subparagraphs (E) or (F) of subsection (f)(1), a certification that the Government of the Russian Federation has made significant efforts to reduce the number and intensity of cyber intrusions conducted by that Government. ``(e) Termination.--Subject to section 216 of the Russia Sanctions Review Act of 2017, the President may terminate the application of sanctions under subsection (b) with respect to a person if the President submits to the appropriate congressional committees-- ``(1) a notice of and justification for the termination; and ``(2) a notice that-- ``(A) the person is not engaging in the activity that was the basis for the sanctions or has taken significant verifiable steps toward stopping the activity; and ``(B) the President has received reliable assurances that the person will not knowingly engage in activity subject to sanctions under subsection (a) in the future. ``(f) Definitions.--In this section: ``(1) Covered executive order.--The term `covered Executive order' means any of the following: ``(A) Executive Order 13660 (79 Fed. Reg. 13493; relating to blocking property of certain persons contributing to the situation in Ukraine). ``(B) Executive Order 13661 (79 Fed. Reg. 15535; relating to blocking property of additional persons contributing to the situation in Ukraine). ``(C) Executive Order 13662 (79 Fed. Reg. 16169; relating to blocking property of additional persons contributing to the situation in Ukraine). ``(D) Executive Order 13685 (79 Fed. Reg. 77357; relating to blocking property of certain persons and prohibiting certain transactions with respect to the Crimea region of Ukraine). ``(E) Executive Order 13694 (80 Fed. Reg. 18077; relating to blocking the property of certain persons engaging in significant malicious cyber-enabled activities), relating to the Russian Federation. ``(F) Executive Order 13757 (82 Fed. Reg. 1; relating to taking additional steps to address the national emergency with respect to significant malicious cyber-enabled activities), relating to the Russian Federation. ``(2) Foreign person.--The term `foreign person' has the meaning given such term in section 595.304 of title 31, Code of Federal Regulations (as in effect on the date of the enactment of this section). ``(3) Structured.--The term `structured', with respect to a transaction, has the meaning given the term `structure' in paragraph (xx) of section 1010.100 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling). ``SEC. 11. MANDATORY IMPOSITION OF SANCTIONS WITH RESPECT TO TRANSACTIONS WITH PERSONS RESPONSIBLE FOR HUMAN RIGHTS ABUSES. ``(a) In General.--The President shall impose the sanctions described in subsection (b) with respect to a foreign person if the President determines that the foreign person, based on credible information, on or after the date of the enactment of this section-- ``(1) is responsible for, complicit in, or responsible for ordering, controlling, or otherwise directing, the commission of serious human rights abuses in any territory forcibly occupied or otherwise controlled by the Government of the Russian Federation; ``(2) materially assists, sponsors, or provides financial, material, or technological support for, or goods or services to, a foreign person described in paragraph (1); or ``(3) is owned or controlled by, or acts or purports to act for or on behalf of, directly or indirectly, a foreign person described in paragraph (1). ``(b) Sanctions Described.-- ``(1) Asset blocking.--The exercise of all powers granted to the President by the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.) to the extent necessary to block and prohibit all transactions in all property and interests in property of a person determined by the President to be subject to subsection (a) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person. ``(2) Exclusion from the united states and revocation of visa or other documentation.--In the case of an alien determined by the President to be subject to subsection (a), denial of a visa to, and exclusion from the United States of, the alien, and revocation in accordance with section 221(i) of the Immigration and Nationality Act (8 U.S.C 1201(i)), of any visa or other documentation of the alien. ``(c) Application of New Sanctions.--The President may waive the initial application of sanctions under subsection (b) with respect to a person only if the President submits to the appropriate congressional committees-- ``(1) a written determination that the waiver-- ``(A) is in the vital national security interests of the United States; or ``(B) will further the enforcement of this Act; and ``(2) a certification that the Government of the Russian Federation has made efforts to reduce serious human rights abuses in territory forcibly occupied or otherwise controlled by that Government. ``(d) Implementation; Penalties.-- ``(1) Implementation.--The President may exercise all authorities provided to the President under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C 1702 and 1704) to carry out subsection (b)(1). ``(2) Penalties.--A person that violates, attempts to violate, conspires to violate, or causes a violation of subsection (b)(1) or any regulation, license, or order issued to carry out subsection (b)(1) shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C 1705) to the same extent as a person that commits [[Page H6250]] an unlawful act described in subsection (a) of that section. ``(e) Termination.--Subject to section 216 of Russia Sanctions Review Act of 2017, the President may terminate the application of sanctions under subsection (b) with respect to a person if the President submits to the appropriate congressional committees-- ``(1) a notice of and justification for the termination; and ``(2) a notice-- ``(A) that-- ``(i) the person is not engaging in the activity that was the basis for the sanctions or has taken significant verifiable steps toward stopping the activity; and ``(ii) the President has received reliable assurances that the person will not knowingly engage in activity subject to sanctions under subsection (a) in the future; or ``(B) that the President determines that insufficient basis exists for the determination by the President under subsection (a) with respect to the person.''. (b) Definition of Appropriate Congressional Committees.-- Section 2(2) of the Support for the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014 (22 U.S.C 8901(2)) is amended-- (1) in subparagraph (A), by inserting ``the Committee on Banking, Housing, and Urban Affairs,'' before ``the Committee on Foreign Relations''; and (2) in subparagraph (B), by inserting ``the Committee on Financial Services'' before ``the Committee on Foreign Affairs''. SEC. 229. NOTIFICATIONS TO CONGRESS UNDER UKRAINE FREEDOM SUPPORT ACT OF 2014. (a) Sanctions Relating to Defense and Energy Sectors of the Russian Federation.--Section 4 of the Ukraine Freedom Support Act of 2014 (22 U.S.C 8923) is amended-- (1) by redesignating subsections (g) and (h) as subsections (h) and (i), respectively; (2) by inserting after subsection (f) the following: ``(g) Notifications and Certifications to Congress.-- ``(1) Imposition of sanctions.--The President shall notify the appropriate congressional committees in writing not later than 15 days after imposing sanctions with respect to a foreign person under subsection (a) or (b). ``(2) Termination of sanctions with respect to russian ***producers***, transferors, or brokers of defense articles.-- Subject to section 216 of the Russia Sanctions Review Act of 2017, the President may terminate the imposition of sanctions under subsection (a)(2) with respect to a foreign person if the President submits to the appropriate congressional committees-- ``(A) a notice of and justification for the termination; and ``(B) a notice that-- ``(i) the foreign person is not engaging in the activity that was the basis for the sanctions or has taken significant verifiable steps toward stopping the activity; and ``(ii) the President has received reliable assurances that the foreign person will not knowingly engage in activity subject to sanctions under subsection (a)(2) in the future.''; and (3) in subparagraph (B)(ii) of subsection (a)(3), by striking ``subsection (h)'' and inserting ``subsection (i)''. (b) Sanctions on Russian and Other Foreign Financial Institutions.--Section 5 of the Ukraine Freedom Support Act of 2014 (22 U.S.C 8924) is amended-- (1) by redesignating subsections (e) and (f) as subsections (f) and (g), respectively; (2) by inserting after subsection (d) the following: ``(e) Notification to Congress on Imposition of Sanctions.--The President shall notify the appropriate congressional committees in writing not later than 15 days after imposing sanctions with respect to a foreign financial institution under subsection (a) or (b).''; and (3) in subsection (g), as redesignated by paragraph (1), by striking ``section 4(h)'' and inserting ``section 4(i)''. SEC. 230. STANDARDS FOR TERMINATION OF CERTAIN SANCTIONS WITH RESPECT TO THE RUSSIAN FEDERATION. (a) Sanctions Relating to Undermining the Peace, Security, Stability, Sovereignty, or Territorial Integrity of Ukraine.--Section 8 of the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014 (22 U.S.C 8907) is amended-- (1) by redesignating subsection (d) as subsection (e); and (2) by inserting after subsection (c) the following: ``(d) Termination.--Subject to section 216 of the Russia Sanctions Review Act of 2017, the President may terminate the application of sanctions under subsection (b) with respect to a person if the President submits to the appropriate congressional committees a notice that-- ``(1) the person is not engaging in the activity that was the basis for the sanctions or has taken significant verifiable steps toward stopping the activity; and ``(2) the President has received reliable assurances that the person will not knowingly engage in activity subject to sanctions under subsection (a) in the future.''. (b) Sanctions Relating to Corruption.--Section 9 of the Sovereignty, Integrity, Democracy, and Economic Stability of Ukraine Act of 2014 (22 U.S.C 8908) is amended-- (1) by redesignating subsection (d) as subsection (e); and (2) by inserting after subsection (c) the following: ``(d) Termination.--Subject to section 216 of the Russia Sanctions Review Act of 2017, the President may terminate the application of sanctions under subsection (b) with respect to a person if the President submits to the appropriate congressional committees a notice that-- ``(1) the person is not engaging in the activity that was the basis for the sanctions or has taken significant verifiable steps toward stopping the activity; and ``(2) the President has received reliable assurances that the person will not knowingly engage in activity subject to sanctions under subsection (a) in the future.''. SEC. 231. IMPOSITION OF SANCTIONS WITH RESPECT TO PERSONS ENGAGING IN TRANSACTIONS WITH THE INTELLIGENCE OR DEFENSE SECTORS OF THE GOVERNMENT OF THE RUSSIAN FEDERATION. (a) In General.--On and after the date that is 180 days after the date of the enactment of this Act, the President shall impose 5 or more of the sanctions described in section 235 with respect to a person the President determines knowingly, on or after such date of enactment, engages in a significant transaction with a person that is part of, or operates for or on behalf of, the defense or intelligence sectors of the Government of the Russian Federation, including the Main Intelligence Agency of the General Staff of the Armed Forces of the Russian Federation or the Federal Security Service of the Russian Federation. (b) Application of New Sanctions.--The President may waive the initial application of sanctions under subsection (a) with respect to a person only if the President submits to the appropriate congressional committees-- (1) a written determination that the waiver-- (A) is in the vital national security interests of the United States; or (B) will further the enforcement of this title; and (2) a certification that the Government of the Russian Federation has made significant efforts to reduce the number and intensity of cyber intrusions conducted by that Government. (c) Delay of Imposition of Sanctions.--The President may delay the imposition of sanctions under subsection (a) with respect to a person if the President certifies to the appropriate congressional committees, not less frequently than every 180 days while the delay is in effect, that the person is substantially reducing the number of significant transactions described in subsection (a) in which that person engages. (d) Requirement To Issue Guidance.--Not later than 60 days after the date of the enactment of this Act, the President shall issue regulations or other guidance to specify the persons that are part of, or operate for or on behalf of, the defense and intelligence sectors of the Government of the Russian Federation. (e) Penalties.--A person that violates, attempts to violate, conspires to violate, or causes a violation of subsection (a) or any regulation, license, or order issued to carry out subsection (a) shall be subject to the penalties set forth in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C 1705) to the same extent as a person that commits an unlawful act described in subsection (a) of that section. SEC. 232. SANCTIONS WITH RESPECT TO THE DEVELOPMENT OF PIPELINES IN THE RUSSIAN FEDERATION. (a) In General.--The President, in coordination with allies of the United States, may impose 5 or more of the sanctions described in section 235 with respect to a person if the President determines that the person knowingly, on or after the date of the enactment of this Act, makes an investment described in subsection (b) or sells, leases, or provides to the Russian Federation, for the construction of Russian energy export pipelines, goods, services, technology, information, or support described in subsection (c)-- (1) any of which has a fair market value of $1,000,000 or more; or (2) that, during a 12-month period, have an aggregate fair market value of $5,000,000 or more. (b) Investment Described.--An investment described in this subsection is an investment that directly and significantly contributes to the enhancement of the ability of the Russian Federation to construct energy export pipelines. (c) Goods, Services, Technology, Information, or Support Described.--Goods, services, technology, information, or support described in this subsection are goods, services, technology, information, or support that could directly and significantly facilitate the maintenance or expansion of the construction, modernization, or repair of energy export pipelines by the Russian Federation. SEC. 233. SANCTIONS WITH RESPECT TO INVESTMENT IN OR FACILITATION OF PRIVATIZATION OF STATE-OWNED ASSETS BY THE RUSSIAN FEDERATION. (a) In General.--The President shall impose 5 or more of the sanctions described in section 235 if the President determines that a person, with actual knowledge, on or after the date of the enactment of this Act, makes an investment of $10,000,000 or more (or any combination of investments of not less than $1,000,000 each, which in the aggregate equals [[Page H6251]] or exceeds $10,000,000 in any 12-month period), or facilitates such an investment, if the investment directly and significantly contributes to the ability of the Russian Federation to privatize state-owned assets in a manner that unjustly benefits-- (1) officials of the Government of the Russian Federation; or (2) close associates or family members of those officials. (b) Application of New Sanctions.--The President may waive the initial application of sanctions under subsection (a) with respect to a person only if the President submits to the appropriate congressional committees-- (1) a written determination that the waiver-- (A) is in the vital national security interests of the United States; or (B) will further the enforcement of this title; and (2) a certification that the Government of the Russian Federation is taking steps to implement the Minsk Agreement to address the ongoing conflict in eastern Ukraine, signed in Minsk, Belarus, on February 11, 2015, by the leaders of Ukraine, Russia, France, and Germany, the Minsk Protocol, which was agreed to on September 5, 2014, and any successor agreements that are agreed to by the Government of Ukraine. SEC. 234. SANCTIONS WITH RESPECT TO THE TRANSFER OF ARMS AND RELATED MATERIEL TO SYRIA. (a) Imposition of Sanctions.-- (1) In general.--The President shall impose on a foreign person the sanctions described in subsection (b) if the President determines that such foreign person has, on or after the date of the enactment of this Act, knowingly exported, transferred, or otherwise provided to Syria significant financial, material, or technological support that contributes materially to the ability of the Government of Syria to-- (A) acquire or develop chemical, biological, or nuclear weapons or related technologies; (B) acquire or develop ballistic or cruise missile capabilities; (C) acquire or develop destabilizing numbers and types of advanced conventional weapons; (D) acquire significant defense articles, defense services, or defense information (as such terms are defined under the Arms Export Control Act (22 U.S.C 2751 et seq.)); or (E) acquire items designated by the President for purposes of the United States Munitions List under section 38(a)(1) of the Arms Export Control Act (22 U.S.C 2778(a)(1)). (2) Applicability to other foreign persons.--The sanctions described in subsection (b) shall also be imposed on any foreign person that-- (A) is a successor entity to a foreign person described in paragraph (1); or (B) is owned or controlled by, or has acted for or on behalf of, a foreign person described in paragraph (1). (b) Sanctions Described.--The sanctions to be imposed on a foreign person described in subsection (a) are the following: (1) Blocking of property.--The President shall exercise all powers granted by the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.) (except that the requirements of section 202 of such Act (50 U.S.C 1701) shall not apply) to the extent necessary to block and prohibit all transactions in all property and interests in property of the foreign person if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person. (2) Aliens ineligible for visas, admission, or parole.-- (A) Exclusion from the united states.--If the foreign person is an individual, the Secretary of State shall deny a visa to, and the Secretary of Homeland Security shall exclude from the United States, the foreign person. (B) Current visas revoked.-- (i) In general.--The issuing consular officer, the Secretary of State, or the Secretary of Homeland Security (or a designee of one of such Secretaries) shall revoke any visa or other entry documentation issued to the foreign person regardless of when issued. (ii) Effect of revocation.--A revocation under clause (i) shall take effect immediately and shall automatically cancel any other valid visa or entry documentation that is in the possession of the foreign person. (c) Waiver.--Subject to section 216, the President may waive the application of sanctions under subsection (b) with respect to a person if the President determines that such a waiver is in the national security interest of the United States. (d) Definitions.--In this section: (1) Financial, material, or technological support.--The term ``financial, material, or technological support'' has the meaning given such term in section 542.304 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling). (2) Foreign person.--The term ``foreign person'' has the meaning given such term in section 594.304 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling). (3) Syria.--The term ``Syria'' has the meaning given such term in section 542.316 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling). SEC. 235. SANCTIONS DESCRIBED. (a) Sanctions Described.--The sanctions to be imposed with respect to a person under section 224(a)(2), 231(b), 232(a), or 233(a) are the following: (1) Export-import bank assistance for exports to sanctioned persons.--The President may direct the Export-Import Bank of the United States not to give approval to the issuance of any guarantee, insurance, extension of credit, or participation in the extension of credit in connection with the export of any goods or services to the sanctioned person. (2) Export sanction.--The President may order the United States Government not to issue any specific license and not to grant any other specific permission or authority to export any goods or technology to the sanctioned person under-- (A) the Export Administration Act of 1979 (50 U.S.C 4601 et seq.) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.)); (B) the Arms Export Control Act (22 U.S.C 2751 et seq.); (C) the Atomic Energy Act of 1954 (42 U.S.C 2011 et seq.); or (D) any other statute that requires the prior review and approval of the United States Government as a condition for the export or reexport of goods or services. (3) Loans from united states financial institutions.--The President may prohibit any United States financial institution from making loans or providing credits to the sanctioned person totaling more than $10,000,000 in any 12- month period unless the person is engaged in activities to relieve human suffering and the loans or credits are provided for such activities. (4) Loans from international financial institutions.--The President may direct the United States executive director to each international financial institution to use the voice and vote of the United States to oppose any loan from the international financial institution that would benefit the sanctioned person. (5) Prohibitions on financial institutions.--The following prohibitions may be imposed against the sanctioned person if that person is a financial institution: (A) Prohibition on designation as primary dealer.--Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, the financial institution as a primary dealer in United States Government debt instruments. (B) Prohibition on service as a repository of government funds.--The financial institution may not serve as agent of the United States Government or serve as repository for United States Government funds. The imposition of either sanction under subparagraph (A) or (B) shall be treated as 1 sanction for purposes of subsection (b), and the imposition of both such sanctions shall be treated as 2 sanctions for purposes of subsection (b). (6) Procurement sanction.--The United States Government may not procure, or enter into any contract for the procurement of, any goods or services from the sanctioned person. (7) Foreign exchange.--The President may, pursuant to such regulations as the President may prescribe, prohibit any transactions in foreign exchange that are subject to the jurisdiction of the United States and in which the sanctioned person has any interest. (8) Banking transactions.--The President may, pursuant to such regulations as the President may prescribe, prohibit any transfers of credit or payments between financial institutions or by, through, or to any financial institution, to the extent that such transfers or payments are subject to the jurisdiction of the United States and involve any interest of the sanctioned person. (9) Property transactions.--The President may, pursuant to such regulations as the President may prescribe, prohibit any person from-- (A) acquiring, holding, withholding, using, transferring, withdrawing, transporting, importing, or exporting any property that is subject to the jurisdiction of the United States and with respect to which the sanctioned person has any interest; (B) dealing in or exercising any right, power, or privilege with respect to such property; or (C) conducting any transaction involving such property. (10) Ban on investment in equity or debt of sanctioned person.--The President may, pursuant to such regulations or guidelines as the President may prescribe, prohibit any United States person from investing in or purchasing significant amounts of equity or debt instruments of the sanctioned person. (11) Exclusion of corporate officers.--The President may direct the Secretary of State to deny a visa to, and the Secretary of Homeland Security to exclude from the United States, any alien that the President determines is a corporate officer or principal of, or a shareholder with a controlling interest in, the sanctioned person. (12) Sanctions on principal executive officers.--The President may impose on the principal executive officer or officers of the sanctioned person, or on persons performing similar functions and with similar authorities as such officer or officers, any of the sanctions under this subsection. (b) Sanctioned Person Defined.--In this section, the term ``sanctioned person'' means a person subject to sanctions under section 224(a)(2), 231(b), 232(a), or 233(a). [[Page H6252]] SEC. 236. EXCEPTIONS, WAIVER, AND TERMINATION. (a) Exceptions.--The provisions of this part and amendments made by this part shall not apply with respect to the following: (1) Activities subject to the reporting requirements under title V of the National Security Act of 1947 (50 U.S.C 3091 et seq.), or any authorized intelligence activities of the United States. (2) The admission of an alien to the United States if such admission is necessary to comply with United States obligations under the Agreement between the United Nations and the United States of America regarding the Headquarters of the United Nations, signed at Lake Success June 26, 1947, and entered into force November 21, 1947, under the Convention on Consular Relations, done at Vienna April 24, 1963, and entered into force March 19, 1967, or under other international agreements. (b) Waiver of Sanctions That Are Imposed.--Subject to section 216, if the President imposes sanctions with respect to a person under this part or the amendments made by this part, the President may waive the application of those sanctions if the President determines that such a waiver is in the national security interest of the United States. (c) Termination.--Subject to section 216, the President may terminate the application of sanctions under section 224, 231, 232, 233, or 234 with respect to a person if the President submits to the appropriate congressional committees-- (1) a notice of and justification for the termination; and (2) a notice that-- (A) the person is not engaging in the activity that was the basis for the sanctions or has taken significant verifiable steps toward stopping the activity; and (B) the President has received reliable assurances that the person will not knowingly engage in activity subject to sanctions under this part in the future. SEC. 237. EXCEPTION RELATING TO ACTIVITIES OF THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION. (a) In General.--This Act and the amendments made by this Act shall not apply with respect to activities of the National Aeronautics and Space Administration. (b) Rule of Construction.--Nothing in this Act or the amendments made by this Act shall be construed to authorize the imposition of any sanction or other condition, limitation, restriction, or prohibition, that directly or indirectly impedes the supply by any entity of the Russian Federation of any product or service, or the procurement of such product or service by any contractor or subcontractor of the United States or any other entity, relating to or in connection with any space launch conducted for-- (1) the National Aeronautics and Space Administration; or (2) any other non-Department of Defense customer. SEC. 238. RULE OF CONSTRUCTION. Nothing in this part or the amendments made by this part shall be construed-- (1) to supersede the limitations or exceptions on the use of rocket engines for national security purposes under section 1608 of the Carl Levin and Howard P. ``Buck'' McKeon National Defense Authorization Act for Fiscal Year 2015 (Public Law 113-291; 128 Stat. 3626; 10 U.S.C 2271 note), as amended by section 1607 of the National Defense Authorization Act for Fiscal Year 2016 (Public Law 114-92; 129 Stat. 1100) and section 1602 of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114-328; 130 Stat. 2582); or (2) to prohibit a contractor or subcontractor of the Department of Defense from acquiring components referred to in such section 1608. PART 3--REPORTS SEC. 241. REPORT ON OLIGARCHS AND PARASTATAL ENTITIES OF THE RUSSIAN FEDERATION. (a) In General.--Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Director of National Intelligence and the Secretary of State, shall submit to the appropriate congressional committees a detailed report on the following: (1) Senior foreign political figures and oligarchs in the Russian Federation, including the following: (A) An identification of the most significant senior foreign political figures and oligarchs in the Russian Federation, as determined by their closeness to the Russian regime and their net worth. (B) An assessment of the relationship between individuals identified under subparagraph (A) and President Vladimir Putin or other members of the Russian ruling elite. (C) An identification of any indices of corruption with respect to those individuals. (D) The estimated net worth and known sources of income of those individuals and their family members (including spouses, children, parents, and siblings), including assets, investments, other business interests, and relevant beneficial ownership information. (E) An identification of the non-Russian business affiliations of those individuals. (2) Russian parastatal entities, including an assessment of the following: (A) The emergence of Russian parastatal entities and their role in the economy of the Russian Federation. (B) The leadership structures and beneficial ownership of those entities. (C) The scope of the non-Russian business affiliations of those entities. (3) The exposure of key economic sectors of the United States to Russian politically exposed persons and parastatal entities, including, at a minimum, the banking, securities, insurance, and real estate sectors. (4) The likely effects of imposing debt and equity restrictions on Russian parastatal entities, as well as the anticipated effects of adding Russian parastatal entities to the list of specially designated nationals and blocked persons maintained by the Office of Foreign Assets Control of the Department of the Treasury. (5) The potential impacts of imposing secondary sanctions with respect to Russian oligarchs, Russian state-owned enterprises, and Russian parastatal entities, including impacts on the entities themselves and on the economy of the Russian Federation, as well as on the economies of the United States and allies of the United States. (b) Form of Report.--The report required under subsection (a) shall be submitted in an unclassified form, but may contain a classified annex. (c) Definitions.--In this section: (1) Appropriate congressional committees.--The term ``appropriate congressional committees'' means-- (A) the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the Committee on Finance of the Senate; and (B) the Committee on Foreign Affairs, the Committee on Financial Services, and the Committee on Ways and Means of the House of Representatives. (2) Senior foreign political figure.--The term ``senior foreign political figure'' has the meaning given that term in section 1010.605 of title 31, Code of Federal Regulations (or any corresponding similar regulation or ruling). SEC. 242. REPORT ON EFFECTS OF EXPANDING SANCTIONS TO INCLUDE SOVEREIGN DEBT AND DERIVATIVE PRODUCTS. (a) In General.--Not later than 180 days after the date of the enactment of this Act, the Secretary of the Treasury, in consultation with the Director of National Intelligence and the Secretary of State, shall submit to the appropriate congressional committees a report describing in detail the potential effects of expanding sanctions under Directive 1 (as amended), dated September 12, 2014, issued by the Office of Foreign Assets Control under Executive Order 13662 (79 Fed. Reg. 16169; relating to blocking property of additional persons contributing to the situation in Ukraine), or any successor directive, to include sovereign debt and the full range of derivative products. (b) Form of Report.--The report required under subsection (a) shall be submitted in an unclassified form, but may contain a classified annex. (c) Appropriate Congressional Committees Defined.--In this section, the term ``appropriate congressional committees'' means-- (1) the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the Committee on Finance of the Senate; and (2) the Committee on Foreign Affairs, the Committee on Financial Services, and the Committee on Ways and Means of the House of Representatives. SEC. 243. REPORT ON ILLICIT FINANCE RELATING TO THE RUSSIAN FEDERATION. (a) In General.--Not later than one year after the date of the enactment of this Act, and not later than the end of each one-year period thereafter until 2021, the Secretary of the Treasury shall submit to the appropriate congressional committees a report describing interagency efforts in the United States to combat illicit finance relating to the Russian Federation. (b) Elements.--The report required by subsection (a) shall contain a summary of efforts by the United States to do the following: (1) Identify, investigate, map, and disrupt illicit financial flows linked to the Russian Federation if such flows affect the United States financial system or those of major allies of the United States. (2) Conduct outreach to the private sector, including information sharing efforts to strengthen compliance efforts by entities, including financial institutions, to prevent illicit financial flows described in paragraph (1). (3) Engage and coordinate with allied international partners on illicit finance, especially in Europe, to coordinate efforts to uncover and prosecute the networks responsible for illicit financial flows described in paragraph (1), including examples of that engagement and coordination. (4) Identify foreign sanctions evaders and loopholes within the sanctions regimes of foreign partners of the United States. (5) Expand the number of real estate geographic targeting orders or other regulatory actions, as appropriate, to degrade illicit financial activity relating to the Russian Federation in relation to the financial system of the United States. (6) Provide support to counter those involved in illicit finance relating to the Russian Federation across all appropriate law enforcement, intelligence, regulatory, and financial authorities of the Federal Government, including by imposing sanctions with respect to or prosecuting those involved. (7) In the case of the Department of the Treasury and the Department of Justice, investigate or otherwise develop major cases, including a description of those cases. [[Page H6253]] (c) Briefing.--After submitting a report under this section, the Secretary of the Treasury shall provide briefings to the appropriate congressional committees with respect to that report. (d) Coordination.--The Secretary of the Treasury shall coordinate with the Attorney General, the Director of National Intelligence, the Secretary of Homeland Security, and the Secretary of State in preparing each report under this section. (e) Form.--Each report submitted under this section shall be submitted in unclassified form, but may contain a classified annex. (f) Definitions.--In this section: (1) Appropriate congressional committees.--The term ``appropriate congressional committees'' means-- (A) the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, and the Committee on Finance of the Senate; and (B) the Committee on Foreign Affairs, the Committee on Financial Services, and the Committee on Ways and Means of the House of Representatives. (2) Illicit finance.--The term ``illicit finance'' means the financing of terrorism, narcotics trafficking, or proliferation, money laundering, or other forms of illicit financing domestically or internationally, as defined by the President. Subtitle B--Countering Russian Influence in Europe and Eurasia SEC. 251. FINDINGS. Congress makes the following findings: (1) The Government of the Russian Federation has sought to exert influence throughout Europe and Eurasia, including in the former states of the Soviet Union, by providing resources to political parties, think tanks, and civil society groups that sow distrust in democratic institutions and actors, promote xenophobic and illiberal views, and otherwise undermine European unity. The Government of the Russian Federation has also engaged in well-documented corruption practices as a means toward undermining and buying influence in European and Eurasian countries. (2) The Government of the Russian Federation has largely eliminated a once-vibrant Russian-language independent media sector and severely curtails free and independent media within the borders of the Russian Federation. Russian- language media organizations that are funded and controlled by the Government of the Russian Federation and disseminate information within and outside of the Russian Federation routinely traffic in anti-Western disinformation, while few independent, fact-based media sources provide objective reporting for Russian-speaking audiences inside or outside of the Russian Federation. (3) The Government of the Russian Federation continues to violate its commitments under the Memorandum on Security Assurances in connection with Ukraine's Accession to the Treaty on the Non-Proliferation of Nuclear Weapons, done at Budapest December 5, 1994, and the Conference on Security and Co-operation in Europe Final Act, concluded at Helsinki August 1, 1975 (commonly referred to as the ``Helsinki Final Act''), which laid the ground-work for the establishment of the Organization for Security and Co-operation in Europe, of which the Russian Federation is a member, by its illegal annexation of Crimea in 2014, its illegal occupation of South Ossetia and Abkhazia in Georgia in 2008, and its ongoing destabilizing activities in eastern Ukraine. (4) The Government of the Russian Federation continues to ignore the terms of the August 2008 ceasefire agreement relating to Georgia, which requires the withdrawal of Russian Federation troops, free access by humanitarian groups to the regions of South Ossetia and Abkhazia, and monitoring of the conflict areas by the European Union Monitoring Mission. (5) The Government of the Russian Federation is failing to comply with the terms of the Minsk Agreement to address the ongoing conflict in eastern Ukraine, signed in Minsk, Belarus, on February 11, 2015, by the leaders of Ukraine, Russia, France, and Germany, as well as the Minsk Protocol, which was agreed to on September 5, 2014. (6) The Government of the Russian Federation is-- (A) in violation of the Treaty between the United States of America and the Union of Soviet Socialist Republics on the Elimination of their Intermediate-Range and Shorter-Range Missiles, signed at Washington December 8, 1987, and entered into force June 1, 1988 (commonly known as the ``INF Treaty''); and (B) failing to meet its obligations under the Treaty on Open Skies, done at Helsinki March 24, 1992, and entered into force January 1, 2002 (commonly known as the ``Open Skies Treaty''). SEC. 252. SENSE OF CONGRESS. It is the sense of Congress that-- (1) the Government of the Russian Federation bears responsibility for the continuing violence in Eastern Ukraine, including the death on April 24, 2017, of Joseph Stone, a citizen of the United States working as a monitor for the Organization for Security and Co-operation in Europe; (2) the President should call on the Government of the Russian Federation-- (A) to withdraw all of its forces from the territories of Georgia, Ukraine, and Moldova; (B) to return control of the borders of those territories to their respective governments; and (C) to cease all efforts to undermine the popularly elected governments of those countries; (3) the Government of the Russian Federation has applied, and continues to apply, to the countries and peoples of Georgia and Ukraine, traditional uses of force, intelligence operations, and influence campaigns, which represent clear and present threats to the countries of Europe and Eurasia; (4) in response, the countries of Europe and Eurasia should redouble efforts to build resilience within their institutions, political systems, and civil societies; (5) the United States supports the institutions that the Government of the Russian Federation seeks to undermine, including the North Atlantic Treaty Organization and the European Union; (6) a strong North Atlantic Treaty Organization is critical to maintaining peace and security in Europe and Eurasia; (7) the United States should continue to work with the European Union as a partner against aggression by the Government of the Russian Federation, coordinating aid ***programs***, development assistance, and other counter-Russian efforts; (8) the United States should encourage the establishment of a commission for media freedom within the Council of Europe, modeled on the Venice Commission regarding rule of law issues, that would be chartered to provide governments with expert recommendations on maintaining legal and regulatory regimes supportive of free and independent media and an informed citizenry able to distinguish between fact-based reporting, opinion, and disinformation; (9) in addition to working to strengthen the North Atlantic Treaty Organization and the European Union, the United States should work with the individual countries of Europe and Eurasia-- (A) to identify vulnerabilities to aggression, disinformation, corruption, and so-called hybrid warfare by the Government of the Russian Federation; (B) to establish ***strategic*** and technical ***plans*** for addressing those vulnerabilities; (C) to ensure that the financial systems of those countries are not being used to shield illicit financial activity by officials of the Government of the Russian Federation or individuals in President Vladimir Putin's inner circle who have been enriched through corruption; (D) to investigate and prosecute cases of corruption by Russian actors; and (E) to work toward full compliance with the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (commonly referred to as the ``Anti-Bribery Convention'') of the Organization for Economic Co-operation and Development; and (10) the President of the United States should use the authority of the President to impose sanctions under-- (A) the Sergei Magnitsky Rule of Law Accountability Act of 2012 (title IV of Public Law 112-208; 22 U.S.C 5811 note); and (B) the Global Magnitsky Human Rights Accountability Act (subtitle F of title XII of Public Law 114-328; 22 U.S.C 2656 note). SEC. 253. STATEMENT OF POLICY. The United States, consistent with the principle of ex injuria jus non oritur, supports the policy known as the ``Stimson Doctrine'' and thus does not recognize territorial changes effected by force, including the illegal invasions and occupations of Abkhazia, South Ossetia, Crimea, Eastern Ukraine, and Transnistria. SEC. 254. COORDINATING AID AND ASSISTANCE ACROSS EUROPE AND EURASIA. (a) Authorization of Appropriations.--There are authorized to be appropriated for the Countering Russian Influence Fund $250,000,000 for fiscal years 2018 and 2019. (b) Use of Funds.--Amounts in the Countering Russian Influence Fund shall be used to effectively implement, prioritized in the following order and subject to the availability of funds, the following goals: (1) To assist in protecting critical infrastructure and electoral mechanisms from cyberattacks in the following countries: (A) Countries that are members of the North Atlantic Treaty Organization or the European Union that the Secretary of State determines-- (i) are vulnerable to influence by the Russian Federation; and (ii) lack the economic capability to effectively respond to aggression by the Russian Federation without the support of the United States. (B) Countries that are participating in the enlargement process of the North Atlantic Treaty Organization or the European Union, including Albania, Bosnia and Herzegovina, Georgia, Macedonia, Moldova, Kosovo, Serbia, and Ukraine. (2) To combat corruption, improve the rule of law, and otherwise strengthen independent judiciaries and prosecutors general offices in the countries described in paragraph (1). (3) To respond to the humanitarian crises and instability caused or aggravated by the invasions and occupations of Georgia and Ukraine by the Russian Federation. (4) To improve participatory legislative processes and legal education, political transparency and competition, and compliance with international obligations in the countries described in paragraph (1). [[Page H6254]] (5) To build the capacity of civil society, media, and other nongovernmental organizations countering the influence and propaganda of the Russian Federation to combat corruption, prioritize access to truthful information, and operate freely in all regions in the countries described in paragraph (1). (6) To assist the Secretary of State in executing the functions specified in section 1287(b) of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114-328; 22 U.S.C 2656 note) for the purposes of recognizing, understanding, exposing, and countering propaganda and disinformation efforts by foreign governments, in coordination with the relevant regional Assistant Secretary or Assistant Secretaries of the Department of State. (c) Revision of Activities for Which Amounts May Be Used.-- The Secretary of State may modify the goals described in subsection (b) if, not later than 15 days before revising such a goal, the Secretary notifies the appropriate congressional committees of the revision. (d) Implementation.-- (1) In general.--The Secretary of State shall, acting through the Coordinator of United States Assistance to Europe and Eurasia (authorized pursuant to section 601 of the Support for East European Democracy (SEED) Act of 1989 (22 U.S.C 5461) and section 102 of the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (22 U.S.C 5812)), and in consultation with the Administrator for the United States Agency for International Development, the Director of the Global Engagement Center of the Department of State, the Secretary of Defense, the Chairman of the Broadcasting Board of Governors, and the heads of other relevant Federal agencies, coordinate and carry out activities to achieve the goals described in subsection (b). (2) Method.--Activities to achieve the goals described in subsection (b) shall be carried out through-- (A) initiatives of the United States Government; (B) Federal grant ***programs*** such as the Information Access Fund; or (C) nongovernmental or international organizations, such as the Organization for Security and Co-operation in Europe, the National Endowment for Democracy, the Black Sea Trust, the Balkan Trust for Democracy, the Prague Civil Society Centre, the North Atlantic Treaty Organization ***Strategic*** Communications Centre of Excellence, the European Endowment for Democracy, and related organizations. (3) Report on implementation.-- (A) In general.--Not later than April 1 of each year, the Secretary of State, acting through the Coordinator of United States Assistance to Europe and Eurasia, shall submit to the appropriate congressional committees a report on the ***programs*** and activities carried out to achieve the goals described in subsection (b) during the preceding fiscal year. (B) Elements.--Each report required by subparagraph (A) shall include, with respect to each ***program*** or activity described in that subparagraph-- (i) the amount of funding for the ***program*** or activity; (ii) the goal described in subsection (b) to which the ***program*** or activity relates; and (iii) an assessment of whether or not the goal was met. (e) Coordination With Global Partners.-- (1) In general.--In order to maximize cost efficiency, eliminate duplication, and speed the achievement of the goals described in subsection (b), the Secretary of State shall ensure coordination with-- (A) the European Union and its institutions; (B) the governments of countries that are members of the North Atlantic Treaty Organization or the European Union; and (C) international organizations and quasi-governmental funding entities that carry out ***programs*** and activities that seek to accomplish the goals described in subsection (b). (2) Report by secretary of state.--Not later than April 1 of each year, the Secretary of State shall submit to the appropriate congressional committees a report that includes-- (A) the amount of funding provided to each country referred to in subsection (b) by-- (i) the European Union or its institutions; (ii) the government of each country that is a member of the European Union or the North Atlantic Treaty Organization; and (iii) international organizations and quasi-governmental funding entities that carry out ***programs*** and activities that seek to accomplish the goals described in subsection (b); and (B) an assessment of whether the funding described in subparagraph (A) is commensurate with funding provided by the United States for those goals. (f) Rule of Construction.--Nothing in this section shall be construed to apply to or limit United States foreign assistance not provided using amounts available in the Countering Russian Influence Fund. (g) Ensuring Adequate Staffing for Governance Activities.-- In order to ensure that the United States Government is properly focused on combating corruption, improving rule of law, and building the capacity of civil society, media, and other nongovernmental organizations in countries described in subsection (b)(1), the Secretary of State shall establish a pilot ***program*** for Foreign Service officer positions focused on governance and anticorruption activities in such countries. SEC. 255. REPORT ON MEDIA ORGANIZATIONS CONTROLLED AND FUNDED BY THE GOVERNMENT OF THE RUSSIAN FEDERATION. (a) In General.--Not later than 90 days after the date of the enactment of this Act, and annually thereafter, the President shall submit to the appropriate congressional committees a report that includes a description of media organizations that are controlled and funded by the Government of the Russian Federation, and any affiliated entities, whether operating within or outside the Russian Federation, including broadcast and satellite-based television, radio, Internet, and print media organizations. (b) Form of Report.--The report required by subsection (a) shall be submitted in unclassified form but may include a classified annex. SEC. 256. REPORT ON RUSSIAN FEDERATION INFLUENCE ON ELECTIONS IN EUROPE AND EURASIA. (a) In General.--Not later than 90 days after the date of the enactment of this Act, and annually thereafter, the President shall submit to the appropriate congressional committees and leadership a report on funds provided by, or funds the use of which was directed by, the Government of the Russian Federation or any Russian person with the intention of influencing the outcome of any election or campaign in any country in Europe or Eurasia during the preceding year, including through direct support to any political party, candidate, lobbying campaign, nongovernmental organization, or civic organization. (b) Form of Report.--Each report required by subsection (a) shall be submitted in unclassified form but may include a classified annex. (c) Definitions.--In this section: (1) Appropriate congressional committees and leadership.-- The term ``appropriate congressional committees and leadership'' means-- (A) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, the Committee on Armed Services, the Committee on Homeland Security and Governmental Affairs, the Committee on Appropriations, the Select Committee on Intelligence, and the majority and minority leaders of the Senate; and (B) the Committee on Foreign Affairs, the Committee on Financial Services, the Committee on Armed Services, the Committee on Homeland Security, the Committee on Appropriations, the Permanent Select Committee on Intelligence, and the Speaker, the majority leader, and the minority leader of the House of Representatives. (2) Russian person.--The term ``Russian person'' means-- (A) an individual who is a citizen or national of the Russian Federation; or (B) an entity organized under the laws of the Russian Federation or otherwise subject to the jurisdiction of the Government of the Russian Federation. SEC. 257. UKRANIAN ENERGY SECURITY. (a) Statement of Policy.--It is the policy of the United States-- (1) to support the Government of Ukraine in restoring its sovereign and territorial integrity; (2) to condemn and oppose all of the destabilizing efforts by the Government of the Russian Federation in Ukraine in violation of its obligations and international commitments; (3) to never recognize the illegal annexation of Crimea by the Government of the Russian Federation or the separation of any portion of Ukrainian territory through the use of military force; (4) to deter the Government of the Russian Federation from further destabilizing and invading Ukraine and other independent countries in Central and Eastern Europe and the Caucuses; (5) to assist in promoting reform in regulatory oversight and operations in Ukraine's energy sector, including the establishment and empowerment of an independent regulatory organization; (6) to encourage and support fair competition, market liberalization, and reliability in Ukraine's energy sector; (7) to help Ukraine and United States allies and partners in Europe reduce their dependence on Russian energy resources, especially natural gas, which the Government of the Russian Federation uses as a weapon to coerce, intimidate, and influence other countries; (8) to work with European Union member states and European Union institutions to promote energy security through developing diversified and liberalized energy markets that provide diversified sources, suppliers, and routes; (9) to continue to oppose the NordStream 2 pipeline given its detrimental impacts on the European Union's energy security, gas market development in Central and Eastern Europe, and energy reforms in Ukraine; and (10) that the United States Government should prioritize the export of United States energy resources in order to create American jobs, help United States allies and partners, and strengthen United States foreign policy. (b) ***Plan*** To Promote Energy Security in Ukraine.-- (1) In general.--The Secretary of State, in coordination with the Administrator of the United States Agency for International Development and the Secretary of Energy, [[Page H6255]] shall work with the Government of Ukraine to develop a ***plan*** to increase energy security in Ukraine, increase the amount of energy ***produced*** in Ukraine, and reduce Ukraine's reliance on energy imports from the Russian Federation. (2) Elements.--The ***plan*** developed under paragraph (1) shall include strategies for market liberalization, effective regulation and oversight, supply diversification, energy reliability, and energy efficiency, such as through supporting-- (A) the promotion of advanced technology and modern operating practices in Ukraine's oil and gas sector; (B) modern geophysical and meteorological survey work as needed followed by international tenders to help attract qualified investment into exploration and development of areas with untapped resources in Ukraine; (C) a broadening of Ukraine's electric power transmission interconnection with Europe; (D) the strengthening of Ukraine's capability to maintain electric power grid stability and reliability; (E) independent regulatory oversight and operations of Ukraine's gas market and electricity sector; (F) the implementation of primary gas law including pricing, tariff structure, and legal regulatory implementation; (G) privatization of government owned energy companies through credible legal frameworks and a transparent process compliant with international best practices; (H) procurement and transport of emergency fuel supplies, including reverse pipeline flows from Europe; (I) provision of technical assistance for crisis ***planning***, crisis response, and public outreach; (J) repair of infrastructure to enable the transport of fuel supplies; (K) repair of power generating or power transmission equipment or facilities; and (L) improved building energy efficiency and other measures designed to reduce energy demand in Ukraine. (3) Reports.-- (A) Implementation of ukraine freedom support act of 2014 provisions.--Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a report detailing the status of implementing the provisions required under section 7(c) of the Ukraine Freedom Support Act of 2014 (22 U.S.C 8926(c)), including detailing the ***plans*** required under that section, the level of funding that has been allocated to and expended for the strategies set forth under that section, and progress that has been made in implementing the strategies developed pursuant to that section. (B) In general.--Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter, the Secretary of State shall submit to the appropriate congressional committees a report detailing the ***plan*** developed under paragraph (1), the level of funding that has been allocated to and expended for the strategies set forth in paragraph (2), and progress that has been made in implementing the strategies. (C) Briefings.--The Secretary of State, or a designee of the Secretary, shall brief the appropriate congressional committees not later than 30 days after the submission of each report under subparagraph (B). In addition, the Department of State shall make relevant officials available upon request to brief the appropriate congressional committees on all available information that relates directly or indirectly to Ukraine or energy security in Eastern Europe. (D) Appropriate congressional committees defined.--In this paragraph, the term ``appropriate congressional committees'' means-- (i) the Committee on Foreign Relations and the Committee on Appropriations of the Senate; and (ii) the Committee on Foreign Affairs and the Committee on Appropriations of the House of Representatives. (c) Supporting Efforts of Countries in Europe and Eurasia To Decrease Their Dependence on Russian Sources of Energy.-- (1) Findings.--Congress makes the following findings: (A) The Government of the Russian Federation uses its strong position in the energy sector as leverage to manipulate the internal politics and foreign relations of the countries of Europe and Eurasia. (B) This influence is based not only on the Russian Federation's oil and natural gas resources, but also on its state-owned nuclear power and electricity companies. (2) Sense of congress.--It is the sense of Congress that-- (A) the United States should assist the efforts of the countries of Europe and Eurasia to enhance their energy security through diversification of energy supplies in order to lessen dependencies on Russian Federation energy resources and state-owned entities; and (B) the Export-Import Bank of the United States and the Overseas Private Investment Corporation should play key roles in supporting critical energy projects that contribute to that goal. (3) Use of countering russian influence fund to provide technical assistance.--Amounts in the Countering Russian Influence Fund pursuant to section 254 shall be used to provide technical advice to countries described in subsection (b)(1) of such section designed to enhance energy security and lessen dependence on energy from Russian Federation sources. (d) Authorization of Appropriations.--There is authorized to be appropriated for the Department of State a total of $30,000,000 for fiscal years 2018 and 2019 to carry out the strategies set forth in subsection (b)(2) and other activities under this section related to the promotion of energy security in Ukraine. (e) Rule of Construction.--Nothing in this section shall be construed as affecting the responsibilities required and authorities provided under section 7 of the Ukraine Freedom Support Act of 2014 (22 U.S.C 8926). SEC. 258. TERMINATION. The provisions of this subtitle shall terminate on the date that is 5 years after the date of the enactment of this Act. SEC. 259. APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED. Except as otherwise provided, in this subtitle, the term ``appropriate congressional committees'' means-- (1) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, the Committee on Armed Services, the Committee on Homeland Security and Governmental Affairs, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate; and (2) the Committee on Foreign Affairs, the Committee on Financial Services, the Committee on Armed Services, the Committee on Homeland Security, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives. Subtitle C--Combating Terrorism and Illicit Financing PART 1--NATIONAL STRATEGY FOR COMBATING TERRORIST AND OTHER ILLICIT FINANCING SEC. 261. DEVELOPMENT OF NATIONAL STRATEGY. (a) In General.--The President, acting through the Secretary, shall, in consultation with the Attorney General, the Secretary of State, the Secretary of Homeland Security, the Director of National Intelligence, the Director of the Office of Management and Budget, and the appropriate Federal banking agencies and Federal functional regulators, develop a national strategy for combating the financing of terrorism and related forms of illicit finance. (b) Transmittal to Congress.-- (1) In general.--Not later than one year after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a comprehensive national strategy developed in accordance with subsection (a). (2) Updates.--Not later than January 31, 2020, and January 31, 2022, the President shall submit to the appropriate congressional committees updated versions of the national strategy submitted under paragraph (1). (c) Separate Presentation of Classified Material.--Any part of the national strategy that involves information that is properly classified under criteria established by the President shall be submitted to Congress separately in a classified annex and, if requested by the chairman or ranking member of one of the appropriate congressional committees, as a briefing at an appropriate level of security. SEC. 262. CONTENTS OF NATIONAL STRATEGY. The strategy described in section 261 shall contain the following: (1) Evaluation of existing efforts.--An assessment of the effectiveness of and ways in which the United States is currently addressing the highest levels of risk of various forms of illicit finance, including those identified in the documents entitled ``2015 National Money Laundering Risk Assessment'' and ``2015 National Terrorist Financing Risk Assessment'', published by the Department of the Treasury and a description of how the strategy is integrated into, and supports, the broader counter terrorism strategy of the United States. (2) Goals, objectives, and priorities.--A comprehensive, research-based, long-range, quantifiable discussion of goals, objectives, and priorities for disrupting and preventing illicit finance activities within and transiting the financial system of the United States that outlines priorities to reduce the incidence, dollar value, and effects of illicit finance. (3) Threats.--An identification of the most significant illicit finance threats to the financial system of the United States. (4) Reviews and proposed changes.--Reviews of enforcement efforts, relevant regulations and relevant provisions of law and, if appropriate, discussions of proposed changes determined to be appropriate to ensure that the United States pursues coordinated and effective efforts at all levels of government, and with international partners of the United States, in the fight against illicit finance. (5) Detection and prosecution initiatives.--A description of efforts to improve, as necessary, detection and prosecution of illicit finance, including efforts to ensure that-- (A) subject to legal restrictions, all appropriate data collected by the Federal Government that is relevant to the efforts described in this section be available in a timely fashion to-- [[Page H6256]] (i) all appropriate Federal departments and agencies; and (ii) as appropriate and consistent with section 314 of the International Money Laundering Abatement and Financial Anti- Terrorism Act of 2001 (31 U.S.C 5311 note), to financial institutions to assist the financial institutions in efforts to comply with laws aimed at curbing illicit finance; and (B) appropriate efforts are undertaken to ensure that Federal departments and agencies charged with reducing and preventing illicit finance make thorough use of publicly available data in furtherance of this effort. (6) The role of the private financial sector in prevention of illicit finance.--A discussion of ways to enhance partnerships between the private financial sector and Federal departments and agencies with regard to the prevention and detection of illicit finance, including-- (A) efforts to facilitate compliance with laws aimed at stopping such illicit finance while maintaining the effectiveness of such efforts; and (B) providing guidance to strengthen internal controls and to adopt on an industry-wide basis more effective policies. (7) Enhancement of intergovernmental cooperation.--A discussion of ways to combat illicit finance by enhancing-- (A) cooperative efforts between and among Federal, State, and local officials, including State regulators, State and local prosecutors, and other law enforcement officials; and (B) cooperative efforts with and between governments of countries and with and between multinational institutions with expertise in fighting illicit finance, including the Financial Action Task Force and the Egmont Group of Financial Intelligence Units. (8) Trend analysis of emerging illicit finance threats.--A discussion of and data regarding trends in illicit finance, including evolving forms of value transfer such as so-called cryptocurrencies, other methods that are computer, telecommunications, or Internet-based, cyber crime, or any other threats that the Secretary may choose to identify. (9) Budget priorities.--A multiyear budget ***plan*** that identifies sufficient resources needed to successfully execute the full range of missions called for in this section. (10) Technology enhancements.--An analysis of current and developing ways to leverage technology to improve the effectiveness of efforts to stop the financing of terrorism and other forms of illicit finance, including better integration of open-source data. PART 2--ENHANCING ANTITERRORISM TOOLS OF THE DEPARTMENT OF THE TREASURY SEC. 271. IMPROVING ANTITERROR FINANCE MONITORING OF FUNDS TRANSFERS. (a) Study.-- (1) In general.--To improve the ability of the Department of the Treasury to better track cross-border fund transfers and identify potential financing of terrorist or other forms of illicit finance, the Secretary shall carry out a study to assess-- (A) the potential efficacy of requiring banking regulators to establish a pilot ***program*** to provide technical assistance to depository institutions and credit unions that wish to provide account services to money services businesses serving individuals in Somalia; (B) whether such a pilot ***program*** could be a model for improving the ability of United States persons to make legitimate funds transfers through transparent and easily monitored channels while preserving strict compliance with the Bank Secrecy Act (Public Law 91-508; 84 Stat. 1114) and related controls aimed at stopping money laundering and the financing of terrorism; and (C) consistent with current legal requirements regarding confidential supervisory information, the potential impact of allowing money services businesses to share certain State examination information with depository institutions and credit unions, or whether another appropriate mechanism could be identified to allow a similar exchange of information to give the depository institutions and credit unions a better understanding of whether an individual money services business is adequately meeting its anti-money laundering and counter-terror financing obligations to combat money laundering, the financing of terror, or related illicit finance. (2) Public input.--The Secretary should solicit and consider public input as appropriate in developing the study required under subsection (a). (b) Report.--Not later than 270 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate and the Committee on Financial Services and the Committee on Foreign Affairs of the House of Representatives a report that contains all findings and determinations made in carrying out the study required under subsection (a). SEC. 272. SENSE OF CONGRESS ON INTERNATIONAL COOPERATION REGARDING TERRORIST FINANCING INTELLIGENCE. It is the sense of Congress that the Secretary, acting through the Under Secretary for Terrorism and Financial Crimes, should intensify work with foreign partners to help the foreign partners develop intelligence analytic capacities, in a financial intelligence unit, finance ministry, or other appropriate agency, that are-- (1) commensurate to the threats faced by the foreign partner; and (2) designed to better integrate intelligence efforts with the anti-money laundering and counter-terrorist financing regimes of the foreign partner. SEC. 273. EXAMINING THE COUNTER-TERROR FINANCING ROLE OF THE DEPARTMENT OF THE TREASURY IN EMBASSIES. Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs and the Committee on Foreign Relations of the Senate and the Committee on Financial Services and the Committee on Foreign Affairs of the House of Representatives a report that contains-- (1) a list of the United States embassies in which a full- time Department of the Treasury financial attache is stationed and a description of how the interests of the Department of the Treasury relating to terrorist financing and money laundering are addressed (via regional attaches or otherwise) at United States embassies where no such attaches are present; (2) a list of the United States embassies at which the Department of the Treasury has assigned a technical assistance advisor from the Office of Technical Assistance of the Department of the Treasury; (3) an overview of how Department of the Treasury financial attaches and technical assistance advisors assist in efforts to counter illicit finance, to include money laundering, terrorist financing, and proliferation financing; and (4) an overview of patterns, trends, or other issues identified by the Department of the Treasury and whether resources are sufficient to address these issues. SEC. 274. INCLUSION OF SECRETARY OF THE TREASURY ON THE NATIONAL SECURITY COUNCIL. (a) In General.--Section 101(c)(1) of the National Security Act of 1947 (50 U.S.C 3021(c)(1)) is amended by inserting ``the Secretary of the Treasury,'' before ``and such other officers''. (b) Rule of Construction.--The amendment made by subsection (a) may not be construed to authorize the National Security Council to have a professional staff level that exceeds the limitation set forth under section 101(e)(3) of the National Security Act of 1947 (50 U.S.C 3021(e)(3)). SEC. 275. INCLUSION OF ALL FUNDS. (a) In General.--Section 5326 of title 31, United States Code, is amended-- (1) in the heading of such section, by striking ``coin and currency''; (2) in subsection (a)-- (A) by striking ``subtitle and'' and inserting ``subtitle or to''; and (B) in paragraph (1)(A), by striking ``United States coins or currency (or such other monetary instruments as the Secretary may describe in such order)'' and inserting ``funds (as the Secretary may describe in such order),''; and (3) in subsection (b)-- (A) in paragraph (1)(A), by striking ``coins or currency (or monetary instruments)'' and inserting ``funds''; and (B) in paragraph (2), by striking ``coins or currency (or such other monetary instruments as the Secretary may describe in the regulation or order)'' and inserting ``funds (as the Secretary may describe in the regulation or order)''. (b) Clerical Amendment.--The table of contents for chapter 53 of title 31, United States Code, is amended in the item relating to section 5326 by striking ``coin and currency''. PART 3--DEFINITIONS SEC. 281. DEFINITIONS. In this subtitle-- (1) the term ``appropriate congressional committees'' means-- (A) the Committee on Banking, Housing, and Urban Affairs, the Committee on Foreign Relations, Committee on Armed Services, Committee on the Judiciary, Committee on Homeland Security and Governmental Affairs, and the Select Committee on Intelligence of the Senate; and (B) the Committee on Financial Services, the Committee on Foreign Affairs, the Committee on Armed Services, the Committee on the Judiciary, Committee on Homeland Security, and the Permanent Select Committee on Intelligence of the House of Representatives; (2) the term ``appropriate Federal banking agencies'' has the meaning given the term in section 3 of the Federal Deposit Insurance Act (12 U.S.C 1813); (3) the term ``Bank Secrecy Act'' means-- (A) section 21 of the Federal Deposit Insurance Act (12 U.S.C 1829b); (B) chapter 2 of title I of Public Law 91-508 (12 U.S.C 1951 et seq.); and (C) subchapter II of chapter 53 of title 31, United States Code; (4) the term ``Federal functional regulator'' has the meaning given that term in section 509 of the Gramm-Leach- Bliley Act (15 U.S.C 6809); (5) the term ``illicit finance'' means the financing of terrorism, narcotics trafficking, or proliferation, money laundering, or other forms of illicit financing domestically or internationally, as defined by the President; (6) the term ``money services business'' has the meaning given the term under section 1010.100 of title 31, Code of Federal Regulations; [[Page H6257]] (7) the term ``Secretary'' means the Secretary of the Treasury; and (8) the term ``State'' means each of the several States, the District of Columbia, and each territory or possession of the United States. Subtitle D--Rule of Construction SEC. 291. RULE OF CONSTRUCTION. Nothing in this title or the amendments made by this title (other than sections 216 and 236(b)) shall be construed to limit the authority of the President under the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.). SEC. 292. SENSE OF CONGRESS ON THE ***STRATEGIC*** IMPORTANCE OF ARTICLE 5 OF THE NORTH ATLANTIC TREATY. (a) Findings.--Congress makes the following findings: (1) The principle of collective defense of the North Atlantic Treaty Organization (NATO) is immortalized in Article 5 of the North Atlantic Treaty in which members pledge that ``an armed attack against one or more of them in Europe or North America shall be considered an attack against them all''. (2) For almost 7 decades, the principle of collective defense has effectively served as a ***strategic*** deterrent for the member nations of the North Atlantic Treaty Organization and provided stability throughout the world, strengthening the security of the United States and all 28 other member nations. (3) Following the September 11, 2001, terrorist attacks in New York, Washington, and Pennsylvania, the Alliance agreed to invoke Article 5 for the first time, affirming its commitment to collective defense. (4) Countries that are members of the North Atlantic Treaty Organization have made historic contributions and sacrifices while combating terrorism in Afghanistan through the International Security Assistance Force and the Resolute Support Mission. (5) The recent attacks in the United Kingdom underscore the importance of an international alliance to combat hostile nation states and terrorist groups. (6) At the 2014 NATO summit in Wales, the member countries of the North Atlantic Treaty Organization decided that all countries that are members of NATO would spend an amount equal to 2 percent of their gross domestic product on defense by 2024. (7) Collective defense unites the 29 members of the North Atlantic Treaty Organization, each committing to protecting and supporting one another from external adversaries, which bolsters the North Atlantic Alliance. (b) Sense of Congress.--It is the sense of Congress-- (1) to express the vital importance of Article 5 of the North Atlantic Treaty, the charter of the North Atlantic Treaty Organization, as it continues to serve as a critical deterrent to potential hostile nations and terrorist organizations; (2) to remember the first and only invocation of Article 5 by the North Atlantic Treaty Organization in support of the United States after the terrorist attacks of September 11, 2001; (3) to affirm that the United States remains fully committed to the North Atlantic Treaty Organization and will honor its obligations enshrined in Article 5; and (4) to condemn any threat to the sovereignty, territorial integrity, freedom, or democracy of any country that is a member of the North Atlantic Treaty Organization. TITLE III--SANCTIONS WITH RESPECT TO NORTH KOREA SEC. 301. SHORT TITLE. This title may be cited as the ``Korean Interdiction and Modernization of Sanctions Act''. SEC. 302. DEFINITIONS. (a) Amendments to Definitions in the North Korea Sanctions and Policy Enhancement Act of 2016.-- (1) Applicable executive order.--Section 3(1)(A) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9202(1)(A)) is amended-- (A) by striking ``or Executive Order 13694'' and inserting ``Executive Order No. 13694''; and (B) by inserting ``or Executive Order No. 13722 (50 U.S.C 1701 note; relating to blocking the property of the Government of North Korea and the Workers' Party of Korea, and Prohibiting Certain Transactions With Respect to North Korea),'' before ``to the extent''. (2) Applicable united nations security council resolution.--Section 3(2)(A) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9202(2)(A)) is amended by striking ``or 2094 (2013)'' and inserting ``2094 (2013), 2270 (2016), or 2321 (2016)''. (3) Foreign person.--Section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9202) is amended-- (A) by redesignating paragraphs (5) through (14) as paragraphs (6) through (15), respectively; and (B) by inserting after paragraph (4) the following new paragraph: ``(5) Foreign person.--The term `foreign person' means-- ``(A) an individual who is not a United States citizen or an alien lawfully admitted for permanent residence to the United States; or ``(B) an entity that is not a United States person.''. (4) Luxury goods.--Paragraph (9) of section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9202), as redesignated by paragraph (3) of this subsection, is amended-- (A) in subparagraph (A), by striking ``and'' at the end; (B) in subparagraph (B), by striking the period at the end and inserting ``; and''; and (C) by adding at the end the following new subparagraph: ``(C) also includes any items so designated under an applicable United Nations Security Council resolution.''. (5) North korean person.--Section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9202), as amended by paragraph (3) of this subsection, is further amended-- (A) by redesignating paragraphs (13) through (15) as paragraphs (14) through (16), respectively; and (B) by inserting after paragraph (12) the following new paragraph: ``(13) North korean person.--The term `North Korean person' means-- ``(A) a North Korean citizen or national; or ``(B) an entity owned or controlled by the Government of North Korea or by a North Korean citizen or national.''. (b) Definitions for Purposes of This Act.--In this title: (1) Applicable united nations security council resolution; luxury goods.--The terms ``applicable United Nations Security Council resolution'' and ``luxury goods'' have the meanings given those terms, respectively, in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9202), as amended by subsection (a). (2) Appropriate congressional committees; government of north korea; united states person.--The terms ``appropriate congressional committees'', ``Government of North Korea'', and ``United States person'' have the meanings given those terms, respectively, in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9202). (3) Foreign person; north korean person.--The terms ``foreign person'' and ``North Korean person'' have the meanings given those terms, respectively, in paragraph (5) and paragraph (13) of section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9202(5) and 9202(13)), as added by subsection (a). (4) Prohibited weapons ***program***.--The term ``prohibited weapons ***program***'' means-- (A) any ***program*** related to the development of nuclear, chemical, or biological weapons, and their means of delivery, including ballistic missiles; and (B) any ***program*** to develop related materials with respect to a ***program*** described in subparagraph (A). Subtitle A--Sanctions to Enforce and Implement United Nations Security Council Sanctions Against North Korea SEC. 311. MODIFICATION AND EXPANSION OF REQUIREMENTS FOR THE DESIGNATION OF PERSONS. (a) Expansion of Mandatory Designations.--Section 104(a) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9214(a)) is amended-- (1) in paragraph (9), by striking ``; or'' and inserting ``or any defense article or defense service (as such terms are defined in section 47 of the Arms Export Control Act (22 U.S.C 2794));''; (2) by redesignating paragraph (10) as paragraph (15); (3) by inserting after paragraph (9) the following new paragraphs: ``(10) knowingly, directly or indirectly, purchases or otherwise acquires from North Korea any significant amounts of gold, titanium ore, vanadium ore, copper, silver, nickel, zinc, or rare earth minerals; ``(11) knowingly, directly or indirectly, sells or transfers to North Korea any significant amounts of rocket, aviation, or jet fuel (except for use by a civilian passenger aircraft outside North Korea, exclusively for consumption during its flight to North Korea or its return flight); ``(12) knowingly, directly or indirectly, provides significant amounts of fuel or supplies, provides bunkering services, or facilitates a significant transaction or transactions to operate or maintain, a vessel or aircraft that is designated under an applicable Executive order or an applicable United Nations Security Council resolution, or that is owned or controlled by a person designated under an applicable Executive order or applicable United Nations Security Council resolution; ``(13) knowingly, directly or indirectly, insures, registers, facilitates the registration of, or maintains insurance or a registration for, a vessel owned or controlled by the Government of North Korea, except as specifically approved by the United Nations Security Council; ``(14) knowingly, directly or indirectly, maintains a correspondent account (as defined in section 201A(d)(1)) with any North Korean financial institution, except as specifically approved by the United Nations Security Council; or''; and (4) in paragraph (15), as so redesignated, by striking ``(9)'' and inserting ``(14)''. (b) Expansion of Additional Discretionary Designations.-- (1) In general.--Section 104(b)(1) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9214(b)(1)) is amended-- [[Page H6258]] (A) in subparagraph (A), by striking ``pursuant to an applicable United Nations Security Council resolution;'' and inserting the following: ``pursuant to-- ``(i) an applicable United Nations Security Council resolution; ``(ii) any regulation promulgated under section 404; or ``(iii) any applicable Executive order;''; (B) in subparagraph (B)(iii), by striking ``or'' at the end; (C) in subparagraph (C), by striking the period at the end and inserting a semicolon; and (D) by adding at the end the following new subparagraphs: ``(D) knowingly, directly or indirectly, purchased or otherwise acquired from the Government of North Korea significant quantities of coal, iron, or iron ore, in excess of the limitations provided in applicable United Nations Security Council resolutions; ``(E) knowingly, directly or indirectly, purchased or otherwise acquired significant types or amounts of textiles from the Government of North Korea; ``(F) knowingly facilitated a significant transfer of funds or property of the Government of North Korea that materially contributes to any violation of an applicable United National Security Council resolution; ``(G) knowingly, directly or indirectly, facilitated a significant transfer to or from the Government of North Korea of bulk cash, precious metals, gemstones, or other stores of value not described under subsection (a)(10); ``(H) knowingly, directly or indirectly, sold, transferred, or otherwise provided significant amounts of crude oil, condensates, refined petroleum, other types of petroleum or petroleum byproducts, liquified natural gas, or other natural gas resources to the Government of North Korea (except for heavy fuel oil, gasoline, or diesel fuel for humanitarian use or as excepted under subsection (a)(11)); ``(I) knowingly, directly or indirectly, engaged in, facilitated, or was responsible for the online commercial activities of the Government of North Korea, including online gambling; ``(J) knowingly, directly or indirectly, purchased or otherwise acquired fishing rights from the Government of North Korea; ``(K) knowingly, directly or indirectly, purchased or otherwise acquired significant types or amounts of food or ***agricultural*** products from the Government of North Korea; ``(L) knowingly, directly or indirectly, engaged in, facilitated, or was responsible for the exportation of workers from North Korea in a manner intended to generate significant revenue, directly or indirectly, for use by the Government of North Korea or by the Workers' Party of Korea; ``(M) knowingly conducted a significant transaction or transactions in North Korea's transportation, mining, energy, or financial services industries; or ``(N) except as specifically approved by the United Nations Security Council, and other than through a correspondent account as described in subsection (a)(14), knowingly facilitated the operation of any branch, subsidiary, or office of a North Korean financial institution.''. (2) Effective date.--The amendments made by paragraph (1) take effect on the date of the enactment of this Act and apply with respect to conduct described in subparagraphs (D) through (N) of section 104(b)(1) of the North Korea Sanctions and Policy Enhancement Act of 2016, as added by paragraph (1), engaged in on or after such date of enactment. (c) Mandatory and Discretionary Asset Blocking.--Section 104(c) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9214(c)) is amended-- (1) by striking ``of a designated person'' and inserting ``of a person designated under subsection (a)''; (2) by striking ``The President'' and inserting the following: ``(1) Mandatory asset blocking.--The President''; and (3) by adding at the end the following new paragraph: ``(2) Discretionary asset blocking.--The President may also exercise such powers, in the same manner and to the same extent described in paragraph (1), with respect to a person designated under subsection (b).''. (d) Designation of Additional Persons.-- (1) In general.--Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report including a determination as to whether reasonable grounds exist, and an explanation of the reasons for any determination that such grounds do not exist, to designate, pursuant to section 104 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9214), as amended by this section, each of the following: (A) The Korea Shipowners' Protection and Indemnity Association, a North Korean insurance company, with respect to facilitating imports, exports, and reexports of arms and related materiel to and from North Korea, or for other activities prohibited by such section 104. (B) Chinpo Shipping Company (Private) Limited, a Singapore corporation, with respect to facilitating imports, exports, and reexports of arms and related materiel to and from North Korea. (C) The Central Bank of the Democratic People's Republic of Korea, with respect to the sale of gold to, the receipt of gold from, or the import or export of gold by the Government of North Korea. (D) Kumgang Economic Development Corporation (KKG), with respect to being an entity controlled by Bureau 39 of the Workers' Party of the Government of North Korea. (E) Sam Pa, also known as Xu Jinghua, Xu Songhua, Sa Muxu, Samo, Sampa, or Sam King, and any entities owned or controlled by such individual, with respect to transactions with KKG. (F) The Chamber of Commerce of the Democratic People's Republic of Korea, with respect to the exportation of workers in violation of section 104(a)(5) or of section 104(b)(1)(M) of such Act, as amended by subsection (b) of this section. (2) Form.--The report submitted under paragraph (1) may contain a classified annex. SEC. 312. PROHIBITION ON INDIRECT CORRESPONDENT ACCOUNTS. (a) In General.--Title II of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9221 et seq.) is amended by inserting after section 201 the following new section: ``SEC. 201A. PROHIBITION ON INDIRECT CORRESPONDENT ACCOUNTS. ``(a) In General.--Except as provided in subsection (b), if a United States financial institution has or obtains knowledge that a correspondent account established, maintained, administered, or managed by that institution for a foreign financial institution is being used by the foreign financial institution to provide significant financial services indirectly to any person, foreign government, or financial institution designated under section 104, the United States financial institution shall ensure that such correspondent account is no longer used to provide such services. ``(b) Exception.--A United States financial institution is authorized to process transfers of funds to or from North Korea, or for the direct or indirect benefit of any person, foreign government, or financial institution that is designated under section 104, only if the transfer-- ``(1) arises from, and is ordinarily incident and necessary to give effect to, an underlying transaction that has been authorized by a specific or general license issued by the Secretary of the Treasury; and ``(2) does not involve debiting or crediting a North Korean account. ``(c) Definitions.--In this section: ``(1) Correspondent account.--The term `correspondent account' has the meaning given that term in section 5318A of title 31, United States Code. ``(2) United states financial institution.--The term `United States financial institution' means has the meaning given that term in section 510.310 of title 31, Code of Federal Regulations, as in effect on the date of the enactment of this section. ``(3) Foreign financial institution.--The term `foreign financial institution' has the meaning given that term in section 1010.605 of title 31, Code of Federal Regulations, as in effect on the date of the enactment of this section.''. (b) Clerical Amendment.--The table of contents in section 1(b) of the North Korea Sanctions and Policy Enhancement Act of 2016 is amended by inserting after the item relating to section 201 the following new item: ``Sec. 201A. Prohibition on indirect correspondent accounts.''. SEC. 313. LIMITATIONS ON FOREIGN ASSISTANCE TO NONCOMPLIANT GOVERNMENTS. Section 203 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9223) is amended-- (1) in subsection (b)-- (A) in the heading, by striking ``Transactions in Lethal Military Equipment'' and inserting ``Transactions in Defense Articles or Defense Services''; (B) in paragraph (1), by striking ``that provides lethal military equipment to the Government of North Korea'' and inserting ``that provides to or receives from the Government of North Korea a defense article or defense service, as such terms are defined in section 47 of the Arms Export Control Act (22 U.S.C 2794), if the President determines that a significant type or amount of such article or service has been so provided or received''; and (C) in paragraph (2), by striking ``1 year'' and inserting ``2 years''; (2) in subsection (d), by striking ``or emergency'' and inserting ``maternal and child health, disease prevention and response, or''; and (3) by adding at the end the following new subsection: ``(e) Report on Arms Trafficking Involving North Korea.-- ``(1) In general.--Not later than 180 days after the date of the enactment of this subsection, and annually thereafter for 5 years, the Secretary of State shall submit to the appropriate congressional committees a report that specifically describes the compliance of foreign countries and other foreign jurisdictions with the requirement to curtail the trade described in subsection (b)(1). ``(2) Form.--The report required under paragraph (1) shall be submitted in unclassified form but may contain a classified annex.''. SEC. 314. AMENDMENTS TO ENHANCE INSPECTION AUTHORITIES. Title II of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C [[Page H6259]] 9221 et seq.), as amended by section 102 of this Act, is further amended by striking section 205 and inserting the following: ``SEC. 205. ENHANCED INSPECTION AUTHORITIES. ``(a) Report Required.-- ``(1) In general.--Not later than 180 days after the date of the enactment of this section, and annually thereafter for 5 years, the President shall submit to the appropriate congressional committees a report-- ``(A) identifying the operators of foreign sea ports and airports that knowingly-- ``(i) significantly fail to implement or enforce regulations to inspect ships, aircraft, cargo, or conveyances in transit to or from North Korea, as required by applicable United Nations Security Council resolutions; ``(ii) facilitate the transfer, transshipment, or conveyance of significant types or quantities of cargo, vessels, or aircraft owned or controlled by persons designated under applicable United Nations Security Council resolutions; or ``(iii) facilitate any of the activities described in section 104(a); ``(B) describing the extent to which the requirements of applicable United Nations Security Council resolutions to de- register any vessel owned, controlled, or operated by or on behalf of the Government of North Korea have been implemented by other foreign countries; ``(C) describing the compliance of the Islamic Republic of Iran with the sanctions mandated in applicable United Nations Security Council resolutions; ``(D) identifying vessels, aircraft, and conveyances owned or controlled by the Reconnaissance General Bureau of the Workers' Party of Korea; and ``(E) describing the diplomatic and enforcement efforts by the President to secure the full implementation of the applicable United Nations Security Council resolutions, as described in subparagraphs (A) through (C). ``(2) Form.--The report required under paragraph (1) shall be submitted in unclassified form but may contain a classified annex. ``(b) Specific Findings.--Each report required under subsection (a) shall include specific findings with respect to the following ports and airports: ``(1) The ports of Dandong, Dalian, and any other port in the People's Republic of China that the President deems appropriate. ``(2) The ports of Abadan, Bandar-e-Abbas, Chabahar, Bandar-e-Khomeini, Bushehr Port, Asaluyeh Port, Kish, Kharg Island, Bandar-e-Lenge, and Khorramshahr, and Tehran Imam Khomeini International Airport, in the Islamic Republic of Iran. ``(3) The ports of Nakhodka, Vanino, and Vladivostok, in the Russian Federation. ``(4) The ports of Latakia, Banias, and Tartous, and Damascus International Airport, in the Syrian Arab Republic. ``(c) Enhanced Security Targeting Requirements.-- ``(1) In general.--Except as provided in paragraph (2), the Secretary of Homeland Security may, using a layered approach, require enhanced screening procedures to determine whether physical inspections are warranted of any cargo bound for or landed in the United States that-- ``(A) has been transported through a sea port or airport the operator of which has been identified by the President in accordance with subsection (a)(1) as having repeatedly failed to comply with applicable United Nations Security Council resolutions; ``(B) is aboard a vessel or aircraft, or within a conveyance that has, within the last 365 days, entered the territory or waters of North Korea, or landed in any of the sea ports or airports of North Korea; or ``(C) is registered by a country or jurisdiction whose compliance has been identified by the President as deficient pursuant to subsection (a)(2). ``(2) Exception for food, medicine, and humanitarian shipments.--Paragraph (1) shall not apply to any vessel, aircraft, or conveyance that has entered the territory or waters of North Korea, or landed in any of the sea ports or airports of North Korea, exclusively for the purposes described in section 208(b)(3)(B), or to import food, medicine, or supplies into North Korea to meet the humanitarian needs of the North Korean people. ``(d) Seizure and Forfeiture.--A vessel, aircraft, or conveyance used to facilitate any of the activities described in section 104(a) under the jurisdiction of the United States may be seized and forfeited, or subject to forfeiture, under-- ``(1) chapter 46 of title 18, United States Code; or ``(2) part V of title IV of the Tariff Act of 1930 (19 U.S.C 1581 et seq.).''. SEC. 315. ENFORCING COMPLIANCE WITH UNITED NATIONS SHIPPING SANCTIONS AGAINST NORTH KOREA. (a) In General.--The Ports and Waterways Safety Act (33 U.S.C 1221 et seq.) is amended by adding at the end the following new section: ``SEC. 16. PROHIBITION ON ENTRY AND OPERATION. ``(a) Prohibition.-- ``(1) In general.--Except as otherwise provided in this section, no vessel described in subsection (b) may enter or operate in the navigable waters of the United States or transfer cargo in any port or place under the jurisdiction of the United States. ``(2) Limitations on application.-- ``(A) In general.--The prohibition under paragraph (1) shall not apply with respect to-- ``(i) a vessel described in subsection (b)(1), if the Secretary of State determines that-- ``(I) the vessel is owned or operated by or on behalf of a country the government of which the Secretary of State determines is closely cooperating with the United States with respect to implementing the applicable United Nations Security Council resolutions (as such term is defined in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016); or ``(II) it is in the national security interest not to apply the prohibition to such vessel; or ``(ii) a vessel described in subsection (b)(2), if the Secretary of State determines that the vessel is no longer registered as described in that subsection. ``(B) Notice.--Not later than 15 days after making a determination under subparagraph (A), the Secretary of State shall submit to the Committee on Foreign Affairs and the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Foreign Relations and the Committee on Commerce, Science, and Transportation of the Senate written notice of the determination and the basis upon which the determination was made. ``(C) Publication.--The Secretary of State shall publish a notice in the Federal Register of each determination made under subparagraph (A). ``(b) Vessels Described.--A vessel referred to in subsection (a) is a foreign vessel for which a notice of arrival is required to be filed under section 4(a)(5), and that-- ``(1) is on the most recent list of vessels published in Federal Register under subsection (c)(2); or ``(2) more than 180 days after the publication of such list, is knowingly registered, pursuant to the 1958 Convention on the High Seas entered into force on September 30, 1962, by a government the agents or instrumentalities of which are maintaining a registration of a vessel that is included on such list. ``(c) Information and Publication.--The Secretary of the department in which the Coast Guard is operating, with the concurrence of the Secretary of State, shall-- ``(1) maintain timely information on the registrations of all foreign vessels over 300 gross tons that are known to be-- ``(A) owned or operated by or on behalf of the Government of North Korea or a North Korean person; ``(B) owned or operated by or on behalf of any country in which a sea port is located, the operator of which the President has identified in the most recent report submitted under section 205(a)(1)(A) of the North Korea Sanctions and Policy Enhancement Act of 2016; or ``(C) owned or operated by or on behalf of any country identified by the President as a country that has not complied with the applicable United Nations Security Council resolutions (as such term is defined in section 3 of such Act); and ``(2) not later than 180 days after the date of the enactment of this section, and periodically thereafter, publish in the Federal Register a list of the vessels described in paragraph (1). ``(d) Notification of Governments.-- ``(1) In general.--The Secretary of State shall notify each government, the agents or instrumentalities of which are maintaining a registration of a foreign vessel that is included on a list published under subsection (c)(2), not later than 30 days after such publication, that all vessels registered under such government's authority are subject to subsection (a). ``(2) Additional notification.--In the case of a government that continues to maintain a registration for a vessel that is included on such list after receiving an initial notification under paragraph (1), the Secretary shall issue an additional notification to such government not later than 120 days after the publication of a list under subsection (c)(2). ``(e) Notification of Vessels.--Upon receiving a notice of arrival under section 4(a)(5) from a vessel described in subsection (b), the Secretary of the department in which the Coast Guard is operating shall notify the master of such vessel that the vessel may not enter or operate in the navigable waters of the United States or transfer cargo in any port or place under the jurisdiction of the United States, unless-- ``(1) the Secretary of State has made a determination under subsection (a)(2); or ``(2) the Secretary of the department in which the Coast Guard is operating allows provisional entry of the vessel, or transfer of cargo from the vessel, under subsection (f). ``(f) Provisional Entry or Cargo Transfer.--Notwithstanding any other provision of this section, the Secretary of the department in which the Coast Guard is operating may allow provisional entry of, or transfer of cargo from, a vessel, if such entry or transfer is necessary for the safety of the vessel or persons aboard. ``(g) Right of Innocent Passage and Right of Transit Passage.--This section shall not be construed as authority to restrict the right of innocent passage or the right of transit passage as recognized under international law. ``(h) Foreign Vessel Defined.--In this section, the term `foreign vessel' has the meaning given that term in section 110 of title 46, United States Code.''. (b) Conforming Amendments.-- (1) Special powers.--Section 4(b)(2) of the Ports and Waterways Safety Act (33 U.S.C 1223(b)(2)) is amended by inserting ``or 16'' after ``section 9''. [[Page H6260]] (2) Denial of entry.--Section 13(e) of the Ports and Waterways Safety Act (33 U.S.C 1232(e)) is amended by striking ``section 9'' and inserting ``section 9 or 16''. SEC. 316. REPORT ON COOPERATION BETWEEN NORTH KOREA AND IRAN. (a) In General.--Not later than 180 days after the date of the enactment of this Act, and annually thereafter for 5 years, the President shall submit to the appropriate congressional committees and leadership a report that includes-- (1) an assessment of the extent of cooperation (including through the transfer of goods, services, technology, or intellectual property) between North Korea and Iran relating to their respective nuclear, ballistic missile development, chemical or biological weapons development, or conventional weapons ***programs***; (2) the names of any Iranian or North Korean persons that have knowingly engaged in or directed-- (A) the provision of material support to such ***programs***; or (B) the exchange of information between North Korea and Iran with respect to such ***programs***; (3) the names of any other foreign persons that have facilitated the activities described in paragraph (1); and (4) a determination whether any of the activities described in paragraphs (1) and (2) violate United Nations Security Council Resolution 2231 (2015). (b) Form.--The report required under subsection (a) shall be submitted in unclassified form but may contain a classified annex. (c) Appropriate Congressional Committees and Leadership Defined.--In this section, the term ``appropriate congressional committees and leadership'' means-- (1) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, and the majority and minority leaders of the Senate; and (2) the Committee on Foreign Affairs, the Committee on Financial Services, the Committee on Ways and Means, and the Speaker, the majority leader, and the minority leader of the House of Representatives. SEC. 317. REPORT ON IMPLEMENTATION OF UNITED NATIONS SECURITY COUNCIL RESOLUTIONS BY OTHER GOVERNMENTS. (a) In General.--Not later than 180 days after the date of the enactment of this Act, and annually thereafter for 5 years, the President shall submit to the appropriate congressional committees and leadership a report that evaluates the degree to which the governments of other countries have knowingly failed to-- (1) close the representative offices of persons designated under applicable United Nations Security Council resolutions; (2) expel any North Korean nationals, including diplomats, working on behalf of such persons; (3) prohibit the opening of new branches, subsidiaries, or representative offices of North Korean financial institutions within the jurisdictions of such governments; or (4) expel any representatives of North Korean financial institutions. (b) Form.--The report required under subsection (a) shall be submitted in unclassified form but may contain a classified annex. (c) Appropriate Congressional Committees and Leadership Defined.--In this section, the term ``appropriate congressional committees and leadership'' means-- (1) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, and the majority and minority leaders of the Senate; and (2) the Committee on Foreign Affairs, the Committee on Financial Services, the Committee on Ways and Means, and the Speaker, the majority leader, and the minority leader of the House of Representatives. SEC. 318. BRIEFING ON MEASURES TO DENY SPECIALIZED FINANCIAL MESSAGING SERVICES TO DESIGNATED NORTH KOREAN FINANCIAL INSTITUTIONS. (a) In General.--Not later than 180 days after the date of the enactment of this Act, and every 180 days thereafter for 5 years, the President shall provide to the appropriate congressional committees a briefing that includes the following information: (1) A list of each person or foreign government the President has identified that directly provides specialized financial messaging services to, or enables or facilitates direct or indirect access to such messaging services for-- (A) any North Korean financial institution (as such term is defined in section 3 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9202)) designated under an applicable United Nations Security Council resolution; or (B) any other North Korean person, on behalf of such a North Korean financial institution. (2) A detailed assessment of the status of efforts by the Secretary of the Treasury to work with the relevant authorities in the home jurisdictions of such specialized financial messaging providers to end such provision or access. (b) Form.--The briefing required under subsection (a) may be classified. Subtitle B--Sanctions With Respect to Human Rights Abuses by the Government of North Korea SEC. 321. SANCTIONS FOR FORCED LABOR AND SLAVERY OVERSEAS OF NORTH KOREANS. (a) Sanctions for Trafficking in Persons.-- (1) In general.--Section 302(b) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9241(b)) is amended-- (A) in paragraph (1), by striking ``and'' at the end; (B) in paragraph (2), by striking the period at the end and inserting ``; and''; and (C) by adding at the end the following new paragraph: ``(3) a list of foreign persons that knowingly employ North Korean laborers, as described in section 104(b)(1)(M).''. (2) Additional determinations; reports.--With respect to any country identified in section 302(b)(2) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9241(b)(2)), as amended by paragraph (1), the report required under section 302(a) of such Act shall-- (A) include a determination whether each person identified in section 302(b)(3) of such Act (as amended by paragraph (1)) who is a national or a citizen of such identified country meets the criteria for sanctions under-- (i) section 111 of the Trafficking Victims Protection Act of 2000 (22 U.S.C 7108) (relating to the prevention of trafficking in persons); or (ii) section 104(a) or 104(b)(1) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9214(a)), as amended by section 101 of this Act; (B) be included in the report required under section 110(b) of the Trafficking Victims Protection Act of 2000 (22 U.S.C 7107(b)) (relating to the annual report on trafficking in persons); and (C) be considered in any determination that the government of such country has made serious and sustained efforts to eliminate severe forms of trafficking in persons, as such term is defined for purposes of the Trafficking Victims Protection Act of 2000. (b) Sanctions on Foreign Persons That Employ North Korean Labor.-- (1) In general.--Title III of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9241 et seq.) is amended by inserting after section 302 the following new sections: ``SEC. 302A. REBUTTABLE PRESUMPTION APPLICABLE TO GOODS MADE WITH NORTH KOREAN LABOR. ``(a) In General.--Except as provided in subsection (b), any significant goods, wares, articles, and merchandise mined, ***produced***, or manufactured wholly or in part by the labor of North Korean nationals or citizens shall be deemed to be prohibited under section 307 of the Tariff Act of 1930 (19 U.S.C 1307) and shall not be entitled to entry at any of the ports of the United States. ``(b) Exception.--The prohibition described in subsection (a) shall not apply if the Commissioner of U.S Customs and Border Protection finds, by clear and convincing evidence, that the goods, wares, articles, or merchandise described in such paragraph were not ***produced*** with convict labor, forced labor, or indentured labor under penal sanctions. ``SEC. 302B. SANCTIONS ON FOREIGN PERSONS EMPLOYING NORTH KOREAN LABOR. ``(a) In General.--Except as provided in subsection (c), the President shall designate any person identified under section 302(b)(3) for the imposition of sanctions under subsection (b). ``(b) Imposition of Sanctions.-- ``(1) In general.--The President shall impose the sanctions described in paragraph (2) with respect to any person designated under subsection (a). ``(2) Sanctions described.--The sanctions described in this paragraph are sanctions pursuant to the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.) to block and prohibit all transactions in property and interests in property of a person designated under subsection (a), if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person. ``(c) Exception.-- ``(1) In general.--A person may not be designated under subsection (a) if the President certifies to the appropriate congressional committees that the President has received reliable assurances from such person that-- ``(A) the employment of North Korean laborers does not result in the direct or indirect transfer of convertible currency, luxury goods, or other stores of value to the Government of North Korea; ``(B) all wages and benefits are provided directly to the laborers, and are held, as applicable, in accounts within the jurisdiction in which they reside in locally denominated currency; and ``(C) the laborers are subject to working conditions consistent with international standards. ``(2) Recertification.--Not later than 180 days after the date on which the President transmits to the appropriate congressional committees an initial certification under paragraph (1), and every 180 days thereafter, the President shall-- ``(A) transmit a recertification stating that the conditions described in such paragraph continue to be met; or ``(B) if such recertification cannot be transmitted, impose the sanctions described in subsection (b) beginning on the date on which the President determines that such recertification cannot be transmitted.''. (2) Clerical amendment.--The table of contents in section 1(b) of the North Korea Sanctions and Policy Enhancement Act of 2016 is amended by inserting after the item [[Page H6261]] relating to section 302 the following new items: ``Sec. 302A. Rebuttable presumption applicable to goods made with North Korean labor. ``Sec. 302B. Sanctions on foreign persons employing North Korean labor.''. SEC. 322. MODIFICATIONS TO SANCTIONS SUSPENSION AND WAIVER AUTHORITIES. (a) Exemptions.--Section 208(a) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9228(a)) is amended in the matter preceding paragraph (1)-- (1) by inserting ``201A,'' after ``104,''; and (2) by inserting ``302A, 302B,'' after ``209,''. (b) Humanitarian Waiver.--Section 208(b) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9228(b)(1)) is amended-- (1) by inserting ``201A,'' after ``104,'' in each place it appears; and (2) by inserting ``302A, 302B,'' after ``209(b),'' in each place it appears. (c) Waiver.--Section 208(c) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9228(c)) is amended in the matter preceding paragraph (1)-- (1) by inserting ``201A,'' after ``104,''; and (2) by inserting ``302A, 302B,'' after ``209(b),''. SEC. 323. REWARD FOR INFORMANTS. Section 36(b) of the State Department Basic Authorities Act of 1956 (22 U.S.C 2708(b)), is amended-- (1) in paragraph (9), by striking ``or'' at the end; (2) in paragraph (10), by striking the period at the end and inserting a semicolon; and (3) by adding at the end the following new paragraphs: ``(11) the identification or location of any person who, while acting at the direction of or under the control of a foreign government, aids or abets a violation of section 1030 of title 18, United States Code; or ``(12) the disruption of financial mechanisms of any person who has engaged in the conduct described in sections 104(a) or 104(b)(1) of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 2914(a) or (b)(1)).''. SEC. 324. DETERMINATION ON DESIGNATION OF NORTH KOREA AS A STATE SPONSOR OF TERRORISM. (a) Determination.-- (1) In general.--Not later than 90 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a determination whether North Korea meets the criteria for designation as a state sponsor of terrorism. (2) Form.--The determination required by paragraph (1) shall be submitted in unclassified form but may include a classified annex, if appropriate. (b) State Sponsor of Terrorism Defined.--For purposes of this section, the term ``state sponsor of terrorism'' means a country the government of which the Secretary of State has determined, for purposes of section 6(j) of the Export Administration Act of 1979 (50 U.S.C 4605(j)) (as in effect pursuant to the International Emergency Economic Powers Act), section 620A of the Foreign Assistance Act of 1961 (22 U.S.C 2371), section 40 of the Arms Export Control Act (22 U.S.C 2780), or any other provision of law, is a government that has repeatedly provided support for acts of international terrorism. Subtitle C--General Authorities SEC. 331. AUTHORITY TO CONSOLIDATE REPORTS. Any reports required to be submitted to the appropriate congressional committees under this title or any amendment made by this title that are subject to deadlines for submission consisting of similar units of time may be consolidated into a single report that is submitted to appropriate congressional committees pursuant to the earlier of such deadlines. The consolidated reports must contain all information required under this title or any amendment made by this title, in addition to all other elements mandated by previous law. SEC. 332. RULE OF CONSTRUCTION. Nothing in this title shall be construed to limit-- (1) the authority or obligation of the President to apply the sanctions described in section 104 of the North Korea Sanctions and Policy Enhancement Act of 2016 (22 U.S.C 9214), as amended by section 311 of this Act, with regard to persons who meet the criteria for designation under such section, or in any other provision of law; or (2) the authorities of the President pursuant to the International Emergency Economic Powers Act (50 U.S.C 1701 et seq.). SEC. 333. REGULATORY AUTHORITY. (a) In General.--The President shall, not later than 180 days after the date of the enactment of this Act, promulgate regulations as necessary for the implementation of this title and the amendments made by this title. (b) Notification to Congress.--Not fewer than 10 days before the promulgation of a regulation under subsection (a), the President shall notify and provide to the appropriate congressional committees the proposed regulation, specifying the provisions of this title or the amendments made by this title that the regulation is implementing. SEC. 334. LIMITATION ON FUNDS. No additional funds are authorized to carry out the requirements of this title or of the amendments made by this title. Such requirements shall be carried out using amounts otherwise authorized. The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. Royce) and the gentleman from New York (Mr. Engel) each will control 20 minutes. The Chair recognizes the gentleman from California. General Leave Mr. ROYCE of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and to include any extraneous material in the Record. The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? There was no objection. Mr. ROYCE of California. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, this bill represents a very broad, bipartisan House- Senate agreement that the United States must enforce tougher sanctions against North Korea, against Russia, against Iran. I thank the gentleman from New York (Mr. Engel), the ranking member of the Foreign Affairs Committee, for his determined and excellent work on this legislation. This is a very important bill. These three regimes in different parts of the world are threatening vital U.S interests and they are destabilizing their neighbors. It is well past time that we forcefully respond. Under Vladimir Putin, Russia has invaded its neighbor, Ukraine, seizing its territory and destabilizing its government. It poses a threat to our NATO allies in Europe, as Moscow works to undermine democratic values with determination and sophistication, as U.S intelligence agencies have made clear. This former KGB colonel attempted to interfere with our own election. Left unchecked, Russia is sure to continue its aggression. Putin's forces continue to prop up the murderous Assad regime in Syria, prolonging a deadly conflict that has driven tens of millions of people from their homes, while enabling the use of chemical weapons and other systematic human rights abuses against the people of Syria. The Russia sanctions in this bill are substantially similar to those that overwhelmingly passed the other body. They give the administration important economic leverage, they give it diplomatic leverage by targeting the things that matter to Vladimir Putin and that matter to his allies the most, and that is their corrupt efforts to profit from the country's oil wealth and their ability to sell weapons overseas. To focus their impact, we clarified several provisions that could have inadvertently handed Russian companies control of global energy projects and impacted pipelines that our European allies rely on in an effort to end their dependence on Russian gas. So this strengthens the bill. To ensure these economic sanctions remain in place as long as Putin's aggression continues, this bill empowers Congress to review and to disapprove any sanctions relief. This strong oversight is necessary, it is appropriate. After all, it is Congress that the Constitution empowers to regulate commerce with foreign nations. Mr. Speaker, Russia has found a willing partner in Iran. The regime's Iranian Revolutionary Guard are fighting alongside Russian forces in Syria. At the same time, Tehran continues to threaten Israel by providing funding and advanced rockets and missiles to Hezbollah. Hezbollah is its leading terrorist proxy. It continues to hold Americans hostage, while developing intercontinental ballistic missiles capable of delivering nuclear weapons. To strengthen the U.S response to the threat from Iran, this bill includes provisions originally introduced by my counterpart, Senator Corker, which increase sanctions on those involved in the regime's human rights abuses and its support for terrorism, as well as its efforts on the ballistic missile ***program***, which the Iranian Revolutionary Guard forces control. Finally, I am proud that this bill includes the text of H.R 1644, the Korean Interdiction and Modernization of Sanctions Act, which we passed in May. We passed it here out of the House by a vote of 419-1. These provisions, which were strengthened in consultation with the other body, expand [[Page H6262]] sanctions targeting North Korea's nuclear weapons ***program***, but they also go after those around the world who employ North Korean slave labor. This is a human rights abuse. It is one that operates by having a situation where the indentured workers are fed, but the check, instead of going to the workers, goes to the regime, and that money then goes into the nuclear weapons ***program***. It is estimated that this earns hundreds of millions of dollars for the regime in hard currency. So with every test, Kim Jong-un's regime comes closer to being able to mount a nuclear warhead on a missile that is capable of reaching the U.S mainland. We simply cannot pass up an opportunity to increase pressure in response to this threat. Mr. Speaker, I reserve the balance of my time. Mr. ENGEL. Mr. Speaker, I yield myself as much time as I might consume. Mr. Speaker, I rise in support of this legislation. I want to, first of all, thank my colleagues on both sides of the aisle for all the hard work that has gone into this legislation so far. I want to especially thank our chairman, Ed Royce, who has been my partner on this committee for nearly 5 years. We have passed excellent legislation. The legislation today just adds to it, and it shows what you can do when you work in a bipartisan way, so I want to thank the chairman for all his hard work and all his courtesies. Mr. Speaker, I support this bill. I certainly ***plan*** to vote for it, but it seems we may be on the floor before we have ironed out all the differences with the other body. I hope that is not the case. In particular, there have been issues with the North Korea sanctions. It was another Royce-Engel bill, which already passed in the House and, frankly, should have been taken up by the other body on a separate track; instead, it is now put into this bill. I hope we don't face further delays when this bill gets back to the other House. Our job isn't done, obviously, until we get this thing across the finish line; and we need to do that because this bill is critical to our national security. It does far more than just send a message to leaders in Russia, Iran, and North Korea. It exacts a heavy price for their aggressive and destabilizing behavior. Just like the bill we already passed, this legislation would update and expand our sanctions on North Korea, closing loopholes that have allowed money to flow to the Kim regime, funding its illegal weapons ***program***. It would crack down on the trading partners, banks, and shipping vessels that enable the regime, and go after the regime's most lucrative enterprises, whether exported goods or the pilfered wages of North Korean laborers sent abroad to work. With respect to Iran, this bill would go after so many of the things Iran's leaders do to drive violence and instability, from Tehran's ballistic missile ***program*** and its support for terrorism to the regime's abhorrent human rights record and efforts to build up its military. I have said this again and again, that we need to hold the regime's feet to the fire on all these issues. This bill does exactly that. Finally, on Russia, this bill is a strong, direct response to Vladimir Putin's efforts to undermine American democracy. It imposes new sanctions on those who want to do business with Putin's cronies or with Russia's military or intelligence. It strengthens existing sanctions for Russia's illegal annexation of Crimea and armed ***intervention*** in eastern Ukraine. It pushes back against Russia's cybercrimes, including the hacking of our election to help Donald Trump--a story which Congress and the special counsel are still trying to get to the bottom of--as well as Putin's support for the murderous Assad regime in Syria. And it gives Congress a strong oversight role in making sure that these Russian sanctions are not lifted prematurely. This administration has shown over and over that they are willing to cozy up to Putin, but here is the truth: Russia is not our ally. Putin wants to harm the United States, splinter our alliances, and undermine Western democracy. This Congress will not allow him to succeed, so I am glad to support this bipartisan bill. I thank the chairman once again. We need to keep working to make sure this bill gets to the President's desk. Mr. Speaker, I reserve the balance of my time. {time} 1445 Mr. ROYCE of California. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. McCaul), and I just want to thank him for his good work to strengthen the bill, as he will discuss, and for his focus on pipelines that primarily carry oil and gas through Russia that compete with Russian gas and drives down the price of gas. Mr. McCAUL. Mr. Speaker, I rise in strong support of increased sanctions on Russia, Iran, and North Korea. I thank Chairman Royce and Ranking Member Eliot Engel for their leadership on this issue. I cannot overstate the importance of sending a strong message to our adversaries that there will be consequences for their bad behavior. Back in October of last year, at the height of the Presidential campaign, I was briefed by our intelligence community. They told me that Russia engaged in a blatant effort to meddle in our domestic affairs and, specifically, our democratic process. I was an outspoken supporter of the need for a strong response then, and I remain so now. However, in the process of making Russia pay an economic cost for their bad behavior, we must ensure we are not harming U.S interests at home and abroad. I want to thank Chairman Royce for clarifying that Section 232 of this bill only applies to Russian energy export pipelines. We should not be in the business of sanctioning pipelines that help provide energy independence from Russia. Putin uses this as a tool to provide political leverage over his neighbors. So, again, I want to thank Chairman Royce for his leadership in working with me on this, I think, clarification to the Senate companion and for his leadership in the House on this important issue. Mr. ENGEL. Mr. Speaker, I yield 2 minutes to the gentleman from Rhode Island (Mr. Cicilline), my colleague on the Foreign Affairs Committee. Mr. CICILLINE. Mr. Speaker, I rise in support of H.R 3364, the Russia, Iran, and North Korea Sanctions Act. I thank my colleagues, Chairman Royce and Ranking Member Engel, for all of their work, together with the Senate, to reach this important agreement. This legislation will ensure that Russia, Iran, and North Korea, and those who seek to help them, will suffer consequences for their bad behavior. Passage of this legislation is important to hold Iran accountable for its support for terrorism, human rights violations, and continued defiance of international treaties, including on ballistic missiles. Today we are taking an important step toward holding the Iranian Government, including the IRGC, and anyone who seeks to support them, accountable for their bad actions. Anyone who contributes to Iran's ballistic missile ***program***, supplies it with weapons, or assists the Iranian Government in their vast human rights abuses will be subject to sanction. It is important to note that these sanctions do not violate the JCPOA and, in my view, strengthen the nuclear deal by showing our allies and Iran that the United States is serious about continuing to enforce violations of international law. I am also pleased to see additional sanctions imposed upon Russia and North Korea in this legislation. The human suffering that North Korea has brought upon its own people is unimaginable. Such a depraved leader as Kim Jong-un getting his hands on nuclear weapons that can be used against American allies is an outcome that we simply cannot tolerate. Finally, Russia engaged in an unprecedented attack against our democracy when it interfered in our 2016 election. This is the fundamental foundation of our democracy, our election, and we simply cannot allow any foreign power to interfere in our electoral process. Given our President's complete unwillingness to hold Russia accountable for their attack--and let's not mistake it for anything else; it was an attack on America--it has become necessary for Congress to assert its role in this area and ensure that Russia will be held accountable. So, again, I thank Chairman Royce, Ranking Member Engel, Leader Pelosi, Whip Hoyer, and members of [[Page H6263]] the Senate who worked together to get this bill to the floor. I urge my colleagues to support this legislation. Mr. ROYCE of California. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. Smith), the chairman of the Foreign Affairs Subcommittee on Africa, Global Health, Global Human Rights, and International Organizations. Mr. SMITH of New Jersey. Mr. Speaker, I thank the gentleman for yielding. I thank him and Eliot Engel for sponsoring this important bill. This bill brings together a critical arsenal of stiff and timely sanctions against Iran, Russia, and North Korea. The administration was absolutely right in early February to put Iran on notice regarding its continued testing of ballistic missiles. This bill underscores that warning by imposing expanded sanctions against Iran's missile ***program***, demonstrating that the United States will not sit idly by as Iran augments its ability to militarily blackmail the United States, Israel, and our allies. It also, as the world's largest sponsor of terrorism, imposes terror sanctions on the Islamic Revolutionary Guard Corps. It very importantly, as well, authorizes the imposition of sanctions on individuals responsible for Iran's human rights abuses. The State Department suggests there are as many as 800 political prisoners in Iran alone. It also reminds us and draws attention to Iran's despicable practice of arresting American citizens to use them as bargaining chips. On Russia, Mr. Speaker, the Putin government's invasion of Ukraine and annexation of Crimea; indiscriminate bombing in Syria; and threatening behavior toward our NATO allies, above all, in the Baltics makes it--important in respects--the worst actor in the global stage today. Putin's government has passed from threats to aggressive actions against our friends, allies, and innocent people abroad. Let's not forget that in 2008--and I was there in Tbilisi as it was happening--the Russians invaded Georgia and annexed South Ossetia and Abkhazia. As to North Korea, a gulag masquerading as a country, we must cut off all economic lifelines to Kim Jong-un, and punish Pyongyang's clients and its enablers. A regime that murdered Otto Warmbier and then, of course, is working on more missiles and the means to deliver them needs to be taken seriously. This legislation does that with very stiff sanctions. I thank, again, Chairman Royce, Eliot Engel, Majority Leader McCarthy, and Steny Hoyer as the principal sponsors of the bill. Mr. Speaker, I rise today to support H.R 3364, the Countering America's Adversaries Through Sanctions Act, introduced by my good friend, Chairman Ed Royce. I'm proud to be a co-sponsor. This bill brings together a critical arsenal of stiff and timely sanctions trained at some of the gravest national security threats our country faces today. The Trump Administration was absolutely right in early February to put Iran ``on notice'' regarding its continued testing of ballistic missiles. This bill underscores that warning by imposing expanded sanctions against Iran's missile ***program***--demonstrating that the United States will not sit idly by as Iran augments its ability to blackmail Israel and other allies. The stakes could hardly be higher. Iran possesses the largest ballistic missile ***program*** in the region and its medium-range ballistic missiles are already able to strike Israel and our allies and installations in the Gulf from deep within Iranian territory. Iran's growing space launch ***program***--a thinly veiled testing scheme for intercontinental ballistic missiles--is cause for greater alarm still. Iran is also the world's largest state sponsor of terrorism. By requiring the imposition of terror sanctions on the Islamic Revolutionary Guard Corps, H.R 3364 treats the IRGC as what it truly is: Iran's principal means of exporting terrorism around the world, particularly to Israel, Syria, Lebanon, Yemen, and Bahrain. The U.S cannot tolerate this brinksmanship and blackmail. Iran dreams of nothing less than regional hegemony and Israel's annihilation. There is no room for compromise with such an adversary. Now is the time to act: Iran is entrenching its influence in Syria and Iraq and insuring these gains with the credibility of its missile threat and militant proxies. We must pass this bill to bring maximum pressure to bear against a mounting threat. Importantly, this bill also authorizes the imposition of sanctions on individuals responsible for Iran's horrifying human rights abuses. In May, the State Department reported to Congress that: ``The Iranian regime's repression of its own people includes reports of over 800 political prisoners, composed of peaceful civic activists, journalists, women's rights activists, religious and ethnic minorities, and opposition political figures.'' This bill would also draw increased attention to Iran's despicable practice of arresting American citizens to use them as bargaining chips. On Friday, the Trump Administration rightfully called Iran out for using these detentions as ``a tool of state policy'' and threatened ``new and serious'' consequences if this practice continues. We must not forget the lives and families of Robert Levinson, Siamak and Baquer Namazi, Xiyue Wang, and others that have been torn apart by Iran's cynical schemes. Mr. Speaker, regarding Russia, the Putin government's invasion of Ukraine and annexation of Crimea, indiscriminate bombing in Syria, and threatening behavior toward our NATO allies, above all in the Baltics, makes it among the worst actors on the global stage today. Putin's government has passed from threats to aggressive action against our friends, allies and innocent civilians abroad. And it did so long ago, when it invaded Georgia in 2008. I was there, in Tbilisi, several weeks after that invasion began, to work to secure the exit of two young children, constituents of mine, trapped behind Russian lines in South Ossetia. I will never forget the quiet courage of the Georgian people in Tbilisi--not entirely surprised by Putin's invasion--they were too wise for that--uncertain whether the Russian army would proceed to Tbilisi, and determined to soldier on in defense of their country. And then in 2014 the Russian government annexed Crimea and invaded eastern Ukraine--each of these incursions was marked by massive human rights violations, violence toward anyone suspected of being unsympathetic to the Russian imperialist cause, and created massive humanitarian crises of displaced persons, which the Russian government did nothing to relieve. These acts of aggression underscore the seriousness with which we must take the Russian government's testing of our limits and our will, by buzzing our ships and planes, harassing our diplomats, and intimidating our allies--as it does for example with the Zapad exercises set to take place in September near the Polish, Lithuanian, Latvian, and Estonian borders. We know from experience that the best way to maintain the peace and keep our country secure is to respond strongly to Russian expansionism and intimidation attempts--this sanctions bill does just that. The large number of political assassinations that have scarred Russian public life since Putin arrived on the scene--the most notorious but not the only attack on the rights of Russian citizens for which the Putin government is responsible. These brutal crimes only underscore the need to respond strongly to Putin's attempts to intimidate us and our allies. Congress has responded strongly to Putin's aggressions and crimes before, for example with the Sergei Magnitsky Rule of Law and Accountability Act and the Global Magnitsky legislation, of which I was the House chief sponsor, taking the lessons of the earlier act and applied them globally, while in its name further memorializing the heroic sacrifice of Sergei Magnitsky. The Magnitsky legislation was so strongly detested by the Putin government that in early 2013, having cosponsored the original Magnitsky legislation, the Russian government refused to issue me a visa to visit Russia to work on international child adoption issues. A State Department official commented to me at the time that as far he knew, I was the first Congressman denied a visa since the Brezhnev era. So, in addition to enacting this new legislation, I want to join Vladimir Kara-Murza's call that the Magnitsky legislation continue to be implemented energetically and fully. Kara-Murza is a Russian democracy activist who twice was nearly killed by sophisticated poisons while visiting Russia--he testified for me at the Helsinki Commission after the first poisoning attempt, in October 2015. Many of the Putin government's murders are motivated by economic crimes and implementation of the Magnitsky legislation should also include U.S government advocacy on behalf of U.S investors defrauded by Russian expropriations--the Yukos oil company is the most notorious case of this. As to North Korea--a gulag masquerading as a country--we must cut off all economic lifelines to Kim Jong un and punish Pyongyang's clients and its enablers. A regime that murders Otto Warmbier does not deserve respect and should be considered an imminent threat to the US and its allies because of its nuclear proliferation. We cannot negotiate our way out of these ***strategic*** problems. Carrots have not worked, we need bigger sticks. We know sanctions are working. Thae Yong Ho (Thay Young Ho)--North Korea's former [[Page H6264]] deputy ambassador to Britain and the highest ranking defector in twenty years--said that international sanctions are beginning to squeeze the regime. He also said that the spread of information from the outside world is having a real impact. So it shouldn't be a surprise that South Korea has reported that high-level defections are surging. This legislation provides crucial tools and I support them wholeheartedly--as I supported them in May of this year. The Trump Administration will find that it can use the tools we offer today to much greater use than did the last White House. With hundreds of thousands of North Korean laborers abroad--sending as much as $2 billion a year back to the regime in hard currency--we should look at targeting this expatriate labor and the governments and corporations that employ them. Loopholes in our sanctions on North Korea's shipping and financial sectors must be closed. And when we discover that foreign banks have helped Kim Jong un skirt sanctions--as those in China have repeatedly done--we must give those banks and businesses a stark choice: do business with Kim Jong un or the U.S Cut off Kim Jong un's economic lifelines, punish those who keep his murderous regime afloat, and signal to China and its client state in North Korea that the era of ``***strategic*** patience'' is finally over. Mr. Speaker, I urge my colleagues to strongly support this critical measure at a perilous moment for our country and the rest of the planet. Mr. ENGEL. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. Castro), our colleague on the Foreign Affairs Committee and a member of the Intelligence Committee. Mr. CASTRO of Texas. Mr. Speaker, I thank Ranking Member Engel for yielding. I also thank Chairman Royce for his leadership on the sanctions package. The American people have been waiting some time for the sanctions package to finally pass. This bill dials up our current sanctions on North Korea, Iran, and Russia to hold their governments accountable for their destabilizing actions. The Russia piece in this package is particularly necessary. Russia has flagrantly violated international law by invading Ukraine and interfering in American and European elections. These sanctions are a clear signal that the United States will hold President Putin and his close associates accountable for their actions. They are also a declaration that Congress can and will act, even when President Trump refuses to do so. In addition to these sanctions, Congress must continue to investigate to determine the scope of Russia's attack on America's democracy and establish which Americans, if any, aided in those efforts. Again, I thank Ranking Member Engel, Chairman Royce, and everyone in this Congress who has supported these sanctions. Mr. ROYCE of California. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. Hensarling), chairman of the Committee on Financial Services. Mr. HENSARLING. Mr. Speaker, I thank the gentleman for yielding and certainly for his leadership on this very important bill. I rise in support of the Russia, Iran, and North Korean Sanctions Act. Mr. Speaker, I particularly want to highlight the provisions that are the product of the hard work of the Financial Services Committee's Subcommittee on Terrorism and Illicit Finance. The inclusion of these provisions will undoubtedly assist our government's anti-money laundering and counterterrorist financing efforts. For instance, this bill includes language directing the President, acting through the Secretary of the Treasury, to develop and maintain a national strategy for combating the financing of terrorism and related forms of illicit financing. The opportunistic nature of terrorist groups, combined with the emergence of financial technology, creates new challenges for our law enforcement community and their efforts to disrupt terror finance. The national strategy should also seek to enhance partnerships with the private sector that prevent and detect illicit financing, and increase efforts to facilitate compliance with our anti-money laundering and counterterrorist financing laws. I would like to commend Congressman Ted Budd for introducing the National Strategy for Combating Terrorists, Underground, and Other Illicit Financing Act, which is almost entirely incorporated in section 2 of the underlying legislation. I would also like to recognize Congressman Pearce and Congressman Pittenger, the chairman and vice chairman of the Terrorism and Illicit Finance Subcommittee of our committee, whose leadership on these issues has been instrumental to achieve the legislation that is before us today. Mr. Speaker, we know that Thomas Jefferson once famously said: ``The price of liberty is eternal vigilance.'' And that is indeed true. Thanks, in no small part, to the hard work of the Subcommittee on Terrorism and Illicit Finance, the bill before us today ensures that we remain vigilant to address the evolving threats to our financial system. I am proud to support it and I encourage all Members to support it. Again, I thank Chairman Royce for his leadership today on this bill and in our committee. Mr. ENGEL. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. Hoyer), who was instrumental in putting this bill forward, who has been with us every step of the way and so invaluable to this finished product, the distinguished Democratic whip. Mr. HOYER. Mr. Speaker, I thank Ranking Member Engel for yielding. And I thank Mr. Royce for his hard work on this bill. I have said this before and I will say it again: Mr. Royce, as chairman, and Mr. Engel, as ranking member, are an example for, frankly, all of us on how to work together productively in a bipartisan fashion to reach a result that is good for our country, for our people, and indeed for international security. I also want to thank Senators Cardin and Corker for their leadership and their involvement. This legislation is the product of very careful and sometimes difficult negotiations on a bipartisan basis. It is a strong, tough, and appropriate response to Russia's attempts to meddle in our election process, its support for violent separatists in Ukraine, its illegal occupation of Crimea, and, yes, its unhelpful activity in Syria. It also imposes new sanctions on Iran's ballistic missile ***program***, which threatens the United States, our Gulf allies, and Israel. Russia's power comes from its ability to coerce other nations by its energy distribution, in many instances. This bill seeks to make it harder for Russia to use that type of coercion, and empower other nations to join us in standing up against Russian aggression. These sanctions will only be successful, however, if they are truly bipartisan and if Congress continues to play its important and necessary oversight role. Democrats and Republicans are coming together on this bill, Mr. Speaker, to ensure that the President cannot alter sanctions toward Russia without congressional review. This is critical at a moment when our allies are uncertain about where this administration stands with respect to Russian aggression. I remain open to additional sanctions on Russia's energy sector at a later date if the Russian leader and his associates fail to heed the message of this bill that their business as usual cannot and must not continue. Once this bill passes the Senate, as I believe it will, Russia will know that sanctions levied because of its malevolent acts will be lifted only with the concurrence, either tacitly or expressly, of the Congress of the United States. There will be no side deals or turning a blind eye to its actions. This legislation, Mr. Speaker, will also make it clear that Russia's interference in Ukraine comes with consequences, and it puts pressure on Iran to end its ballistic missile ***program***. In addition, it deters, hopefully, North Korea from pursuing its dangerous development of nuclear weapons and vehicles to deliver those weapons as close as the western part of this country. I urge my colleagues to support this legislation and to send it to the Senate as quickly as possible. Mr. ROYCE of California. Mr. Speaker, I wanted to recognize the good work of the Democratic whip, Mr. Steny [[Page H6265]] Hoyer, and also the Republican leader, Kevin McCarthy, on this legislation and to thank them. Mr. HOYER. Will the gentleman yield? Mr. ROYCE of California. I yield to the gentleman from Maryland. Mr. HOYER. Frankly, all four of us--yourself and your leadership, Mr. Engel, the majority leader, and I--were privileged to work together in a way that, as I said at the beginning, was constructive and that, I think, has resulted in a very good product. Mr. ROYCE of California. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. Sessions), the chairman of the Rules Committee, for the purpose of a colloquy. {time} 1500 Mr. SESSIONS. Mr. Speaker, I want to thank the chairman for yielding me this time, and I rise to applaud him for the hard work and the responsible actions that the chairman has taken, not only to ensure this piece of legislation is prepared, but bettered and ready to go back to the Senate. I think we have a forceful sanctions bill that is before the House today, and one that targets not only Iran and Russia, but also the North Korean regime. As you know, the bill that was passed by the Senate risked giving Russian energy firms a competitive advantage across the globe by inadvertently denying American companies access to neutral third-party energy markets where there would simply be a small or de minimis Russian presence. The bill before us today prevents Russia from being able to weaponize these sanctions against U.S energy firms. I want to thank Chairman Royce for his hard work on this issue. I also want to ensure that we have an understanding of the definition of the word ``controlling'' in section 223(d) of H.R 3364. For purposes of clarification and legislative intent, the term ``controlling'' means the power to direct, determine, or resolve fundamental, operational, and financial decisions of an oil project through the ownership of a majority of the voting interests of the oil project. Mr. Speaker, I would ask the gentleman, the young chairman, if he agrees with that definition. Mr. ROYCE of California. Will the gentleman yield? Mr. SESSIONS. I yield to the gentleman from California. Mr. ROYCE of California. Yes. Yes, that is my understanding. Mr. SESSIONS. I want to thank the gentleman for not only this clarification, but making sure that we are most specific in what we are undertaking. Mr. Speaker, I would also like to note that the Shah Deniz Pipeline and the Southern Gas Corridor projects will continue to be able to bring gas from the Caspian Sea, which is a huge find, to our European allies, reducing their dependency on Russian energy. Mr. ROYCE of California. That is my understanding. Mr. SESSIONS. Mr. Speaker, I want to thank the gentleman, and I would thank him for his time on this colloquy. Mr. ENGEL. Mr. Speaker, I now yield 1\1/2\ minutes to the gentleman from California (Mr. Sherman), one of my senior colleagues on the Foreign Affairs Committee, the ranking member of the Terrorism, Nonproliferation, and Trade Subcommittee. Mr. SHERMAN. Mr. Speaker, I thank the gentleman for yielding time to me. Mr. Speaker, I rise in strong support of this bill, which is really a combination of three bills. First, as to North Korea, it embodies a bill passed on this floor in May introduced by Chairman Royce, Ranking Member Engel, Mr. Yoho, and myself from the Asia and the Pacific Subcommittee. We will expand our sanctions on North Korea's precious metals, minerals, jet fuel, coal, and across the board, and especially banking sanctions. But keep in mind, ultimately, we have got to force China to decide whether they are going to support North Korea or whether they are going to have access to American markets. We can't let them have both. As to Iran, this bill designates the entire Iran Revolutionary Guard Corps, as the Quds Force has already been designated, as subject to terrorism sanctions, and provides an arms embargo. Let us remember that the real face of this regime in Tehran is not their dapper foreign minister, but rather it is the hundreds of thousands who have died in Syria as a result of Iranian action. Speaking of countries that have supported Assad, finally and perhaps most importantly, this bill provides sanctions against Russia necessary because of its action in the Ukraine and its interference in our elections. We hit Russia in a very important way by dealing with the technology they would need to explore oil. Unfortunately, even under this very strong bill, it would take a two-thirds vote for us to block a sanctions waiver should our resolution be vetoed. Mr. ROYCE of California. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. Poe), chairman of the Foreign Affairs' Subcommittee on Terrorism, Nonproliferation, and Trade. Mr. POE of Texas. Mr. Speaker, I thank the chairman, and I also thank the ranking member for their work on this legislation. Mr. Speaker, I have spoken to our military leaders, and they said that the biggest threat to the United States is North Korea. ***Strategic*** patience is over. It is time for ***strategic*** sanctions. This bill will go a long way to tighten the screws on little Kim and bring the dictator to his knees. We can no longer stand by meekly while North Korea terrorizes the world. This bill includes my bill that has already passed the House that calls on the State Department to reassess if North Korea should be on the State Sponsors of Terrorism list. Let us not forget that North Korea helped supply Syria with chemical weapons. It has given Iran ballistic missiles and advice on how to develop its own nukes. North Korea and Iran's evil cooperation is even going on as we speak today. They are now working together to develop an intercontinental ballistic missile that can reach American shores. This bill also puts China in the crosshairs. Chinese banks have enabled the Korean regime to avoid sanctions and build its illegal weapons ***programs***. China even provided the vehicle used to launch North Korea's new ICBM. China also uses slave labor from North Korea to help North Korea avoid sanctions already in place. China needs to understand how its support for Kim will not only endanger the United States and South Korea, but it also endangers its own security. Mr. Speaker, by targeting these rogue nations, we show we will not go away quietly in the darkness of silence. And that is just the way it is. Mr. ENGEL. Mr. Speaker, I yield 1\1/2\ minutes to the gentleman from Virginia (Mr. Connolly), one of our senior members on the Foreign Affairs Committee. Mr. CONNOLLY. Mr. Speaker, I thank my friend, the distinguished ranking member, Mr. Engel. Mr. Speaker, today, this House comes together on a bipartisan basis to address sanctions and the rules on the girding sanctions for North Korea, Iran, and, most importantly perhaps, Russia. Importantly, because there has been a lot of doubt about whether this Congress would ever again speak eloquently and forcefully about Russian behavior. Today, we answer that question. Overwhelmingly, we say Russia's behavior is unacceptable in many ways, not least of which is the incursion of sovereign territory of its neighbors, specifically Georgia, Ukraine, including Crimea. I vote easily and enthusiastically for the resolution today, but it must not be construed, because it references the Minsk agreement, that that means that we don't mean to continue sanctions on the Crimean invasion. We do. Mr. Chabot and I, and I know the chairman and the ranking member of our committee, will continue to be vigilant on that until that illegal annexation is ended. Mr. Speaker, I commend the leadership for bringing this resolution to the floor, and I am proud today to be a Member of this body and speaking with one voice about Russian behavior and the need for sanctioning it. Mr. Speaker, this Congress does not trust the President of the United States to manage U.S -Russia relations. Case in point--the first major legislative accomplishment of the Republican-led Congress in the Trump era will be a sanctions package [[Page H6266]] that limits, in every imaginable way, the president's ability to appease Putin. President Trump and his administration have given the American public little reason to trust them on all things Russia. The President obstructed justice by firing FBI Director James Comey, the law enforcement officer tasked with investigating illegal collusion between the Trump campaign and Russia. Attorney General Jeff Sessions potentially perjured himself by failing to disclose secret meetings with the Russian Ambassador. Donald Trump, Jr. obscured a meeting he had with the Trump campaign's chairman, the president's son-in-law, and Russian operatives until the New York Times forced his hand and he had to publish emails that confirmed his collusion with individuals associated with Russian intelligence operations. And now the president is attempting to intimidate his own Attorney General into prosecuting political opponents and upending the Russia investigation. Today, we will pass this sanctions package, the strongest ever, and send a clear message to President Putin that there are consequences to invading peaceful neighbors and attacking American democratic institutions. I reserve an important objection to the fact that this bill allows a waiver of Crimea-related sanctions on the condition that the Minsk agreement is being implemented. Minsk does not mention Crimea, and therefore its implementation should have no bearing on the U.S -led effort to combat the illegal and forcible annexation of Crimea sovereign Ukrainian territory. However, I will vote for this bill because it sends a powerful and unified message to Russia, Iran, and North Korea at time when the foreign policy emanating from the White House is unsteady and confused. Mr. ROYCE of California. Mr. Speaker, I yield 1 minute to the gentleman from New Jersey (Mr. Lance), a member of the Committee on Energy and Commerce. Mr. LANCE. Mr. Speaker, I rise today in strong support of this sanctions bill. The governments of Iran, North Korea, and Russia do not share American values or interests and are active threats to our national security. These regimes will see a united message from the Congress of the United States with an overwhelming vote in favor of strong sanctions. Iran is the world's leading state sponsor of terrorism. North Korea, the most dangerous and isolated place on Earth, has tested long-range missiles demonstrating a frightening potential to target our West Coast. Russia has intolerably involved itself in our Nation's democratic electoral process. Its invasion of Crimea and actions in Ukraine are totally unacceptable. Mr. Speaker, let us act decisively today and put these states on notice: violate international law by threatening the United States and thereby face the consequences. Mr. Speaker, I urge a ``yes'' vote. Mr. ENGEL. Mr. Speaker, I now yield 2 minutes to the gentlewoman from California (Ms. Maxine Waters), the ranking member of the Financial Services Committee. Ms. MAXINE WATERS of California. Mr. Speaker, I thank Ranking Member Engel for his leadership and for yielding me time. I thank Chairman Royce for his leadership and the way that he has worked with our side of the aisle. Mr. Speaker, I rise in support of the Russia, Iran, and North Korea Sanctions Act, legislation that is desperately needed to prevent this administration from rolling back sanctions tied to Russia's invasion of Ukraine and interference in our election. This bill's enhanced sanctions on Russia are important in light of the actions of Russian President Vladimir Putin, not to mention the many ties between the Trump administration and the Kremlin. In a recent development, the Treasury Department confirmed that ExxonMobil violated existing Russian sanctions while under the leadership of Rex Tillerson, who is now Donald Trump's Secretary of State. Indeed, in 2014, Exxon signed documents related to oil and gas projects in Russia with Igor Sechin, president of Rosneft, a Russian state-owned oil giant. Sechin was one of the individuals subject to sanctions. Exxon was fined a mere $2 million--a slap on the wrist for a company that earned $7.8 billion in profits in 2016. Russia is continuing its aggression in Ukraine. It is supporting the murderous regime of Bashar al-Assad in Syria. It interfered in the 2016 U.S election. That is why we must strengthen the sanctions against Russia, and we must block Rex Tillerson and Donald Trump from waiving or lifting those sanctions without review. Before closing, I would also note that the legislation before us also includes several measures championed by Democrats on the Financial Services Committee. These provisions will focus the government on creating a national strategy to combat the financing of terrorism, enhance Treasury's tools for combating money laundering vulnerabilities such as the well-known risk in high-end real estate, and help address the de-risking trend that is driving fund transfers into the shadows. Mr. ROYCE of California. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. Budd), a member of the Committee on Financial Services. Mr. BUDD. Mr. Speaker, I rise today in strong support of H.R 3364. In particular, I am proud of the bipartisan language in the bill which would create a national strategy for combating terrorism and illicit finance. The financing of terrorism and related forms of illicit finance present a direct threat to our national security and financial system. It is critical for the government to create and maintain a unified strategy to fight financial crime, both to accommodate new and developing threats and to help Congress develop legislative and funding priorities now and in the future. Additionally, a national strategy should seek to enhance intergovernmental cooperation, to identify illicit financing trends, and to encourage Federal agencies to work with the private financial sector to do the same. Mr. Speaker, this bill does these things and will go a long way in making sure we are keeping pace with the ever-changing terror finance landscape. I would like to thank Chairman Hensarling for his extraordinary conservative leadership on the Financial Services Committee and for helping to include this language in the overall bill. Additionally, I want to thank the chairman of the Terrorism and Illicit Finance Subcommittee, Mr. Pearce, and for his support, and for my colleague, Ms. Sinema, for her work on this as well. Mr. ENGEL. Mr. Speaker, I yield 1 minute to the gentlewoman from Arizona (Ms. Sinema), my friend on the Financial Services Committee. Ms. SINEMA. Mr. Speaker, I rise today in support of H.R 3364. The authoritarian regimes in Iran, Russia, and North Korea continue to undermine global peace and security and threaten the safety of the United States and our allies. Russia's coordinated efforts to undermine democracies and free and fair elections around the world is particularly troubling and demand a strong response. I thank Chairman Royce and Ranking Member Engel for their bipartisan legislation that counters these belligerent regimes and ensures strong oversight by Congress and the American people. The safety and security of our communities and our country must come before partisanship. I also thank the chair and ranking member for introducing our bipartisan legislation introduced with Congressman Budd to establish a whole-of-government strategy to combat the financing of terrorism. Current U.S efforts to counter the financing of terrorism lack sufficient coordination, and the U.S has no unified national strategy to guide our counterfinancing efforts. Money is the lifeblood of any organization. We must establish a comprehensive and effective strategy to deny money to terrorists. This strategy will enhance detection, deterrence, and prosecution and ultimately strengthen our broader national security goals. Mr. Speaker, I thank the chair and ranking member for advancing this important bipartisan national security bill, and I urge my colleagues to vote ``yes.'' Mr. ROYCE of California. Mr. Speaker, I reserve the balance of my time. {time} 1515 Mr. ENGEL. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. Ryan), my friend on the Appropriations Committee. Mr. RYAN of Ohio. Mr. Speaker, I want to thank the chairman and the [[Page H6267]] ranking member for their leadership on this. This clearly is a big issue pressing the country, and I just wanted to rise in support of what is happening here today; of taking a firmer stance on Russia, Iran, and North Korea; trying to stabilize the peninsula; trying to take care of the funding that is coming out of Iran to all of these terrorist groups across the country and across the world. What is happening with these sanctions here in the targeting of Russian gas pipelines--their number one export--I think is entirely appropriate. The Nord Stream 2, which carries gas from Russia through the Baltics to Germany--and I know Germany isn't happy about it, but this is something that we have to do. The point I want to make is that we have to address this issue in a comprehensive way. We must continue to focus on how we get our gas here in the United States, our natural gas to Europe, to our allies, so they are not so dependent on Russia. We have got to have the sanctions, but we also have got to be shipping liquid natural gas to some of these allies of ours so they are not so dependent on the Russians, which is part and parcel of this entire approach. Mr. ROYCE of California. Mr. Speaker, I reserve the balance of my time. Mr. ENGEL. Mr. Speaker, it is now my pleasure to yield 1 minute to the gentlewoman from Illinois (Ms. Schakowsky), a respected member of the Energy and Commerce Committee. Ms. SCHAKOWSKY. Mr. Speaker, I thank the gentleman for yielding. I rise in support of today's sanction legislation, which I am so happy to find has complied with the Iran nuclear agreement, something I worked very hard on, as did many here. Experts, the international community, and even some of President Trump's own advisers agree that the Iran nuclear agreement is working. In June, the International Atomic Energy Agency certified that Iran is within the limits set by this historic deal. There are serious issues left to be addressed with Iran, especially in regards to human rights violations and ballistic missiles, which this bill covers. The Iran deal took Iran's nuclear weapons off the table and allowed us to deal with these remaining challenges. Withdrawing or violating the agreement would be an enormous mistake. This bill upholds our agreement with Iran while also holding Russia and North Korea accountable for their actions. Mr. Speaker, I urge all of my colleagues to support this legislation. Mr. ROYCE of California. Mr. Speaker, I reserve the balance of my time. Mr. ENGEL. Mr. Speaker, I yield 1 minute to the gentleman from North Carolina (Mr. Price). Mr. PRICE of North Carolina. Mr. Speaker, I rise to stress two critical aspects of this legislation. First, it would impose tough sanctions on Russia for its serious international violations, the seizure of Crimea, its violent incursion into Ukraine, its cyber interference in the 2016 U.S election. Perhaps most importantly, in the present context, it would prevent President Trump from removing or softening existing sanctions without congressional approval. Second, the bill addresses Iran's unacceptable behavior in the non- nuclear realm, such as ballistic missile development, human rights violations, financing of terrorism, without violating the nuclear deal with Iran. The JCPOA celebrated its second anniversary 2 weeks ago. It has given the international community 24/7 access to Iran's nuclear sites, provided an enforcement mechanism to ensure that Iran's nuclear-related activity is solely peaceful, and elongated Iran's breakout time to over a year. It has made the world a safer place. The SPEAKER pro tempore. The time of the gentleman has expired. Mr. ENGEL. Mr. Speaker, I yield an additional 30 seconds to the gentleman from North Carolina. Mr. PRICE of North Carolina. Mr. Speaker, as the United States continues to monitor the JCPOA and Iran's behavior, it is important that Congress continue to refrain from actions that would violate the deal, threaten the deal, or impose careless sanctions that--under the guise of being tough on Iran--would make the United States less safe. This legislation meets that test, and I urge its adoption. Mr. ROYCE of California. Mr. Speaker, I reserve the balance of my time. Mr. ENGEL. Mr. Speaker, I yield myself such time as I may consume. On Vladimir Putin's orders, Russia attacked American democracy last year. That makes Russia a threat to this country, just like Iran, just like North Korea. When the United States faces a real threat, we have an obligation to respond. So far, a response to Russia has fallen far short. That ends with this legislation. Along with Pyongyang and Tehran, Moscow needs to understand that if you violate international law, you threaten the security of the United States and our allies, there will be consequences. Now, I wish we were going to pass this incentive to the President's desk today. So after we vote today, leaders in both houses have an obligation to clear away any remaining issues and get this bill signed into law as soon as possible. So long as Russia remains a threat, so long as Iran and North Korea defy global norms with their destructive agendas, none of us are off the hook. I want to also thank the Democratic leader, Ms. Pelosi, for her advice and counsel on this bill. Let's pass this bill and keep pressing this bill forward. Mr. Speaker, I yield back the balance of my time. Mr. ROYCE of California. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, in closing, I would like to again thank my colleagues; the ranking member of the Foreign Affairs Committee, Mr. Engel; our counterparts, Senators Corker and Cardin; the majority leader, Mr. McCarthy; the minority whip, Mr. Hoyer; as well as the leadership on both sides of the aisle in the other body. They deserve credit for their efforts. Let me also say it is critically important that we stand shoulder to shoulder with our European allies encountering Russian aggression. That is why, in the bipartisan House-Senate negotiations, we secured important changes to improve transatlantic cooperation. So I am confident that, under the text of this House bill that we will pass today, these concerns have been addressed. Let me also say that every time North Korea tests a ballistic missile or a nuclear device, it gets closer to having the ability to strike the U.S mainland with a nuclear weapon. For years, the policies of successive administrations have failed to get North Korea to change. Why? Because diplomatic pressure has been applied only in spurts. It has been lifted prematurely for North Korean promises that have never materialized. So we need leverage, and leverage comes from real sustained pressure. That is why I have authored tough new sanctions to crack down on the regime, to shut off the regime's access to the hard currency it needs to fund its nuclear ***program***, and we have included that in this bill. These sanctions passed in this House in May by a vote of 419-1, and it is time for the other body to pick them up. By including these North Korean sanctions in the legislation, we ensure that our colleagues do so. We cannot afford any more delay, and that is why I worked with the other body to make small changes to the North Korean sanctions in this bill, to ensure swift passage in both Houses. I am confident this bill, including the North Korean sanctions bill, will soon become law. Let me say that congressional engagement in foreign affairs is strongest when we all speak with one voice. I urge my colleagues to vote in favor of the bill and join us in sending a clear message to Vladimir Putin, to Kim Jong-un, and to the radical regime in Tehran that efforts to threaten the United States and to destabilize our allies will be met with a united American response. Mr. Speaker, I yield back the balance of my time. Ms. JACKSON LEE. Mr. Speaker, I rise today in support of H.R 3364 or the bill entitled ``Russia, Iran, and North Korea Sanctions Act.'' As a senior member of the Committee on Homeland Security and its Subcommittees on Counterterrorism and Intelligence, and Cybersecurity, Infrastructure Protection, and Security [[Page H6268]] Technologies, I am reminded daily that there are actors and nation- states that threaten the security of our nation. Within the past year, the United States has experienced a series of aggressions that threaten not only our nation's security, but also the very democratic principles that are the foundation upon which our country was built. These hostile acts have been orchestrated and perpetrated by our long-time adversaries--Russia, Iran, and North Korea. Within that short time span, their actions have been so egregious that it is inexcusable that this administration has failed to respond to these acts of aggression with strength and resolve. Mr. Speaker, U.S intelligence agencies have confirmed that Russian hackers launched cyberattacks during one of the most sacred processes in our republic--the U.S presidential election. Specifically, we know that Russia was behind the cyber theft of DNC documents and that Russian hackers intentionally targeted 21 U.S state election systems during the 2016 presidential campaign. This administration refused to acknowledge Russia's tampering in last year's election until it became impossible to deny what everyone knows to be true. Further, Iran's support of groups who actively operate against U.S interests is disturbing even in the face of the implementation of the JCPOA in January 2016. North Korea is growing increasingly belligerent, launching 17 missiles since the beginning of this year as it attempts to improve its missile capabilities with each launch. Although North Korea has launched missiles in the past, never have they occurred in such a rapid, unpredictable succession. In a show of bipartisanship, our counterparts in the Senate led the charge in adopting legislation that would stop Russia, Iran, and North Korea from operating with such impunity. On June 15, 2017, the Senate passed an amended version of S. 722, the ``Countering Iran's Destabilizing Activities Act of 2017'' that not only penalizes Iran but also punishes Russia for its interference in the 2016 U.S presidential election. The fact that that legislation was passed 98-2 demonstrated congressional willingness to set clear boundaries for what is and is not acceptable behavior especially for our adversaries. The House must act just as decisively by passing H.R 3364. H.R 3364 will work to avert and penalize any threat posed by adversaries in several ways. One of the most important provisions of this act is that it will prevent the Trump Administration from repealing existing Obama-era Russian sanctions tied to Ukraine and election interference. H.R 3364 will also impose new sanctions on Russia while strengthening other sanctions. Furthermore, it will require congressional oversight for altering sanctions related to Russia. With respect to Iran, H.R 3364 will mandate new sanctions on those who support the development of Iran's ballistic missile ***program***. H.R 3364 requires the imposition of sanctions on Iran for human rights violations as well as sanctions on the Islamic Revolutionary Guard Corps. Finally, H.R 3364 clamps down on North Korea by updating and expanding sanctions in direct response to its repeated aggression. In addition, H.R 3364 also makes it more difficult for North Korea to secure the funding for its illegal weapon ***program***. Mr. Speaker, it is time that this body acts to show that the United States will not tolerate and will respond to threats to our homeland, our national security. That is why I urge all Members to join me in voting for H.R 3364. Mr. BLUMENAUER. Mr. Speaker, today I voted for H.R 3364, the Countering America's Adversaries Through Sanctions Act (Roll no. 413). This legislation is an important step forward in punishing Russia for its annexation of Crimea in 2014 and for the country's alleged interference in the 2016 United States presidential election. The bill also updates and expands sanctions on North Korea at a time when the country continues to pursue dangerous weapons ***programs***. Further, I commend leadership and committee members in the House and Senate for ensuring that the Iran sanctions portion of this legislation does not violate the Joint Comprehensive ***Plan*** of Action (JCPOA) reached between Iran, the United States, and five major world powers, including Russia and China. While the Iranian ballistic missile ***program*** is deeply concerning and must be addressed, undermining the nuclear agreement, which has forced Iran to remove thousands of centrifuges from service and halt all uranium enrichment, would be a mistake of tragic proportions. The bipartisan support for the bill should be a signal to the administration to refrain from taking action that would encourage Iran to change course. To be sure, Iran has some unsavory hardline people in key positions of leadership, but these hardliners just suffered a major defeat in the Iranian elections. President Hassan Rouhani has been a voice of and a force for moderation--and people voted for him. We must proceed with the utmost caution and develop a thoughtful approach to ensure we continue to keep Iran away from the nuclear threshold, while also countering the regime's nefarious activities. Mr. McGOVERN. Mr. Speaker, I rise in support of H.R 3364--but with reservations. I strongly support the section of this bill that provides a role for the Congress before any president may waive sanctions or provide relief from sanctions against Russia. Russia sought to undermine America's 2016 election. It attempted to subvert our democracy. It did so deliberately, methodically, and ruthlessly, spreading lies and misinformation and exploiting weaknesses in computer systems and records to steal private information and release it in sensationalistic fashion. These attacks against our democracy were and are totally unacceptable and must be condemned. I remain bewildered that the current president of the United States still fails to acknowledge that these actions happened and that the Russian government, at the very highest level, is responsible--even though there is a consensus among all U.S domestic and international intelligence and law enforcement agencies that this is the case. Sanctions imposed by the Obama Administration in response to this multifaceted operation were lifted by President Trump. This legislation rectifies that situation by re-imposing those sanctions and ensuring that they cannot be removed without congressional consultation and consent. In addition, Russia continues to threaten its neighbors, especially Ukraine, for which economic and military sanctions are now in place. But I am somewhat reluctant in my support for this legislation because of the provisions included on Iran. Like all my colleagues, I am worried about Iran's continued testing and development of ballistic missile technology. It is threatening and provocative to Iran's neighbors and the region. I also oppose Iran's support for regional militant and terrorist organizations, and for choosing to side with the brutal regime of Bashir al-Assad in the Syrian conflict, as did Russia. I do support, however, Iran's continuing compliance with the terms of the Joint Comprehensive ***Plan*** of Action (JCPOA)--or the Iran nuclear deal. I worry that the sanctions against Iran included in this bill will be used and manipulated to undermine the JCPOA. I am worried that we now have a president and an Administration actively seeking to abrogate this international nuclear agreement. And I strongly oppose any action that would violate, let alone abandon, the JCPOA. The Trump Administration--and the White House in particular--seem hell-bent on putting us on a path that leads to yet another costly war in the Middle East and to a nuclear-armed Iran. This would be a calamity of the greatest order, one that would place our friends and allies in the region in even greater danger than what they now face. We must not go there. While I will vote in favor of H.R 3364, I do so with grave misgivings about how President Trump will seek to exploit the sanctions against Iran provided in this bill to violate U.S obligations under the JCPOA, which will, in turn, give permission to Iran to develop a nuclear weapon, and bring us all to the brink of war in the Middle East. The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. Royce) that the House suspend the rules and pass the bill, H.R 3364. The question was taken. The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it. Mr. ROYCE of California. Mr. Speaker, on that I demand the yeas and nays. The yeas and nays were ordered. The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

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**End of Document**



[***Government likely to have bought 'ghost water' in $78m deal; Exclusive: Agency that manages Australia's environmental water did not want to buy unreliable entitlements· $78m government spent on Darling water buyback nearly double its valuation***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PTC-FR61-JCJY-G1CM-00000-00&context=1516831)

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**Body**

The federal government is likely to have bought "ghost water" for environmental flows into the Darling when it paid $78m in June for water entitlements in the Lower Darling - more than twice the sum recommended by its own official valuation.

The water rights associated with the property, Tandou near Broken Hill, have become increasingly unreliable owing to upstream extractions.

Documents obtained under a Senate order to ***produce*** by the South Australian senator Nick Xenophon reveal the federal government paid $38m for water entitlements and $40m in compensation to one of Australia's largest irrigators, Webster Limited.

The total of $78m was for the water entitlements associated with Tandou, an isolated cotton and grain property in a dry lake east of Broken Hill that draws its irrigation water from the Menindee Lakes.

Related: $78m government spent on Darling water buyback nearly double its valuation

The purchase price was calculated on the basis that Tandou had access to 100% of its water entitlement all the time. This is despite the department's own reports showing Tandou had been unable to plant crops in five of the past 14 years because of a lack of water in the region.

The Guardian also understands that the Commonwealth Environmental Water Holder, which manages the commonwealth's portfolio of environmental water, did not want to purchase these entitlements because they were so unreliable.

"Reliability of water must be a key criteria in water purchases, otherwise we are just throwing good money away," Xenophon said.

Webster is now one of the largest water rights holders in Australia. Its shareholders include the businessman Chris Corrigan, who rose to national prominence when he sacked his entire workforce in the 1998 Patrick waterfront dispute. Other shareholders include Australian Food and Fibre, which is controlled by the Robinson family.

Tandou was bought just 18 months earlier by Webster, after a sharemarket takeover of Tandou Limited. At the same time Webster bought two major cotton properties upstream on the Darling at Bourke and Moree.

Webster was one of the companies that Four Corners alleged was taking more than its fair share of water from the Barwon-Darling catchment to irrigate cotton crops at these properties. The ***program*** alleged incidents of meter tampering and extraction of water from environmental flows. Webster has strongly denied the allegations.

Experts now fear the Tandou purchase will help the federal government meet its water saving targets on paper - the buyback was for 22,0000 megalitres, the equivalent of 9,000 Olympic swimming pools - but will do little to improve the environment.

The 308 pages of documents ***produced*** under the Senate order for production raise questions about the ***agriculture*** department's assessments of both the quality of the water assets and the valuations.

The Guardian has revealed that the $78m had been based on a private valuation by Herron Todd White obtained by the New South Wales government, and that the federal ***agriculture*** department decided to ignore a valuation it obtained from the Australian Bureau of ***Agricultural*** and Resource Economics and Sciences (Abares).

The ***agriculture*** minister, Barnaby Joyce, had earlier declared there would be no more ***strategic*** buybacks of water entitlements because of the damage it was doing to rural communities; instead he would look to save water through providing grants to upgrade farm infrastructure and irrigation practices.

Yet since June there have been three major water buybacks after approaches from owners of farms.

Announcing the Tandou purchase in June, Joyce said it would make "a substantial contribution to meeting the 2750GL water recovery target". He also said it would facilitate the NSW government's management ***plan*** for a more efficient operation of the Menindee Lakes system.

But there appears to have been no assessment of the actual availability of water under the licences.

A former director of environmental water ***planning*** at the Murray-Darling Basin Authority, Bill Johnson, said he was concerned the purchase would amount to "ghost water".

"It is highly questionable whether the commonwealth got any water for this money," he said. "The security of the water has been reduced so much that it is little or no better than having no licences at all. This is because there is increased extractions upstream in the Barwon-Darling and its tributaries."

Webster's company secretary, Maurice Felizzi, confirmed that lack of water had been the reason why the company had not planted a cotton crop at Tandou in 2016-17.

Prof Richard Kingsford, an environmental scientist and expert on the Menindee Lakes from the University of NSW, who makes regular field visits there, said the question was whether the water purchased from Tandou was really reliable, given what was happening upstream.

"Since the 1980s and 1990s the water flow in the Darling has been declining due to increased development in the Barwon and Darling," he said.

Kingsford also queried whether the water could be sufficiently controlled at that point in the river to maximise the impact of environmental releases down the river's length.

Environmental flows need to be released in a way that mimics flood events and that requires weirs and spillways on the river to hold the environmental water back and then release it.

Rob McBride, who has a property, Tolarno, 50km south of Menindee Lakes, said the Lower Darling was now in crisis and the situation had worsened under the Murray-Darling water-sharing ***plan***.

He said over the past 12 years the Darling at his property had intermittently dried up for a few weeks at a time - but for nine months in 2016 the river dried up entirely. He and his wife, Katherine, managed to keep their property afloat by using bores and dams.

Related: Murray-Darling Basin authority told of alleged water theft 'a year' before ABC report

The unreliability of Tandou's water is acknowledged in one memo discussing the valuations, when a departmental officer says "in a good year the business can turn a profit of $20m, but that is one in four years".

Data in the HTW report showed that, between 2003 and 2015, the farm had been left idle for five years owing to drought, while in another four years irrigated crops such as cotton had been greatly restricted. In 2015 only 2,800 hectares of cotton was planted at Tandou, down from 7,120 hectares in 2014. No cereal crops were planted that year.

HTW's valuation ranged from $86m for when the property has access to 100% of its water entitlement to only $4.1m when no water. With 80% of its water available, HTW put the value at $60m.

But despite this, the department bought the property on the basis of 100% of its water entitlement, paying $78m.

Webster has since told shareholders it will book a one-off profit from the sale of Tandou of at least $36m.

The department also agreed to Webster being able to use its water entitlement for the 2017-18 cotton growing season. This concession, which could be worth as much as $20m, is not canvassed in the department's value-for-money assessment.

Despite being a multimillion-dollar deal, the department's officers concluded that it did not need to go to cabinet because it was "core business for the department".

Instead, the department said the deal was value for money because it could save the commonwealth $72m on the Menindee Lakes project by avoiding the need to upgrade irrigation channel infrastructure to Tandou.

· Know more? Contact [*anne.davies@theguardian.com*](mailto:anne.davies@theguardian.com)

**Load-Date:** October 26, 2017

**End of Document**



[***Nestlé Nigeria - Q1 2018***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PS4-7J41-F0J5-828B-00000-00&context=1516831)

Nigeria Food & Drink Report

January 1, 2018 Monday

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**Length:** 1441 words

**Highlight:** Nestlé established a trading presence in Nigeria in 1961, and began listing on the Nigerian stock exchange in 1978. The Switzerland-based company then established a factory in Agbara, Ogun State, in 1981. Nestlé SA now holds a 62% stake in the company. The company ***produces*** a wide range of baby food, drinks and confectionery items for the Nigerian market, which are ***produced*** mainly using locally sourced raw materials such as sorghum and maize. It is also a leader in the local cocoa and coffee markets, importing coffee from Côte d'Ivoire.

**Body**

**SWOT Analysis**

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| Strengths | Nestle is Nigeria's largest food company by turnover. Nestle possesses an internationally renowned brand name. Having operated in Nigeria for almost 50 years, the company has considerable experience in the country's difficult regulatory environment. Current economic conditions create a barrier for new entrants. The company offers quality popular brands. The company is investing in ongoing plant capacity in the country. |
| Weaknesses | Nestle will have to invest heavily to boost manufacturing, distribution and marketing processes. High production costs affect Nigeria's ability to serve as a competitive export base to the wider West African region. Although Nigeria has an enormous population, the vast majority of consumers remain beyond reach due to low incomes and poor infrastructure. Instability in northern states, such as Borno and Yobe, has resulted in Nestle having to temporarily remove some of its sales staff. Warning issued against Maggi instant by food and safety bodies in Nigeria affect Nestle's ability to capture market share in the lucrative category. |
| Opportunities | As Nigeria's largest food company, Nestle is well placed to capitalise on dynamic forecast headline food consumption growth. Rising disposable incomes over the long term will very likely serve to increase demand for higher-value Nestle brands such as Nescafe coffee. By funding farmers and investing in its supply chain, Nestle is helping to strengthen local sources for raw ingredients while also broadening its potential consumer base. Rising consumption of bottled water presents an opportunity for Nestle's PureLife water brand. |
| Threats | Competition from rival multinationals such as Cadbury and Unilever is steadily growing. Unilever's aggressive low-cost brand strategy is poaching highly price-sensitive consumers. Kellogg's proposed entrance into the West African market poses a threat to Nestle's market share in the snacks category. Nigeria's notoriously poor regulatory environment makes expanding difficult. Volatility in cocoa prices can have a negative impact on Nestle's profit margins. Ongoing security concerns in Nigeria's northern regions and the related uncertainty. Currency volatility could negatively affect the company's operations and financial results. |

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| **Company Overview** | Nestle established a trading presence in Nigeria in 1961, and began listing on the Nigerian stock exchange in 1978. The Switzerland-based company then established a factory in Agbara, Ogun State, in 1981. Nestle SA now holds a 62% stake in the company. The company ***produces*** a wide range of baby food, drinks and confectionery products for the Nigerian market, which are ***produced*** mainly using locally sourced raw materials such as sorghum and maize. It is also a leader in the local cocoa and coffee markets, importing coffee from Cote d'Ivoire. |

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| **Strategy** | Nestle Group's growth ***plan*** is based upon the 'Nutrition, Health and Wellness' strategy, which includes research and development in the food and beverage sector and nutritional therapies. The Nestle ***Strategic*** Roadmap incorporates operational pillars such as consumer engagement, operational efficiency and innovation, as well as growth drivers including premiumisation and investment in emerging markets, and, finally, developing competitive advantages such as product diversification, expanded geographic presence and expansive research and development. Nestle has been expanding its production in Nigeria after receiving support from the Ogun State government to expand production at the Agbara plant, located near the main city of Lagos. According to Nestle press reports, it is expected that this investment will further stimulate sustainable growth, increase the company's market share and broaden the nutrition, health and wellness business platform for the company in Nigeria. Competition from multinationals in Nestle's lucrative markets is steadily increasing. Unilever is currently increasing investments in Nigeria in order to capitalise on growth. In an effort to capture price sensitive consumers, Unilever has created a brand portfolio that caters to various incomes. Furthermore, this strategy protects Unilever's sales from consumers that are switching out to low-cost brands. |

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| **Developments** | **2015** In summer 2015, Nestle announced ***plans*** to cut 15% of its workforce in 21 African countries as the company overestimated the rise of the middle class. Cornel Krummenacher, chief executive for Nestle's equatorial Africa region, stated: 'We thought this would be the next Asia, but we have realised the middle class here in the region is extremely small and it is not really growing'. However, Nigeria is not included in the region, and the country shows a rising middle class. A joint venture announced in 2015 between Kellogg's and Tolaram Group, will enable Kellogg's to piggyback on Tolaram's extensive distribution channels in Nigeria's instant noodles category. This does not bode well for Nestle, as their flagship instant noodles brand was hard hit by a food safety warning from Nigeria's National Agency for Food and Drugs Administration and Control. This warning advised against the sale, purchase and consumption of Maggi instant noodles manufactured in India due to safety concerns about excess lead present in the product. In spring 2015, the chief executive of Nestle Nigeria, Dharnesh Gordhon, said that he expects the company's capital expenditure to slow to its lowest level in five years after the recent currency devaluation triggered a sharp drop in the price of oil, the country's main export. Gordhon said the Nigerian unit had invested USD400mn over the past six years into its local business to increase capacity. The company will spend USD200mn over the next 18 months to maintain growth, such as investing in packaging which currently has to be imported, but will also shift its focus to managing costs given the challenges facing the economy. 'It's lower (spending) than what we had over the last five years. Our capital expenditure has definitely dropped ... because we ramped up capacity'. Gordhon said he expected the market to grow modestly, not in double-digits this year. The Islamist insurgency in the north has also limited the company's product distribution ***plans***. **2014** In late 2014, the head of Nestle's Asia, Africa and Oceania operations, Nandu Nandkishore, said that militant insurgencies across West Africa are weighing on the company's business in the region, adding to the pressures of currency depreciation, high inflation and the Ebola outbreak. He said that in West Africa, currency weakness and high inflation will probably persist into 2015. While the worst Ebola outbreak on record has affected Nestle's business in West Africa, recent statistics suggest some 'progress is being made. According to Nandkishore, 'We see a responsibility to continue business operations as normally as possible.' He confirmed that Nestle will continue to build its business in the region after investing more than CHF600mn in 22 West and Central African countries in five years, with seven factories in the region. 'This continues to be a land of high demographic growth,' he said. 'We remain optimistic about Africa in general, West Africa in particular.' In September 2014, the Nigerian government announced ***plans*** to partner with Nestle to manufacture and process ***agricultural*** raw materials. Nestle will collaborate with the government to establish farmers' groups to grow grains such as maize, millet, sorghum and soybeans for the company at the right volume, price and quality. Nestle will also collaborate with the Federal Ministry of ***Agriculture*** and Rural Development to sponsor a nationwide advocacy ***programme*** on grain biofortification. Under this ***programme***, new varieties of conventionally-farmed high-energy staple grains that are naturally fortified with essential vitamins and minerals will be made accessible to larger, predominantly rural populations, thereby tackling micronutrient deficiencies. In May 2014, the company announced ***plans*** to invest USD28mn in the development of a new high technology water processing and bottling operation to increase production and delivery of its Pure Life brand bottled water. |

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| **Financial Data** | Sales H117: NGN121.9bn Year ending December 31 2016: NGN181.9bn (USD505mn) Year ending December 31 2015: NGN151bn (USD479.7mn) Year ending December 31 2014: NGN143bn (USD858mn) Year ending December 31 2013: NGN133.1bn (USD796mn) Year ending December 31 2012: NGN117bn (USD702mn) Year ending December 31 2011: NGN97.9bn (USD587.4mn) |

**Load-Date:** October 20, 2017

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[***Myronivsky Hliboproduct (MHP) - Q1 2018***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5R47-2ND1-JD33-J2JH-00000-00&context=1516831)

Ukraine Food & Drink Report

January 1, 2018 Monday

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**Length:** 1034 words

**Highlight:** MHP is the leading poultry ***producer*** in Ukraine, accounting for about half of the chicken commercially ***produced*** in the country. MHP's domestic strength owes much to its vertical integration. The company's local standing has been improved by the 2008 acquisition of Ukrainian Bacon; MHP also runs its own meat-selling franchising system. MHP has been listed on the London Stock Exchange since April 2008.

**Body**

**SWOT Analysis**

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| Strengths | MHP is the leading poultry ***producer*** in Ukraine by some margin, with a market share around 50%. Vertical integration allows for a high degree of self-sufficiency. Ability to expand by acquisition, as signified by the takeover of Ukrainian Bacon. The group has direct access to raw materials across the country. The company has a significant export trade. It provides about 85% of poultry exports from Ukraine. |
| Weaknesses | Consumption of higher-value items has been falling due to adverse economic conditions. High inflation has been undermining growth in demand for value-added products. |
| Opportunities | The company can tailor some of its products more to lower-income consumers without over-extending its margins. Economy products portfolio continuing to perform well as consumers switch to poultry from more expensive meats. Poultry benefited from the deep-rooted trend to discretion as thrifty consumers traded down from higher-value meats such as beef. Demand for poultry remains strong, especially in key export markets. |
| Threats | Multinational competition will continue to threaten specific product segments, particularly value-added areas. Falling number of retail outlets to reduce opportunities for product placement. The company will need to trim its prices in order to secure volumes. |

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| **Company Overview** | Myronivsky Hliboproduct (MHP) is the leading poultry ***producer*** in Ukraine, accounting for about half of the chicken commercially ***produced*** in the country. MHP's domestic strength owes much to its vertical integration. The company's local standing has been improved by the 2008 acquisition of Ukrainian Bacon; MHP also runs its own meat-selling franchising system. MHP has been listed on the London Stock Exchange since April 2008. |

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| **Strategy** | MHP's Ukrainian Bacon unit continued to play a strong role in the mass market push in 2010. The firm's poultry sales performed well during the economic downturn, as consumers switched from higher-cost meats such as beef. Looking outside Ukraine, MHP's international profile was strengthened considerably by its April 2008 London Stock Exchange initial public offering. The listing, which raised USD330mn, was the first by a Ukrainian ***agricultural*** company in London. In July 2010, the firm started exporting its poultry products to neighbouring Russia, where demand for poultry is expected to grow strongly over the coming years as anticipated income growth provides strong momentum to overall food consumption. Export growth is likely to take on more ***strategic*** importance for MHP. |

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| **Developments** | In mid-2011, the company appointed George Logush, a former executive and board member at US food conglomerate Kraft Foods, as its new vice president, aiming to improve its marketing strategies and boost sales figures. Around the same time, Yuriy Kosiuk, MHP's CEO, launched a new fast-food chain called Kryla in Kiev, Ukraine. In November 2011, MHP announced ***plans*** to increase the share of poultry for export. In 2013, the company said it ***planned*** to double the volume of exports with the launch of its largest site in the Vinnytsia region, which in the first year was expected to ***produce*** 100,000 tonnes of poultry per annum. The complex came into operation earlier than ***planned*** in 2012. By 2018, the company expects Vinnytsia to more than double MHP's previous 400,000 tonnes production capacity. The company also revealed that it is considering expansion into the EU poultry market through the possible acquisition of meat processing companies in Germany and other EU countries. Targets in Italy, Slovakia and France are also being considered with the potential deal estimated in the range of EUR100mn-EUR150mn. The start of Ukrainian poultry exports to the EU has already been approved by regulative bodies. In early 2013, the International Finance Corporation announced that it is providing MHP with a USD50mn loan to support the company in implementing its expansion ***programme*** in the central Ukraine region of Vinnytsia. The poultry ***producer*** ***plans*** to increase its staff by 6,000 to around 32,800 during the next five years, while the network of small- and medium-sized businesses and individual franchises that sells the company's products is also expected to expand. In summer 2015, the company announced that its poultry sales in 2014 had increased 18% y-o-y to 525,460 tonnes and that its chicken meat exports had increased 15% y-o-y in the same period to reach 140,920 tonnes. Between June and December 2014 the company exported poultry meat to the EU with zero import duty, which resulted in more than 16,500 tonnes, about 12% of total poultry export in that year. The company also increased its sunflower oil exports by 23%, to reach 296,150 tonnes. In October 2015, MHP announced its ***plans*** to acquire 100,000ha of ***agricultural*** land as well as continue its investment in the second stage of the Vinnytsia poultry farm. Completion of the second stage is ***planned*** for 2021 and now has permission to export to 64 countries. In October 2016 the company announced ***plans*** to invest up to USD500mn in the construction of the second stage. In Q117 MHP's exports rose 60% y-o-y to 49,150 tonnes, with base effects from a poor 2016 playing a major part in the increase. Combined with a 2% y-o-y decline in domestic sales, exports accounted for 40% of total sales, a record figure for the firm. Europe accounted for 21% of total exports, but this level is likely to decline later in the year as MHP has used nearly half of its duty-free export quota in the first quarter of 2017. In September 2017, an article in the Kyiv Post alleged that MHP was in receipt of UAH809mn of subsidies from the government of ousted former Ukrainian President Viktor Yanukovych. Yuiry Kosiuk, CEO of MHP, was the Deputy Head of the President's Administration in 2015. Critics claim these subsidies were effectively a tax break for MHP. MHP sold 134,890 tonnes of chicken meat over Q117-Q317, which is a 13% reduction on the same period in 2016, and has been linked to a decline in the firm's poultry stocks compared to 2016. However, profits rose 14% y-o-y in the same time period owing to increased prices for chicken meat. |

**Load-Date:** December 6, 2017

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[***Washington: HISPANIC HERITAGE MONTH***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PPM-3361-JDG9-Y4V4-00000-00&context=1516831)

Impact News Service

October 12, 2017 Thursday

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**Length:** 4422 words

**Body**

Washington: The Library of Congress, The Government of USA has issued the following house proceeding:

 The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2017, the Chair recognizes the gentleman from Florida (Mr. Soto) for 30 minutes. Mr. SOTO. Mr. Speaker, it is Hispanic Heritage Month, and I want to take this time to honor some great heroes in my district of Hispanic descent, who range from reporters to civil rights heroes, to community organizers, to businessmen and women, and I am just proud to be here tonight to be able to do that. Honoring Daniel Barajas Mr. SOTO.

Mr. Speaker, the first gentleman I want to talk about is Daniel Barajas, the executive director of the Young American Dreamers. Daniel Barajas was born in Winter Haven, Florida, to a family of migrant workers. Growing up, he worked in the orange groves of Florida. There, he witnessed firsthand how farmworkers were exposed to dangerous pesticides while working for poverty wages. He also learned about the long-term effects of failed immigration policies, seeing his own father be deported during a local operation. As a teenager, Daniel saw his friends join gangs to survive poverty and defend themselves against deeply rooted racism within their communities. He joined this path but was dubbed ``Lucky'' because he survived. Barajas dropped out of school in the ninth grade but earned his GED in 2001. During an incarceration in 2009, he noticed that inmates had no access to books or to reading glasses. It was then that Daniel founded the Library of Hope to collect books and reading glasses to donate to inmates. Daniel's younger sister, Maria Isabel, founded the Young American Dreamers, YAD, in 2010 to help local immigrant youth. Maria Isabel passed away in a car accident, tragically, in 2012, and to honor her legacy, Daniel joined YAD and was voted executive director in 2013. Barajas also continues to fundraise for annual scholarships to local students and participates in philanthropic events in the community. Daniel now speaks at high schools across Polk County, talks to students about his life, and shows them that one is not defined by their past, and that breaking down barriers is possible. He also closely works with the Polk County Supervisor of Elections Office to help register voters, increase voter turnout, and distribute clemency applications to help felons restore their civil rights. Daniel is an example of one who could turn their life around and benefit the community as a whole, and he works with the Mexican Consulate in Orlando to do community workshops to teach immigrant families of their constitutional rights. Thank you, Daniel, for your contributions. Honoring Ericka Gomez-Tejeda Mr. SOTO. Mr. Speaker, next is Ericka Gomez-Tejeda with Vamos4PR, Florida chapter. She is the civic engagement coordinator at 32BJ SEIU. Ericka Gomez-Tejeda came from Colombia to the United States with her mom when she was 8 years old. Moved by her lifelong commitment to her birth country, Ericka moved to Medellin, Colombia, in 2009 and began a master's in theology. Upon her return to the U.S 2 years later, she moved to Florida and was elected vice president of SEIU Local 1199 United Health Care Workers East for the Florida nursing home division, representing 11,000 nursing home workers in the State. In 2014, under the leadership of 32BJ President Hector Figueroa, Ericka returned to the Local 32BJ as deputy director of the 12,000- member New York [[Page H7971]] City security division, leading the field of operation for the division's first citywide contracts. In 2016, Ericka moved back to Florida and became the 32BJ civic engagement coordinator and organizer of Vamos4PR, Florida division. With 40 percent of the Orange County Public Schools community speaking primarily Spanish, Vamos4PR parents, teachers, students, and organizations successfully worked with the Orange County Public Schools to ensure English-learning parents get information, orientations, and translation. The coalition is currently focusing on offering immediate lifesaving resources to Puerto Rico and the cancellation of crippling debt, while working locally to open doors for the newly arrived Puerto Ricans to our region so they can use their knowledge and skills to integrate and contribute to the local economy and society from the day they arrive. Honoring Esteban Garces Mr. SOTO. Mr. Speaker, next I would like to highlight Esteban Garces, Florida State director of Mi Familia Vota. Esteban directs the Florida operation of Mi Familia Vota, managing strategy, operations, local policy development, campaigns, civic engagement, organizing efforts, and nonpartisan electoral work. Esteban's career was set in motion at an early age as a victim of landlord abuse. Continued exposure to immigration, education, and racial injustices spurred his interest in social justice. He began his career in social justice organizing, and then electoral organizing. He joined Mi Familia Vota in 2015 to continue working to create positive change. He was previously the immigration campaign director for SEIU Local 615. Honoring Frank Lopez Mr. SOTO. Mr. Speaker, next I would like to honor Frank Lopez of the Hispanic Chamber of Commerce of Central Florida. Frank Lopez is the president of the Hispanic Chamber of Commerce of Metro Orlando. Lopez is passionate about what he does, and nothing is more fulfilling to him than being part of a team with similar interests of an organization that is philanthropic and mission driven, and that values and pays tribute to those communities he serves. Lopez has been successful in creating substantive underwriting support to develop and sustain innovative youth learning and entrepreneurship services. These ***programs*** have ***produced*** an impressive array of community-building benefits, such as workforce readiness and leadership development, youth entrepreneurship experimental training camps, mentoring and coaching ***programs***, community-based technology, and wealth-building ***programs***. Lopez served as a member of the U.S Hispanic Council on Federal Employment that advises the Director of the U.S Office of Personnel Management on strategies for improving access of Latinos to the Federal workforce. Lopez has also served as a founding member of the National Hispanic Outreach Advisory Council, established by Intuit Corporation, focusing on diversity and inclusion, and expanding penetration of equitable tax filing practices within growing Latino communities across the country. Lopez is also a former president and CEO of the U.S Hispanic Chamber of Commerce Foundation, developing ***strategic*** services to Latino entrepreneurs from across the Nation. Throughout his career, Frank has served several philanthropic and social service governing boards, most recently with SourceAmerica, an organization created by Congress that manages over $2.5 billion in Federal employment-***producing*** contracts administered locally by affiliated nonprofit agencies across the United States and Puerto Rico. Honoring Ingrid Morfa Mr. SOTO. Mr. Speaker, next I would like to honor Ingrid Morfa, immigrant, attorney, and activist, a leader in immigration law in central Florida. Ingrid Morfa is an attorney and first-generation American. Her parents migrated from the Dominican Republic in the 1970s. As a mother of four, she is a firm believer that educating our community and helping those in need will make the United States a better place for her children and grandchildren for years to come. Her studies at Harvard University, Barry University School of Law, Cambridge College in the U.K , Kaplan University, and the New York City of Technology College have equipped Ingrid Morfa to help those around her. As a member of the National Caribbean Leadership Team and the Democratic Hispanic Caucus of Florida, an advocate for domestic violence prevention with Nuevo Sendero, and an attorney who assisted more than 2,000 naturalization applicants and dozens of green card applicants who are victims of domestic violence and crime at no cost, she has shown a devotion to the community that is only surpassed by her love that she has for her family. Honoring Jimmy Torres Mr. SOTO. Mr. Speaker, next I would like to honor Jimmy Torres, community organizer and activist, and also a major member of the SEIU union. Jimmy Torres Velez grew up in Puerto Rico, where he went to public school. After he finished his bachelor's degree in labor relations at the University of Puerto Rico, Rio Piedras Campus, he went to work with migrant families in southern New Jersey and Pennsylvania. Since then, he has worked for various unions in many States and in Puerto Rico. In those years he has held various positions, including trustee, secretary-treasurer, organizing director, and AFL-CIO State director. As part of his work, he has created and developed relationships with various Puerto Rican communities. After years organizing public and private sector employees, Jimmy organized and managed the State legislative office for SEIU in Puerto Rico and cooperated with the establishment of the legislative coordinating body for the AARP as well. After moving to Florida to help with retired members of the Service Employees International Union, he became an activist of the Puerto Rican community and Latino community overall. To improve the Latino representation in our area, he organized and coordinated the Boricua Vota movement. This movement is a nonpartisan educational and mobilization tool to improve activism and civic engagement and participation of Puerto Ricans in the political process. Jimmy also organized and became president of the Puerto Rico Action Initiative. To respond to Hurricane Irma, Jimmy has helped to organize a coordinated group called Aid, Support, and Help Coordinating Group, otherwise known as CASA. When Maria devastated the island, CASA galvanized enthusiasm and desire of the Puerto Rican community in central Florida to help their fellow compatriots--my fellow compatriots--on the island and has collected and has sent hundreds of thousands of dollars in goods and merchandise to Puerto Rico. Honoring Jorge Estevez Mr. SOTO. Mr. Speaker, next I would like to honor Jorge Estevez, WFTV news anchor and journalist in Orlando. Jorge Estevez is an anchor for the evening newscast of Eyewitness News at 10 p.m on WRDQ TV 27. He also anchors and reports newscasts on WFTV Channel 9. Jorge first came to WFTV in 2001 and covered the attacks of 9/11 and how they impacted central Florida's tourism industry. During the next 5 years as an anchor and reporter for WFTV and WRDQ, Jorge worked on major news affecting the various counties that make up our central Florida community. Jorge anchored several major local stories, including the severe hurricane season of 2004, during which several storms impacted the Orlando area. Since his return to central Florida, Jorge has been sent to cover major stories. His most recent trip was to Atlanta, where he interviewed Ronny Ahmed, one of three students injured when a shooter stormed the campus of Florida State University in 2014 and started firing at random. The son of Cuban immigrants, Jorge is from West New York, New Jersey, where he graduated from Rutgers University, like myself, with a dual degree in journalism and communication. Now he is glad to be back in central Florida, where he enjoys the change of seasons each year. He enjoys the warm weather because it gives him a chance to leave [[Page H7972]] the gym to take his 5-mile runs outdoors, where he can really break a sweat. Thank you, Jorge, for your contributions. Honoring Josephine Balzac, Esquire Mr. SOTO. Mr. Speaker, next I would like to honor Josephine Balzac, Esquire, attorney, writer, and professor at Rollins College, specializing in environmental law. Josephine M. Balzac is currently a visiting assistant professor in the Department of Business, teaching in the social entrepreneurship major. She has had the honor of being part of Rollins College since 2014. Her greatest honor is receiving two teaching awards from the students: a student government association's Outstanding Faculty Award, and the Walter E. Barden Distinguished Teaching Award. Throughout each of her classes, she makes sure to engage with the local community by bringing her legal professionals and organizations as guest speakers. Professor Balzac is a licensed attorney admitted to practice law in Florida and the U.S District Court Middle District of Florida. In May of 2017, the Florida ***Agricultural*** and Mechanical University, FAMU, College of Law presented her law office with the Distinguished Alumni Award and Professional Excellence Award, Solo Practitioner. She is also a community rights staff attorney for the Center for Earth Jurisprudence. During the summer, she is an adjunct law professor at Barry University School of Law, teaching sustainability in business. Professor Balzac previously worked as an associate attorney at an AV- rated trial litigation firm and worked for a food safety regulatory consulting group. Ms. Balzac is actively involved in the local community, frequently educating and advocating as an avid speaker on environmental justice, sustainable development, climate change, human rights, food, and social justice issues. Thank you, Josephine, for your contributions. Honoring Luis Pastrana Mr. SOTO. Mr. Speaker, next I would like to honor Luis Pastrana, attorney, activist, and professional at Ana G. Mendez University. Luis Pastrana was born in Puerto Rico. He received his bachelor's degree in business administration from the University of Puerto Rico, Rio Piedras Campus, while simultaneously being commissioned from the Army ROTC as a second lieutenant in the artillery branch. He taught at the Puerto Rico Junior College of Dona Ana G. Mendez, and many years later came full circle and is now a distinguished professor at the Orlando campus of the Ana G. Mendez University system. {time} 1915 Luis served in the Army for 20 years. He was with the Vietnamese irregular forces as an adviser for 2 years in the mountains of Vietnam, as well as an adviser to the Spanish Army for a couple of years in Spain and in many other parts of the globe. After retirement, he began to pursue law at the University of Puerto Rico. He has worked in banking as vice president for investments of the Cooperative Bank, as a general manager for a newspaper in San Juan; he was a candidate for Mayor of Guaynabo, director of finances for the Popular Democratic Party, trial attorney and senior partner of the law firm Pastrana, Perez, Martinez and Quevedo, executive director of the Puerto Rico Federal Affairs Administration for the Southeast of the United States, and now professor of law of the bachelor's degree in criminal justice for the Orlando campus of the Ana G. Mendez University. He published five books, all honoring his Puerto Rican roots. Mr. Speaker, I thank Luis for his contributions. Honoring Nancy Alvarez Mr. SOTO. Mr. Speaker, next I would like to honor Nancy Alvarez. Nancy was part of the first Hispanic anchor team on an English language TV station in central Florida. Along with Jorge Estevez, her coanchor, she brought the 10 o'clock news on Channel 27 TV to number one for the first time in more than 10 years. Alvarez joined the team at the ABC affiliate in May 2010 and currently coanchors Eyewitness News This Morning, alongside Jamie Homes. She is the daughter of Cuban immigrants and was born and raised in south Florida, although she considers Orlando a second home. Alvarez has spent most of her journalism career in central Florida, where she has been front and center for every major news event in the last 15- plus years. She spent years covering the space ***program*** at Kennedy Space Center, and was also in central Florida for Hurricanes Charlie, Frances, and Jean, reporting nonstop during the now-infamous 2004 hurricane season. In recent years, Alvarez was a central part of her station's coverage of the Pulse Nightclub shooting tragedy and covered various stories during the community's journey toward healing. She was also on the air for continuous coverage of Hurricane Irma and traveled to Puerto Rico to report on the devastating impacts of Hurricane Maria. Alvarez is also a graduate of Florida's Atlantic University, with degrees in communications and history. She has dedicated her career to giving a voice to people in need and using honest journalism as a tool for community service. Alvarez, a mother of two who is married to a news photographer, has dedicated her life to honoring the sacrifices made by her parents when they came to the U.S from Cuba. It is her hope that her life, career, and impact have made the hardships they have endured worth it. Honoring Orlando Rolon Mr. SOTO. Mr. Speaker, next I would like to honor Orlando Rolon. Orlando Rolon was born in Bayamon, Puerto Rico, and has lived in central Florida since 1977. After high school, he served in the United States Marines Reserves for 4 years. In 1992, Orlando Rolon was hired by the Orlando Police Department. In 1997, Officer Rolon was promoted to sergeant, and, in 1999, he was selected as the first full-time bilingual public information officer in the history of the Orlando Police Department. In 2003, Sergeant Rolon was promoted to lieutenant. He served as the liaison to the mayor and, during that time, was named adviser for Hispanic Affairs for the City of Orlando. In 2010, he was selected as the special operations traffic enforcement section commander. In 2013, Lieutenant Rolon was promoted to the rank of captain. He served as a patrol division commander and the crisis negotiation team commander. Prior to his appointment as deputy chief, he was serving as the professional standards division commander, which included internal affairs, ***planning***, fiscal, and training under his command. In 2013, he was named as one of the 25 Most Influential Hispanics in central Florida. In 2014, Mayor Buddy Dyer appointed Captain Orlando Rolon to the rank of deputy chief. In 2016, Deputy Chief Rolon was then assigned to patrol services bureau commander, with nearly 400 of the department's sworn staff officers under his command. Deputy Chief Rolon is a graduate of the Southern Police Institute Command Officers Development Course, the FBI National Academy Session 263, and the Major Cities Chiefs Association Police Executive Leadership Institute IV session. Deputy Chief Orlando Rolon is a member of the FBI National Academy Associates, Florida Police Chiefs Association, International Association of chiefs of Police, Major Cities Chiefs Association, and the Hispanic Chamber of Commerce of Metro Orlando. Mr. Speaker, I thank Chief Rolon for his contributions. Honoring Roxy Santiago Mr. SOTO. Mr. Speaker, next I would like to honor Roxy Santiago, board of directors for the LGBT Center of Central Florida and board of the Pulse Foundation. Roxy Santiago was born in Old San Juan, Puerto Rico, and has lived in Orlando for over 30 years. Roxy has worked for over 12 years at Walt Disney World in numerous management roles and had the privilege of being a personal tour guide for former Presidents and other high- profile individuals. She was a partner with Phish Phest Entertainment for 10 years. The organization held dozens of events, raising more than $150,000 for charity over the past decade. [[Page H7973]] Roxy was Tri-Chair Federal Club Steering Committee member for Human Rights Campaign, in 2006 through 2009; and in 2014 to present, she is currently serving on the Web Communications Steering Committee and Community Engagement. In 2014, she was honored with being selected among 50 distinguished local LGBT leaders by entering her biography and accomplishments in the U.S Congressional Record; and here it is happening again In 2015, she became a member of the Democratic Hispanic Caucus of Central Florida and assists in their web communications. In 2015, Roxy also became a volunteer at the American Red Cross of Central Florida. In the aftermath of Pulse, she was hired by the Red Cross in the position of community partnership. In 2016, she was selected by the National Human Rights Campaign, with 19 other women around the U.S , to attend a workshop for Women and Leadership: Equality for the 21st Century. In 2016, Roxy became a board member for the LGBT Center of Central Orlando and serves as their secretary on the board. Mr. Speaker, I thank Roxy for her contributions. Honoring Tirso Moreno Mr. SOTO. Mr. Speaker, next I would like to honor Tirso Moreno. Tirso was born in Mexico and came to this country in 1971, with his family to do farm work. He is currently the director of the Farmworker Association of Florida. In 1982, he became the lead organizer for the Farmworker Project of the Office for Farm Ministry, during which time he and several other farmworkers initiated the Farmworker Association. Under his leadership as general coordinator, the association has grown from a local to statewide organization with over 10,000 members. Tirso is a cofounder and board member of the Farmworker Health and Safety Institute and serves on the boards of Southern Partners Fund, Domestic Fair Trade Association, National Immigrant Farming Initiative, and the Rural Coalition. He also advocates for farmworkers' and immigrants' rights in national and international meetings. The Farmworker Association of Florida currently has five offices throughout central and south Florida. The mission of FWAF is to build power among farmworker and rural, low-income communities to respond to and gain control over the social, political, economic, workplace, health, and environmental justice issues that impact their lives. FWAF's core strategy is to help farmworkers realize their power to be effective agents of social change and personal change by: validating and strengthening the experience and understanding of farmworkers; building farmworkers' capacity to participate in decisionmaking processes that affect their lives; and raising consciousness about and advocating for farmworkers' and immigrants' rights. Mr. Speaker, I thank Tirso for his contributions. Honoring William Diaz Mr. SOTO. Mr. Speaker, I would like to honor William Diaz, Spanish radio host. Identified as a consistent community leader and insightful journalist, William Diaz's passion to help fellow citizens in life's struggles has been evidenced in the last 28 years of his residency in central Florida. William's activism in favor of Latin-American political development has granted him daily recognition with most of the Latin-American community in central Florida who listen to him and read his articles. A native of Cumana, and raised in Caracas, Venezuela, he developed a natural way to start friendships and show loyalty and support for all humanitarian causes. William was the recipient of a scholarship that brought him to the United States to obtain his postgraduate diploma. In 1976, the University of Texas at Austin gave him a master's degree in mass communications. William served as a Venezuelan diplomatic official in Europe, when he was designated as general coordinator of the GMA Foundation and the educational attache to the Venezuelan Embassy in Paris, France. Founder and president of several community organizations in his native Venezuela, in 1989, William brought all of his experience to the U.S Since then, he has been very active within the Latino community, specifically advising and counseling new nonprofit organizations. At this time, William is full-time with his radio show, ``Cara a Cara con William Diaz,'' which broadcasts in 18 different counties, founder of Casa de Venezuela, 15 years ago, which gathered most of the Venezuelans in central Florida, and founder of Made in Venezuela Business Club, dedicated to developing networking and promotions of products and services for Venezuelan businessmen and professionals, and current executive secretary of MUD Central Florida, the political organization that hosts and coordinates most of Venezuela's opposition political parties. Honoring Zoraida Rios-Andino Mr. SOTO. Mr. Speaker, next I would like to honor Zoraida Rios- Andino, president of Mission Boricua. Zoraida Rios-Andino has been a resident of Orlando, Florida, for 17 years. She has been very active in promoting cultural, social, and historic events in the Puerto Rican community. Zoraida is currently president and founder of Mission Boricua, an organization dedicated to history and civic engagement of the Puerto Rican community. Zoraida supervised the creation and promotion of Mission Boricua's outreach efforts. Zoraida has been part of the National Conference of Puerto Rican Women, Orlando chapter; United Front 436, National Boricua Human Rights Network, Orlando chapter; and Asociacion Borinquena. She is currently a board member for Speak Up Florida, and a member and cofounder of The Justice Project Coalition of Central Florida. In addition, she was an English as a second language instructor, and worked as a personnel administrator for many years. Zoraida was also ***program*** coordinator for ALSE, where she assisted hundreds of high school students pursuing postsecondary education. Zoraida has also led the movement to have the Florida Legislature pass a law in 2014, to put a honorary plaque along Semoran Boulevard in recognition of Rico Piccard, the late civil rights hero in central Florida. Zoraida has received numerous awards for her community service, like the Lifetime Achievement Award from the National Conference of Puerto Rican Women; Roberto Clemente Community Service Award; Latino History Society President's Award; Outstanding Membership Award from the Asociacion Borinquena; Community Service Award from the office of Congressman Alan Grayson; 2014 Florida State Proclamation recipient from State Representative Victor Torres; Coqui de Oro Award from La Casa de Puerto Rico; the Rico Piccard Award from the Orange County Democratic Party, and more. Mr. Speaker, I thank Zoraida for her contributions to central Florida. I am excited to be able to have this opportunity to talk about these heroes--so many who are symbolic of the hardworking Hispanic Americans in central Florida who help out with everyone from our poor, to our civil rights, to education, to the news, to politics, to our environment, to families, to so many important issues that matter to Hispanics across central Florida and across our Nation. Mr. Speaker, I yield back the balance of my time.

**Load-Date:** October 13, 2017

**End of Document**



[***Register of Commission documents:34TH MEETING OF THE EUROPEAN STATISTICAL SYSTEM COMMITTEE (ESSC) 92ND EEA CONFERENCE BUDAPEST, HUNGARY, 22 SEPTEMBER 2017 Document date: 2017-08-18 COM-AC\_DI(2017)A052582-01 Comitology - Documents for information***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PPC-1X01-F0YC-N463-00000-00&context=1516831)

Impact News Service

October 11, 2017 Wednesday

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**Length:** 1236 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

DRAFT AGENDA

34th MEETING OF THE EUROPEAN STATISTICAL SYSTEM COMMITTEE (ESSC)

92nd EEA CONFERENCE

Budapest (Hungary), 22nd September 2017

Starting: 09h00

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| --- | --- | --- | --- |
| Comitology items (in accordance with Council Decision 1999/468/EC or Regulation (EU) No 182/2011) |  |  |  |
|  | COMMISSION IMPLEMENTING REGULATION (EU) No of ?. concerning the format and arrangements for the transmission of European Statistics on natural gas and electricity prices pursuant to Regulation (EU) No 2016/1952.  Regulation (EU) No 2016/1952 on natural gas and electricity prices entered into force on 17th November 2016. This Implementing Regulation defines the format and the technical arrangement for transmitting the statistical data by the reporting authorities to Eurostat. The ESSC is invited to vote under the examination procedure. | 09h05 EEA ESSC 2017/34/1 | 5 |
|  | COMMISSION REGULATION (EU) No of [?] implementing Regulation (EC) No 1338/2008 of the European Parliament and of the Council as regards statistics based on the European Health Interview Survey (EHIS) Regulation 1338/2008 of the European Parliament and of the Council concerning Community statistics on public health and health and safety at work states in its Annex I that implementing measures shall be adopted for the European Health Interview Survey (EHIS). The aim of this draft Commission Regulation is to lay down the specifications of the EHIS wave 3 to be implemented in 2019 in order to ***produce*** comparable and harmonised data on health status, health care use and health determinants across Member States.   The ESSC is invited to vote under the regulatory procedure with scrutiny. | 09h10 EEA ESSC 2017/34/2 | 5 |
|  | COMMISSION IMPLEMENTING DECISION of [?] granting derogations to certain Member States with respect to the transmission of statistics pursuant to Regulation (EC) No 1338/2008 of the European Parliament and of the Council, as regards statistics based on the European Health Interview Survey (EHIS). Regulation 1338/2008 of the European Parliament and of the Council concerning Community statistics on public health and health and safety at work states in its Article 9 (2) that, if necessary, derogations can be granted following this regulation. The proposed Commission Decision is submitted to the ESS Committee in relation to the draft Commission Regulation as regards statistics based on the European Health Interview Survey (EHIS wave 3). This Commission Decision proposes to grant derogations for the implementation of the EHIS wave 3.   The ESSC is invited to vote under the examination procedure. | 09h15 EEA ESSC 2017/34/3 | 5 |
|  | COMMISSION REGULATION (EU) No.../? implementing Regulation (EC) No 1177/2003 of the European Parliament and of the Council concerning Community statistics on Income and Living Conditions (EU-SILC) as regards the 2019 list of target secondary variables on intergenerational transmission of disadvantages, household composition and income evolution. Regulation No 1177/2003 of the European Parliament and of the Council concerning Community statistics on Income and Living Conditions (EU-SILC) was adopted on 16 June 2003. One of the implementing measures contained in Article 15 of this regulation concerns the list of target secondary areas and variables (module) to be included in each SILC operation. The 2019 operation will collect information on respondents' background (parents education, activity status, origin, living conditions when respondents were 14 years old) in order to evaluate its influence on life outcomes and current quality of life. The 2019 operation will also constitute a test of important elements of revised EU-SILC such as use of 'household grid' to collect information on household composition as well as variables measuring income evolution.   The ESSC is invited to vote under the regulatory procedure with scrutiny. | 09h20 EEA ESSC 2017/34/4 | 5 |

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| Items for opinion |  |  |  |  |
|  | Adoption of the conclusions of the 2017 DGINS + Budapest Memorandum   The ESSC is invited to endorse the Budapest Memorandum presenting the outcome of the statistical session of the DGINS 2017, held on 21 September 2017. | 09h25 |  | 10 |
|  | Renewal of the EMOS Board (European Master in Official Statistics)   The ESSC is invited to appoint new EMOS Board members in order to replace the current members whose 3-year-terms expire at the end of the year. The proposal by Eurostat is composed on the basis of the replies received to the call for candidates addressed to the NSIs, ESAC, ESCB and the call for interest for academics to be appointed in their personal capacity. | 09h35 EEA ESSC 2017/34/6 |  | 10 |
|  | ESS Agreement on Crop Balance data for main cereals and oilseeds The proposal aims at setting up a data collection for Crop Balances for main cereals and oilseeds.   DG ***Agriculture*** and Rural Development needs urgently these data for several purposes, mainly to meet the international commitments but also for market monitoring. The proposed ESS agreement covers simplified Crop Balances for a limited number of main crops. The ESS Agreement is a transitional arrangement. The Crop Balances are ***planned*** to be integrated in the second Framework Regulation on ***Agricultural*** Statistics, namely the SAIO regulation (Statistics on ***agricultural*** inputs and outputs), which is ***planned*** to be in force in the early 2020's. The Commission may provide financial support for setting up the data collection system for Crop Balances on main cereals and oilseeds under the proposed ESS agreement.   The ESSC is invited to agree on the proposed ESS Agreement on Crop Balance data for main cereals and oilseeds | 09h45 EEA ESSC 2017/34/7 |  | 10 |
| Items for discussion |  |  |  |  |
|  | Revision of the Code of Practice   The ESSC is invited to exchange views on the proposals of the High-Level Group on Quality regarding the revision of the Code of Practice. | 09h55 EEA ESSC 2017/34/8 Presentation: Dir D Resp.: D4 C. Junker |  | 60 |

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| Reports to the Committee (these will either be oral reports or room documents) |  |  |  |  |
|  | ESGAB 2017 Report The chair of the European Statistical Governance Advisory Board will present its report to the ESSC. | 10h55 |  | 40 |
|  | ESS Vision 2020 Eurostat will present the regular progress report on the implementation of the ESS Vision 2020. | 11h35 EEA ESSC 2017/34/10 |  | 10 |
|  | Partnership Group - Report on the last meeting, 30.06.2017 - Draft agenda of the next meeting, 22.09.2017 | 11h45 EEA ESSC 2017/34/11 |  | 10 |
|  | Report from the Presidency (Estonia) | 11h55 EEA ESSC 2017/34/12 |  | 10 |
|  | Reports from the Directors? Groups The ESSC will be informed orally about the ***strategic*** activities of the Directors? Groups. | 12h05 |  | 10 |
| Any other business |  |  |  |  |
| 14. | Structural Reform Support ***Programme*** (SRSS) The ESSC will be addressed by Ms Mary McCarthy (SRSS) about the opportunities offered by this ***programme***, including through assistance to the Member States for the efficient and effective use of the European Union funds. | 12h15 |  | 20 |
| 15. | ESSC representatives at the European Statistical Advisory Committee (ESAC) ? New term | 12h35 |  | 10 |
| The meeting is foreseen to end at around 13h10 |  |  |  |  |

**Load-Date:** October 12, 2017

**End of Document**



[***-Kore Potash DFS Update***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5NV8-R081-F0K1-N22C-00000-00&context=1516831)

ENP Newswire

June 21, 2017 Wednesday

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**Length:** 2756 words

**Body**

Perth, Australia - Kore Potash Limited (ASX: K2P) ('Kore' or the 'Company'), the mineral exploration and development company whose flagship asset is the Kola deposit ('Kola' or the 'Project'), located in the Company's 97% owned Sintoukola Potash Project (SP), in the Republic of Congo ('RoC'), is pleased to report on the progress of its Definitive Feasibility Study ('DFS').

The DFS is being conducted by a consortium of world class engineering and construction companies consisting of Technip FMC, Vinci Construction Grands Projets, Egis International and Louis Dreyfus Armateurs (the 'French Consortium'). The DFS contract was signed on 28 February 2017 and the study is scheduled to be completed in Q2 2018. The inclusion of a significant amount of Front End Engineering Design ('FEED') work within the DFS scope aims to provide an estimate cost accuracy of +/-10%. The consortium will provide Kore with a Fixed Price and binding Engineering Procurement and Construction ('EPC') proposal for Kola within three months of the completion of the DFS, estimated to be within Q3 2018.

In addition, the French Consortium is contracted to assist Kore with its sourcing of financing, including ***strategic*** procurement of equipment, in order to maximise the potential amount of export credit agency opportunities that are available. Kore expects this to be a material part of the overall debt financing package for Kola.

Trade off studies

The first phase of the study, which was conducted in parallel to the Project's set-up, field campaigns and early engineering work, was conducted to analyse trade off studies to explore possible optimisation opportunities and to establish the Project's definition. These studies have been completed and have already identified opportunities resulting in a potential capital expenditure reduction of approximately US$ 100 million. While still too early in the process to be able to have clarity on the ultimate outcome, Management expects to realise further savings, compared to the PFS, in the design process which is now underway given the project is only 7.1% complete (in line with baseline). The study remains on schedule to be completed in Q2 2018.

The outcomes are summarised below

Mine access

The study confirmed that a vertical shaft is more cost effective and has a shorter construction time than a decline. This method of access will be further developed within the DFS.

Overland ore transport

The study confirmed that the installation of an overland conveyor belt would be the lowest risk and a more cost effective solution than a slurry pipeline pumping ore over a distance of 36 kilometres. The conveyor option will be further developed within the DFS.

Construction approach

This study confirmed that the construction environment does not pose any constraints that would justify large scale off-shore modularisation. It is recommended that a 'stick built' approach is implemented, but that smaller modular packages will be incorporated in the design process.

Transhipment and handling equipment selection

The study, conducted by Louis Dreyfus Armateurs, confirmed the feasibility of transhipment of the Muriate of Potash ('MoP') product, making use of self-propelled barges and a floating crane. This configuration resulted in a reduced jetty length by more than 100m and is well suited for the metocean conditions and will be further developed within the DFS.

Breakwater design

The study confirmed the need for a breakwater to protect barge loading activities. The breakwater will be constructed using a rubble mound method, which is superior to the caisson structures in terms of capital optimization and construction schedule.

Brine outfall solution optimisation

The study has successfully optimised the brine outfall solution, allowing for a higher brine concentration to be discharged, leading to significant capital cost savings.

Electrical and gas supply strategy

The study considered gas and power supply strategies and concluded that the supply of liquefied petroleum gas ('LPG') by trucks provides a feasible start up solution that will reduce initial capital outlay. It was further confirmed that power supply from the national grid is the preferred option for the Project's long term power requirements compared to self-generation, although other alternatives are still being considered. This configuration will be further developed within the DFS.

Construction and accommodation camp strategy

The accommodation strategy will consist of two construction camps, one at the Kola mine site and one at the process plant site. The study focussed on the reuse of facilities and confirmed that the main construction camp at the process plant facility will be converted to the permanent accommodation camp delivering significant capital savings.

Concrete foundations and soil preparation

Various soil improvement technologies were assessed and compared against the Pre-Feasibility Study ('PFS') approach of using steel piling. The study concluded that soil improvement and shallow foundations would be suitable for the large structures, negating the need for steel piling, which will lead to significant cost savings. This approach will be further developed within the DFS.

Field work campaigns

The following field and test work campaigns have been initiated and are ongoing which will provide input data for the DFS study.

Shaft geotechnical and hydrogeological campaign to ***produce*** design parameters for the vertical shaft design;

Surface geotechnical and hydrogeological campaign to ***produce*** design parameters for the process plant, buildings, roads and infrastructure design;

Metallurgical test ***program***, conducted by the Saskatchewan Research Council ('SRC') in Canada, to confirm PFS results and provide design parameters for further process optimisation;

A geotechnical laboratory test ***program*** to verify geotechnical characteristics for the mine design and to optimise the extraction ratio and,

A hydrological survey to provide input into ground water modelling, used to confirm fresh water abstraction and support the Environmental Social Impact Assessment ('ESIA') amendment ***programme***.

Decisions made

The study has confirmed the use of conventional shaft sinking method using ground freezing to control water inflows. The locations of the production and ventilation shafts have been confirmed and the run-of-mine ('ROM') ore hoisting system from the underground mine has been confirmed as a pocket belt vertical conveying system. At the process plant site, the product storage size and reclamation method have also been confirmed.

Work streams initiated with RoC authorities

The Company has initiated various work streams dedicated at securing the necessary utilities and authorisations based on the final project definition. These works streams focus on securing supply and price agreements for power and gas as well as final authorisation for the finalised transhipment activities.

Project management

The consortium have now mobilized a team of more than 100 people, which are working on the Project on a fulltime basis. The work is supervised and guided by Kore's project team consisting of project managers, lead engineers, estimating lead, environmental consultant and a procurement specialist. In addition, Kore has the support from senior engineers at SQM as well independent specialist reviewers to assist in the process.

Sean Bennett, CEO of Kore, commented: 'I am delighted to report that Kore has achieved a very promising start to the DFS for its lead project, Kola, located in the Republic of Congo. Whilst it is still early in the process, we are pleased that the trade-off studies have already ***produced*** significant potential capital expenditure savings. I would like to sincerely thank the French Consortium and all the members of Kore's team and our contractors, who continue to work effectively together. All parties are completely aligned on the requirements to achieve a successful project outcome and I look forward to reporting on our future progress.'

Contact:

Sean Bennett

Tel: +27 11 469 9144

Email: [*sbennett@korepotash.com*](mailto:sbennett@korepotash.com)

About VINCI GROUP

A French concessions and construction company founded in 1899 as Societe Generale d'Enterprises. It employs over 185,000 people and is the largest construction company in the world by revenue. Vinci is listed at Euronext's Paris stock exchange and is a member of the CAC 40 index. Its head office is in Paris. They have an extensive track-record in terms of all types of construction covering all aspects of the mine life cycle, including areas such as, mine access, water management, pipelines, energy, pits, tunnels, galleries and underground works, civil works, roadways and railway infrastructure, earthworks, jetties, quays and exploration to name a few.

Sogea Satom ([*www.sogea-satom.com*](http://www.sogea-satom.com)) a wholly owned subsidiary of Vinci Group has been active in Africa for more than 90 years, operates in over 20 African countries employing in excess of 15,000 people, making it the foremost construction company in Africa with a definitive understanding of political climate and cultural nuances associated with working on the continent. Sogea Satom has operated in the Republic of Congo since 1963. Total annual revenues for Vinci Group stand at more than EUR38.7 billion.

About TECHNIPFMC -   [*www.TechnipFMC.com*](http://www.TechnipFMC.com)

TechnipFMC is a global leader in subsea, onshore/offshore, and surface projects. With their proprietary technologies and production systems, integrated expertise, and comprehensive solutions, they are transforming their clients' project economics. They are uniquely positioned to deliver greater efficiency across project lifecycles from concept to project delivery and beyond. Through innovative technologies and improved efficiencies, their offering unlocks new possibilities for their clients in developing their resources. Each of their 44,000 employees is driven by a steady commitment to clients and a culture of purposeful innovation, challenging industry conventions, and rethinking how the best results are achieved.

About EGIS GROUP -   [*www.egis-group.com*](http://www.egis-group.com)

Egis, a subsidiary of the French 'Caisse des Depots' and 'Iosis Partenaires' (shareholding by executive partners and employees) on a 75%-25% basis, is a consulting and engineering group working in the fields of construction for transport, urban development, buildings, industry, water, the environment and energy. The group is also involved in project financing, tolling, road and airport operations. The new group results from the merger, on 1 January 2011, of Egis, a leader in infrastructure engineering and losis, a French leader in construction and civil nuclear engineering. Egis provides engineering services in the field of urban development, from buildings to transport infrastructure: hospitals, tertiary buildings, stadiums, museums, stations, airports, tramways and major transport and civil engineering projects: high-speed railway lines, motorways, port terminals, civil nuclear engineering, etc.; as well as sectors such as water, the environment and landscaping. Egis has been present in the Republic of Congo since 2009. Total annual revenues stand at more than EUR800 million.

About LOUIS DREYFUS ARMATEURS -   [*www.lda.fr/home-139*](http://www.lda.fr/home-139)

Louis Dreyfus Armateurs Group a family owned business founded in 1851 is a French company involved in maritime transportation and services offering a worldwide presence with around 1,600 seagoing and office-based personnel. Although being clearly separate entities the LDA Group has shareholders in common with Louis Dreyfus Commodities, a global conglomerate company that is involved in ***agriculture***, oil, energy and commodities (global processing, trading and merchandising). Able to offer its dry bulk chain customers a full range of services, LDA is a leading global player in transport and logistics. As an inventive port operator, LDA Group is a valued partner for logistics innovation worldwide. Thanks to ***strategic*** diversification conducted since the late 1990s into high added value maritime activities, LDA now also offers its clients tailor-made industrial maritime solutions. LDA is a fully integrated ship-owner, offering all the services from ship design to the maritime operations by its own crewmembers. Louis Dreyfus Armateurs is a non-listed company.

About KORE POTASH

Kore Potash (ASX: K2P) is an advanced stage mineral exploration and development company whose primary asset is 97%- owned Sintoukola Potash SARL (SP) in the RoC. The Company has three projects at varying development stages: SP has 100% ownership of the Kola Mining Lease within which the Company's lead project, the Kola deposit is located. SP also has 100% ownership of the 1067 km2 Sintoukola Exploration Permit which contains the Dougou deposit and Dougou Extension Prospect (previously referred to as Yangala).

These projects are easily accessed, being located approximately 80 km to the north of the city of Pointe Noire and 15 to 30 km from the coast. The Projects have the potential to be among the world's lowest-cost potash ***producers*** and their location near the coast offers a transport cost advantage to key Brazilian and Asian fertilizer markets.

Kola is a large sylvinite deposit, for which a Pre-Feasibility Study (PFS) defined Proven and Probable Reserves of 152 Mt of sylvinite ore1 with an average grade of 31.7% KCl to be mined by conventional underground methods (at a depth of between 200 and 300 m), for a full-scale production of 2 Mtpa Muriate of Potash (MoP) by 2022. A Mining License and ESIA approval for Kola were granted in August 20132.

The Dougou Deposit is 15 km southwest of Kola and is a very large carnallitite deposit with a Measured and Indicated Potash Mineral Resource of 1.1 billion tonnes grading 20.6% KCl (at a depth of between 400 and 600 metres) hosted by 35-40 metres of carnallitite within 4 flat-lying seams3. A Scoping Study was completed by ERCOSPLAN of Germany in February 20154. This Study indicates that a low capital cost, low operating cost (Life of Mine operating cost of US$ 68 per tonne MOP), quick to production carnallite5 solution mine can be established at Dougou, taking advantage of the deposit quality and availability of cheap energy in the RoC.

The Dougou Extension Prospect (previously referred to as Yangala) lies immediately west of Dougou. Here the Company has drilled two holes, both intersecting a flat-lying layer of thickness 4 to 4.5 metres with a grade of between 57 and 60% KCl. In January 2015, the Company announced an Exploration Target for this prospect of 235 to 470 million tonnes grading between 55 and 60 % KCl.6 (The reader is cautioned that an Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. There is no guarantee that further exploration will lead to the delineation of a Mineral Resource)

Forward-Looking Statements

This news release contains statements that are 'forward-looking'. Generally, the words 'expect,' 'potential', 'intend,' 'estimate,' 'will' and similar expressions identify forward-looking statements. By their very nature and whilst there is a reasonable basis for making such statements regarding the proposed placement described herein; forward-looking statements are subject to known and unknown risks and uncertainties that may cause our actual results, performance or achievements, to differ materially from those expressed or implied in any of our forward-looking statements, which are not guarantees of future performance. Statements in this news release regarding the Company's business or proposed business, which are not historical facts, are 'forward looking' statements that involve risks and uncertainties, such as resource estimates and statements that describe the Company's future ***plans***, objectives or goals, including words to the effect that the Company or management expects a stated condition or result to occur. Since forward-looking statements address future events and conditions, by their very nature, they involve inherent risks and uncertainties. Actual results in each case could differ materially from those currently anticipated in such statements. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date they are made.

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[***Council of the European Union: COMMUNICATION FROM THE COMMISSION Nuclear Illustrative Programme presented under Article 40 of the Euratom Treaty - Final (after opinion of EESC) ST 9186 2017 INIT***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P52-B031-F0YC-N26G-00000-00&context=1516831)

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Brussels: Council of the European Union has issued the following document:

9186/17 BL/ns DGE 2B EN Council of the European Union Brussels, 15 May 2017 (OR. en) 9186/17 ATO 22 ENER 176 SAN 198 COVER NOTE From: Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director date of receipt: 12 May 2017 To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union No. Cion doc.: COM(2017) 237 final Subject: COMMUNICATION FROM THE COMMISSION Nuclear Illustrative ***Programme*** presented under Article 40 of the Euratom Treaty - Final (after opinion of EESC) Delegations will find attached document COM(2017) 237 final. Encl.: COM(2017) 237 final EN EN EUROPEAN COMMISSION Brussels, 12.5.2017 COM(2017) 237 final COMMUNICATION FROM THE COMMISSION Nuclear Illustrative ***Programme*** presented under Article 40 of the Euratom Treaty - Final (after opinion of EESC) {SWD(2017) 158 final} 2 1. INTRODUCTION This Communication on a Nuclear Illustrative ***Programme*** (PINC), a requirement under Article 40 of the Euratom Treaty, provides an overview of investments in the EU for all the steps of the nuclear lifecycle. It is the first presented by the Commission after the Fukushima Daiichi accident in March 2011. Nuclear energy is part of the energy mix of half of the EU Member States. In those countries that choose to use it, nuclear has a role to play in ensuring the security of electricity supply.

In this context, the Energy Union Strategy1 and the European Energy Security Strategy2 stressed that Member States need to apply the highest standards of safety, security, waste management and non-proliferation as well as diversify nuclear fuel supplies. Doing so will help achieve the objectives of the 2030 climate and energy framework. The EU is currently one of the three major economies3 that generate more than half of their electricity from low-carbon energy sources (about 58%4). The PINC provides a basis for discussing how nuclear energy can help achieve the EU's energy objectives. As nuclear safety remains the Commission's absolute priority, it specifically includes investments related to post-Fukushima safety upgrades and those related to the long-term operation of existing nuclear power plants. In addition, with the EU nuclear industry moving into a new phase characterised by increased activities in the back-end of the lifecycle, it will contribute to an informed debate on the associated investment needs and the management of nuclear liabilities. The PINC also addresses the need for investment in research reactors and the associated fuel cycle, including the production of medical radioisotopes. 2. NUCLEAR ENERGY 2.1 Recent nuclear policy developments There are 129 nuclear power reactors in operation in 14 Member States, with a total capacity of 120 GWe and an average age close to 30 years. New build projects are envisaged in 10 Member States, with four reactors already under construction in Finland, France and Slovakia. Other projects in Finland, Hungary and the United Kingdom, are under licensing process, while projects in other Member States (Bulgaria, the Czech Republic, Lithuania, Poland and Romania) are at a preparatory stage. The United Kingdom has recently announced its intention to close all coal-fired power plants by 2025 and to fill the capacity gap mainly with new gas and nuclear power plants. Many countries in Europe and in the rest of the world will rely on nuclear energy to ***produce*** part of their electricity for the coming decades. The EU has the most advanced legally binding and enforceable regional framework for nuclear safety in the world and, despite diverging views among Member States on nuclear electricity, there is a shared recognition of the need to 1 COM(2015)80. 2 COM(2014)330. 3 The others are Brazil and Canada. 4 27.5% from nuclear and 29.2% from renewable sources, Eurostat, May 2016. 3 ensure the highest possible standards for the safe and responsible use of nuclear power and to protect citizens from radiation. Since the previous PINC update in 2008, the EU nuclear landscape has undergone significant changes with the organisation of the comprehensive risk and safety assessments ('stress tests') of the EU nuclear power reactors after the Fukushima Daiichi accident and the adoption of landmark legislation on nuclear safety5, radioactive waste and spent fuel management6 and radiation protection7. While the stress tests found that the safety standards of nuclear power plants in the EU, Switzerland and the Ukraine were high, further improvements were recommended. Nuclear operators are implementing them in accordance with their national action ***plans***. The Commission will continue to monitor the implementation of those ***plans*** through the European Nuclear Safety Regulators Group. The amended Nuclear Safety Directive5 brings the nuclear safety standards to a higher level. It sets an ambitious EU-wide objective of reducing the risk of accidents and avoiding large radioactive releases. It also introduces the requirement for a European system of peer reviews, with specific safety issues to be reviewed every six years. These requirements must always be taken into account when investing in new nuclear installations and wherever reasonably practicable when upgrading existing installations. In early 2015, Euratom played a key role in ensuring the adoption of the Vienna Declaration. This commits the contracting parties of the International Atomic Energy Agency Convention on Nuclear Safety to achieving standards of safety comparable to those laid down in the amended Nuclear Safety Directive. With the expansion of nuclear energy across all continents and with many vendors coming into play, it is important to ensure that high safety standards are applied worldwide and that these are not undermined by the use of cheaper or outdated technology. The EU legal framework requires increased transparency and public participation in nuclear issues as well as improved cooperation between all stakeholders. The directives on nuclear safety, radioactive waste and radiation protection referred to above all lay down requirements on the availability of information and public participation. The Commission is currently reviewing the implementation of these requirements in the directives already transposed, and aims to promote best practices. These will also apply to the directives still to be transposed. The Commission aims to ensure that the public has access to reliable information and can participate where appropriate in a transparent decision-making process. Cooperation among the nuclear safety authorities of EU Member States is now well established thanks to the European Nuclear Safety Regulators Group. In addition, the Commission will continue to promote the dialogue between stakeholders – including civil society – through, albeit not exclusively, the European Nuclear Energy Forum. Dialogue with stakeholders and civil society over the last two years covered issues such as emergency preparedness and response, the role of nuclear in the Energy Union and security of supply, the EU as a world leader in nuclear safety, the creation of a market for decommissioning in Europe, and the crucial involvement of civil society. Together with the forthcoming report to the Council and the European Parliament on the Radioactive Waste 5 OJ L 219, 25.7.2014, p. 42–52 6 OJ L 199, 2.8.2011, p. 48–56 7 OJ L 13, 17.1.2014, p. 1-73 4 Directive, they create a sound basis for increased transparency and debate. Moreover, more effort is necessary to enhance communication and engagement in order both to better understand civil society concerns and to better communicate and explain to the public the risk and safety aspects of all forms of nuclear technology. In addition, greater attention will continue to be paid to nuclear security. As highlighted in the conclusions of the 2016 Nuclear Security Summit, countering malevolent acts of a nuclear and radiological nature calls for international cooperation. This includes sharing information in accordance with States’ national laws and procedures. 2.2 EU nuclear market and main developments The EU nuclear energy market needs to be examined in the global context, given the potential impact of developments in other regions on the EU nuclear industry, global safety, security, health and on public opinion. Cooperation should be further strengthened with the EU candidate countries and neighbourhood countries, in particular Ukraine, Belarus, Turkey and Armenia. Safety stress tests have already been conducted in Ukraine, are set to be completed in Armenia in 2016 and are ***planned*** in Belarus and Turkey. The EU nuclear industry has developed into a global technology leader in all nuclear industry segments and directly employs between 400 000 and 500 000 people8, while creating around 400 000 additional jobs9. Such leadership can be an important asset worldwide. Nuclear-related investment needs in the global market are estimated at around EUR 3 trillion by 205010, with the majority expected in Asia. The number of countries operating nuclear power reactors and the global nuclear installed capacity are expected to increase by 2040. China's nuclear installed capacity alone is projected to increase by 125 GWe, a value higher than the current capacity of the EU (120 GWe), the United States (104 GWe) and Russia (25 GWe). The Commission predicts a decline in nuclear generation capacity at EU level up to 2025, taking into account the decisions of some Member States to phase out nuclear energy or to reduce its share in their energy mix11. This trend would be reversed by 2030 as new reactors are predicted to be connected to the grid and the lifetime of others will be extended. Nuclear capacity would increase slightly and remain stable at between 95 and 105 GWe by 205012 (Figure 1). Since electricity demand is expected to increase over the same period, the share of nuclear electricity in the EU would fall from its current level of 27% to around 20%. 8 SWD(2014)299 9 [*http://ec.europa.eu/research/energy/euratom/publications/pdf/study2012\_synthesis\_report.pdf*](http://ec.europa.eu/research/energy/euratom/publications/pdf/study2012_synthesis_report.pdf) 10 Source: Nuclear Energy Agency and International Energy Agency, 2015 (USD 1 = EUR 0,75) 11 Such as the decision of Germany and the new French energy transition law 12 Estimate within the range of the analysis performed by the Commission during the preparation of the 2030 Climate and Energy Framework. See SWD(2014)255 and SWD(2014)15 5 Figure 1 - Total EU nuclear capacity (GWe) Capacity replacement investment up to 2050 will most likely be in the most advanced reactors, such as EPR, AP 1000, VVER 1200, ACR 1000 and ABWR. 3. NUCLEAR INVESTMENT NEEDS TOWARDS 2050 Significant investments will be needed to support the transformation of the energy system in line with the Energy Union Strategy. Between EUR 3.2 and EUR 4.2 trillion will need to be invested in the EU energy supply between 2015 and 205013. Investments in the nuclear sector are a small part of the overall effort and must be made within the framework established in EU legislation. Under Article 41 of the Euratom Treaty, the Commission must be notified of new nuclear investment projects. Since 2008, a total of 48 projects have been notified. Nine were for facilities dedicated to front-end activities, 20 for major modifications or upgrades in nuclear power plants related to long-term operations or to post-Fukushima improvements, seven for new commercial or research reactors and 12 for back-end installations. All projects received a non-binding Commission opinion, providing the Member State with comments and/or suggestions for improvements to be taken into account when authorising the projects. Particular attention was paid to safety, waste management, safeguards and security of supply issues. Later this year, the Commission will propose an update and better definition of the requirements for these notifications which, together with the Recommendation on the application of Article 103 of the Euratom Treaty14, will strengthen the Commission's ability to ensure that new investments and bilateral agreements with third countries in the 13 SWD(2014)255. This includes power grid investment, investment in power plants (including electricity and CHP) and steam boilers. All figures in this Communication are expressed in constant values unless stated otherwise. 14 Adopted on 4th April 2016. 0 20 40 60 80 100 120 2015 2020 2025 2030 2035 2040 2045 2050 Existing power LTO New nuclear capacity 6 field of nuclear energy comply with the Euratom Treaty and reflect the most recent security of supply considerations. 7 3.1 Investments in the front end of the fuel cycle The process of fabricating fuel (front end of the fuel cycle) includes different steps from uranium ore exploration and mining to fabrication of fuel assemblies. While uranium mining activities are limited in the EU, abundant uranium resources are available worldwide. European companies rank among the world's major ***producers*** of nuclear fuel. EU demand for natural uranium represents approximately one third of global demand and is obtained from a diverse range of suppliers. Kazakhstan (27%) was the main supplier in 2014, followed by Russia (18 %), and Niger (15 %). Australia and Canada accounted for 14 % and 13 % respectively. In accordance with the European Energy Security Strategy, the Commission is taking action to ensure a well-functioning internal market for nuclear fuels and to further enhance security of supply. The Euratom Supply Agency assesses these matters continuously in its decisions on supply contracts, with particular attention paid to new-build projects. While some companies offer integrated packages with services that span the nuclear fuel cycle, the Commission will ensure that this capacity will not act as a barrier to other companies that operate in a single segment of the nuclear cycle, as this would limit competition in the market. Major investments have been made in the past in conversion and enrichment capabilities, and the focus in the coming years will be on modernising them in order to maintain EU technological leadership. Regarding the fabrication of nuclear fuel, the EU-based capacity would be able to cover all its needs for western-design reactors, whereas developing and licensing fuel assemblies for Russian-design reactors would take a few years (provided that a sufficient market is available to make the investment attractive for the industry). The Commission will continue to monitor the front end of the fuel cycle and use all instruments available at its disposal to ensure security of supply in the EU, diversification and global competition. 3.2 Investments and business environment for new nuclear power plants All Member States operating nuclear power plants are investing in safety improvements. Due to the average age of the EU nuclear fleet, several Member States are also faced with policy decisions on the replacement or long-term operation of their nuclear power plants. Figure 1 shows that without long-term operation ***programmes***, around 90% of the existing reactors would be shut down by 2030, resulting in the need to replace large amounts of capacity. When Member States decide to proceed with the long-term operation of reactors, national regulatory approval and safety upgrades will be needed to ensure compliance with the Nuclear Safety Directive. Whichever options Member States choose, 90% of the existing nuclear electricity production capacity will need to be replaced by 2050. Maintaining a nuclear generation capacity of between 95 and 105 GWe in the EU until 2050 and beyond would require further investments over the next 35 years. Between EUR 350 and 8 450 billion would have to be invested in new plants to replace most of the existing nuclear power capacity. Since new nuclear power plants are designed to operate for at least 60 years, these new plants would generate electricity until the end of the century. A number of factors influence the availability of finance for investments in new nuclear capacity. For the two main cost components, overnight cost15 and financing cost, the expected construction time and project discount rate play a significant role. Different financing models are being examined or used in several EU Member States, such as the Contract for Difference16 scheme proposed for the Hinkley Point C project in the UK or the Mankala model17 proposed for the Hanhikivi project in Finland. Some new, first-of-a-kind projects in the EU have experienced delays and cost overruns. Future projects using the same technology should benefit from the experience gained and should exploit cost-reduction opportunities, provided that an appropriate policy is established. This policy should focus on improving cooperation between regulators when licensing new reactors and on encouraging industry to standardise nuclear reactor designs. In addition to improving cost efficiency, this would help make new nuclear power plants safer. The licensing process, while falling under the exclusive competence of national safety regulators, presents opportunities for enhanced cooperation, for example in the pre-licensing steps or in design certification. The aim of collaboration on licensing requirements should be to ensure that a design that is considered safe in one country does not have to be substantially modified to meet licensing requirements elsewhere, therefore reducing both time and costs. In this area the Commission intends to consult the European Nuclear Safety Regulators Group and the European Technical Safety Organisations Network. On standardisation, construction codes are used as a common reference by all actors involved in the design and construction of power plants and other nuclear facilities18. Given the emergence of potential new vendors and the need to ensure control of any new model/technology, it would be beneficial to encourage vendors and suppliers to engage in an initiative to increase standardisation of their components and codes in order to ensure: (a) a faster procurement process; (b) greater comparability and more transparent and higher safety standards; (c) increased capacity of operators to control technology and knowledge management. Given the emphasis on optimising the use of existing resources and on mutual recognition to open up more opportunities, the Commission is closely following the work of the European Committee for Standardisation to see what potential policy options are needed at EU level. 15 The overnight construction costs include: construction, major equipment, instrumentation and control, indirect costs and owners cost 16 Contracts for difference entail a variable premium in view of the market price for electricity 17 An agreement similar to the cooperative system of undertaking known in other European countries. This model operates on a zero-profit basis; shareholders receive a relative share of the electricity ***produced*** by the nuclear power plant at cost price 18 This includes suppliers of the technology, architects, engineers, operators as well as inspectors and safety authorities 9 3.3 Investments and business environment related to safety upgrades and the long term operation of existing nuclear power plants In order to continuously improve nuclear safety, which is a key responsibility of the nuclear operators under the supervision of the competent national regulatory authorities, regular efforts are made to increase the robustness of nuclear power plants, in particular following specific reviews, periodic safety reviews or peer reviews such as the EU stress tests. Many operators in Europe have expressed the intention to operate their nuclear power plants for longer than envisaged by their original design. From a nuclear safety point of view, continuing to operate a nuclear power plant requires two things: demonstrating and maintaining plant conformity to the applicable regulatory requirements; and enhancing plant safety as far as reasonably practicable. In the light of information provided by Member States, an estimated EUR 45-50 billion will have to be invested in the long-term operation of existing reactors by 2050. The related investment projects will need to be communicated to the Commission, which will then issue its views on them in accordance with Article 41 of the Euratom Treaty. Depending on the model and age of the reactor, national regulators assume that granting long-term operation ***programmes*** will mean extending their lifetime by 10 to 20 years on average. Utilities and regulatory bodies need to prepare, review and approve the safety cases associated with these ***plans*** in accordance with the amended Nuclear Safety Directive. Enhancing cooperation among the regulators in the licensing processes, for example by setting common criteria, will help ensure an adequate and timely response to the challenge. 3.4 Increased activities in the back-end of the fuel cycle: challenges and opportunities The back-end of the fuel cycle will need increasing levels of attention. It is estimated that more than 50 of the 129 reactors currently in operation in the EU are to be shut down by 2025. Careful ***planning*** and enhanced cooperation among Member States will be needed. All EU Member States operating nuclear power plants will have to take politically sensitive decisions on geological disposal and the long-term management of radioactive waste. It is important not to postpone actions and investment decisions on these issues as the acceptance of nuclear energy by civil society is closely linked to the ability to demonstrate responsible, safe and sustainable solutions for waste management. 3.4.1 Spent fuel and radioactive waste management The Spent Fuel and Radioactive Waste Directive establishes legally binding requirements for the safe and responsible long-term management of radioactive waste and spent fuel, with the objective of avoiding undue burdens on future generations. Member States have made significant efforts towards implementing the Directive. Each Member State is free to define its own fuel cycle policy. The spent fuel can be regarded either as a valuable resource to be reprocessed or as radioactive waste that is destined for direct disposal. Whatever option is chosen, the disposal of high-level waste, separated during reprocessing, or of spent fuel regarded as waste should be addressed. 10 France and the United Kingdom have reprocessing facilities in operation, although the UK has decided to shut its facilities down by 2018. A number of reactors in Germany, France and the Netherlands used mixed oxide (MOX) fuel in 2014. Disposal facilities for low-level and intermediate-level radioactive waste are already in place in most Member States. Operators are moving from research to action with the construction of the world's first geological disposal facilities for high-level waste and spent fuel. These facilities are expected to become operational in Finland, Sweden and France between 2020 and 2030. Other European companies should take advantage of this expertise in order to consolidate the required skills and know-how and develop commercial opportunities at global level. There is scope for cooperation between Member States, including the sharing of best practices or even through shared repositories. Whereas shared repositories are legally possible under the Directive, several issues still need to be resolved, in particular communicating with the public and building public acceptance. Another crucial step is to determine, who is ultimately responsible for the radioactive waste that needs to be disposed of as part of a multinational approach. Member States operating nuclear power plants currently use facilities for storing waste for between 40 and 100 years. However, the storage of radioactive waste, including long-term storage, is an interim solution and not an alternative to disposal. 3.4.2 Decommissioning Worldwide there is little experience in decommissioning power reactors. 90 nuclear power reactors have been shut down permanently in Europe as at January 2016. However, only 3 reactors have been completely decommissioned so far19 (all in Germany). European companies have the opportunity to become global leaders by developing the required skills in the domestic market, which includes measures to encourage the participation of SMEs. The use of best practice in the various stages of the decommissioning process, including through a staged approach that would allow benefit from the continuous reduction in the radiological hazard, would bring efficiency and safety improvements. Best practices could be promoted by creating a European centre of excellence, that brings together public and private actors, or by establishing it under the Decommissioning Funding Group. 3.4.3 Funding requirements for spent fuel, radioactive waste management and decommissioning The Spent Fuel and Radioactive Waste Directive recognises that operators are fully responsible for the management of radioactive waste from generation through to final disposal. Funding has to be accumulated by the operators from the early years of operation and be ring-fenced to mitigate the risk of financial liabilities for governments to the extent possible. Member States guarantee this principle by establishing and maintaining national ***programmes*** that include an assessment of the costs and the applicable financing scheme. Based on the latest information provided by Member States,20 European nuclear operators 19 This means releasing the site from regulatory control. 20 Questionnaires sent to the members of the Decommissioning Funding Group, as well as National ***Programmes*** submitted under Directive 2011/70/Euratom, where available 11 estimated in December 2014 that EUR 263 billion will be needed for nuclear decommissioning and radioactive waste management until 2050, with EUR 123 billion for decommissioning and EUR 140 billion for spent fuel and radioactive waste management as well as deep geological disposal. Member States have also provided data on assets backing these expected investments, which amounted to approximately EUR 133 billion. Typically, these assets are collected in dedicated funds, often combined for decommissioning and radioactive waste management. The most frequently used method to collect funds is a fixed contribution based on the electricity ***produced*** by the relevant nuclear power plants. Member States apply different methods to estimate the costs of completing the back-end activities of the nuclear fuel cycle. The Commission will continue collecting additional data with the help of the Decommissioning Funding Group, and has drawn up a report on the implementation of the Radioactive Waste and Spent Fuel Directive. 4. NON-POWER APPLICATIONS Nuclear and radiation technologies have many applications in the medical sector, industry, ***agriculture*** and research, with substantial benefits to society in all Member States. More than 500 million diagnostic procedures using x-rays or radioisotopes are carried out in Europe each year, and more than 700 000 European healthcare workers use nuclear and radiation technology on a daily basis. There is a vibrant market for medical imaging equipment in Europe. It is worth more than EUR 20 billion and enjoys annual growth rates of about 5%. Different types of research reactors are operated in the EU. They are used for material and nuclear fuel testing as well as basic research and development. Some also ***produce*** medical radioisotopes for the diagnosis and treatment of various diseases, including cancers, cardiovascular and brain disorders. Over 10 000 hospitals worldwide use radioisotopes for the in vivo diagnosis or treatment of some 35 million patients every year, of which nine million are European. Europe is the second largest consumer of technetium-99m (Tc-99m), the most widely used diagnostic radioisotope. Several European research reactors involved in the production of medical radioisotopes are approaching the end of their lifespan, with the supply of medical radioisotopes becoming more fragile and leading to some severe shortages. Action has recently been undertaken to coordinate the operation of research reactors in the European Union and abroad and to minimise interruptions in radioisotope production, for example the establishment of the European Observatory on the Supply of Medical Radioisotopes in 2012.21 Despite these efforts, the issue of medical radioisotope capacity, especially in Europe, still requires full consideration by all stakeholders as it is essential to ensuring key medical diagnosis and treatments in the European Union. The Commission considers that there is a need for a more coordinated European approach to the non-power uses of nuclear and radiation technology. 21   [*http://ec.europa.eu/euratom/observatory\_radioisotopes.html*](http://ec.europa.eu/euratom/observatory_radioisotopes.html) 12 5. MAINTAINING EU TECHNOLOGY LEADERSHIP IN THE NUCLEAR DOMAIN THROUGH FURTHER RESEARCH AND DEVELOPMENT ACTIVITIES The EU must maintain its technological leadership in the nuclear domain, including the development of fusion through the International Thermonuclear Experimental Reactor (ITER),22 so as not to increase energy and technology dependence, and to provide European companies with business opportunities. This will in turn support EU growth, jobs and competitiveness. The recent Communication on the Integrated ***Strategic*** Energy Technology ***Plan*** (SET-***Plan***)23 further details that the priority for nuclear energy is to support the development of the most advanced technologies to maintain the highest level of safety in nuclear reactors and to improve the efficiency of operation, the back-end of the fuel cycle and decommissioning. As underlined by European research and industrial stakeholders24, retaining technological leadership in the nuclear field is possible only if interested Member States maintain diverse and sufficiently funded nuclear research capabilities, including education and training aspects. However, it will not be easy for Europe to retain leadership in all areas in view of the significant increase in nuclear generating capacity in other regions of the world. This underlines the importance of cooperation at European level, especially in areas such as the expertise on safety of advanced and innovative reactors. The ongoing Euratom ***programme*** contributes to these objectives by supporting nuclear research and training activities aiming at continuous improvement of nuclear safety, security and radiation protection, thus contributing to the long-term decarbonisation of the energy system. The ITER project is a key step on the way to establishing fusion's future role in energy scenarios after 2050. Significant progress was made on ITER in 2016 in terms of revising the project baseline. In June 2016 the ITER Parties agreed on a new schedule and cost estimates for the period up to 2025. In November 2016 they gave their support to a fully revised baseline up to 2035, which is subject to final political approval in 2017. Continuing to pursue research and development is instrumental to maintain the EU at the forefront of nuclear technology and develop the highest standards of safety, security, waste management and non-proliferation. This implies continued investment on research and training/education, as well as on nuclear research infrastructure. 6. CONCLUSION According to the Commission's estimate, nuclear energy is expected to remain an important component of the EU’s energy mix in the 2050 horizon. 22 ITER is a large-scale scientific experiment that aims to demonstrate the technological and scientific feasibility of fusion energy being built in France. It is an international collaborative effort between the Parties of the ITER Agreement: EU, China, India, Japan, South Korea, Russia and the USA. 23 COM(2015)6317. 24 SET-***Plan*** Declaration of Intent on ***Strategic*** Targets in the context of Action 10: 'Maintaining a high level of safety of nuclear reactors and associated fuel cycles during operation and decommissioning, while improving their efficiency'   [*https://setis.ec.europa.eu/implementing-integrated-set-****plan****/nuclear-safety-ongoing-work*](https://setis.ec.europa.eu/implementing-integrated-set-plan/nuclear-safety-ongoing-work) 13 For those Member States choosing to use nuclear, the highest standards of safety, security, waste management and non-proliferation have to be ensured across the whole fuel cycle. It is crucial to ensure the swift and thorough implementation of the legislation adopted post-Fukushima. Top-level nuclear research, including through the development of state-of-the-art nuclear researc

h infrastructure in the EU is fundamental to ensure that the EU maintains its competence in the field. Cooperation among national regulators on licensing and general supervision is seen as beneficial. The nuclear fleet in Europe is ageing and significant investments are needed where Member States opt for a lifetime extension of some reactors (and related safety improvements), expected decommissioning activities and for the long-term storage of nuclear waste. Investments are also needed to replace existing nuclear plants. Such investments could also go in part to new nuclear plants. The total estimated investments in the nuclear fuel cycle between 2015 and 2050 are projected to be between EUR 660 and 770 billion25. Finally, the rapid rise in nuclear energy use outside the EU (China, India, etc.) also means that the EU needs to maintain its global leadership and excellence in the technology and safety domains. To this end, continuous investment in research and development activities will be needed. 25 See details in the Staff Working Document (SWD(2016) 102 final).

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[***/OFF HOLD OFF HOLD OFF HOLD -- European Centre for Medium-Range Weather Forecasts/***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PXG-NN31-JCSW-K24J-00000-00&context=1516831)

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/OFF HOLD OFF HOLD OFF HOLD -- European Centre for Medium-Range Weather Forecasts, PIV890504 The following release: "New Seasonal Prediction System SEAS5 Brings Better El Niño Forecasts" is now OFF HOLD. Distribution time: 10 Nov 2017 00:01 GMT

The European Centre for Medium-Range Weather Forecasts (ECMWF) today launches its latest seasonal prediction system, SEAS5. The system brings a substantial improvement in forecast skill, especially for El Niño/La Niña events. Forecasts are also more detailed thanks to much greater horizontal resolution. An immediate application is the use of SEAS5 by the Global Flood Awareness System (GloFAS) to create the first ever operational global long-range river-flow forecasting system. This could mean much earlier awareness of floods and droughts than has previously been possible.

(Logo: [*http://mma.prnewswire.com/media/600366/ECMWF\_Logo.jpg*](http://mma.prnewswire.com/media/600366/ECMWF_Logo.jpg) )

(Photo: [*http://mma.prnewswire.com/media/600380/ECMWF\_Weather\_Forecasts.jpg*](http://mma.prnewswire.com/media/600380/ECMWF_Weather_Forecasts.jpg) )

(Photo: [*http://mma.prnewswire.com/media/600398/SEAS5\_System.jpg*](http://mma.prnewswire.com/media/600398/SEAS5_System.jpg) )

Seasonal forecasts help to give an idea of large-scale weather patterns up to seven months in advance at the moment. ECMWFs ***strategic*** goal is to extend this to a year by 2025. The forecasts can support decision-making for users ranging from governments and aid agencies to businesses, in areas such as water and energy management, health, ***agriculture*** and financial services.

ECMWF has been providing seasonal forecasts for 20 years. The forecasts are best known for successful predictions of El Niño and La Niña events. These periods of anomalous warming or cooling in the tropical eastern Pacific have a strong impact on the weather locally, but also influence global weather patterns. SEAS5 brings noticeable improvements in forecast skill for El Niño/La Niña and for the tropics more generally. Predictions of Arctic sea ice and near-surface temperature in the northern hemisphere are also improved, notably as a result of including an interactive sea-ice model in SEAS5.

Horizontal resolution has more than doubled both in the ocean model (from 1 degree to 0.25 degrees) and in the atmospheric model (from 80 km to 36 km), enabling much more detailed forecasts.

ECMWF project lead Tim Stockdale said: "SEAS5 uses a version of ECMWFs state-of-the-art Integrated Forecasting System (IFS) and represents six years of model development. The resolution upgrade is a huge step forward, particularly in the accuracy of representing the global ocean. The influences of the land surface are also better represented. For the future, a major goal is to improve predictions for the stratosphere to make the maximum use of all sources of predictability."

SEAS5 represents an important step towards ECMWFs goal of seamless forecasting across all time ranges. The model and initialisation methods are almost identical to those used for ECMWFs medium- and extended-range ensemble forecasts (ENS). This greatly facilitates model development and maintenance.

ECMWF Member States and licensed users can access SEAS5 forecasts on the 5th day of each month. The forecasts are made available more widely on the ECMWF website ([*http://www.ecmwf.int*](http://www.ecmwf.int)) on the 10th of each month. The forecasts can also be accessed on the 10th of each month through the EU-funded, ECMWF-run Copernicus Climate Change Service (C3S) (   [*http://climate.copernicus.eu/*](http://climate.copernicus.eu/)). C3S is developing a seasonal forecast service which also includes forecasts from other centres and multi-system forecasts.

The Global Flood Awareness System (GloFAS) is co-developed by ECMWF and the Joint Research Centre of the European Commission as part of the Copernicus Emergency Management Service (EMS). The new seasonal GloFAS model, developed in collaboration with researchers from the University of Reading, takes long-range forecasts from SEAS5 and runs a hydrological model to simulate how the predicted conditions will impact river flow across the globe up to four months in advance.

Initial pre-implementation tests indicate that the new model has the potential to save lives by allowing authorities and aid agencies around the world to ***plan*** and prepare flood relief efforts earlier than ever before. Other potential uses include water resource management, ***agriculture*** and disaster risk reduction.

Project lead Rebecca Emerton, a flood forecasting PhD researcher at the University of Reading and visiting scientist at ECMWF, said: "This new model could be a game-changer in that it provides hydrologically relevant forecasts out to several months for the whole globe - something that has never been possible before. It has the potential to provide earlier indications of both floods and droughts, which could be invaluable for disaster risk reduction efforts around the world, helping vulnerable communities become more resilient to the threat of flooding."

The forecasts will be publicly available via the existing GLoFAS interface ([*http://www.globalfloods.eu*](http://www.globalfloods.eu)).

Notes to editors

1. The European Centre for Medium-Range Weather Forecasts (ECMWF) is an independent intergovernmental organisation supported by 34 states. ECMWF is both a research institute and a 24/7 operational service, ***producing*** and disseminating numerical weather predictions to its Member and Co-operating States as well as licensed users. The organisation was established in 1975 and now employs around 350 staff from more than 30 countries. ECMWF is based in Reading, UK. 2. Copernicus is a European Union ***Programme*** aimed at developing European information services based on satellite Earth observation and in situ (non-space) data. The ***Programme*** is coordinated and managed by the European Commission. ECMWF operates two of the six Copernicus services on behalf of the EU: the Copernicus Climate Change Service (C3S) and the Copernicus Atmosphere Monitoring Service (CAMS). ECMWF is also the computational centre for European flood awareness and forest fire information systems which are part of the Copernicus Emergency Management Service (EMS). 3. The Global Flood Awareness System (GloFAS), jointly developed by the Joint Research Centre of the European Commission and ECMWF, is independent of administrative and political boundaries. It couples state-of-the-art weather forecasts with a hydrological model and with its continental-scale setup it provides downstream countries with information on upstream river conditions as well as providing continental and global overviews.

Hilda Carr - Head of Communications

+44-0118-949-9000

[*pressoffice@ecmwf.int*](mailto:pressoffice@ecmwf.int)

**Notes**

European Centre for Medium-Range Weather Forecasts

Im Internet recherchierbar: [*http://www.presseportal.de*](http://www.presseportal.de)

**Load-Date:** November 10, 2017

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[***Ukraine: Kharkiv Region media highlights 31 Mar-6 Apr 18***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S5R-94K1-DYRV-302M-00000-00&context=1516831)

BBC Monitoring Kiev Unit

Supplied by BBC Worldwide Monitoring

April 24, 2018 Tuesday

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**Length:** 1708 words

**Body**

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Source: Kharkiv Region media highlights in Russian 6 Apr 18

**Load-Date:** April 24, 2018

**End of Document**



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BBC Monitoring Kiev Unit

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April 24, 2018 Tuesday

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**Load-Date:** April 26, 2018

**End of Document**



[***Export outflows and investment inflows set to grow in Sri Lanka***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-7525-00000-00&context=1516831)

Oxford Business Group: Articles

May 2018

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**Length:** 4663 words

**Body**

Trade and investment activities in Sri Lanka benefit from the country's location along busy Indian Ocean trade routes, access to the larger markets of India and Pakistan, abundant ***agricultural*** and industrial exports, and a young skilled workforce. Value-added textiles have joined tea, rubber and spices to become a major export earner in recent years, while foreign direct investment (FDI) inflows hit record highs in 2017. Still, both FDI and exports continue to miss government targets, and subdued export growth and rising fuel imports have pushed the trade deficit to new highs.

**New Moves**

With this in mind, the country is embarking on a bold reform ***programme*** that should offer substantial new support mechanisms for trade and investment. The Vision 2025 mid-term economic development strategy calls for increased private sector participation in infrastructure projects, as well as new investment in industrial and free zones to boost value-added exports. Moreover, a new trade strategy published in early 2017 targets tariff reform as a key ingredient to improving the business climate and supporting export-oriented investment.

Importantly, the Ministry of Finance (MoF) also established a dedicated public-private partnership (PPP) agency in early 2017, with the aim of facilitating new cost-sharing frameworks to construct major infrastructure. Vision 2025 aims to expand PPPs into tourism, health care and ***agriculture***, placing an emphasis on innovation and value addition, with recent investment announcements indicating high potential in pharmaceuticals. Following decades of civil conflict, a host of bilateral and multilateral trade agreements are also set for revival, with Sri Lanka signing its first free trade agreement (FTA) in a decade in early 2018. Restoration of the Generalised System of Preferences Plus (GSP+) trade concessions with the EU, Sri Lanka's largest bloc export market, has further brightened the 2018 outlook.

**Oversight**

The Ministry of Development Strategies and International Trade (MODSIT) and the Ministry of Industry and Commerce (MIC) function as the primary government bodies responsible for trade and investment growth. They collaborate to undertake promotional ***programmes***, draw up strategies to attract FDI and private sector investment, and work to expand international market opportunities for Sri Lankan products. Operating under the MIC, the Department of Commerce (DoC) formulates foreign trade policy. It promotes bilateral, regional and multilateral trade relations under four divisions: multilateral trade affairs, bilateral trade relations, regional cooperation and trade promotion.

The Board of Investment (BoI) is responsible for overseeing new investments in the country, and is intended to act as a single window providing a one-stop service for all foreign investors regarding project approval, government incentives and utility services, as well as resident visas and import/export clearance. The US International Trade Administration (ITA) reports that while the BoI is relatively straightforward and effective in assisting investors establishing a business in export processing zones, it is less effective in supporting large investments outside of those areas, with the registration of foreign company branch offices considered expensive.

The Export Development Board (EDB) was established in 1979 and acts as the executive arm of the Export Development Council of Ministers. Led by President Maithripala Sirisena, the EDB is the apex organisation for export growth and promotion.

Another important trade and investment body is the Department of Registrar of Companies, which handles all business registration in the country. The ITA reports the process for company name approval is done in person instead of online, with the process taking seven to 10 days on average. Companies must also register with the Inland Revenue Department and Department of Labour upon establishing operations in Sri Lanka. Steps are currently being taken to improve the process by moving it online.

**Ownership Limits**

The ITA reports that the government of Sri Lanka allows 100% foreign investment across most commercial, trading and industrial activities, barring air transportation, coastal shipping, large-scale gemstone mining, gambling, military hardware and vehicle manufacturing, drugs and alcohol, currency, toxic chemicals and security documents. Foreign investment is also prohibited in non-bank money lending and pawn-brokering activities, small-scale retail trade with less than $1m of capital investment and coastal fishing.

Foreign investment is limited to 40% in other areas, such as the production of exported goods that are subject to international quotas; growing and primary processing of tea, rubber and coconut; timber industries; deepsea fishing; mass communications; education; freight forwarding; travel services; and businesses providing shipping services. Any ownership exceeding 40% must be approved on a caseby-case basis by the BoI, although the government is currently considering opening higher education to foreign investment (see Education chapter) and recent budget announcements indicate foreign ownership limits in the shipping industry will be reduced (see Transport & Logistics chapter).

**Vision 2025**

Published in September 2017, the Vision 2025 economic development agenda targets achieving upper-middle-income country status by 2020, meaning annual per capita income of at least $5000, as well as boosting annual exports to $20bn and annual FDI inflows to $5bn.

Vision 2025 dovetails with the Western Region Megapolis Master ***Plan*** (WRMMP), which was published in 2016 and seeks to transform the capital of Colombo and the Western province as a whole into an integrated, advanced supercity split into dedicated zones focused on industrial production and exports, green innovation, residential real estate, aviation, logistics and financial services (see Construction & Real Estate chapter).

In December 2016 the Ministry of Megapolis and Western Development reported that the project - which comprises 150 smaller initiatives, including Port City Colombo - could attract up to $30bn of FDI inflows over the next decade.

**Reform Agenda**

Achieving Vision 2025 targets will entail significant improvements to the business environment and investment climate, with the ***plan*** emphasising incentivised investment, export-oriented trade policy reforms and expansion of the services economy. It also aims to raise Sri Lanka's ranking on the World Bank's doing business index from 111th in 2018 to 70th.

As highlighted by the policy document, Sri Lanka's Task Force for Investment Climate Reforms was created in July 2017 to identify the key actions necessary to improve the domestic business environment, with a focus on the World Bank indicators: ease of starting a business, dealing with construction permits, property registration, credit access, protecting minority investors, trading across borders, enforcing contracts and resolving insolvency. Vision 2025 also includes ***plans*** to launch a one-stop shop and single-window system for new business registration, which would bring more than 20 government agencies involved in starting a business together under one roof, streamlining the investment process.

**Incentive Shake Up**

Additional targets include phasing out tax holidays, a historic mainstay of the government's investment incentive package, and switching to "other forms of efficiency-improving incentives", with a revised investment framework expected to improve policy coherence and consistency. Vision 2025 further calls for a standardised incentive package with clear eligibility criteria, as well as an incentive system that is linked directly to capital investment in physical assets and infrastructure. High-tech and innovative industries are also slated to benefit from tailored incentives under Vision 2025, although those are yet to be specified.

At present, investor incentives include tax holidays ranging from four to 12 years, depending on the project's capital investment, as well as exemptions from Customs duties, value-added tax, and the Ports and Airport Levy (PAL) for imports of capital goods, provided they are for large-scale projects of national ***strategic*** importance. A recent report by the World Bank urged Sri Lanka to reform its import tariff structure, recommending it phase out para-tariffs, including the PAL (see analysis).

**Partner Projects**

In addition to reforms to the investment climate, Vision 2025 focuses heavily on deploying PPPs to reduce the country's dependence on loan agreements to finance public assets and services. This task coincides with the creation of a sizeable infrastructure development agenda detailed by the related Public Investment ***Programme***, a ***plan*** that runs from 2017 to 2020.

After establishing a dedicated PPP department under the MoF in January 2017, the state is now working to draft a "clear PPP policy with a well-defined legal, regulatory and institutional framework to attract private players with the requisite capacities." PPPs have already been successfully deployed in the energy sector for decades, with over $1bn of joint power plant projects reaching financial close between 1990 and 2012 (see Energy chapter). PPP development is expected to accelerate in the transportation sector, with domestic airports, new expressways and port projects all slated to be constructed or upgraded under the joint framework (see Transport & Logistics chapter).

Still, Vision 2025 emphasises expanding PPPs beyond these sectors, specifically naming health care, education, real estate and tourism as areas holding high potential for partner development. According to the 2018 budget statement in late 2017, the MoF issuing guidelines on PPPs was imminent. ***Plans*** were noted to deploy the model across sectors already named, in addition to ***agriculture***, retail and minerals (see Economy chapter).

**Investment Prospects**

Although 2017 was a record year for FDI, inflows have fallen consistently short of the government's targets. In December 2017 the MODSIT reported a strong pickup in FDI, reporting that inflows rose to hit $1.7bn in 2017, more than double that of 2016. Investment was overwhelmingly regional, with China accounting for 37% of total inflows, followed by Hong Kong at 17%, India at 10%, Malysia at 5% and Singapore at 5%. Infrastructure represented 61% of FDI, followed by manufacturing at 20% and services at 19%.

The MODSIT projected that Sri Lanka would end the year with $1.36bn of FDI inflows, but the country wound up exceeding this forecast: in January 2018 the BoI reported that BoI-approved foreign investment doubled in 2017 to hit an all-time high of $1.63bn, from $802m in 2016. However, this was still below the government's ambitious target of $2.5bn. Infrastructure recorded the highest investment growth rate in 2017, at 190%, while services - including tourism and IT - grew by 50% and manufacturing investment grew by 27%, according to the BoI.

World Bank data shows that net FDI inflows rose from $479.7m in 2006 to $752.2m in 2008, and then dropped off to $404m in 2009 and $477.6m in 2010 before surging to a high of $955.9m in 2011. Net inflows moderated to $941.1m in 2012, $932.6m in 2013, $893.6m in 2014 and a five-year low of $679.7m in 2015, before bouncing back to $898.1m in 2016 - $96m higher than the BoI-approved figure.

FDI inflows as a percentage of GDP have followed an inconsistent pattern over the same period as well, falling from a peak of 2.85% in 1997 to 1.7% by 2006, according to the World Bank. Inflows then dropped to a 10-year low of 0.84% of GDP in 2010 before recovering to 1.46% in 2011, but decreasing again to 1.38% in 2012, 1.26% in 2013 and 1.13% in 2014. FDI dropped off to 0.84% of GDP once more in 2015, before gaining ground to 1.1% in 2016. Furthermore, Santander Trade reports that Sri Lanka's total FDI stock has fallen in recent years, from $10.57bn in 2014 to $10.02bn in 2015 and $9.74bn in 2016, or 13.2%, 12.3% and 11.8% of GDP, respectively.

The BoI has again laid out a target of reaching $2.5bn of FDI inflows in 2018. While excessive bureaucracy, land acquisition hurdles and high import costs will continue to challenge growth, ongoing investment and trade policy reforms, including changes to the country's complicated and inefficient tariff system, should help boost FDI inflows in the upcoming years (see analyses).

"FDI in 2017 did not meet expectations," Eran Wickramaratne, the state minister of finance, told OBG. "I expect FDI in 2018 to register increased growth, taking into account the reinstated GSP+ status, the new budget and upcoming FTAs."

**Belt & Road Effect**

Although the EU, as a regional bloc, is Sri Lanka's largest trade partner, China stands as its largest lender and investor, with former President Mahinda Rajapaksa spearheading an infrastructure development ***programme*** financed largely through Chinese loans between 2010 and 2015. *Forbes* reported that $4.8bn worth of Chinese loans were allocated to Sri Lanka during his presidency. Speaking at the Belt and Road Forum for International Cooperation in May 2017, Prime Minister Ranil Wickremesinghe said Sri Lanka's current development agenda aligns with China's Belt and Road Initiative, a massive global infrastructure investment ***programme*** intended to revive historic trade routes between China and Europe. Sri Lanka, for its part, hopes to leverage its ***strategic*** location and connectivity to become a major trade and transport hub on Indian Ocean routes, in line with Vision 2025 and budget targets (see Economy chapter).

"Two competitive advantages were taken into consideration when drafting the 2018 budget. First, Sri Lanka has a favourable geographic location that enables the country to be a logistics centre between two huge markets, China and India," Wickramaratne told OBG. "Second, even though Sri Lanka is small, it has a well-educated human resource base."

According to Santander Trade, China has increasingly invested in the country in recent years, with the project pipeline valued at $6bn in mid-2016. Bigticket projects already delivered with Chinese funding or by Chinese companies include the Mattala Rajapaksa International Airport (MRIA) and Magam Ruhunupura Mahinda Rajapaksa Port (MRMRP), both in Hambantota, as well as the Lakvijaya - or Norocholai - coal power plant in Puttalam. All three have significantly underperformed since opening, however, while Sri Lanka's debt to China had swelled to an estimated $8bn by December 2017 (see Transport & Logistics and Energy chapters).

Earlier in 2017 Sri Lanka sold a 70% stake in the $1.4bn MRMRP project to a Chinese firm on a 99-year lease, a changeover which occurred in December. According to the *Financial Times*, the port and a ***planned*** integrated industrial zone will benefit from up to $5bn of Chinese investment, creating 100,000 new jobs in the coming years. However, both countries have faced criticism over the deal.

**Financial Servicing**

The largest Chinese-backed project under development in Sri Lanka is Port City Colombo, which was suspended from March 2015 to March 2016 in the wake of ongoing protests against rising Chinese influence in the country.

The $1.4bn project aims to deliver a national and regional financial district on a 269-ha parcel of land near the Port of Colombo, over 70% of which had been reclaimed by February 2018 (see Construction & Real Estate chapter). The city is expected to draw substantial investment into Sri Lanka's financial services sector, with developers reporting that it will attract up to $13bn of FDI in the years following 2018, creating up to 83,000 new jobs (see analysis).

A number of major deals with China leave Sri Lanka well positioned to leverage competing geopolitical interests in financing new domestic infrastructure that will link the country to other regional economies. Multiple media outlets report that rising concern regarding China's influence over critical national assets has prompted other countries to step in and ramp up activities and investment in Sri Lanka. For example, the government of India is currently negotiating a deal to purchase a stake in MRIA, and the government of Japan recently signed a deal with Sri Lanka and India to build new liquefied natural gas import infrastructure (see Transport & Logistics and Energy chapters).

**Trade Flows**

Additional investment, particularly in the industrial and manufacturing sectors, will be critical in helping Sri Lanka reduce its rising trade deficit. European Commission (EC) statistics show that the value of total trade with all partners has risen substantially over the last decade, growing from (EURO)13.65bn in 2006 to (EURO)16.82bn in 2010, (EURO)23.03bn in 2011 and a 10-year high of (EURO)26.46bn in 2016. Import growth has outpaced exports, however, and Sri Lanka's trade deficit simultaneously widened from (EURO)2.68bn in 2006 to (EURO)6.66bn in 2011. The deficit shrunk in the years that followed, ranging from (EURO)4.48bn to (EURO)6.28bn between 2012 and 2015, before jumping to a high of around (EURO)8.31bn in 2016.

Data from the DoC paints a slightly different picture, reporting that the trade deficit jumped from $4.05bn in 2010 to $9.69bn in 2011, before shrinking to $7.94bn in 2013. The deficit has risen steadily since then, hitting a five-year high of $9.3bn in 2016. While exports and imports have both grown over the years, the import bill has indeed risen faster than export earnings since 2010. According to the DoC, export value as a percentage of imports that year was 67%, which dropped to 55% in 2013 and 52% in 2016. The DoC provides another helpful metric: export value as a percentage of GDP at 2010 constant prices. This figure grew from 14.78% in 2010 to 17.94% in 2014, and came in at 16.51% in 2016.

Reporting with provisional data for 2017, the Central Bank of Sri Lanka (CBSL) shows that both exports and imports rose again that year. Exports brought in rose from $10.31bn in 2016 to $11.36bn, while imports increased from $19.18bn to $20.98bn. This gave rise to a trade deficit of $9.62bn in 2017, with export income covering 54% of the import bill.

In its November 2017 report "Sri Lanka Development Update: Creating opportunities and managing risks for sustained growth", the World Bank recalled that Sri Lanka pioneered economic liberalisation in South Asia during the late 1970s, although a series of policy reversals rolled out since the mid-2000s has led the country to regress to the trade restrictiveness seen in the early 1970s.

The organisation reports that para-tariffs - charges levied on an imported good in addition to, or in place of, a tariff - including an import and export cess and the PAL, have created a strong anti-export bias in Sri Lanka (see analysis). This has shrunk the country's trade-to-GDP ratio from 89% in 2000 to just 48% in 2016, with the World Bank arguing that an inward-oriented growth model has weakened Sri Lanka's external position. This has left the country vulnerable to shocks in its key export markets and highly dependent on its two largest export markets: the EU and the US.

**Trade Partners**

With (EURO)4.44bn worth of total trade in 2016, the EU is the country's largest trade partner, followed closely by China at (EURO)4.04bn and India at (EURO)3.96bn, according to the EC. The EU is also Sri Lanka's top export market, receiving (EURO)2.8bn worth of goods in 2016, or 30.8% of all exports. The US ranks second among Sri Lanka's export partners, purchasing 28% of goods, thus leading the US and the EU to receive over half of all exports in 2016. The value of US-bound exports stood at (EURO)2.54bn that year, followed by India in third place at (EURO)498m, the UAE at (EURO)211m and Japan at (EURO)181m.

Sri Lanka has recorded a healthy trade surplus with the EU over the previous decade, with the surplus growing from (EURO)812m in 2006 to (EURO)1.06bn in 2011 and (EURO)1.22bn in 2014, before halving to (EURO)523m in 2015. The figure rebounded, however, to record a surplus of $1.15bn in 2016, against a (EURO)3.68bn deficit with China and a (EURO)2.96bn deficit with India. Imports from China stood at (EURO)3.86bn in 2016, against (EURO)3.46bn from India. The EU, the UAE and Singapore rounded out Sri Lanka's top-five import sources, with (EURO)1.64bn, (EURO)963m and (EURO)931m worth of goods, respectively.

According to local media in January 2018, total exports improved by 16% year-on-year in November 2017, in part due to the EC restoring GSP+ trade concessions to Sri Lanka, effective May 2017. Sri Lanka lost GSP+ preferential treatment - which includes reduced import duties across 6600 tariff categories - in August 2010 for failing to address human rights concerns. The restoration should help Sri Lanka meet its target of global apparel exports of $8bn annually by 2020 (see analysis). IMPORT/EXPORT BASE: Sri Lanka's export base is currently dominated by textiles and ***agricultural*** products, with the CBSL reporting that textiles and garments accounted for $5.03bn of export receipts in 2017, representing 44% of the total, followed by tea at $1.59bn, rubber products at $835m, petroleum products at $434m and spices at $406m.

Intermediate goods accounted for the largest share of the import bill in 2017 at approximately $11.44bn, or some 55% of the total, of which the largest subcategory was fuel at $3.43bn. Textile and textile articles were second at $2.72bn, followed by chemical products at $835m, while both diamonds and precious or semi-precious stones, and vehicles nearly tied at roughly $772m.

**Goals & Reforms**

The government has targeted $13bn in exports for 2018, with the EDB reporting in January 2018 that exports could rise as high as $15bn for the year, putting Sri Lanka on track towards meeting its intermediate Vision 2025 goal of $20bn in exports annually by 2020.

In a bid to reduce the cost of doing business, boost both service and goods exports and shrink its trade deficit, the government is currently restructuring its trade strategy. Reforms are set to include reducing or eliminating para-tariffs, expanding bilateral and multilateral trade ties, and financing a series of export support ***programmes*** for small businesses and manufacturing investors.

In November 2017 the MoF announced ***plans*** to abolish para-tariffs for 1200 separate items. In addition, anti-dumping and anti-monopoly laws - which are aimed at protecting local ***producers*** from unfair trade practices - were passed in early March 2018.

Export-oriented small business support is also highlighted in recent policy developments, with the 2018 budget unveiling small and medium-sized enterprise (SME) support mechanisms, including a LKR800m ($5.22m) export market access ***programme*** and a LKR10bn ($65.3m) allocation to establish an export-import bank targeting SMEs (see Economy chapter). "The 2018 budget focuses on encouraging investment in the tradeable sector. At the moment, a few big companies account for 90% of all export earnings. Therefore, it is vital to strengthen SMEs in tradeable activities so export earnings are dispersed and the exposure risk is reduced," Wickramaratne told OBG.

**Bilateral Agreements & FTAS**

Bilateral and multilateral trade ties are also being revived, with the government increasingly moving to capitalise on its ***strategic*** geographic position, competing geopolitical interests in the region and strong relationships with its much-larger neighbours as it moves to sign new FTAs. The country already benefits from long-standing FTAs with India and Pakistan, offering potential investors a springboard into larger regional markets by establishing operations in Sri Lanka.

In January 2018 Sri Lanka entered into its first FTA in a decade, signing a deal with Singapore. The agreement is significant as it is the first comprehensive trade pact the government has signed beyond goods - covering services, investment, sanitary and phytosanitary measures, technical barriers to trade, trade remedies, dispute settlement, Customs cooperation, government procurement, e-commerce and intellectual property rights. "The recently inked comprehensive FTA with Singapore, coupled with the enhancement of the existing agreement with India and those being negotiated with China and Pakistan, would facilitate business relocation to Sri Lanka and augur well for rental markets as well," Pradeep Moraes, director of Altair, told OBG.

**Looking East**

The Singapore FTA is additionally important because it is part of the government's broader push to "look east" in building new trade ties and reducing the country's dependency on the EU and US export markets. Sri Lanka imported (EURO)931m worth of goods from Singapore in 2016, according to EC data, with exports to the country standing at just (EURO)98m. One of Singapore's neighbours is also receiving attention as part of this new focus. During a January 2018 visit from Joko Widodo, the president of Indonesia, the government announced that the two countries will focus their attention on drawing up an FTA and encouraging bilateral investment. The government is negotiating FTAs with Bangladesh and Malaysia as well. President Sirisena met with Malaysian Prime Minister Seri Najib Tun Razak to discuss the possibility in December 2017, and a few months earlier Bangladesh and Sri Lanka's ministers of industry met in Colombo and called on their respective governments to accelerate FTA negotiations. Local press reports that bilateral trade between Bangladesh and Sri Lanka tripled between 2010 and 2016, rising from $48m to $142m.

"There is no doubt that FDI will boost growth in Sri Lanka's economy, and a good way to facilitate this is through FTAs," Romesh David, CEO of South Asia Gateway Terminals at the Port of Colombo, told OBG. "The country is on the right track in this sense, considering the existing and recently signed FTAs and additional agreements that are on the horizon."

**Balancing Interests**

Perhaps carrying the most significant benefits, the country is also negotiating an FTA with China after the two governments signed an Investment Promotion and Economic Technical Cooperation Agreement in April 2016. At the Belt and Road Forum for International Cooperation, hosted in Beijing in May 2017, the MODSIT announced that it hoped to enter into an FTA with China by the end of the year. However, Reuters reported in February 2018 that the Sri Lankan government wishes to have more time to weigh the impact such an agreement would have on local businesses, as many have raised concerns over growing Chinese influence.

Still, Chinese investment is expected to provide the most noteworthy support mechanism for Vision 2025's goal of transforming Sri Lanka into a global logistics and shipping hub. Indeed, Karunasena Kodituwakku, Sri Lanka's ambassador to China, announced at the same forum that China had agreed to provide RMB400m ($59.9m) worth of grants to Sri Lanka in 2017, and a further RMB2bn ($299.6m) of funding between 2018 and 2019.

The Asian Infrastructure Investment Bank, of which Sri Lanka is a founding member, is also expected to provide concessionary loans for infrastructure development, according to local media.

**Outlook**

Trade and investment are both set for robust growth in the near- and mid term, as the government continues to advance progressive reforms aimed at improving the investment climate and boosting exports. The longer-term outlook is positive as well, particularly if Sri Lanka is able to use competing geopolitical interests to its benefit, with transportation and industrial investment from China and India set to jump, and China keen to further advance its Belt and Road Initiative.

A hefty import bill and a considerable trade deficit remain causes for concern, as do relatively low levels of FDI. However, varying regional interests have left Sri Lanka well positioned to negotiate beneficial trade and investment deals, which will support the government's large-scale infrastructure agenda and readjust the balance of import/export flows.

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[***The Banker - Transaction Banking Awards 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PN8-N3K1-DYX2-T0CS-00000-00&context=1516831)

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**Body**

The transaction banking business is undergoing dramatic disruption, driven by fast-changing technology and customer behaviour. It also faces persistent headwinds including low interest rates, increasing regulatory scrutiny and reduced margins.

Impressively, the financial institutions active in this space are rising to the challenge and taking advantage of the opportunity to transform their transaction banking business, as shown by the innovative submissions in this year's awards categories.

The Banker's Transaction Banking Awards are unique in recognising project-based innovation. Each entrant is encouraged to not only outline their overall strategy but also provide up to three examples of how the innovation(s) will help improve their clients' businesses.

It is an important differentiator, as this method gives banks outside the top global transaction institutions equal opportunity to win an award for outstanding service to their customers. Of course, the top-tier institutions are also in the running.

This year the main theme of digitalisation, which has dominated the awards for the past few years, continues apace. While 2016 was the year that virtual bank accounts came of age, this year many banks have already built out new products on top of this important innovation.

New technologies, such as application ***programming*** interfaces (APIs) and blockchain, have gained in importance in 2017. The Payment Services Directive 2 and the UK's Open Banking regulations, which both become effective in January 2018, may be driving adoption of open APIs in Europe, but many across the world are beginning to appreciate the impact they will have on the future of transaction banking.

Likewise, many banks are experimenting with blockchain, or distributed ledger technology. The difference from previous years is that many can report real-life applications that will effectively transform specific processes, particularly in trade finance.

Transaction bank divisions are also engaging in more partnerships with fintech start-ups to solve specific pain points. They are learning from their fintech partners and using agile development and design thinking methodologies, which has the added effect of fostering a faster pace of change within the incumbents.

Impressively, many banks are seeing the value in co-creating with their clients and are developing bespoke solutions, especially at the regional level. This has allowed regional players to step up their transaction banking capabilities and demonstrate a true understanding of their customers' needs, in some cases rivalling the global players.

This year's winners show just how far the transaction banking industry has come in rising to market challenges and reinventing itself. Congratulations to all of the 2017 winners.

Judging Panel

Francesco Burelli, managing director, global payments strategy lead, Accenture

Enrico Camerinelli, senior analyst, Aite Group

Eric Li, research director, Coalition

Joy Macknight, deputy editor, The Banker

Wim Raymaekers, head of banking markets and gpi, Swift

Didier Vandenhaute, partner, PwC

Global and Western Europe

Winner: ING Wholesale Banking

ING Wholesale Banking (WB) has scooped the most sought-after title as the leader in transaction banking in western Europe and globally. The bank appears to be going from strength to strength.

Throughout the past year, ING WB has performed well - successfully growing its business, including transaction services, while maintaining a prudent risk profile. It is selective and grows in market segments that are healthy, while ensuring that its portfolio remains appropriately diversified and within its risk appetite.

The key to ING WB's success? Mark Buitenhek, global head transaction services at ING, says: "Transaction banking is all about customer experience. More than ever, customers are demanding simple and efficient products, a seamless and integrated experience, and flawless execution. These demands are the starting point of everything we do. We have developed innovative products, such as virtual cash management, digitalised our offering, worked on improving our customer services and simplified our product offering."

Its innovative virtual cash management product ensured that it also won the cash management category (see page 58), but it was also the dynamism of this business line that clinched the accolade. As one judge says: "ING has achieved very strong growth in cash management despite operating in one of the most challenging markets - western Europe. Its clear business strategy and client-oriented product offerings have attracted numerous clients. The fact that it has emerged as one of the winners post-RBS withdrawal - notwithstanding the absence of a formal referral ***programme*** - has further demonstrated ING's strength in cash management."

Over the past year, ING has focused much of its efforts in driving forward innovation in its home market of western Europe, which is the reason it picked up the regional award.

For example, the bank has implemented real end-of-day cross-border cash balancing in the region, as the shift from notional pooling to physical cash concentration accelerated over the past year, driven by regulatory pressure. ING WB's solution offers fund concentration at the end of day on the master account and individual end-of-day runs to set participating accounts on target at local end of day.

Physical pooling results in a greater volume of fund transfers between legal entities, viewed as inter-company loans. To meet regulatory requirements, these loans must be accounted and remunerated 'at arms' length'. The bank added a real-time loan administration tool to help clients improve their inter-company loan management. The tool has self- learning capabilities: where loans cannot be matched against existing records, the user simply applies an action that is then followed on subsequent occasions.

ING WB has also launched customised reporting consisting of aggregation services and transaction detail services. This solution enables clients to have their end-of-day and/or intraday statements aggregated and/or detailed on several criteria, for instance by transaction type. In developing these services, the bank has responded to many client requests for more flexibility and customisation of their statements. Aggregation services and transaction detail services are available in most western European countries and the bank is rapidly expanding these services into other ING countries.

As proof of its desire to reinvent itself, ING is currently partnered with more than 90 start-up fintechs dedicated to creating innovative solutions for banking needs, such as money management, payments, lending and mobile on-boarding. These open, collaborative ***programmes*** involve multiple partners and provide access to their respective networks, allowing the start-ups to accelerate their development. For example, Easy Trading Connect, the winner of ING's 2016 Innovation Bootcamp, successful completed the first large oil trade using blockchain technology.

In the trial, with SociAtA GAnArale and trading house Mercuria, the time to process a transaction was reduced from three hours to 25 minutes. This breakthrough proves that the commodity trade finance sector, where processes are largely paper based and labour intensive, can be digitalised. Easy Trading Connect can bring clients greater efficiency, lower costs and fewer risks and delays.

In future ING will continue to accelerate its ability to transform and to do things better, faster and cheaper, "ensuring a 'wow' experience in all our interactions", according to Mr Buitenhek. To futureproof the bank, he believes that ING might even have to disrupt itself and find new growth areas beyond banking via platforms and third-party offerings. "We want to bring the best together," he says.

Transaction banking - 2017: Award

Africa

Winner: Standard Bank

Standard Bank Corporate and Investment Banking continues to be leading light in transaction banking across its home markets in Africa, picking up the regional award for the second year in a row.

"Standard Bank remains committed to identifying, managing and leveraging growth in Africa," says Hasan Khan, the bank's group head, transactional products and services. "We are delighted to have received this award for the second consecutive year, which serves to highlight our commitment to partnering with our clients, looking at building the financial infrastructure that will power the growth of Africa's markets and economies."

The bank is building out its transaction services, as shown by its awards submissions this year, particularly in trade finance and cash management.

One judge says: "As one of the leading providers in Africa, Standard Bank's trade finance offering is instrumental to the trade flows in and out of Africa. In a challenging global trade environment, where most players are experiencing revenue decline and, as a result, reducing balance sheet for the trade finance business, Standard Bank's commitment to trade finance makes it even more important to the overall economic development of Africa. It is also introducing digital solutions into a less developed African market."

Standard Bank uses its expertise on the ground in 20 markets on the continent to help its clients manage the risks inherent in their trade activities. For example, the bank helped a large commodity trader procure raw ***agricultural*** inputs in South Africa through an invoice financing facility to support the local entities procurement requirements.

The bank tailored a facility worth R750m ($56.7m) over a maximum of 120 days. The deal displayed the bank's ability, from an open account product perspective, to provide sector-specific solutions. It will be facilitated through an online technology platform, showcasing Standard Bank's ability to automate, streamline and simplify a complex structured trade.

Standard Bank has invested in its Business Online banking portal, with such enhancements as a consolidated electronic view of clients' liquidity positions, which saves time, expense and the inefficiency of having to physically consolidate spreadsheets across multiple markets.

The bank has also built out its integrated mobile money solution through Business Online. Customers can now receive same-day statement receipts to speed up their reconciliation process, as well as attain real-time value and finality of their mobile collections.

Asia-Pacific

Winner: Yes Bank

While the Indian banking industry is experiencing much upheaval, the country's fourth largest private sector bank, Yes Bank, is not only keeping pace but, more importantly, innovating at the same time. The bank has distinguished itself in 2017 through a new range of products and services to stay abreast with business and market dynamics, which means it takes home the award for Asia-Pacific.

In addition to winning this year's supply chain finance award (see page 62), Yes Bank has proven it is a well-rounded transaction bank, in tune with its customers' needs.

For example, Yes Bank has gone beyond traditional virtual account solutions, which were limited to facilitating inward credit and ignored a key client demand for greater ease and automation of reconciliation. Its eCollect solution uses application ***programming*** interfaces (APIs) and structured reports to bridge the gap between receipt of funds and reconciliation. eCollect is a plug-and-play solution for faster customer onboarding and eliminates the need for bank involvement in generating virtual account numbers. It also integrates bank and client systems to enable real-time validation, transaction processing and enterprise resource ***planning*** updates.

In the payments space, Yes Bank is using APIs to enable sub-member banks - those that cannot connect directly with the central bank's clearing and settlement facility - to take fund transfer requests from their customers and within seconds communicate the unique transaction reference number to the sponsor bank. Similarly, the inward payments received on behalf of their customers are validated in the sub-member banks' core banking system and the amount is credited to their customer accounts or returned on real-time basis if the account is not valid.

Additionally, Yes Bank recently launched its On-the-Go app for an on- demand food delivery company, which wanted to pay staff expenses and incentives. The solution is a file upload-based instant money transfer (IMT) implementation, enabling a remittance based on an active mobile number up to a limit of Rs25,000 ($390) per beneficiary per month. Without having an account, the beneficiary can visit any IMT-enabled ATM and withdraw cash by providing details received on SMS from the remitter. This has led to an estimated 50% reduction of cash handling risk and a 30% reduction in overall risk.

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Central and eastern Europe

Winner: Raiffeisen Bank

International

Raiffeisen Bank International's (RBI's) strength in payments and cash management in central and eastern Europe (CEE) won it The Banker's transaction banking award for the region. Over the past year, the bank has extended cross-border cash pooling to new countries, centralised its card-acquiring solution and launched a business banking app.

Sabine Zucker, managing director and head of RBI's trade finance and transaction banking division, says: "RBI strives to improve services and cross-border payments by constantly increasing speed, efficiency, transparency and information and at the same time adapting to the increasingly demanding regulatory environment."

For example, RBI has extended cross-border cash pooling to Albania and Kosovo. Even though there is no local cash pooling system in place within Raiffeisenbank Albania and Kosovo and despite complex legal requirements, RBI provides individual cross-border target balancing solutions for the two countries in euro, US dollar or local currency. The bank can now offer cash pooling solutions - where legally possible - throughout the whole CEE region.

In line with fast-changing market developments in central Europe, RBI has centralised its cross-border acquiring business, Cross-Border Merchant Services, which provides local currency settlement through local RBI entities.

Wizz Air, for example, has selected RBI as one of its card-acquiring partners. Tamas Szegedi, back-office manager at Wizz Air Hungary, says: "Local currency settlement that RBI is providing to Wizz Air is enabling us to avoid a significant part of currency conversion costs, which leads to significant financial savings."

RBI is constantly investing in the development of new services in the field of digital banking. The RBI Business Banking App for mobile liquidity management with state-of-the-art authorisation and security standards provides full access to customers' accounts and liquidity from a smartphone or tablet. Customers get access to all transactions which have been prepared for authorisation and are able to sign payments for the entire Raiffeisen network in Austria and 12 CEE countries.

"By continuously investing in service excellence, technology and new developments in the fields of digital banking, RBI maintains its leading position as a reliable partner across the CEE region," says Ms Zucker. "We will continue working directly with customers to define and understand their needs, and then custom-make solutions and product innovation."

Latin America

Winner: Bank of America

Merrill Lynch

While the emergence of fintechs, digital commerce and the growth in cross-border payments are challenging traditional transaction banking, Bank of America Merrill Lynch (BAML) is adapting to these changes by taking a holistic approach to clients and by focusing on innovation.

"The key to our success is collaboration - we collaborate with our clients, emerging technologies and industry consortiums to invest in and introduce new technologies," says Fernando Iraola, head of Latin America, global transaction services, at BAML.

He adds: "Innovation is driving the future of transaction services, and we are focused on creating innovations that enhance the client experience. We regularly engage our clients, leveraging their feedback and working with them to develop new solutions that will help them grow and thrive in Latin America, while connecting them with the rest of the world." It is this drive and passion that made BAML a shoe-in to take home the transaction banking award for the region.

Over the past 12 months, the bank has invested in its infrastructure and expertise to enhance solutions throughout the region, at a time when many of its competitors are scaling back services. In addition, the bank expanded local capabilities in both Brazil and Mexico, the two largest economies in the region.

For example, in Brazil, due to Nova CobranAa regulations, clients are no longer able to issue unregistered boletos (a type of payment). BAML enhanced its Brazil Boleto Collections solution with an online boleto registration service, allowing clients to immediately register issued boletos in compliance with the regulation.

In Mexico, the bank introduced enriched text for debits and credits. This enhancement provides all information related to each payment/receipt transaction enabling clients to much more easily reconcile their incoming credits.

Also in Mexico, BAML enhanced its referenced collections service for those clients paid by cheque through a partnership with a local banking partner. The new offering doubles the branch network available for cheque deposit without the need for clients to open an account with the local bank.

BAML's approach to client engagement and innovation gives it a competitive advantage. By engaging with clients, leveraging their feedback and working with them to develop new scalable solutions, the bank has a proven recipe to deliver timely, relevant, innovative solutions that meet the unique demands of its clients doing business in Latin America.

Middle East

Winner: Mashreq Bank

Mashreq Bank has a clear focus around customer challenges and objectives, which has led to innovative solutions specifically tailored for the Middle East - so it is no wonder that it picked up the regional award this year.

According to Rahul Jayakar, head of global transaction services, products and trade, Mashreq Bank has developed a digital strategy for transaction banking that has resulted in easy-to-use solutions and consistent customer experience across delivery channels, supported by a robust cyber security ***programme***.

"Clients today are increasingly demanding transparency, real-time information for transactions and cash positions to get an enterprise-wide view on business. We are always keen to be at the forefront of developments which are new to our corporates in our pursuit to offer our customers the best services available," says Mr Jayakar.

One judge highlighted the bank's customised bulk cash and cheque deposit machine, called 'Mashreq Monster', as well as its e-wallet integration service and cardless cash withdrawal, as worthy of recognition.

The Mashreq Monster is aimed at the fast-moving consumer goods sector. Additionally, the bank has partnered with a leading exchange house, with a wide network across the United Arab Emirates, to act as its collecting agent. Customer employees can deposit cash, including foreign currency, and cheques at the exchange house using specially designed deposit slips to aid customised reporting and reconciliation.

Additionally, Mashreq Bank developed a bespoke solution for a leading e- wallet provider in UAE. The customer wanted a single platform to perform top-up service, e-collections, merchant payments, real-time notifications, integration with its own system and auto-reconciliation - and the bank delivered on these requirements.

The bank has also enabled cardless cash withdrawals from Mashreq Bank ATMs. Transactions can be initiated 24/7 from the online banking portal. Once a transaction is approved, a code is sent to the beneficiary's mobile. The service is supported on Mashreq Bank ATMs in other countries, which means a central treasury team in UAE can seamlessly support the immediate petty cash requirements of international branch offices.

Mashreq Bank will continue to evolve its transaction banking strategy to maintain its leadership position by providing innovative solutions to keep pace with customer behaviour. "We have also embarked on using some cutting-edge technology such as artificial intelligence, and are progressively robotising our processes to improve client's experience, while at the same time making the entire transaction journey truly digital," says Mr Jayakar.

Nordics

Winner: Nordea

For the second year in a row, Nordea has scooped the prize for the Nordics, unsurprising since it has been working tirelessly to create a new type of transaction banking business over the past three years. It has been a visible pacesetter in digital development and future banking initiatives throughout the region.

Erik Zingmark, co-head of transaction banking at Nordea, sees the Payment Services Directive 2 and the move to open banking as the most interesting challenge facing transaction banking today, but one which also presents the biggest opportunity for banks in decades. "This will affect banks both on the demand as well as the supply side and it could eventually reshape the whole business models for large parts of the current business," he says.

In response to this challenge, Nordea's transaction banking division launched its open banking portal targeting external developers in March this year. More than 700 developers signed up within the first couple of weeks. In June, it took another step and launched the first pilot ***programme*** with a selected group of 22 customers, fintechs and innovative third parties.

The second phase of the pilot ***programme*** is set to start in the fourth quarter of 2017, when selected companies will gain access to Nordea's production environment application ***programming*** interfaces.

Nordea's clients' business models and financial infrastructure are changing too, as many companies become more digital. Mr Zingmark says: "This is something that treasury needs to be on top of and naturally we need to support our customers in their ambitions."

In February 2017, Nordea launched AutoFX, a cloud-based foreign exchange solution that enables customers' accounts to be swept automatically to reduce excess balances or, alternatively, topped up to eliminate negative balances, as well as automating hedging strategies and optimising interest costs in a cash pool. This solution was co-developed in collaboration with a large Nordic customer in the media industry, to help modern treasury functions automate their daily routines and risk management.

In the payments space, the bank teamed up with Danske Bank on MobilePay in Denmark and Norway, and launched Siirto, Finland's first real-time payment service and cross-banking mobile payment platform. Soon after, the bank launched Samsung Pay in Sweden and the Nordea Wallet mobile solution. By developing its mobile payments offering, the bank wants to add a rich user interface and introduce services that help its customers to take full control on their spending.

North America

Winner: Bank of America

Merrill Lynch

North America has seen new shifts and developments in payment networks, globalisation and digitisation that coincided with major geopolitical events over the past year. Yet Bank of America Merrill Lynch (BAML) came through the turbulence with flying colours, picking up this year's regional accolade for transaction banking.

"In this environment, it was critical we maintained dual focus - delivering services to clients for essential daily needs, while also developing the next generation of solutions," says Galen Robbins, head of global transaction services (GTS) for commercial banking, business banking and small business at BAML.

And the strategy paid off. BAML's business in North America continued to deliver results for its clients and the firm over the past 12 months. The bank was also able to make enhancements on several fronts.

For example, in December 2016 the bank launched the CashPro Accelerate web application with a select group of clients. Two major components drove the direction and design of the solution. First, for many companies, the cost of automation provided by vendors is a barrier to entry. Second, market analysis continues to show that companies prefer Microsoft Excel as their tool when working with their financial data.

The CashPro Accelerate web application is a direct user interface to Microsoft Excel using Office application ***programming*** interface technology to seamlessly connect client workbooks. The lightweight app allows clients to custom map and automate their banking data into dynamic Excel spreadsheets and reports.

Hilani Kerr, head of North America large corporate GTS at BAML, says: "Innovation is an imperative given the seismic factors changing global commerce today - including the proliferation of digital payments networks and the opportunities presented by artificial intelligence. Key to client satisfaction is the elimination of friction - both from our existing processes and from any innovation we bring to market."

In September 2016, Microsoft and BAML conducted a proof of concept (PoC) for standby letter of credit (SBLC) issuance and advising using blockchain/smart contracts via Microsoft Azure's blockchain-as-a-service.

The objective was to demonstrate that blockchain/smart contracts could streamline the inherently paper-based and inefficient SBLC process by digitising the transaction, and making it available to all parties in near-real-time in the cloud. The PoC was successful in validating the potential benefits and framing a path to commercialisation of blockchain for trade transacting.

Cash management

Winner: ING Wholesale Banking

ING Wholesale Banking engineered a stellar performance in cash management between the first quarter of 2016 to the first quarter of 2017, as shown by a 40% increase in clients using ING for international cash management and 35% growth in its corporate card offering. Its performance impressed the judges, alongside its comprehensive set of initiatives to take the bank digital.

As Dick Oskam, ING's global head transaction services cash solutions, explains: "Our strategy is aimed at helping our clients overcome the challenges they face on their path towards digital and operational transformation. ING has invested in innovative solutions that address our clients' increasing demand for speed, transparency, traceability and centralisation in cross-border payments."

While 2016 was deemed the year that virtual bank accounts (VBAs) matured, ING Wholesale Banking has taken the concept to the next level. It has linked VBAs, which replace current accounts, including those held in other countries, together with virtual ledger accounts (VLAs).

A VLA is a flexible multi-bank reporting dashboard that acts as a fully functioning alternative to a treasury management or enterprise resource ***planning*** system. It is essentially an administrative sub-account that allows treasury to allocate cash without segregating it physically. Treasurers have a near-real-time overview of cash positions, payments and collections - including at third-party banks - in up to 80 currencies and across multiple countries.

VBAs and VLAs are the two pillars of ING's virtual cash management (VCM) solution, which allows companies to retain all the benefits of local accounts while gaining centralised oversight of funds and minimising administrative costs. "VCM is a proprietary solution that directly addresses our clients' needs by offering them one single bank account without losing the benefits of local payments across different countries," says Mr Oskam.

Furthermore, VCM can be used by corporates regardless of their technological sophistication or harmonisation level. Simply, it helps companies improve their reconciliation, while lowering the barriers to entry for complex payments-on-behalf-of and collections-on-behalf-of structures.

"As a frontrunner in innovation, we will keep developing new solutions that facilitate centralised cash management, visibility and control to help our clients build for the future," says Mr Oskam. "The Payment Services Directive 2 is offering our clients a great opportunity in this respect."

Payments

Winner: Bank of America

Merrill Lynch

Bank of America Merrill Lynch (BAML) has scooped this year's award for payments due to its product innovation, including enhancements to its online and file-based banking portal, CashPro, and its partnership with fintech player ModoPayments.

This comes at a time when the payments industry is undergoing extensive change because of globalisation, smaller payment sizes and technology, according to David Kretz, BAML's head of global payments in global transaction services. "We have a tightly integrated team - comprising product, technology and operations - that is focused on delivering highly competitive solutions in a globally consistent manner. We also work closely with innovation partners, both inside and outside the bank, to develop succeeding generations of products," he says. This is obviously a winning strategy for BAML's transaction banking business, which continues to grow its revenue year on year.

The bank has expanded its international payments capabilities via CashPro, including its cross-currency automated clearing house (ACH) footprint. BAML now provides a more cost-effective ACH solution to clients in 60 countries in 22 currencies, ideal for non-urgent, recurring transactions. The bank is ***planning*** to expand the service to cover more than 100 countries and 50 currencies.

BAML's FX Trade & Pay is another innovative solution, one that turns the 'pay and trade' approach on its head. It reverses the workflow to provide foreign exchange rate transparency upfront, as well as give access to additional trading/hedging tools. With one platform, treasurers can make foreign exchange trades in advance and then use the funds to execute cross-border payments.

BAML's partnership with Modo is illustrative of the bank's innovative approach to payments. The fintech company helps the bank connect to emerging payments networks using Modo's digital payments hub that sits between existing bank systems and digital wallets around the world.

With access to Modo's Coin-operated hub, BAML's customers can reach new populations in a cost-effective manner, which is of increasing importance in the new 'gig economy', where temporary or freelance workers are sourced from around the world.

Mr Kretz says: "We expect there to be continued globalisation and innovation in payment forms; as such, we will continue to expand our payment reach and product breadth. We believe the best approach is a collaborative one, where we can partner with fintechs such as ModoPayments, as well as traditional leaders and consortiums."

Securities services

Winner: HSBC Securities

Services

To navigate the huge changes happening in the transaction banking industry, such as increased transparency, new technology, client demand for more and better data, and greater risk awareness, HSBC Securities Services (HSS) has made gains in automating and redesigning key processes. The aim is to achieve improvements in service in order to realise cost efficiencies and accommodate investment in key growth areas such as digital and data.

"Our transaction banking clients now place a significant focus on ancillary services," says Cian Burke, global head of HSS. "These include pure banking activities such as foreign exchange and cash management but, in HSS, we are also seeing an increased focus on the provision of 'data and digital' services that include innovative initiatives leveraging blockchain, asset digitisation, robotics, applications ***programming*** interfaces and biometrics."

As part of the bank's overall digital transformation strategy, HSS is researching how assets will change in the future and the type of assets clients may ask a custodian to hold and service. For example, HSS has designed and built an Ethereum-based blockchain to cover the end-to-end process for proxy voting. The solution allows all participants in the process to contribute immediate, validated and immutable updates to a distributed proxy voting ledger.

The proof of concept was recently shown to clients in Singapore, garnering a great deal of interest, and the product has been deployed on Amazon Web Services' cloud platform so it can be rolled out to clients on a pilot basis.

In addition, HSS has further enhanced its experience in helping clients access China's interbank bond market (CIBM). After China further liberalised the CIBM in February 2016, HSBC helped the first overseas financial institution to gain access to the CIBM.

HSS also won a first in the Chinese green bond market and worked with Bank of China on structuring a workable bond trustee solution. The Bank of China is establishing a $5bn green covered bond ***programme***, from which a $500m pioneer green covered bond was issued, to internationalise the domestic green bond market. These bonds are traded on the CIBM and the funds were used in eligible green projects in renewable energy and pollution prevention in China.

Supply chain finance

Winner: Yes Bank

Supply chain finance (SCF) is beginning to see disruptive elements coming together to drive adoption among large corporates, which is of great importance as supply chains lengthen due to globalisation and offshore production. It is a useful tool for companies trying to improve their working capital position and supplier relations. SCF is also a way to unlock access to credit for small and medium-sized enterprises.

Yes Bank's developments within this space is an impressive example of innovation, and the bank is utilising new technology to establish itself as a pioneer in this space.

For example, the pan-Indian bank is deploying distributed ledger technology and application ***programming*** interfaces (APIs) in a supply chain vendor financing solution, which is what made the judges sit up and take notice. A client, which has more than 40 suppliers in its vendor network, is using the solution to move towards a paperless process, as well as reduce the time to disbursement and improve transparency.

This blockchain project is worth going into the details. The client ***produces*** a paper-based purchase order and the vendor creates a paper- based invoice and manually logs it into the client's enterprise resource ***planning*** (ERP) system. At this point, Yes Bank connects to the client's ERP via an API and stores the invoice data on a Hyperledger blockchain.

The client then sends the invoice details to the bank through an API, which - after validation - are brought into the blockchain, discounted and the funds are disbursed to the vendor. On the due date, the solution facilitates an automated debit from the client's account by the bank. The business logic and rules are captured in a smart contract.

In addition, Yes Bank created a web-based platform where the parties to the transaction, i.e. client, vendors and the bank's departments, can track the invoice status in real time.

The results are impressive. The solution reduces the end-to-end turnaround time from four days to almost real time. It saves on paper, staff hours, courier charges and reconciliation efforts. In addition, it ensures secure and immutable online transactions.

As one judge says: "I really like the supply chain vendor financing on blockchain - a good example of a real-life blockchain application."

Trade finance

Winner: Deutsche Bank

Nine years after the global financial crisis, it is not a lack of liquidity that has caused the trade finance funding gap of $1500bn, but the cost of provision, according to Daniel Schmand, global head of trade finance at Deutsche Bank.

"The inevitable tightening of anti-financial crime and prudential regulation that followed have made many emerging economies - the very geographies that need trade finance - harder to bank," he says. "Digital transformation to improve transparency and reduce administrative costs in our flow business is therefore a continued focus, along with our structured export and commodities businesses."

The bank has completed several outstanding deals over the past year, illustrating its global delivery capabilities and full product range. For example, it played a key role in the Fangyuan Group's $385m working capital financing in September 2016. This established the Chinese copper ***producer***'s profile in the structured commodity trade finance market, enhancing its reputation with major international trading houses such as Trafigura and Mercuria.

Deutsche Bank is also working closer with export credit agencies. A particularly transformational deal related to the rebuilding of Ecuador's main hospitals after an earthquake in April 2016. In July 2016, the bank signed two deals totalling $78.3m with the Instituto Ecuatoriano de Seguridad Social (IESS), the Ecuadorian social security and health provider.

With IESS as the borrower, Ecuador's Ministry of Finance acted as guarantor. The deals were structured through eight-year door-to-door buyer credits from Spain's export credit agency, CESCE, which could use its guarantee facilities for transformational infrastructure with a significant social impact.

In the vanilla/flow business, Deutsche Bank is supporting the European Bank for Reconstruction and Development (EBRD) Green Trade Facilitation ***Programme***. In December 2016, Deutsche Bank confirmed a standby letter of credit issued by the National Bank of Greece for a102,900 to cover the export of solar modules from Germany. This small confirmation is an example of how a low-risk, self-liquidating instrument was used to leverage the support of the EBRD and help Greece develop its green energy provision.

The bank has committed to investing in digitalising its trade finance business. Mr Schmand says: "Our digital roadmap is clear - we are digitising data and the processes, be that through optical character recognition, robotics or ***strategic*** partnerships and projects. We are building capability to harness [client data] and deliver even more efficient trade finance offerings."

**Load-Date:** October 7, 2017

**End of Document**



[***Register of Commission documents: to wind up the debate on the statement by the Commission pursuant to Rule 37(3) of the Rules of Procedure and the Framework Agreement on relations between the European Parliament and the Commission on Parliament’s priorities for the Commission Work Programme 2018 Document date: 2017-06-30 P8\_B(2017)0455 Motions for resolutions/decisions***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P80-9SD1-JDG9-Y4SK-00000-00&context=1516831)

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**Body**

Brussels: Public Register European Parliament has issued the following document:

RE\1129857EN.docx PE605.579v01-00 EN United in diversity EN European Parliament 2014-2019 Plenary sitting B8-0455/2017 30.6.2017 MOTION FOR A RESOLUTION to wind up the debate on the statement by the Commission pursuant to Rule 37(3) of the Rules of Procedure and the Framework Agreement on relations between the European Parliament and the Commission to wind up the debate on the statement by the Commission pursuant to Rule 37(3) of the Rules of Procedure and the Framework Agreement on relations between the European Parliament and the Commission on Parliament’s priorities for the Commission Work ***Programme*** 2018 (2017/2699(RSP)) João Pimenta Lopes, Dimitrios Papadimoulis, Marina Albiol Guzmán, Paloma López Bermejo, Neoklis Sylikiotis, Takis Hadjigeorgiou, Javier Couso Permuy, Marisa Matias on behalf of the GUE/NGL Group PE605.579v01-00 2/20 RE\1129857EN.docx EN B8-0455/2017 European Parliament resolution on Parliament’s priorities for the Commission Work ***Programme*** 2018 (2017/2699(RSP)) The European Parliament, – having regard to the Framework Agreement on relations between the European Parliament and the Commission1, in particular Annex IV thereto, – having regard to Rule 37(3) of its Rules of Procedure, Another Europe is possible A. whereas after several years of economic, social and political crisis, the values proclaimed as the basis of EU integration – democracy and participation, equality and social justice, solidarity and sustainability, and respect for the rule of law and human rights – have been and continue to be undermined; B. whereas the neoliberal and austerity-oriented policies imposed by the EU through the economic governance framework have widened the socio-economic inequalities within and between the Member States, and increased the number of people at risk of poverty and social exclusion; whereas labour market deregulation and regressive tax systems have contributed to the transfer of wealth from the workers to the large capitalists and exacerbated the income and wealth gap; C. whereas the massively disproportionate debt burden is a consequence of the asymmetric policies and nature of the integration process, whereby some countries profit while others have been forced into serious economic depression; whereas the debt burden has been used as a pretext for imposing austerity, which in turn has deepened the recession and undermined the social function of the States as well as peoples’ and workers’ rights, and subsequently led to rising unemployment, poverty, deep wage cuts, a higher pension age and lower public spending in areas such as education, culture and health; D. whereas this situation resulted in citizens’ questioning the neoliberal policies applied by governments which make up the political parties of the ‘Grand Coalition’ and which were unable to respond to the pressing challenges of our societies; whereas the citizens are insisting on a profound change of polities and political structures; E. whereas the extremely uneven economic development and debt burden, high unemployment, declining social and labour rights, and rising socio-economic inequalities demands a break with the policies currently pursued by the EU and a shift towards policies – at both national- and EU-level – which strengthen the Member States’ efforts to create prosperity for all, a fair distribution of wealth, sustainable economic growth, full employment, employment security and social protection, the provision of quality, universal and free public services, environmental well-being 1 OJ L 304, 20.11.2010, p. 47. RE\1129857EN.docx 3/20 PE605.579v01-00 EN residing in a healthy natural environment, investment in education and infrastructure, a life of dignity for elderly people, and affordable housing, energy and communications; whereas holistic policies to combat poverty, social exclusion and income inequalities, namely through redistributive policies, and job-creating public investment, are necessary at both Union and Member State level; F. whereas the economic governance framework has removed policy choices from the hands of democratically elected governments and national parliaments, preventing the peoples of Europe from exerting democratic control, and leading to institutionalised austerity; whereas the growing opposition against this kind of European integration reflects the urgent need for a different integration process, which serves social and democratic progress in the EU, fair and peaceful solutions to international challenges and worldwide cultural dialogue, and which is firmly based in cooperation between countries with equal rights; G. whereas the tax systems are designed to favour large capital rather than the working class and the people; whereas harsh fiscal discipline measures and heavy losses of government revenue resulting from tax evasion and avoidance put further pressure on Member States’ budgets and undermine the interests of the peoples and the workers; whereas tax policy remains a Member State competence; whereas secret tax agreements, global tax avoidance and evasion, and the transfer of profits to tax havens are still allowed or not duly dealt with in the legal framework; H. whereas the budgetary choices made by the EU do not reflect the priorities needed to stimulate sustainable, qualitative and socially balanced growth, nor do they take account of the need for solidarity and economic and social cohesion between Member States; I. whereas the international situation at present is characterised by ongoing wars, geopolitical rivalries and violent conflicts, an escalation of policies of interference and the destabilisation of sovereign countries, and by a dangerous arms race led by the main NATO powers; whereas the citizens reject the involvement of Europe in wars and any geopolitical rivalries; whereas the commitment to multilateralism and cooperation within the framework of international law, the principles of the UN charter, as well as the peoples’ right to self-determination and respect for sovereignty are crucial; J. whereas the EU continues to face the largest refugee humanitarian crisis since World War II; whereas the EU and certain Member States bear a direct responsibility for the root causes of migration and/or forced displacement making people flee their homes as a consequence of wars, climate change, inequalities and undue interference in the Middle East and Northern Africa through military ***interventions***, which fuels regional conflicts and serves the geopolitical ***strategic*** interests of the EU, US and NATO; whereas the EU is clearly failing to comply with its obligations, including under international law; K. whereas several EU and Member State policies have laid the groundwork for xenophobia, racism and extreme right-wing policies and ideology, as well as the development of radical xenophobic and racist parties and movements, as they entrench nationality-based discrimination in the treatment of workers, refugees and migrants; whereas human rights violations also occur within the EU, contributing to the empowerment of these forces; PE605.579v01-00 4/20 RE\1129857EN.docx EN L. whereas the democratic deficit has widened as a result of the policy choices of the EU, and many citizens feel they are not represented by the institutions; whereas this constitutes an enormous problem, which can only be addressed by increased transparency and openness and the defence of the values of human rights and democracy, including stronger citizens’ participation, peace, tolerance, progress, solidarity and cooperation among peoples; M. whereas the climate crisis continues to pose a threat to the stability, health and livelihood of societies all over the world, as well as to animal welfare and biodiversity; whereas the commitments in the COP21, although apparently ambitious, should be carefully enhanced in the right direction; N. whereas the sovereign will of the peoples to decide their own development path in each Member States should be defended as an absolute right; Defending and promoting labour and social rights 1. Strongly criticises the proposal for a European Social Pillar presented by the Commission, as it is merely a social etiquette manual that will not bring about the paradigm shift that the EU urgently needs in order to reverse the human, social and economic crisis caused by neoliberalism and aggravated by the policies of austerity and deregulation; stresses that statutory universal social security and secure open-ended working contracts must be the undisputed legal model pursued in the future Europe we seek, in contrast to the flexibility scenarios laid out in the reflection paper on the Social Dimension of Europe; asserts that substantive social policies for all people living in the EU should be granted, by seeking a progressive convergence in fundamental social rights, including enforceable minimum social rights at Union level with clear precedence over other policy objectives, and without prejudice to Member States’ rights to apply higher standards; the future Europe we call for will break with the framework of austerity and competitiveness and with liberalisation and labour market deregulation, and prioritises the strongest possible social and labour rights at EU and Member State level, including the right to a poverty-proof minimum income for all, the right to strike and the right to high wages based on sectorial collective agreements for all workers; calls, as a first step in this direction, for a social progress protocol which will enforce the superiority of social rights over any internal market or fiscal rules; 2. Considers that the revised European Social Charter should be the basis for a common set of minimum social rights and standards, and expects a commitment for EU accession to the Charter, bolstering upwards social and economic convergence and cohesion between people and territories, while guaranteeing that Member States have an inalienable right to apply higher rights and standards; 3. Urges the implementation of concrete proposals to guarantee and promote the right to collective bargaining as a key instrument to safeguard and enhance rights, as well as a commitment from the Commission to reinforce the principle of equal pay for equal work at the same place for all workers, and, in this connection, to recognise all collective agreements, including in relation to posted workers; strongly deplores any attempt to undermine collective actions, including the right to unionisation, collective bargaining and to strike; RE\1129857EN.docx 5/20 PE605.579v01-00 EN 4. Calls on the Commission to promote the reduction and regulation of working hours and the increase of wages, and to combat social dumping with a view to ending precarious and fraudulent employment, working time deregulation, the widening of the low-wage sector, competition on low wages, discrimination, harassment and violence in the work place, and to protecting workers from self-exploitation in new forms of work, including digital work, the right to log off and crowd work; 5. Deeply deplores the Commission’s proposals on the transport sector as they do not ensure high standards of safety and working conditions, and as they aim to water down workers’ rights, including the right to strike; 6. Urges the Commission to reject and abandon the ‘flexicurity’ model and to promote policies that create quality and safe jobs, which ensure that all workers, including mobile and posted workers, enjoy living wages both now and in the future, in terms of savings, skills and pensions, as well as access to comprehensive social protection; reaffirms the need for universal solidarity based on social security and rejects privatisation and the decline in protection both in the form of decreasing social transfers and an increase in the retirement age; 7. Urges the Commission to put the fight against inequality, poverty and social exclusion at the centre of its policies; reiterates its call for the Commission to commit to an economic model that focuses on the creation of jobs with rights instead of accumulating wealth for shareholders, and for a commitment to strengthen public services instead of privatisation, which transfers wealth from the public to the private sphere and weakens workers’ rights; stresses that further action is required, including two initiatives, firstly: a social investment ***plan*** to support social policies at Member State level which promotes and supports free and equal access to quality public services in the Member States, including access to justice, education, health care, and decent housing and care for children and elderly people, and secondly: a proposal for an integrated anti-poverty strategy, including the creation of a Minimum Income Scheme, at Member State level, which guarantees a percentage of the average income in the respective Member States, with the minimum reference of 60 %, as an important step towards the eradication of poverty; 8. Defends the right to mobility, but insists that it cannot replace job creation where people live and rejects the Commission’s model that pits workers against workers; stresses this point in view of the increasing digitalisation of models of production, which should not lead to unemployment and precariousness but to a reduction in working hours while safeguarding and boosting of wages and working conditions; believes that digitalisation poses a major challenge for society, both in terms of the transition between disappearing professions and new models of production, and in terms of ensuring social and labour rights in new jobs and forms of work organisation; urges the Commission to focus not only on supporting fair mobility, but also on job creation and job transitioning in all Member States, in particular in regions with high unemployment, and to tailor its support to the specific needs of the Member States; underlines, in this regard, that all workers, both within and outside the labour market, should have access to ***programmes*** for continuous training and learning throughout their working lives and that these should be financed by employers and the Member States; PE605.579v01-00 6/20 RE\1129857EN.docx EN 9. Calls on the Commission, in the context of the discussions and recommendations on the national insolvency frameworks, to ensure that workers and trade unions can participate throughout all stages of the procedure and are kept informed, and to prevent the tactical use of insolvency procedures to worsen employment conditions; calls on the Commission, furthermore, to facilitate circumstances whereby workers can take over companies facing insolvency, in order to maintain economic activity and minimise job losses; 10. Takes the view that all EU action ***programmes*** on culture and education should include a systematic social inclusion dimension, promote policies of quality public education and contribute to full access to culture and recreation for all; calls on the Commission and the Member States, therefore, to exclude education and culture-related expenditure from the public deficit calculation in the Growth and Stability Pact until the pact is repealed and replaced by a Pact for Employment and Growth; 11. Stresses the importance of policy initiatives that promote women’s rights and gender equality; takes note of the Work-life Balance Package, which includes proposals for new or higher minimum standards for parental, paternity and carers’ leave; insists, however, that the initiatives respond to Parliament’s position on the Maternity Leave Directive by increasing the minimum-guaranteed period of maternity leave on full pay from 14 to 20 weeks, and by establishing a mandatory right to paid paternity leave; welcomes the proposal that parental leave becomes an individual right for parents; believes that specific measures need to be taken in all the Member States to improve the work-life balance for women and men, and that steps are needed to increase the duration of parental leave, which should be paid at 100 %, and to ultimately move towards a more equal system of parental leave; 12. Calls on the Commission, in cooperation with the Member States, to put forward a proposal for a comprehensive EU strategy on violence against women and girls that addresses all the different forms of violence; welcomes the efforts that the Commission is currently making towards EU accession to the Istanbul Convention; calls for the EU to respond to the urgent need to adopt and implement a new EU anti-trafficking strategy which includes a strong gender equality perspective and which focuses in particular on reducing demand and putting in place a system of punishment for the customers/perpetrators; Progressive economic policies 13. Calls on the Commission to end the EU’s austerity policy; takes the view that the Fiscal Stability Treaty, the Fiscal Compact, the European Semester, as well as the National Competitiveness Boards and Independent Fiscal Authorities, should be revoked, as they are characterised by a democratic and social deficit, and not only constitute an economic straightjacket that has severe adverse effects on investment, growth, regional cohesion, and job creation, and have dramatically increased inequality within and between Member States, but also curtail the right of the Member States to define their budgetary and public policy objectives; 14. Strongly rejects, therefore, the Five Presidents’ Report and the Commission white paper and reflection paper on deepening the Economic Monetary Union (EMU), as they offer no way out from the austerity narrative but instead recommend deepening existing RE\1129857EN.docx 7/20 PE605.579v01-00 EN policies, increased competitiveness and structural convergence, imposing strict fiscal policies and austerity; 15. Stresses the need to replace these policies with a Pact for Employment and Growth encompassing a new set of economic, social and environmental policies in favour of the peoples and the workers, namely by promoting environmentally sustainable inclusive growth, quality and safe employment and social and regional cohesion; underlines the fact that under this new cooperation framework, the Member States must regain the ability to decide on the economic policies that best address their respective needs, while at EU level, the decision-making process must ensure democratic accountability and transparency that includes the European Parliament, national parliaments and full respect for the decisions taken at Member State level, which should reflect a comprehensive dialogue with all stakeholders; urges the Commission to launch a debate between the Member States and the EU institutions about how this can be achieved; 16. Believes that, should any Member State decide to exit the euro because their membership has become unsustainable and unbearable, such a decision should be utterly respected and pave the way for a negotiated and orderly exit in a fair manner that is free from pressure, sanctions or blackmail, within a framework of a comprehensive support ***programme***; considers that such a ***programme*** should foresee the possibility of adequate compensation determined on the basis of the social and economic damage caused; 17. Urges the Commission to create an emergency ***plan*** to support the economy of those countries that have suffered from the Troika’s ***intervention***; 18. Stresses the fact that the level of debt in a number of EU countries remains among the highest in the world; asks the Commission and the Member States, therefore, to initiate and support a process of renegotiation of public debt (in its amounts, maturity and interest rates) and the annulment of its speculative and illegitimate elements in the most indebted countries, in order to make the debt system compatible with economic and social development; notes that without debt relief, the economic recovery of the Member States is impossible; 19. Urges the Commission to urgently evaluate and discuss the Banking Union process, which ,undemocratic and imbalanced, has hitherto protected the interests of the banks and not of the depositors; considers that the Banking Union has further weakened Member States’ ability to control their banking system and has, moreover, served to promote and ultimately bring about several mergers and acquisitions in the banking sector of different Member States; considers, therefore, that the Banking Union has been operating as a political tool to force a process of capital centralisation and concentration; in fact, the establishment of a pan-European banking oligopoly is both a major goal and a consequences of the Banking Union, and does not tackle the ‘too-big-to-fail’ problem, but rather magnifies it, does not serve the populations’ interests and is very far from addressing depositors’ security effectively; believes, therefore, that the only way of addressing the ‘too-big-to-fail’ problem and depositors’ security, and of ensuring a banking system that exists to serve peoples’ interests and countries’ development needs, is to repeal the Banking Union and promote the public control and decentralisation of the banking and financial sector; insists on the urgent need to take PE605.579v01-00 8/20 RE\1129857EN.docx EN initiatives and to protect the low- and medium-income depositors of the people in Europe against future system crises; 20. Stresses that the deregulation and liberalisation of capital markets pose serious problems to Member States’ economies, namely their stability; believes that the Capital Markets Union, by deepening the level of financialisation of Member States’ economies, serves the interests of no-one but financial capitalists and greatly increases the possibility of a new financial crisis; calls for the immediate stop to the process of establishing a Capital Markets Union and reiterates the need to separate investment banking from retail banking, so as to avoid industry contamination and concentration; 21. Insists that the Commission and the Member States show real political determination in taxing the actual holders of wealth; regrets the insufficient response in the EU to the tax scandals; defends the obligation to make public tax rulings, country-by-country reporting and beneficial ownership registries in order to ensure transparency and scrutiny; advocates the end of off-shore and other tax havens within and outside the EU, the effective regulation of the enablers and promoters of offshore schemes, the defence of cooperation for the lifting of banking secrecy for tax purposes, the promotion of cooperation measures in preventing and combating money laundering and tax fraud, the punishing of speculative transactions through tax policy measures, and ensuring that profits are taxed where economic activities take place, where employees are actually working and where value is created; calls for an international summit to be held within the framework of the United Nations with a view to establishing a road map and a Joint Action ***Plan*** to end tax havens and tax dumping; The recovery of Member States’ economies through public investment and sustainable growth 22. Underlines the fact, that in addition to a democratic and just cooperation framework and a real pillar of social rights, the EU requires holistic and fair economic development and an investment strategy which takes into account peoples’ interests and each Member States’ needs and specificities; calls on the Commission to launch a Public Investment ***Plan*** which genuinely seeks to bring about full employment and a sustainable, energy-efficient, low-carbon economy, specifically targeting countries and regions with high levels of unemployment and poverty as well as the productive sectors that are vital to each country’s development strategies; calls for the promotion of public projects and for support to local governments, MSMEs, cooperatives and non-for-profit business, boosting their productivity, curbing the effect of dominant market positions occupied by large corporations, and ensuring sound economic development and social cohesion in the EU, as well as for Community funds to be reinforced and oriented in that direction; 23. Stresses that in addition to the investment ***plan***, cohesion policy should be a visible, tangible and quantifiable expression of European solidarity and fairness; underlines the urgent need for a true cohesion policy with significantly increased structural funds, which has the principal objectives of reducing disparities between regions with a special emphasis on the poorer and outermost regions, and which targets Member States that suffer from underdevelopment, high levels of unemployment, or that face a natural disaster or humanitarian crisis, and includes assistance in the form of human resources and technical assistance with regard to migration and natural disasters; urges the RE\1129857EN.docx 9/20 PE605.579v01-00 EN Commission, therefore, to uphold a strong post-2020 cohesion policy based on subsidies and its core objectives of environmental, social, economic and territorial cohesion, as enshrined in the Treaties, with both an urban and rural dimension and a strong focus on European territorial cooperation, and with a strong commitment to the partnership principle, promoting real convergence and sustainable economic and employment growth; strongly rejects subordinating cohesion policy to EU economic governance, structural reforms and macro-economic conditionalities as cohesion policy should not be used as an instrument of financial punishment if a Member State or region rejects policies of deregulation and privatisation; 24. Taking into account the latest events, and in particular the earthquakes in Italy and Greece and the fires in Portugal and Spain, which have had a dramatic and substantial impact on human life in particularly deprived regions, highlights the importance of the European Union Solidarity Fund (EUSF) for responding to major natural disasters and takes note of the proposed increase in commitment and payment appropriations for the EUSF; calls on the Commission to oversee a further increase in this fund, and to adapt the rules to make its mobilisation more flexible and punctual, to cover a wider range of disasters with significant impacts and reduce the time between the disaster and the availability of funds; 25. Asserts that the social, economic, climate-related and political challenges can only be met by a rupture with the neoliberal policies of the past and a reorientation towards social progress, economic convergence, cohesion and sustainable development; strongly calls for an end to the principle of competition and the principle of market economy, in order to pave the way for a Europe based on the principle of solidarity and mutually advantageous cooperation; 26. Expects the EU’s economic development strategy to include an inclusive industrial strategy which strengthens and develops a diversified industrial base in all Member States and regions, taking into account the regional specificities; stresses the pivotal role of the States and of public investment in the re-industrialisation strategy that should embrace ***strategic*** sectors and make job growth and social and environmental sustainability key goals; calls on the Commission to address the problem of the relocation of industrial production within the global value chains and to propose a ban on EU funding for the relocation of production in order to keep industrial jobs in the Member States; 27. Recalls the fundamental role of public research as a counter-balance to market-oriented trends; stresses the need to use EU research funds as tools to increase territorial cohesion in the EU, and to avoid the concentration of research funding among a few countries, universities, research centres and corporations; stresses the importance of strengthening public investment and the regulation of digital services in order to overcome the digital divide and highlights the need to avoid the concentration of digital content among a few distributors; supports open standards in the digital sector and open science so that innovations can benefit all; calls for all scientific knowledge, whether backed by direct or indirect EU funding, to be made public; 28. Rejects the EU internal energy market and the establishment of a European Energy Union, which will lead to further liberalisation and monopolisation; calls for public PE605.579v01-00 10/20 RE\1129857EN.docx EN control of this ***strategic*** sector as public ownership and management of energy production and distribution is the best way of ensuring environmental and social sustainability; reiterates that energy is a public good and that access to energy should be a basic social right; regrets the fact that the Commission has neglected this in all proposals including in the ‘clean energy for all Europeans’ package; expects the Commission, in this regard, to create a European Energy Poverty Observatory and prepare a concrete action ***plan*** on how to tackle energy poverty; 29. Calls for a decentralised Common Fisheries Policy (CFP) which promotes the modernisation and sustainable development of the fisheries sector, ensuring its socio-economic viability, the sustainability of resources, the preservation and creation of jobs and the improvement of fisheries’ workers living conditions; reaffirms the need for the CFP to recognise the specific characteristics of small-scale and coastal fishing and the suitability of the existing instruments for the sector’s needs; calls for measures to ensure national sovereignty over the Exclusive Economic Zones of Member States and their fisheries resources; 30. Takes the view that 30 years of the Common ***Agriculture*** Policy (CAP) have taken a severe toll on the ***agricultural*** sector in the Member States and contributed to the crisis in the ***agriculture*** sector; calls for a renewed focus on one of the funding principles of the CAP, ‘to ensure a fair standard of living for farmers’, in order to combat the increased concentration of production, the reduction of small-scale farmers, and the increase in regional asymmetries and foreign external dependence on goods, which favours the biggest EU economies and large agri-businesses; regrets the fact that this phenomenon is putting at risk ***agricultural*** and rural patrimony of global importance, while large agri-businesses are expanding their margins and imposing their model of a global food system, with destructive environmental consequences; emphasises the central role of farmers in ***agricultural*** and food policy; strongly opposes market domination and unfair price- setting by large agri-food businesses at the expense of food safety, quality and sovereignty, human and animal health, animal welfare and the environment; stresses the importance of facilitating access to land to fight inequality in rural economies and facilitate generational renewal in the ***agricultural*** sector; 31. Calls on the Commission, on the eve of upcoming CAP reform, to shift the focus of the current CAP, which is dominated by intensive farming and extractive monocultures, towards sustainable ***agriculture*** and food policy, by taking into account the various economic, social, environmental, nutritional and health issues and challenges; 32. Calls on the Commission to put in place measures to increase the visibility and enhance the role of women in the ***agricultural*** sector; urges the Commission to give priority to the protection of and access to ***agricultural*** land; strongly condemns land-grabbing and demands swift action from the Commission and the Member States; reaffirms that water is a universal right that should be guaranteed for every human being and should not be subject to privatisation; 33. Calls on the Commission to forbid all forms of seed patenting in order to protect farmers from the pressures of competition caused by multinationals ***producing*** seeds, and to protect local varieties and our genetic and cultural heritage; calls on the Commission, in cooperation with the Member States, to forbid the authorisation, RE\1129857EN.docx 11/20 PE605.579v01-00 EN cultivation and marketing of GMOs and to take action against the widespread use of pesticides; 34. Urges the Commission to implement, without delay, the points outstanding from the European Union Strategy for the

Protection and Welfare of Animals 2012-2015; calls on the Commission to draw up a new and ambitious strategy for the protection and welfare of animals and biodiversity for the 2016-2020 period which overcomes existing shortcomings and loopholes, so as to create a level playing field and improve animal welfare and biodiversity protection across the EU; Environmental policies for a sustainable future – tackling climate change 35. Highlights the urgent need to tackle the climate crisis; welcomes the recognition by COP 21 that the present climate crises are caused by an energy-intensive production system and the exploitation of fossil fuels; stresses that the solution to climate change is, for all countries concerned, to commit to reducing their greenhouse gas (GHG) emissions in line with their historical responsibilities; strongly believes that the fate of the planet cannot be left to market-based instruments, but requires a break with the capitalist growth model, as well as a radical shift in production methods, distribution and consumption; regrets the fact, therefore, that the COP 21 commitments do not guarantee a reduction in GHG emissions considered necessary to ensure that the increase in average temperature is no more than 2ºC and that the agreement strengthened the market-based mechanisms; 36. Regrets the lack of ambition on binding targets shown by the Commission to date; deplores the fact that climate change policies insist on a market approach, which has been clearly demonstrated as ineffective and misguided (carbon market, flexibility instruments, etc.); calls for a fundamental shift away from a market approach to a normative approach, in line with the principle of ‘common but differentiated responsibility’; calls on the Commission and the Member States to go further than the framework of the Paris Agreement; strongly believes that the EU must step up its action and put climate and environment first; calls, therefore, on the Commission and the Member States to integrate climate change policy and high environmental standards in all relevant policies; urges the Commission and the Member States to ensure the implementation of the Paris commitments and of the additional goals, despite all their shortcomings and contradictions; 37. Specifically calls on the Commission to propose sustainability criteria for industrial products and to fully integrate the circular economy in all relevant policies, with due consideration for the whole lifecycle of products; further stresses the need to fully implement the actions identified in the Roadmap to Resource-Efficient Europe, including phasing out subsidies that have a negative impact on the environment; takes the view that the market approach to the circular economy has hazardous consequences for the public interest and that a strong accountability of the Member States and public policies are necessary; 38. Believes that the energy transition should result in a more efficient, transparent, sustainable, decentralised and democratic energy system based on renewables, which benefits society as a whole; reiterates Parliament’s call for a binding target of a 30 % share of renewable energy consumption, which should be revised upwards to 45 % in PE605.579v01-00 12/20 RE\1129857EN.docx EN line with the current provisions of the Paris Agreement, and 40 % in energy savings for 2030; calls on the Commission to come forward with binding sustainability criteria for energy and biomass; 39. Calls for biodiversity to be safeguarded in marine environments, ensuring conditions that are conducive to the replenishment of fish populations through the implementation of adequate sustainable management practices; advocates the Sustainable Development Goals (SDGs) of conserving at least 10 % of coastal and marine areas, consistent with national and international law and based on the best available scientific information, and primacy for small-scale and artisanal fisheries in accessing resources; advocates in this regard the creation of fisheries-free zones in areas where fish stocks and biodiversity are threatened; stresses equally the need to implement effective climate change prevention and mitigation strategies across the EU in order to protect ***agricultural*** land in the long term, including putting an end to intensive farming and overproduction; 40. Underlines the need to decarbonise the entire transport sector; deeply regrets the fact that the Commission’s proposal for a Transport Mobility Package further liberalises the sector to the detriment of the environment and the workers; calls on the Commission to come back with a new proposal which is based on the Member States’ needs to ensure territorial cohesion, which promotes public transport, shared mobility solutions and walking and cycling in particular in urban areas, and which cuts emission from cars, vans, heavy duty vehicles, aviation and railways and sea transport; 41. Defends an increase in the allocation of funding for environmental conservation policies; calls for a substantial increase in the LIFE ***programme*** for a minimum of 1 % of the EU budget; rejects weakening legislation on the protection of habitats and endangered wild species; calls for the creation of a specific financial instrument dedicated to the funding of the Natura 2000 network and the adoption of coherent measures for preserving its values; 42. Calls on the Commission to consistently comply with the precautionary principle and to roll back on and refrain from proposing derogations on the use of chemical substances, harmful pesticides and endocrine disruptors, to reduce the exposure of chemical substances through water, soil, air and food which have a negative impact on humans, animals and the global environment, and to put forward legislative proposals to reduce exposure; 43. Calls for the Community approach to disaster prevention to be reinforced, with the creation of a financial framework appropriate for prevention, which can be mobilised by action to correct situations involving risk; Single market and international trade 44. Takes the view that the single market, in its multiple sectorial dimensions, has accentuated the erosion of sovereign economic regulation instruments, economic domination, divergence and uneven development, and has promoted tax avoidance and tax evasion and the transfer of profits to tax havens, privatisation, the deregulation of commercial relations and the concentration of capital; considers that, through the single market and in the name of competitiveness, the EU has supported and promoted attacks on workers’ rights, which has led to social inequalities, labour deregulation, wage RE\1129857EN.docx 13/20 PE605.579v01-00 EN devaluation and increasingly precarious employment, while fairer, more redistributive tax policies have been wrecked or obstructed; notes that, contrary to what is systematically stated, the single market has resulted in increased costs for the consumers and degradation of the services provided; 45. Stresses that each country must have the right to define the commercial policies and celebrate the trade agreements which most correspond with their interests and their economic characteristics and needs, taking into account their respective levels of complementarities with third countries; 46. Takes note of the revised proposal of the Audiovisual Media Service Directive; regrets, however, that it does not sufficiently address either threats to media pluralism or to vulnerable users, notably minors, in relation to dangerous commercial communications, product placement, illegal contents on video-sharing platforms and social media; calls on the Commission, to this end, to revise the e-commerce directive and to focus more on democratic and cultural changes in its current and future work on the Digital Single Market strategy; recalls that digitalisation deals substantially with education, knowledge, research, media and internet literacy, and therefore requires more political responsibility and a European digital strategy tailored to society and users’ needs; 47. Calls on the Commission and the Member States to guarantee that all EU action and ***programmes*** on culture, education and citizenship systematically include a social inclusion dimension, particularly for disadvantaged groups; calls on the Commission to facilitate full access to culture and creation for all, and to promote culture and creative enterprises, particularly small-scale cultural production; 48. States that any legislative proposal that somehow interferes with the rights and remuneration of culture and creative industry participants must ensure a fair and decent pay for authors, performers, ***producers*** and technicians; asks the Member States, furthermore, to work jointly with the unions of those working in the cultural and creative industries, and with funded entities and public bodies in order to develop and implement concrete measures to eradicate labour precariousness in this industry; 49. Stresses, in addition, the importance of increasing funding and removing barriers, including economic barriers, for applicants for educational ***programmes*** such as Erasmus+ and Creative Europe, in particular for students with a lower income, people with disabilities, learners from remote regions and participants affected by Brexit; deplores the replacement of grant systems by the Student Loan Guarantee Facility and calls on the Commission to revoke this proposal; 50. Opposes the trade-policy approach of liberalisation, deregulation and privatisation pushed by the Commission with many partners worldwide, which compromises the sovereignty of the Member States and serves the geopolitical interests of the richest countries and multinational corporations by enabling them to control and exploit third-country assets, increasing intra- and inter-regional asymmetries, and perpetuating the dependencies of the less developed countries (within and outside the EU); insists on trade relations with states or partners that respect workers’ rights, the environment and regional characteristics and that, at the same time, do not challenge the geopolitical interests of small countries, SMEs or national assets or public services; PE605.579v01-00 14/20 RE\1129857EN.docx EN 51. Urges the Commission to withdraw from the negotiations on TTIP, EU-Japan and the Trade in Services Agreement (TiSA), among others; believes trade agreements should focus on promoting decent jobs, a sustainable economic model, but first and foremost, on a fair distribution of wealth, a heterogeneous array of economic activities, and a firmly rooted approach to the right to regulate in order to progress towards social justice, to develop quality public services, to protect environment and cultural diversity, and to be allowed to strictly respect the precautionary principle; 52. Calls for regulated, mutually complementary-based international trade; insists that all negotiating documents must be made public, and that all national parliaments must be consulted, before the adoption of such deals, which have a dramatic impact on people’s daily lives; deplores the negotiation process of CETA and calls for its immediate repeal; 53. Calls on the Commission to fully support the UN Treaty on business and human rights, including its necessary binding provisions, and urges the Commission and Member States to include in all current and future trade deals signed by the EU provisions enabling real control of tax fraud, money laundering and speculation on food, water, and on other basic needs of human beings and of nature; Respecting human rights – the path to democracy 54. Insists on a democratic, fair and progressive alternative for Europe – with countries equal in rights – based on solidarity, cooperation and social justice; insists that the respect for human rights and the rule of law, together with respect for the fundamental principles of the UN Charter, must be the core of any policies at EU and Member State level; states that another Europe must be built with a stronger role for and greater involvement of the peoples, while respecting their rights and their will; 55. Believes that, as regards the EU institutions, this calls for a stronger role and involvement of citizens and civil society through, inter alia, a revised and strengthened European Citizens’ Initiative; calls for improved access to documents and greater transparency of corporate lobbyism, including through expert groups, and greater respect for initiatives such as the European Citizens’ Initiative; 56. Calls for greater transparency and accountability insists that the EU institutions need to become truly open, transparent and accountable to the citizens, both in terms of the decision-making process and in terms of the interests they serve; calls on the Commission, in this regard, to promptly and adequately follow up on Parliament’s resolution on Commissioners’ declarations of interests and to come forward with a proposal for effective protection of whistle-blowers encompassing all categories of whistle-blowers, taking into account the principles of the Council of Europe Recommendation CM/Rec(2014)7; 57. Expresses deep concern at the growing democratic deficit and the anti-democratic actions of the EU; strongly rejects EU policies, which removed policy choices from the hands of sovereign and democratically elected governments and national parliaments, diminished democratic control of the EU and established austerity permanently; strongly rejects any actions of the EU institutions seeking to impose policies and measures against the will of the peoples, blackmailing sovereign governments, ignoring and attacking the outcome of citizens’ participation in political decision-making RE\1129857EN.docx 15/20 PE605.579v01-00 EN processes and workers’ struggle and rights; urges the Commission to respect the will of the citizens and to respect any future referenda on EU issues; insists on the peoples’ inalienable right to debate and express their will; rejects the narrative of inevitability often projected by the EU institutions, as in a democracy there are always alternative pathways in line with the will of the peoples; 58. Abhors the blatant disregard for human rights and the obligations of international law demonstrated in the EU’s response to the humanitarian crisis, as exemplified by the increasing militarisation of the EU’s external borders; calls on the Commission to redirect funds allocated to heightened border control and the strengthening of Fortress Europe towards welcoming and integrating refugees and migrants; urgently calls on the Commission to strengthen proactive search and rescue activities, especially in the Central Mediterranean, to develop proposals for safe and legal ways to access the EU for all women, men and children in need of protection, as well as for migrant workers, including an immediate, ambitious and binding resettlement ***programme*** based on genuine links of the refugees with the respective countries, and to support Parliament’s call for the creation of humanitarian visas by presenting a relevant proposal, so that people will no longer be forced to risk their lives in the Mediterranean or in the deserts on their way to Europe; condemns the increasing use of so-called soft instruments to pressure third countries into informal readmission agreements; strongly condemns, in this regard, the deal between the EU and Turkey, the deal between the EU and Afghanistan: the so called ‘Joint Way forward for Afghanistan’, and ongoing talks with third countries under the Migration Partnership Frameworks; condemns the EU border management policy and the externalisation of border control to third countries, notably through the use of the EU Trust Fund for Africa; 59. Calls for a fair allocation of refugees in dignified accommodation and for the closure of detention centres, and to advance the social inclusion and labour market integration of both refugees and migrants, taking into account their preferences, skills and qualifications, and to ensure protection against exploitation and discrimination; calls for the protection and support of people with special needs, victims of trafficking and unaccompanied minors; calls for the implementation of the right to family life as enshrined in the European Convention on Human Rights (ECHR), whether from a third country or within the EU, and stresses the urgent need to fully respect the right to family life and reunification, both from within and outside the EU, including the fast-tracking of vulnerable applicants; calls on the Commission to evaluate the implementation of the Directive on the Right to Family Reunification, including the use of the Commission communication on guidance for application of Directive 2003/86/EC on the right to family reunification and to initiate infringement procedures where necessary; 60. Deplores the fact that the Commission proposed an alternative to the Dublin Regulation which does not address the existing regulation’s serious deficiencies, as the proposal is not based on the principle of solidarity and the equal sharing of responsibility; raises key concerns about the obligation for all Member States to examine whether a person’s application could be declared inadmissible based on the concepts of a safe third country or first country of asylum; 61. Expresses its deep disappointment at Member States’ unfulfilled promises to relocate asylum seekers from Italy and Greece; urges the Member States to fulfil their PE605.579v01-00 16/20 RE\1129857EN.docx EN commitments deriving from the Council Decisions and to systematically relocate asylum seekers from Greece and Italy; calls on the Commission to propose extending relocation measures for as long the situation requires; 62. Expresses deep concern at the European Agenda on Security, which focuses on repressive policies and extending EU law enforcement agencies; criticises the increasing securitisation of policies, including the collection of personal data and profiling of citizens and third country nationals, taking advantage of the legitimate inflated fears of the peoples, using the fight against terrorism to attack citizens’ rights and liberties and increase state surveillance; strongly objects to this violation of human rights and to the fact that these repressive policies have undermined the necessary prevention policies; calls on the Commission and the Member States to strengthen prevention policies, including youth work, socio-economic cohesion policies and other preventive instruments aimed at supporting people at risk of social exclusion; recalls at this point the necessity for the EU and its Member States to stop all external military engagements and to play an international role for peace; 63. Calls for the immediate adoption of the horizontal anti-discrimination directive in order to advance the fight against discrimination, including attacks on minorities, migrants and asylum seekers and other vulnerable groups; asks the Commission to evaluate the implementation of National Roma Integration Strategies and the Council recommendation on effective Roma integration measures in the Member States, and to propose additional measures, if necessary, for the effective inclusion of the Roma; deplores the increase in hate crime and instances of hate speech directed against ethnic and religious minorities, LGBTI persons, asylum seekers and the homeless; takes the view that the increase in racist and xenophobic sentiment and organisations is linked to the ascent of the far right and fascist tendencies in Europe, which cannot be viewed in isolation with the austerity and neoliberal policies that have been enforced in the EU and Member States in the past decades, or with the growing democratic deficit and disregard and disrespect for the will of the peoples; Peace and international solidarity 64. Rejects the European Security Strategy and its Common Foreign and Security Policy and Common Security and Defence Policy; demands an end to EU-NATO cooperation and ***strategic*** priorities and rejects the current expansionist policy of NATO; further demands the removal of all foreign military bases in Europe and the dissolution of NATO; rejects a European Defence Union, which is a dangerous venture leading straight to war; opposes, therefore, increasing Member State budgets for security and defence; strongly opposes any use of Horizon 2020 funds, or of the EU budget in general, to finance military, civil-military or security research in general, and for the development of remotely piloted aircraft systems (RPAS) in particular; insists that the EU and its Member States should work for peace, for diplomatic and peaceful conflict resolution, including through mediation initiatives, and for disarmament, demobilisation and reintegration ***programmes*** in line with the United Nations Charter; supports the Nuclear Non-Proliferation Treaty (NPT) regime and nuclear disarmament; 65. Firmly rejects the Commission’s Reflection Paper on the Future of European Defence, including its recommendations on a European defence fund and a single market for RE\1129857EN.docx 17/20 PE605.579v01-00 EN defence, which requests an increase in financing for defence and security through EU budgetary funds; 66. Denounces and deeply deplores the unprecedented speed with which the EU is being militarised; 67. Urges disarmament, including nuclear disarmament, the demobilisation of troops, and an end to external military ***interventions***, civil research and investigation for the benefit of the people and their development; urges the dissolution of NATO; recalls that the best way of promoting peace is by supporting measures on poverty eradication, humanitarian aid, and sustainable and fair economic and social development; 68. States that external cooperation should be based on the internationalist solidarity principle and on complete respect for each country’s desire for and pace of development; 69. Deeply deplores the fact that the EU is promoting the same failed policies towards the accession countries; is concerned about recent developments in the Western Balkans region concerning the increasing democratic deficit and growing authoritarianism, the rise of nationalistic and irredentist rhetoric, and economic stagnation blighted by very high unemployment, all of which could lead to regional instability, with many of these problems having resulted from the war of aggression imposed on many of these countries; insists that the EU takes the responsibility incumbent upon it for the failures of its policies in the Western Balkans and calls on the Commission to re-assess and radically reformulate its enlargement policy and assistance to the candidate and potential candidate countries provided by the Pre-accession Assistance Instrument, by focusing on the promotion of democracy and civil society, the rule of law, human, civil and employment rights, social cohesion and social justice and sustainable economic development; believes that the decision to join the EU should be based on a sovereign decision by the people; 70. Calls, in the light of events that have taken place since July 2016 and the referendum of 16 April 2017, for the temporary suspension of accession negotiations with Turkey if the constitutional package is implemented unchanged and if the rule of law is not immediately restored; insists that the process of modernising the Customs Union with Turkey be linked to a robust conditionality on human rights, democracy, the rule of law and good neighbourly relations; insists on the position that the Customs Union cannot be upgraded if Turkey does not fully implement the current Customs Union and additional protocol vis-à-vis all Member States; 71. Underlines the need to tackle the socio-economic root causes of the current security and migration challenges as a matter of priority and rejects any military security cooperation; calls on the Commission to meet its commitment to engage with the European Neighbourhood Policy partners in implementing the UN Development Goals; stresses that job creation is a decisive issue for the future of most neighbourhood countries; supports the specific focus on youth employability and the promotion of small and medium-sized enterprises; emphasises that this requires a multi-level approach, including national, regional and local levels, as well as regional and sub-regional levels and cross-border cooperation that serves to mobilise the EU Member States, the partner countries and their local and regional authorities; calls for realistic PE605.579v01-00 18/20 RE\1129857EN.docx EN approaches and ***programmes*** which have concrete benefits for the people, calls on the Commission to present a strategy on the cooperation with the EU’s neighbours which was announced as part of the Review of the European Neighbourhood Policy; 72. Reiterates its strong support for the two-state solution to the Israeli-Palestinian conflict on the basis of the 1967 borders, with Jerusalem as the capital of both states, with the State of Israel and the Palestinian State living side by side in peace and security, on the basis of the right of self-determination and full respect for international law; calls on the Commission to devote special attention in its cooperation and assistance ***programmes*** to people living under occupation and blockade; calls on the Commission to fully implement Article 2 of the EU-Israel Association Agreement in response to longstanding serious violations of human rights by Israel in the Occupied Palestinian Territories, the discriminatory treatment by Israel of its own citizens of Arab origin and its disregard for the UN resolution on the issue; insists on the comprehensive application of the guidelines on the eligibility of Israeli entities and their activities in the territories occupied by Israel since June 1967 for grants, prizes and financial instruments funded by the EU from 2014 onwards in all the Member States; calls on the Commission to review the funding of scientific cooperation ***programmes*** with a view to preventing any kind of financing of Israel’s military industry; reiterates its call on the Commission to assess the costs of the demolitions of houses and infrastructure financed by the EU and to insist on compensation; 73. Reiterates its support for the self-determination of Western Sahara, to be achieved through a referendum, in line with international law and the relevant UN resolutions; calls on the Commission to fully implement Article 2 of the EU-Morocco Association Agreement in response to longstanding and serious human rights violations by Morocco in the Occupied Territories of Western Sahara, including economic repression and the political imprisonment of peaceful Sahrawi activists for advocating self-determination; calls on the Commission to implement the European Court of Justice judgment of 21 December 2016, which rules that EU-Morocco agreements applying to Western Sahara are illegal under international law; stresses that any future EU agreement on Western Sahara must be negotiated with Frente Polisario, as the international representative of the Sahrawi people; highlights the deteriorating humanitarian situation in the Tindouf refugee camps as a result of falling international aid and calls on the Commission to raise current levels of aid to at least its historical levels; 74. Calls on the Commission to maintain the commitments and important steps taken in the negotiations of the Political Dialogue and Cooperation Agreement between the European Union, its Member States and the Republic of Cuba; underlines the importance of maintaining a constructive approach in the negotiations that respects the will of the Cuban people and avoids any external interference or constraints in Cuba’s internal affairs; calls on the Commission to contribute to the end of the blockade; 75. Recalls the principle of effective development cooperation: the ownership of development priorities by developing countries; opposes any attempt to link development aid with border control, the management of migratory flows or readmission agreements; rejects any attempt to impose conditionality between development assistance and cooperation from beneficiary countries, on, inter alia, structural reforms and migration issues; underlines the fact that payments from the RE\1129857EN.docx 19/20 PE605.579v01-00 EN Development Cooperation Instrument (DCI) and the European Development Fund (EDF) cannot be used for military ***programmes***, policy cooperation and army reforms; insists on the need for an accountability mechanism on the monitoring and implementation of the SDGs and the 0.7% ODA/GNI target, which Member States had already agreed to reach by 2015; 76. Calls on the Commission, furthermore, to include and promote universal access to sexual and reproductive health and rights in all related policy areas in the EU and beyond; calls on the EU and the Member States to counter the impact of the gag rule by significantly increasing financing for sexual and reproductive health and rights, in particular funding explicitly designed to ensure access to birth control and safe and legal abortion, using both national and EU development funding; 77. Calls for a human needs-based approach on debt sustainability through a binding set of standards to define responsible lending and borrowing and calls for developing countries’ foreign debt to be cancelled; 78. Calls on the Commission to support, by means of a communication, the elaboration of a legally binding instrument on transnational corporations under the auspices of the UN and to provide for the establishment of effective remedies for victims in cases where domestic jurisdiction clearly proves to be unable to prosecute multinationals effectively; Financing the EU 79. Recalls that the EU budget is an instrument for achieving the goals outlined above; believes this should be done through policies and ***programmes*** that address the specific needs of Member States so that the EU budget complements Member States’ efforts rather than imposes priorities or a one-size-fits-all model; further believes that the budget should facilitate experiments with the good practices of other countries; 80. Reiterates the importance of cohesion policies and the need to increase funding in this area, in particular the European Social Fund; underlines the fact that these policies must not be weakened under any circumstances, including Brexit, and that budgetary allocations should be maintained at at least the same level as the current period for all categories of regions; calls on the Commission to present the proposals for the post-2020 cohesion policy and the next multiannual financial framework (MFF) by early 2018 in order to allow for a smooth decision-making process as well as sufficient time for Member States and regions to set priorities and adapt and implement policy changes; 81. Insists, in the context of the Commission’s proposal for a post-2020 MFF, that the budget be made simpler and more transparent, fair and democratically accountable, and that it be based on solidarity; insists, moreover, on the unity of the EU budget and therefore, on the integration of the various financial instruments, funds and trust funds currently outside the budget; 82. Calls for the 2018 Budget to include specific support measures for the regions that will be impacted the most by Brexit, including funding that will consolidate and advance the peace process in the North of Ireland; PE605.579v01-00 20/20 RE\1129857EN.docx EN Brexit 83. Acknowledges the right of any Member State to withdraw from the EU; highlights the fact that nothing in the Treaties should be used to create unwarranted obstacles to the implementation of the decision of a Member State to leave; 84. Rejects any kind of pressure or blackmail during the negotiation process; urges the Commission to find a fair agreement on the future relationship between the EU and the UK in the interests of all those living in the different jurisdictions; believes, moreover, that the future relationship between the EU and the UK should be built on the principles of respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, including the rights of persons belonging to minorities; 85. Believes that it is of paramount importance to swiftly and unconditionally provide legal certainty to nationals of EU Member States living in Britain and British people living in other Member States; calls for particular attention to be paid, in this regard, to the mobility of workers (mobile workers, cross-border workers and frontier workers, students), with a particular focus on and understanding of the unique situations in Ireland and Gibraltar; 86. Insists that the Good Friday Agreement and subsequent agreements be fully upheld in the withdrawal agreement; calls for the North of Ireland to be designated with a special status within the EU which ensures it maintains access to EU membership, the Customs Union, the Single Market and the jurisdiction of the European Court of Justice; calls, furthermore, for the freedom of movement of goods, people and services on the island of Ireland; 87. Calls on the Commission to revise its Work ***Programme*** in line with Parliament’s resolution; o o o 88. Instructs its President to forward this resolution to the Council, the Commission, and the governments and parliaments of the Member States.

**Load-Date:** August 15, 2017

**End of Document**



[***Council of the European Union: Communication on "The Future of Food and Farming" - Draft Council conclusions ST 6660 2018 REV 1***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S2R-9JV1-F0YC-N2RC-00000-00&context=1516831)

Impact News Service

April 9, 2018 Monday

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**Length:** 2176 words

**Body**

Brussels: Council of the European Union has issued the following document:

6660/1/18 REV 1 GDLC/LP/JU/ah 1 DGB 1B LIMITE EN Council of the European Union Brussels, 8 March 2018 (OR. en) 6660/1/18 REV 1 LIMITE AGRI 110 NOTE From: Presidency To: Special Committe on ***Agriculture*** Subject: Communication on 'The Future of Food and Farming' - Draft Council conclusions Following the comments received by delegations on doc. 6660/18, with a view to its examination at the SCA meeting on 12 March 2018, delegations will find in the Annex a revised version of draft Council conclusions on the above-mentioned subject. PUBLIC Conseil UE 6660/1/18 REV 1 GDLC/LP/JU/ah 2 ANNEX DGB 1B LIMITE EN ANNEX Draft Council Conclusions THE COUNCIL OF THE EUROPEAN UNION 1. HAVING REGARD to the Communication from the Commission on 'The Future of Food and Farming' (COM(2017) 713 final) adopted on 29 November 2017; 2. WITHOUT PREJUDGING the negotiations on the next Multiannual Financial Framework (MFF) and pending further information on the Commission proposal for the future Common ***Agricultural*** Policy (CAP); 3. RECALLING the added value of the CAP for farmers, citizens and society as a whole, and its key role in providing safe, high-quality food in sufficient quantities, contributing to a fair standard of living for farmers, protecting the environment, mitigating and adapting to climate change, promoting animal welfare, creating jobs and growth, keeping rural areas strong and sustainable, and maintaining ***agricultural*** production throughout the EU, in particular in areas with natural constraints or other specific constraints; 4. ACKNOWLEDGING the important role of direct payments in providing income support, rewarding farmers for the provision of public goods and services, supporting ***agricultural*** activity in all parts of the EU and contributing to the protection of the environment and the development of rural economies; 5. ACKNOWLEDGING that EU market support contributes to counter-balancing high price volatility and reducing the impact on vulnerable ***agricultural*** markets of external factors; STRESSING the importance of continued market orientation; 6. RECOGNISING that rural development provides a pivotal contribution to the life and resilience of rural areas and farming and boosts their vitality by creating growth, innovation and employment opportunities and facilitating young people's access to farming; 6660/1/18 REV 1 GDLC/LP/JU/ah 3 ANNEX DGB 1B LIMITE EN 7. HIGHLIGHTING the principles and goals set out in the Cork 2.0 Declaration 'A better life in rural areas', adopted in September 2016; Enhancing the CAP's added value to deliver on new challenges 8. CONSIDERS that, in spite of its merits, the CAP could be further improved by strengthening the EU added value and by making the policy greener, simpler and more result-driven; 9. STRESSES the importance of a trust-based partnership with farmers and the need for farmers to remain at the centre of the policy in order to successfully deliver on enhanced policy objectives; 10. HIGHLIGHTS the importance of ensuring that CAP support is commensurate with this enhanced added value; 11. RECALLS the CAP's objectives as set out in Article 39 of the Treaty on the Functioning of the European Union (TFEU), which are still valid and relevant: i) increasing ***agricultural*** productivity; ii) ensuring a fair standard of living for farmers; iii) stabilising markets; iv) assuring the availability of supplies and v) ensuring reasonable prices for consumers; 12. HIGHLIGHTS the need for the CAP to contribute to the Union's international obligations and commitments, such as the COP21 Paris Agreement and the UN 2030 Agenda for Sustainable Development.

STRESSES the CAP's role in meeting citizens' expectations and its contribution to the objectives of other relevant EU policies, in particular jobs and growth, environment, climate change, biodiversity, animal health and welfare. On these grounds, SHARES the three main objectives for the future CAP identified in the Commission's Communication. Empowering Member States to take decisions fitting local needs and specificities 13. ENDORSES the view that Member States should enjoy more subsidiarity and flexibility to take account of their national and regional specificities and to contribute to a more efficient delivery of the policy; 6660/1/18 REV 1 GDLC/LP/JU/ah 4 ANNEX DGB 1B LIMITE EN 14. While in principle sharing the result-oriented approach of the proposed 'new delivery model', NOTES that there is a potential risk of fragmentation of the CAP. Therefore, CALLS on the Commission to continue ensuring a level playing field among Member States and the integrity of the internal market by basic common rules at EU level; 15. STRESSES that a new delivery model should bring substantial and tangible simplification and reduction of administrative burden for both beneficiaries and national/regional administrations. To this end, CALLS for simple CAP ***Strategic*** ***Plans***, allowing flexibility in their design and subsequent amendments, taking into account the division of competences within each Member State; 16. HIGHLIGHTS that the CAP indicators should be simple, realistic, easily quantifiable and controllable, ensuring synergies with indicators used in other relevant policies. They should be adaptable to local realities and directly linked to the defined objectives; 17. HIGHLIGHTS that the audit and control systems should be based on the principles of proportionality, simplification and single audit, focusing on achieving policy results. INSISTS on the reduction of controls, which should be based on risk analysis, further relying on the use of satellite data; 18. CALLS for the possibility for Member States to transfer funds between pillars. Strengthening the resilience of the ***agricultural*** sector 19. TAKES NOTE of the Commission's intention to explore instruments to make direct payments more targeted. STRESSES the importance of providing the necessary flexibility to Member States to take into consideration national specificities and needs; 20. RECOGNISES the sensitivities of Member States on the external convergence of direct payments. ACKNOWLEDGES that further discussion will be needed in the framework of the negotiations on the MFF package; 6660/1/18 REV 1 GDLC/LP/JU/ah 5 ANNEX DGB 1B LIMITE EN 21. RECALLS that, following successive CAP reforms, the overwhelming volume of CAP support is decoupled. Reiterating its commitment to CAP market orientation, NOTES the value of voluntary coupled support for certain regions, sectors and types of farming, within the limits of the EU's WTO commitments and the need to maintain the integrity of the internal market; 22. STRESSES that, in order to simplify direct payment provisions and facilitate generational renewal in ***agriculture***, as well as to take account of different national conditions, decoupled area-based payments (such as the Single Area Payment Scheme) should continue to apply, with Member States having the option to use payment entitlements; 23. RETAINS the role of the Common Market Organisation as a safety net. WELCOMES the Commission's commitment to reflect on how to strengthen farmers' position in the food supply chain. BELIEVES that measures should be considered in this regard, including increased market transparency and reinforcement of ***producer*** organisation; 24. NOTES that the ***agricultural*** crisis reserve introduced in 2013 has not been used and CONSIDERS that reflection is needed on how to improve its design, such as by dissociating it from direct payments and adopting a multiannual approach. Fostering CAP's contribution to environmental objectives 25. While recalling that farmers already contribute to environmental and climate protection, SUPPORTS a higher level of environmental ambition for the CAP in the future. At the same time, REALISES the importance of more effective and targeted actions to reach higher ambitions, while adequately rewarding farmers for the public goods they provide; 26. AGREES that, while a common level of ambition and environmental objectives should be set at EU level to ensure a level playing field, Member States should enjoy a higher level of subsidiarity and flexibility in the implementation of environmental and climate measures, relying on their territorial characteristics and needs to design their specific ***interventions***; 6660/1/18 REV 1 GDLC/LP/JU/ah 6 ANNEX DGB 1B LIMITE EN 27. Subject to further information and clarifications from the Commission, SUPPORTS the Commission's intention to make the new 'green architecture' more efficient through a simple conditionality and CALLS for the streamlining of the current requirements in relation to greening and cross-compliance; 28. STRESSES that, in addition to compensating for income forgone and costs incurred, effective incentives should be provided to farmers engaging in more ambitious environmental and climate practices going beyond the mandatory measures; 29. CALLS for the coordination of environmental and climate ***interventions*** under both pillars to be ensured, avoiding overlaps between them and taking into account the different characteristics of the measures under each pillar. Measures under pillar II should remain voluntary as at present. Improving life in rural areas 30. RECOGNISES the particular challenges rural areas are facing and EMPHASISES the need to keep them vital and resilient, in particular by creating jobs, promoting growth, favouring generational renewal in the farming sector and further developing the bioeconomy and the circular economy; 31. SUPPORTS the development of rural areas in an integrated manner, through a wide range of actions (investments, connectivity and broadband, basic services, preservation of life and nature, renewal of villages, digitalisation etc.), making them more attractive places to live and prosper; POINTS TO enhancing synergies with other relevant policy areas and EU funds, in particular the European Structural and Investment Funds and the European Fund for ***Strategic*** Investments (EFSI), to optimise the impact on rural development; 32. NOTES the difficulties that young people face with regard to access to farming and CALLS for the future CAP to address this common challenge as a priority, improving the supporting instruments for generational renewal available under both pillars and their complementarity with other EU and national measures; 6660/1/18 REV 1 GDLC/LP/JU/ah 7 ANNEX DGB 1B LIMITE EN 33. UNDERLINES the importance of fostering innovation and knowledge sharing in the farming sector, as well as transferring research results into farming practice. EMPHASISES the positive experience of the LEADER approach and the importance of continuing it. CALLS for further efforts to facilitate the implementation of financial instruments, on a voluntary basis, in order to increase the potential of raising further private capital for investments in rural areas; 34. HIGHLIGHTS that, following the lessons learned from the current Rural Development ***Programmes***, the future CAP ***Strategic*** ***Plans*** should be simpler, avoid overlapping with other ***programming*** documents (such as current partnership agreements), rely on less complex and more understandable rules and be approved in a quicker manner to allow for timely implementation. CALLS for a simpler process for amending the CAP ***Strategic*** ***Plans*** in itinere, as necessary. INSISTS on for the positive experience of the 'one-window approach' to be continued regarding state aid; 35. WELCOMES the Commission's efforts to optimise the use of the existing risk management tools and INVITES it to explore further voluntary measures and to reflect on better coordination with existing national measures. Looking forward 36. CALLS for adequate support for the future CAP in order to enhance its added value, to meet its ambitious objectives effectively and to address societal concerns linked to ***agriculture***, particularly in relation to environmental protection and climate change, without prejudging in any way the upcoming negotiations on the next MFF; 37. INVITES the Commission to set up appropriate and functional mechanisms and procedures to ensure the timely approval of the future CAP ***Strategic*** ***Plans*** and to avoid delays in the disbursement of payments to farmers; 38. HIGHLIGHTS that the new delivery model requires a unified approach to auditing and a shift from a compliance-based to a result-oriented system; 6660/1/18 REV 1 GDLC/LP/JU/ah 8 ANNEX DGB 1B LIMITE EN 39. CALLS on the Commission to support Member States, in a partnership-based approach, in the process of designing and adapting CAP ***Strategic*** ***plans*** and in their implementation; 40. LOOKS FORWARD to receiving the Commission's legislative proposals in order to allow the co-legislators sufficient time for examination and negotiations; 41. STRESSES the need to foresee a sufficiently long transitional period for Member States to adapt to the new CAP delivery model. In this regard, CALLS upon the Commission to provide Member States with the necessary assistance.

**Load-Date:** April 10, 2018

**End of Document**



[***Bunge Completes Acquisition of IOI Loders Croklaan***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RS7-GRG1-JD3Y-Y36F-00000-00&context=1516831)

FinancialWire

March 1, 2018 Thursday

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**Length:** 1320 words

**Body**

WHITE PLAINS, NY - - Bunge Limited (NYSE: BG) ("Bunge") today announced it has completed its acquisition of a 70% ownership interest in IOI Loders Croklaan ("Loders") from IOI Corporation Berhad (KLSE: IOICORP) ("IOI"). The acquisition establishes Bunge as a global leader in business-to-business oil solutions with expanded value-added capabilities, reach and scale across core geographies. With Loders, Bunge will provide a comprehensive customer offering, from core products to specialties, for B2B customers in the food processing, industrial and artisanal bakery, confectionery, human nutrition and food service segments.

We expect Loders will generate $ 105 million of full-year EBITDA in 2018, plus $ 15 million in synergies. We also expect the transaction to be accretive to earnings on a cash basis this year. The enterprise will operate within Bunge's Food & Ingredients business as "Bunge Loders Croklaan."

Soren Schroder, Bunge's Chief Executive Officer, stated, "This is a transformational acquisition that increases our value-added food and ingredients activities to the 35% to 40% share of our portfolio we've targeted. With a comprehensive product offering derived from seed and tropical oils, leading innovation and application capabilities, and world class sustainability ***programs***, Bunge Loders Croklaan will be the first choice for global edible oils customers seeking to innovate and grow."

Gordon Hardie, Bunge's President of Food & Ingredients, stated, "We're excited to leverage the combination of Bunge's integrated supply chain and existing oils portfolio with Loders' high-end specialty and semi-specialty products to help our customers grow their brands and businesses around the world. We're also excited to begin working alongside our new colleagues, whose deep market and technical knowledge will benefit our continuing development of a wide range of edible oils applications aligned with consumer trends and customers' needs."

Website Information

We routinely post important information for investors on our website, [*www.bunge.com*](http://www.bunge.com), in the "Investors" section. We may use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investors section of our website, in addition to following our press releases, SEC filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document.

About Bunge Limited

Bunge Limited (   [*www.bunge.com*](http://www.bunge.com), NYSE: BG) is a leading global agribusiness and food company operating in over 40 countries with approximately 32,000 employees. Bunge buys, sells, stores and transports oilseeds and grains to serve customers worldwide; processes oilseeds to make protein meal for animal feed and edible oil products for commercial customers and consumers; ***produces*** sugar and ethanol from sugarcane; mills wheat, corn and rice to make ingredients used by food companies; and sells fertilizer in South America. Founded in 1818, the company is headquartered in White Plains, New York.

Non-GAAP Financial Measures

To supplement its reporting of financial measures determined in accordance with GAAP, Bunge utilizes certain non-GAAP financial measures in this press release, including forecasted cash accretion and EBITDA. EBITDA refers to Loders' earnings before interest, taxes, depreciation and amortization; and cash accretion reflects the expected impact of the transaction on our earnings, excluding step-up amortization. The EBITDA and cash accretion measures also exclude estimated transaction costs. Management believes this information is useful to investors for their independent evaluation and understanding of the transaction with Loders. This information is provided only on a non-GAAP basis without a reconciliation of these measures to the mostly directly comparable GAAP measures due to the inherent difficulty in forecasting and quantifying certain amounts that are necessary for such reconciliations, including adjustments that could be made for items such as foreign exchange effects, mark-to-market adjustments, transaction and integration costs, restructuring costs, timing of capital expenditures and other items. These items depend on highly variable factors, many of which may not be in our control, and which could vary significantly from future GAAP financial results.

The non-GAAP financial measures described above are in addition to, and not meant to be considered superior to, or a substitute for, financial measures prepared in accordance with GAAP. In addition, the non-GAAP financial measures included in this announcement may not be comparable to similarly titled measures reported by other companies.

Cautionary Statement Concerning Forward-Looking Statements

This press release contains both historical and forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are not based on historical facts, but rather reflect our current expectations and projections about our future results, performance, prospects and opportunities. We have tried to identify these forward-looking statements by using words including "may," "will," "should," "could," "expect," "anticipate," "believe," "***plan***," "intend," "estimate," "continue" and similar expressions. These forward-looking statements include, among others, statements regarding the expected synergies and other benefits of the acquisition, anticipated financial results and prospective business performance and opportunities. These forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. The following important factors, among others, could affect our business and financial performance: the ability to effectively integrate the acquired business and obtain cost savings and other synergies within expected timeframes; higher than expected operating costs and potential business disruption; how customers, suppliers and employees will react to the transaction; industry conditions, including fluctuations in supply, demand and prices for ***agricultural*** commodities and other raw materials and products used in our business; fluctuations in energy and freight costs and competitive developments in our industries; the effects of weather conditions and the outbreak of crop and animal disease on our business; global and regional ***agricultural***, economic, financial and commodities market, political, social and health conditions; the outcome of pending regulatory and legal proceedings; our ability to complete, integrate and benefit from other acquisitions, dispositions, joint ventures and ***strategic*** alliances; our ability to achieve the efficiencies, savings and other benefits anticipated from our cost reduction, margin improvement and other business optimization initiatives; changes in government policies, laws and regulations affecting our business, including ***agricultural*** and trade policies, tax regulations and biofuels legislation; our ability to retain key employees and other factors affecting our business generally. The forward-looking statements included in this release are made only as of the date of this release, and except as otherwise required by federal securities law, we do not have any obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances.

(Distributed by M2 Communications (   [*www.m2.com*](http://www.m2.com)))

**Load-Date:** March 1, 2018

**End of Document**



[***Bunge Completes Acquisition of IOI Loders Croklaan***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RS7-GRG1-JD3Y-Y3DW-00000-00&context=1516831)

M2 PressWIRE

March 1, 2018 Thursday

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**Length:** 1316 words

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The non-GAAP financial measures described above are in addition to, and not meant to be considered superior to, or a substitute for, financial measures prepared in accordance with GAAP. In addition, the non-GAAP financial measures included in this announcement may not be comparable to similarly titled measures reported by other companies.

Cautionary Statement Concerning Forward-Looking Statements

This press release contains both historical and forward-looking statements. All statements, other than statements of historical fact are, or may be deemed to be, forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are not based on historical facts, but rather reflect our current expectations and projections about our future results, performance, prospects and opportunities. We have tried to identify these forward-looking statements by using words including "may," "will," "should," "could," "expect," "anticipate," "believe," "***plan***," "intend," "estimate," "continue" and similar expressions. These forward-looking statements include, among others, statements regarding the expected synergies and other benefits of the acquisition, anticipated financial results and prospective business performance and opportunities. These forward-looking statements are subject to a number of risks, uncertainties and other factors that could cause our actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. The following important factors, among others, could affect our business and financial performance: the ability to effectively integrate the acquired business and obtain cost savings and other synergies within expected timeframes; higher than expected operating costs and potential business disruption; how customers, suppliers and employees will react to the transaction; industry conditions, including fluctuations in supply, demand and prices for ***agricultural*** commodities and other raw materials and products used in our business; fluctuations in energy and freight costs and competitive developments in our industries; the effects of weather conditions and the outbreak of crop and animal disease on our business; global and regional ***agricultural***, economic, financial and commodities market, political, social and health conditions; the outcome of pending regulatory and legal proceedings; our ability to complete, integrate and benefit from other acquisitions, dispositions, joint ventures and ***strategic*** alliances; our ability to achieve the efficiencies, savings and other benefits anticipated from our cost reduction, margin improvement and other business optimization initiatives; changes in government policies, laws and regulations affecting our business, including ***agricultural*** and trade policies, tax regulations and biofuels legislation; our ability to retain key employees and other factors affecting our business generally. The forward-looking statements included in this release are made only as of the date of this release, and except as otherwise required by federal securities law, we do not have any obligation to publicly update or revise any forward-looking statements to reflect subsequent events or circumstances.

**Load-Date:** March 1, 2018

**End of Document**



[***Register of Commission documents:NOTICE TO MEMBERS Petition No 1211/2016 by Bodo Sebald (German) on behalf of the residents of Barnstorf (Lower Saxony), bearing one signature, on the acceptance by the local council of a building application for a wind farm Document date: 2017-07-20 PETI\_CM(2017)605997 Notices to members***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PF3-BNG1-F0YC-N4B2-00000-00&context=1516831)

Impact News Service

September 7, 2017 Thursday

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**Length:** 1519 words

**Body**

Brussels: Public Register European Parliament has issued the following document:

CM\1127332EN.docx PE605.997v01-00 EN United in diversity EN European Parliament 2014-2019 Committee on Petitions 31.5.2017 NOTICE TO MEMBERS Subject: Petition No 1211/2016 by Bodo Sebald (German) on behalf of the residents of Barnstorf (Lower Saxony), bearing one signature, on the acceptance by the local council of a building application for a wind farm 1. Summary of petition The petitioner explains in detail that in the council of Barnstorf (rural district Diepholz, German Federal Land of Lower Saxony) the company Windwarts Energy (Hanover) ***planned*** to build a wind farm with six wind energy plants with a height of 150m (2.3mW,Type Enercon E-92) and one additional of 170m height. The area where the wind farm should be build (called 'Diiste-12') is known as a nature conservation area with many threatened species registered or resting there (eagle owl, bat, goose, whooper swan and cranes). For this reason the administration court of Hanover, referring to the law on nature protection and landscape conservation (§44 BnatSchG), rejected the approval of the land-use ***plan*** for rural district Diepholz, which decision has now been appealed on points of law and sent to the administrative appeals tribunal in Liineburg. The petitioner complains that, despite of the ongoing appeals procedure the council, Barnstorf is proceeding to decide to allow the building application for the wind farm.

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In principle, wild birds and their most important habitats are protected by the Habitats and Birds Directives.12 The European nature conservation laws or the federal and state laws do not per se prohibit wind power turbines - neither as a general principle nor as a specific principle in protected areas. Whether a wind power farm is compatible with European nature conservation legislation, which was implemented by the German Nature Conservation Act, shall be identified on a case-by-case basis by the competent German authorities within the framework of the authorisation procedure. 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**Load-Date:** September 8, 2017

**End of Document**



[***Register of Commission documents: NOTICE TO MEMBERS Petition No 1211/2016 by Bodo Sebald (German) on behalf of the residents of Barnstorf (Lower Saxony), bearing one signature, on the acceptance by the local council of a building application for a wind farm Document date: 2017-07-20 PETI\_CM(2017)605997 Notices to members***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PJP-B5S1-JDG9-Y4VC-00000-00&context=1516831)

Impact News Service

September 19, 2017 Tuesday

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**Body**

Brussels: Public Register European Parliament has issued the following document:

CM\1127332EN.docx PE605.997v01-00 EN United in diversity EN European Parliament 2014-2019 Committee on Petitions 31.5.2017 NOTICE TO MEMBERS Subject: Petition No 1211/2016 by Bodo Sebald (German) on behalf of the residents of Barnstorf (Lower Saxony), bearing one signature, on the acceptance by the local council of a building application for a wind farm 1. Summary of petition The petitioner explains in detail that in the council of Barnstorf (rural district Diepholz, German Federal Land of Lower Saxony) the company Windwarts Energy (Hanover) ***planned*** to build a wind farm with six wind energy plants with a height of 150m (2.3mW,Type Enercon E-92) and one additional of 170m height. The area where the wind farm should be build (called 'Diiste-12') is known as a nature conservation area with many threatened species registered or resting there (eagle owl, bat, goose, whooper swan and cranes). For this reason the administration court of Hanover, referring to the law on nature protection and landscape conservation (§44 BnatSchG), rejected the approval of the land-use ***plan*** for rural district Diepholz, which decision has now been appealed on points of law and sent to the administrative appeals tribunal in Liineburg. The petitioner complains that, despite of the ongoing appeals procedure the council, Barnstorf is proceeding to decide to allow the building application for the wind farm.

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**Load-Date:** September 25, 2017

**End of Document**



[***Development plans to transform and diverfiy the Tobago island economy of Trinidad and Tobago***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-733G-00000-00&context=1516831)

Oxford Business Group: Articles

July 2017

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**Length:** 5085 words

**Body**

The new administration of Tobago takes office at a time of both opportunity and challenge. Tobago is one of the most beautiful, unspoiled islands in the Caribbean, which is a highly attractive proposition in today's competitive tourism environment.

Tobago is ready for take-off, with the island at a critical point in its economic development. After years of abundance, largely based on a share of the oil and gas revenues generated by the republic of Trinidad and Tobago, the island is now facing a fiscal squeeze. Tobago's GDP slumped sharply in 2016, while its tourism sector has been underperforming for some time. However, these difficulties also present a major opportunity for growth.

**New Government**

A new local government took office in Tobago following elections on January 23, 2017. Kelvin Charles was sworn in as the new chief secretary of the Tobago House of Assembly (THA), representing the People's National Movement (PNM). Charles' appointment marked the end of four consecutive terms in office - totalling 16 years - for his predecessor and former PNM leader, Orville London. During London's last term, the PNM controlled all 12 seats in the THA. The party again claimed a majority in the most recent elections, winning 10 of the 12 seats, with the remaining two going to the opposition Progressive Democratic Party, led by Watson Duke. At his swearing-in ceremony, Charles said that his administration would prioritise dealing with crime, ***agriculture***, tourism, productivity, education and customer service. The chief secretary has also previously called for increased autonomy for Tobago within the central government structure.

**Young Economy**

According to the last census in 2011, the population of Tobago was 60,874, up 12.6% on the previous census held in 2000. This represented 4.6% of the combined population of T&T. Since 1990 the population of Tobago has been growing at a faster rate than that of Trinidad. Population density is greatest in the south-western corner of the island, in the parishes of St Andrew and St Patrick. It is lowest in the opposite, north-eastern end of the island, in the parish of St John.

In Tobago the largest age group is of those between 20 and 29, who make up 17% of the population, and the median age is 28.1. The majority of people identify themselves as being of African descent (85.3%), followed by mixed African/East Indian (4.3%), mixed/other (4.2%) and East Indian (2.5%). The East Indian community makes up a much smaller share of the population than in Trinidad.

There has been significant outbound emigration over the years, with many Tobagonians leaving the island, often in search of employment opportunities in North America, Europe and other parts of the Caribbean. As a result, there has been some concern that Tobago has suffered from brain drain. Census data shows that in 2011 a total of 859 people - just over 1% of the population - emigrated. The majority (62%) went to the US, followed by the UK (14%), Canada (7%) and other Caribbean islands (3%).

**GDP Makeup**

The composition of GDP is heavily weighted towards three sectors: government, financial services and tourism. The largest single contribution comes from the government (46.9%), according to preliminary figures for 2016. It is followed by finance, insurance, real estate and business services, with 25.3%. Other sectors include distribution and restaurants (8.7%), transport storage and communications (5.4%), construction and quarrying (4.3%), electricity (3.2%), and hotels and guest houses (2.9%). The government's share of GDP increased from 40.8% in 2011 to 46.9% in 2016, with sectors such as manufacturing and ***agriculture*** accounting for only 0.4% and 0.2% of Tobago's GDP, respectively.

The total non-institutional population aged 15 and over was 48,000 in 2015, and of that number 34,100 were in the labour force, giving a labour force participation rate of 71%. Unemployment as a proportion of the labour force was 3.7%, and has oscillated in the last seven years around 3-4%.

The largest categories in the labour force were classified as elementary occupations (28% of the total), service workers (15.3%), craft and related workers (14.2%), clerks (12.8%), and technicians and associated professionals (10.9%).

In Tobago's industrial sectors, most are employed in community, social and personal services (41.8% of the total), followed by construction (22.2%), and wholesale and retail trade, restaurants and hotels (14.5%). The majority of those in employment work in the public sector. In 2015, the last full year for which data is available, 73.8% of those in employment worked for the government, public service enterprises, statutory boards or government enterprises, up from 72.2% in 2011 and 70.6% in 2008.

**Development Blueprint**

A key feature of Tobago's economic strategy is the Comprehensive Economic Development ***Plan*** (CEDP). The first CEDP covered the 2006-10 period, while an updated, revised version, CEDP 2.0, was developed for 2013-17. Both documents emphasised the need to transform and diversify Tobago's economy, with the latter developing earlier ideas to formulate eight ***strategic*** priority areas for economic development. These priority areas include branding Tobago, good governance and institutional reform, business development and entrepreneurship, human capital development, social development and resilience, improved infrastructure and utilities, enhanced safety and security, and environmental sustainability.

Much of the thinking on branding in the CEDP 2.0 document revolves around the marketing of the island as "clean, green, safe and serene". The slogan aims to capture the attractions of island life, not just for tourists but also for the domestic population. CEDP 2.0 calls for mass media and social marketing of the brand, and suggests that local companies and institutions should align their own advertising and marketing efforts with that overarching concept.

**Taxes**

The strategy notes Tobago's desire for greater devolved responsibility from the central government of T&T, along with greater powers to both raise and spend taxes at local level. The document adds, however, that until Tobago's relative share of GDP matches that of the rest of T&T it is likely to remain a net recipient of transfers from the central government. At the time the CEDP was written, Tobago accounted for 5% of the republic's population, but generated only 1.2% of its GDP. Other aims of the good governance priority area include modernising administrative processes within the THA, along with the introduction of improved ICT.

The desire to develop small businesses and promote entrepreneurship has been a consistent part of government strategy, particularly in light of concerns relating to overdependence on the public sector for employment. The document urges Tobagonians to set up businesses, with a focus on tourism, distribution, commerce, ***agriculture***, agro-processing, fisheries and light manufacturing.

There is a commitment to try to create an entrepreneurial class in Tobago, with training and credit provided by agencies such as the Business Development Unit (BDU), the Enterprise Assistance Fund (EAF) and the Venture Capital Equity Fund (VCEF). Another initiative supported in the strategy is the development of Cove Eco-Industrial and Business Park (CEIBP), which includes space for incubators and start-ups. In human capital development the focus is on transitioning Tobago's labour force into one that is competitive by 21st-century standards.

The ***plans*** also call for a range of educational and training initiatives, greater coordination with universities and improved internet connectivity to support distance-learning ***programmes***.

The strategy paper acknowledges that a growing economy will require an influx of labour and new residents. These new arrivals will need to adjust to their new surrounds, while Tobago's relatively homogeneous society will also need to adapt as it becomes more diverse. There are also commitments to develop health, welfare, sport, recreation, and social and community services, while particular attention is paid to priority area VI: the improvement of infrastructure and utilities. Continued expansion of physical infrastructure is considered to be one of the major challenges facing the island, particularly given the need to update building codes to combat the risk of earthquakes, tsunamis, hurricanes and rising sea levels. Two major objectives are also referenced: to construct a commercial port for Tobago and to build a modern airport terminal at ANR Robinson International Airport (ANRRIA).

Priority area VII, relating to safety and security, stresses the need to protect Tobago from the effects of both international drugs and arms smuggling, and local crime, with the latter seen as having the potential to compromise the island's image as a safe and secure location. Recommendations include the increased use of CCTV, development of local policing and the introduction of more modern scanning technology at ports of entry to check for narcotics and gun smuggling. Priority area VIII emphasises the importance of collective responsibility to protect the island's fragile ecosystem. Recommended initiatives include the development of a comprehensive land use ***plan***, better waste management and the drafting of a disaster vulnerability assessment.

Elton Bobb, coordinator of CEDP 2.0, told OBG that the strategy outlined in the document gave cause for optimism about Tobago's potential. Asked about the economic climate on the island at the beginning of 2017 - the final year covered in the ***plans*** - he said, "We are poised for take-off. Out of 100 we are at 45." He recognised Tobago had not achieved all it had hoped in the ***plan***, citing a combination of adverse international economic circumstances, and a possible lack of commitment and urgency.

Despite these setbacks Bobb was passionate about some of the policy directions mapped out in CEDP 2.0. These included the need to reduce the proportion of the population dependent on the THA for employment, and the case for diversification, particularly in local food production and processing. He felt that any island depending on tourism should be able to feed its visitors, which would mean reviving the rich local ***agricultural*** tradition that had been neglected in the years of thriving oil and gas revenues. Regarding the possibility of a CEDP 3.0, covering 2017 onward, Bobb said that much would depend on the wishes of the new THA administration, with details expected to emerge in 2017.

2016 GDP: According to preliminary data for 2016, Tobago's GDP dropped by 6.4% relative to 2015. However, this came after a year of strong growth, with GDP rising by 7.2% in 2015. The weakest sectors in 2016 were construction and quarrying (-48.7%), the government sector (-6.7%), ***agriculture*** (-4.6%), personal services (-3.4%) and electricity (-13%). In contrast, some areas of the economy recorded growth, including manufacturing (17.4%), petroleum distribution (6.2%), hotels and guest houses (3.1%), and transport storage and communications (1.6%).

The downturn in economic activity in 2016 is consistent with reports of a drop in tourist arrivals and hotel occupancy rates. In December 2016 industry sources estimated that international tourism arrivals had slumped by 25% during the year, affecting hotel occupancy rates and visitor spending. According to local media, citing THA data, occupancy rates averaged 36.3% for hotels and 29.9% for guest houses, compared with a combined average of 41% in 2015.

In a sign of the downturn in tourism in Tobago, Wendy Hamlin, reservations manager of the Blue Haven Hotel in Scarborough, told media that occupancy rates were down by 40% towards the end of 2016. Roger Patino, one of the owners of the Enchanted Waters restaurant in the south-west of Tobago, attributed the fall in the number of clients to the lack of destination marketing, and deficiencies in the air and sea bridge connecting Tobago to Trinidad.

**Sister Act**

Due to the nature of its relationship with its larger sister isle, Trinidad, Tobago's economy is heavily influenced by the ups and downs of the wider economy of T&T. One way of envisaging the relationship is to say that the performance of the wider economy sets the general cyclical trend, but that Tobago can be more volatile, performing above or below the trend line depending on specific factors such as the ebb and flow of local government spending or tourist arrivals. According to the IMF, in 2016 the twin-island economy saw a 5.1% contraction, less than the preliminary estimate of a 6.4% fall in Tobago.

Despite the contraction in activity levels in 2016, officials remain confident of the island's ***strategic*** direction. Joel Jack, Tobago's secretary for finance and the economy, told OBG that global uncertainty and low oil and gas prices were having a negative impact on the finances of T&T, resulting in a knock-on effect for the Tobago administration. However, he said that the THA remains focused on the diversification of the island's economy, with a focus on the development of tourism, while the THA has already invested approximately $50m in ***programmes*** aimed at developing the private sector.

Jack expects the oil and gas price cycle to begin to move up again in the last quarter of 2017, with further increases in 2018 and 2019. "I am very optimistic about the economic outlook for Tobago, and for T&T together," he said, describing the current environment as "positively challenging".

**Budget**

Due to its dominant role in the local economy, any changes in overall THA spending have a major impact on Tobago's economy. Under existing agreements, the THA budget is fixed within a percentage band of the national budget, ranging from 4.03% to 6.9%. Two key variables therefore affect the total THA spend; first, the size of the national budget, and second, the exact proportion of it, within the agreed band, that is allocated to the THA.

In recent years the national budget has come under pressure as a result of the sharp drop in oil and gas revenues. Spend peaked at TT$64.7bn ($9.7bn) in 2015, then fell by 2.5% to TT$63.1bn ($9.4bn) in 2016. However, Tobago was cushioned from the reduction in 2016 because the central government agreed to increase the THA's share of the national budget from 4.03% to 4.4%. As a result, Tobago's total budget allocation actually rose by 6.2% in FY 2016. Although the central government agreed to hold Tobago's share of the budget at 4.4% in 2017, the island could not be protected from the effects of a shrinking national budget. THA's allocation looks set to fall to TT$2.35bn ($351.1m), a reduction of 15.1%. However, the necessary savings were evenly spread between the two islands, with central government expenditure set to fall by 15.3%.

**Negotiation**

The THA budget emerges from a negotiating process conducted between the island's authorities and the central government. In his national budget speech on September 30, 2016, Colm Imbert, T&T's minister of finance, dedicated a special section to Tobago's funding allocation for FY 2017, which consists of the 12 months leading up to the end of September 2017. The minister praised the island's long-term development, noting that unemployment had fallen to around 3%, down from 11% in 2001. Imbert also highlighted the fact that the proportion of the labour force with a university education had grown to 19% (up from 5% in 2001), and that headline and food price inflation had come down to moderate levels following double-digit growth a decade earlier. Despite these improvements, Imbert said that there was still much to be done to increase developmental momentum. The minister reiterated the importance of tourism for the island's economy, emphasising its capacity to earn much-needed foreign exchange. He said that the refurbishment of the existing terminal, and the construction of a new terminal at ANRRIA, would commence during the course of the financial year. In addition, there was a promise to enhance the management and operation of inter-island air and sea transport. The minister said that there was currently a mismatch between supply and demand for these services, leading to delays and inconvenience. The THA budget allocation for 2017 also includes funds to strengthen tourism marketing and expand room stock. Other key points in the budget speech included a reaffirmation of existing diversification and entrepreneurship initiatives, with specific mentions of the CEIBP, and the Enterprise Assistance Grant ***Programme***. A commitment was also made to accelerate the building of publicly financed new houses, given that some 7000 applicants were on the housing waiting list. While noting that Tobago's crime levels are below both the national and CARICOM averages, Imbert nevertheless pledged funding to build new police stations at Roxborough and Old Grange, describing the developments as part of an upgrade to modern security architecture.

In the context of sharp reductions in government expenditure at both national and Tobago level, Imbert stressed the need to continue investigating other sources of finance. "We will continue to collaborate with the assembly in finding novel ways to supplement their budget allocations through alternative financing mechanisms, including public-private partnerships (PPPs)," he said. According to Imbert, central government ministries would also be carrying out work in Tobago in line with their national responsibilities, in addition to the THA budget allocation. Under these funding streams efforts would be undertaken to address chronic water shortages in south-west Tobago, as well as to increase the reliability of electricity supply across the island.

London, then-THA chief secretary, welcomed the announcements. He acknowledged that both islands were seeing "strained economic times", but considered there had been equity in the allocation for Tobago. London highlighted the importance of central government commitments that will be funded from outside THA's budget allocation, including the expansion of ANRRIA, the construction of a new desalination plant and improved electricity supply for the CEIBP. He also pointed to the announcement of fiscal incentives for agro-processing.

**Innovation & Entrepreneurship**

The THA, as part of its diversification strategy, has been seeking to promote innovation and entrepreneurship as part of its vision to create a more dynamic private sector. The aim is to reduce the relative size of the public sector by promoting greater private sector employment. Initiatives aimed at boosting the private sector include the creation of the EAF and VCEF. Through the EAF the Tobago government provides grants of up to TT$25,000 ($3740) for new start-ups, and loans of up to TT$250,000 ($37,400), which are repayable over five years at a flat interest rate of 5%. The VCEF can provide anywhere from TT$250,000 ($37,400) to TT$2m ($299,000) of equity or partnership funding. Shelly Ann Baptiste, enterprise assistance fund manager from the THA's BDU, the body that administers these funds, told OBG that during the course of 2016 a total of TT$1.25m ($187,000) had been disbursed in loans, with a further TT$900,000 ($134,000) awarded as grants. These totals were slightly down on 2015 levels.

The BDU was also seeking to intervene in a catalytic role to try to kick-start entrepreneurship in particular business sectors deemed to be promising. In recent years there had been a focus on garment manufacturing, the fashion industry and agro-processing. As an example of this approach, Baptiste said that the BDU had helped send a group of would-be entrepreneurs to the Caribbean Fashion Week show in Jamaica in 2014 and 2015, and enabled some to attend a "Fashion Upgrade" workshop in Tobago, with others going on to work with the national FashionTT agency. As part of this push, promising young Tobagonian designers and entrepreneurs could receive mentoring and training organised by Raymond Wong, a professor of fashion technology at New York University. The aim was to help local designers to monetise their talent and study the feasibility of setting up a Tobago-based garment production facility. The initial thinking was that such a facility might concentrate on local demand - for items such as school uniforms - but also provide a platform for exploiting more fashion-oriented export markets. In November 2015 London said that the THA had spent close to TT$500m ($74.7m) over 13 years to stimulate and nurture business development on the island. A total of 262 Tobagonians had received TT$27.1m ($4m) in loans, while another 688 had received grants totalling TT$11.8m ($1.8m), with many of these recipients young people and women.

CEDP 2.0 also highlighted targets in relation to entrepreneurship and local enterprise. The strategy aims to launch more than 75 new start-up companies at the CEIBP, increase the supply of local goods and services to the tourism sector by 25%, boost exports of small and medium-sized enterprises by 10%, and increase the overall number of new viable businesses by 25%. No detailed outcomes against these objectives is publicly available yet.

Sweden Hewitt, a Tobago-based ***programme*** support officer for the Arthur Lok Jack Graduate School of Business, told OBG it was hard to obtain reliable statistics on the performance of business start-ups. However, in its first seven years of operating in Tobago, around 50 people had graduated from various business courses offered by the school. Hewitt believed only four or five had launched their own businesses. She put this partially down to differences in the business culture between Tobago and Trinidad, noting that while most Tobagonians inherit family-owned property, many Trinidadians - as a result of different conditions on the island - are forced to take out mortgages in order to acquire property. However, she believed that increasing levels of education, and the return of Tobagonians who had worked and studied abroad, was gradually creating a more business-friendly local environment.

**Public-Private Partnerships**

In the current period of fiscal austerity, both the central government of T&T and the regional government of Tobago are showing increased interest in cooperating with the private sector through PPPs.

Work on developing the PPP framework is at an early stage. At national government level, Nadira Lyder, coordinator of the national Ministry of Finance's PPP Unit, told OBG that while a central tender board traditionally managed government procurement, attempts to fast-track private contracting had resulted in the creation of stand-alone state companies known as special-purpose vehicles. A new procurement law had been introduced in 2015 and amended in 2016, and regulation of the law is in the process of being drafted.

**Caricom**

Separately, an initiative launched by CARICOM countries to standardise their approach to PPPs, which is expected to be finalised by mid-2017, could further influence T&T's rules and practices regarding public-private cooperation. Lyder said the ministry was focusing on a potential PPP arrangement covering the operation and management of the newly built Couva hospital in Trinidad. Such a development could serve as a pilot or breakthrough project, setting the standard for other PPPs across the country. It is expected that the central government will lead two potential PPPs in Tobago, while the THA would manage several other projects on the island. Giselle Small, technical advisor of PPPs at the THA, said that the proposed upgrade of ANRRIA and ***plans*** for a new commercial port both currently come under the remit of the national government. However, the THA is looking at a number of other opportunities to work with the private sector. Work is now under way to develop the Tobago Infrastructure Investment Strategy ***Plan*** that would set out the ***strategic*** priorities over the medium term and would be guided by the national procurement legislation.

While the approach is still under discussion, officials have identified a number of areas where PPPs could be effective. Among these is the affordable housing ***programme***, where the THA has more than 7000 applicants for housing, and is considering how to build additional residential units in the most cost-effective way. There could be private sector participation in projects to manage urban sprawl in south-west Tobago, and to develop eco-friendly tourism on the eastern side of the island. PPPs might be considered to fund light manufacturing and a new power station at the CEIBP. However, Small indicated that not all PPPs would necessarily conform to a design-build-finance-operate-maintain model. The THA was interested in performance-based contracting modalities in the social sector, particularly in health care and education, as well as projects in water and sanitation. The overall thrust of the regional government's thinking was to use PPPs, and the revenue streams they create, to relieve the pressure on public funding, allowing the THA to protect its core public sector investment ***programme*** during this period of fiscal austerity. One example cited was Tobago's portfolio of national parks, ecotrails, and archaeological and heritage sites. Entry to these is free to the public, and the THA covers all maintenance and upkeep costs. Consideration might be given to having these sites run on a more commercial basis, allowing the THA to benefit from increased efficiency as well as utilising the savings to redeploy funds into other high-priority projects.

**Eco-Industrial Park**

One of the government's major initiatives has been the creation of the CEIBP. A public-sector company, the Eco-Industrial Development Company of Tobago (E-IDCOT) was created to set up and run the park. Bernard Mitchell, former CEO of E-IDCOT, told OBG that the company's mandate was to aid the development of the economy of Tobago beyond the tourism industry. The park was not seen as an alternative to tourism, and indeed might prosper by serving the needs of tourism-related companies, but the ultimate vision was that it would not be limited to that sector.

CEIBP is based in the south-western peninsula, close to both ANRRIA and Scarborough, Tobago's main town. It consists of 57 ha of land, currently divided into lots ranging from 1200 sq metres to 10,000 sq metres. Four major factory shells have been built with the intention of housing small and medium-sized businesses, along with multi-***producer*** units that could benefit from a business incubator environment. The vision is that these businesses may expand within the park to occupy and develop larger lots. Meanwhile, E-IDCOT is currently seeking to attract larger utilities, creating a cluster of companies with the ability to develop critical mass between them. In addition, the park contains a shared business centre, an innovation centre and E-IDCOT's administration building.

Mitchell said that T&T's economic downturn had constrained the pace of development at CEIBP, but that if allowance was made for that and some other obstacles he was happy with the pace of growth. The park was on track to add 10-20 new jobs every year, while the four factory shells were close to being fully subscribed. The new start-up and small company tenants in the business park include a fruit juice manufacturer, a steel and aluminium fabrication company, a furniture-maker and an agro-processor ***producing*** items such as pepper sauce, ketchup and cake mix. The larger industrial tenants include the Trinidad and Tobago Electricity Commission, which since 2009 has been operating a 64-MW duel-fuel (natural gas/diesel) generator at Cove Park, and Tobago Natural Gas Receiving Facility, which is owned by the National Gas Company and has the capacity to process 100m cu feet of gas per day.

In Mitchell's view, for the CEIBP to take the next step the island must develop a commercial port and establish another fibre-optic link. He believes that a number of light manufacturing and other companies would rent space in the business park if there was a more efficient transit link for imports and exports. Reacting to the demand, authorities have committed funding towards a feasibility study looking into a possible location for a commercial port in Tobago, and are considering whether to develop the project through a PPP. The CEIBP itself has been highlighted as one possible location for the commercial port, which would boost the park's attractiveness to prospective tenants. Given the time needed to undertake a feasibility report and decide on how to tender the project, Mitchell believed the port could become a reality within three to four years.

Partly in response to this issue, E-IDCOT has encouraged local start-ups and entrepreneurs to enter the IT sector, with an emphasis on audio-visual and creative industries. During his time as CEO, Mitchell was keen to promote the development of local computer animation skills, setting up a training ***programme*** for those interested in the industry.

Given that the island is unlikely to have a commercial port until the early 2020s, Mitchell's ***plans*** are part of his vision for Tobago to pursue "intelligent industrialisation", focusing on light industries, environmental awareness and trying to position the island to adapt to the evolving global digital revolution. This has resulted in interest from operators in the virtual and IT-based services sector, which have the potential to diversify Tobago's economy away from purely physical products.

However, the e-business route has some challenges of its own, including the need to develop skills and talent. Importantly, Mitchell noted that Tobago still has only one fibre-optic cable linking it to the global internet - though efforts are in place to activate a second fibre-optic internet link, which would give the island and any nascent domestic IT industry the necessary resilience.

**Outlook**

Tourism is set to play a key role in the THA's efforts to stabilise Tobago's economy. At the same time the focus on using alternative sources of finance, such as partnerships with the private sector, is expected to ease the pressure on public funding. A potential investment by the Sandals hotel chain may help kick-start a recovery in the tourism sector, as well as accelerate investment in infrastructure. The fall in hydrocarbons revenues over the past three years is likely to act as a further catalyst to change, invigorating long-standing ***plans*** to diversify the economy and promote an entrepreneurial culture.

**Load-Date:** March 12, 2020

**End of Document**



[***-Shell to sell its downstream business in Argentina to Raizen***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S71-KDR1-F0K1-N2HB-00000-00&context=1516831)

ENP Newswire

April 30, 2018 Monday

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**Length:** 983 words

**Body**

Shell has signed an agreement to sell its Downstream business in Argentina to Raizen for US$ 0.95 billion in cash proceeds at completion, subject to customary closing conditions.

The sale includes the Buenos Aires Refinery, around 645 retail stations, liquefied petroleum gas, marine fuels, aviation fuels, bitumen, chemicals and lubricants businesses, as well as supply and distribution activities in the country. Additionally, after the transaction closes, the businesses acquired by Raizen will continue their relationships with Shell through various commercial agreements, which represent an estimated value of US$ 0.3 billion.

Raizen, a joint venture set up in 2011 between Shell and Cosan, is a leading biofuels ***producer*** and fuels distributor in Brazil, where it already manages more than 6,000 Shell service stations.

'We ***plan*** to continue thriving in Argentina's downstream market through Raizen,' John Abbott, Shell Downstream Director, said. 'Raizen has already delivered significant value for us in Brazil and we will remain an important fuel supplier to Argentina under this deal.'

Shell has been in Argentina for more than 100 years. The Shell brand will remain prominent through a licensing agreement with Raizen. Customers in Argentina will continue to enjoy access to high-quality, Shell-branded products and services.

The agreement is consistent with Shell's strategy to simplify its portfolio through a US$ 30 billion divestment ***programme***, and follows a ***strategic*** review of Shell's Downstream business in Argentina that began in August 2016. The agreement with Raizen is the result of a competitive bidding process and the sale is expected to complete later this year. It offers the opportunity to consolidate a regional partnership between Shell and Cosan.

The sale does not include Shell's Upstream interests in the Vaca Muerta shale formation. Shell sees substantial long-term growth potential in Argentina's shale resources.

Notes to editors

Raizen is a joint venture between Shell (50%) and Cosan (50%). Raizen is the leading ***producer*** of sugar, ethanol and bioenergy in Brazil, with 26 production units and 860,000 hectares of cultivated ***agricultural*** land, a network of more than 6,000 Shell stations, 950 Shell Select convenience stores and more than 2,500 business customers. In Brazil, Raizen is present in 68 airport supply bases and in 68 fuel distribution terminals, and sells approximately 25 billion litres of fuel for the transportation, industrial and retail segments. Raizen's current turnover is around US$ 24 billion per year.

Contact:

Tel: +44 207 934 5550

Cautionary Note

The companies in which Royal Dutch Shell plc directly and indirectly owns investments are separate legal entities. In this press release 'Shell', 'Shell group' and 'Royal Dutch Shell' are sometimes used for convenience where references are made to Royal Dutch Shell plc and its subsidiaries in general. Likewise, the words 'we', 'us' and 'our' are also used to refer to Royal Dutch Shell plc and subsidiaries in general or to those who work for them. These terms are also used where no useful purpose is served by identifying the particular entity or entities. ''Subsidiaries'', 'Shell subsidiaries' and 'Shell companies' as used in this press release refer to entities over which Royal Dutch Shell plc either directly or indirectly has control. Entities and unincorporated arrangements over which Shell has joint control are generally referred to as 'joint ventures' and 'joint operations', respectively. Entities over which Shell has significant influence but neither control nor joint control are referred to as 'associates'. The term 'Shell interest' is used for convenience to indicate the direct and/or indirect ownership interest held by Shell in an entity or unincorporated joint arrangement, after exclusion of all third-party interest.

This press release contains forward-looking statements (within the meaning of the U.S. Private Securities Litigation Reform Act of 1995) concerning the financial condition, results of operations and businesses of Royal Dutch Shell. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. Forward-looking statements are statements of future expectations that are based on management's current expectations and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in these statements. Forward-looking statements include, among other things, statements concerning the potential exposure of Royal Dutch Shell to market risks and statements expressing management's expectations, beliefs, estimates, forecasts, projections and assumptions. These forward-looking statements are identified by their use of terms and phrases such as 'aim', 'ambition', ''anticipate'', ''believe'', ''could'', ''estimate'', ''expect'', ''goals'', ''intend'', ''may'', ''objectives'', ''outlook'', ''***plan***'', ''probably'', ''project'', ''risks'', 'schedule', ''seek'', ''should'', ''target'', ''will'' and similar terms and phrases. There are a number of factors that could affect the future operations of Royal Dutch Shell and could cause those results to differ materially from those expressed in the forward-looking statements included in this press release, including (without limitation): (a) price fluctuations in crude oil and natural gas; (b) changes in demand for Shell's products;

We may have used certain terms, such as resources, in this press release that United States Securities and Exchange Commission (SEC) strictly prohibits us from including in our filings with the SEC. U.S. Investors are urged to consider closely the disclosure in our Form 20-F, File No 1-32575, available on the SEC website [*www.sec.gov*](http://www.sec.gov).

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

**Load-Date:** April 30, 2018

**End of Document**



[***Block Commodities Ltd: Interim Results***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5S03-T891-JCXB-23CV-00000-00&context=1516831)

London Stock Exchange Aggregated Regulatory News Service (ARNS)

March 28, 2018 Wednesday 7:03 AM GMT

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**Body**

Dow Jones received a payment from EQS/DGAP to publish this press release.

Block Commodities Ltd (BLOC)

Block Commodities Ltd: Interim Results

28-March-2018 / 07:00 GMT/BST

Dissemination of a Regulatory Announcement that contains inside information

according to REGULATION (EU) No 596/2014 (MAR), transmitted by EQS Group.

The issuer is solely responsible for the content of this announcement.

Block Commodities Limited / Epic: BLCC / Sector: Mining

28 March 2017

Block Commodities Limited ('Block Commodities' or 'the Company')

Interim Results

Chairman's Statement

The last six months have seen significant developments for Block Commodities

as we begin to implement our new strategy as an innovative commodity

operator in Africa.

Our vision is to build a growing revenue-generating business which will

create value for all stakeholders, as well as establish your Company as a

key contributor of growth and empowerment across sub-Saharan Africa.

In working to build a fertiliser trading business in Africa over the last

two years, we have clearly seen the valuable opportunity for security and

certainty that blockchain technology could bring to the local commodity and

***agricultural*** framework. In this context, in February 2018, the Company

changed its name from "African Potash Limited" to "Block Commodities

Limited" to better reflect our ***strategic*** decision to leverage our existing

trading business and network to create a new trading platform to promote and

secure an efficient ***agricultural*** ecosystem. This platform will help African

farmers raise productivity and secure better returns for their ***produce***,

while establishing African communities as significant future global

***agricultural*** players.

Our model is simple: as part of a blockchain ***plan*** which enables us to secure

vendor finance for our fertiliser products we will borrow tokens and lend

them to farmers (at interest rates lower than current commercial rates); the

farmers will then use the tokens to purchase fertiliser products from us.

The blockchain-based, closed-loop supply chain allows us to circumvent "the

middle man" (and related, unnecessary costs), while simplifying and

expediting the process using only one currency throughout: the token. In

this way, we hope to empower farmers and democratise the whole fertiliser

supply/purchase cycle.

In order to succeed in our objectives, we have identified key world-class

partners to work alongside us.

· In November last year, we announced an agreement with FinComEco Limited,

a subsidiary of GMEX Group Limited, as a joint venture partner to deploy a

complete blockchain-based ***agricultural*** ecosystem trading solutions via

integrated token-based microloan financing. FinComEco will ensure the

purchase of ***agricultural*** commodities grown by the small-scale farmers

("SSF") through the use of existing warehouse receipt systems and

commodity exchanges with secure payment of profit to the farmer after the

repayment of the loan and interest to the Company.

· TokenCommunities Limited, a Gibraltar-based token finance specialist,

has also been engaged to assist us in facilitating our strategy and ***plans***.

· In addition, we have decided to take a 21% stake in VIPA Holdings (Pty)

Limited ("VIPA"), a leading provider of fertilisers and raw animal feed

materials to South Africa's ***agricultural*** industry. VIPA will provide us

with access to high-quality, specialised ***agricultural*** products, forming

the procurement platform for our strategy.

· Finally, we have recently signed a ***strategic*** partnership with the

Wala/Dala team, a blockchain-powered financial services platform and

cryptocurrency token issuer already well-established in African financial

services. Wala and Dala will be working to develop and operate a

web-enabled mobile phone operable platform using the blockchain ledger for

the food commodities cycle trading ecosystem currently being developed

with FinComEco.

Trading

In the first half of the year, we set up four community-based fertilizer

warehouses in Zambia. Working capital constraints led to the decision to

focus solely on sales to those SSF who had registered with the Zambian

government's e-voucher ***programme*** (which was scheduled to go live in October

2017). There were persistent delays in rolling out the e-voucher ***programme***

and, subsequently, in loading the cards with credit.

In our areas of operation, cards were only loaded in late December 2017and

our first sales were successfully made early in 2018. Consequently, there

was no turnover in the six months to 31 December 2017, although, following

the end of the period under review, sales under the e-voucher scheme have

commenced.

Lac Dinga

Key to freeing up management's time and shareholder funds to concentrate on

developing its broader strategy has been the farming out of the Lac Dinga

potash salts concession. On 19 July, the Company announced that it had

entered into an agreement with African Agronomix Limited ("AAX") whereby

AAX, over a period of time, has the right to acquire up to 100% of the

Company's interest in the Lac Dinga exploration licence in the Republic of

Congo (held by La Societé des Potasses et des Mines SA ("SPM") in which the

Group has a 70% interest).

The agreement with AAX became effective on 17 October 2017 and AAX has been

acting as project operator on behalf of SPM since this time. AAX is

currently ***planning*** a further drilling campaign in support of its application

to renew the exploration licence for a further two years from 25 April 2018.

Financial results

Revenue for the 6 months to 31 December 2017 was $nil (2016: $103,000).

Operating expenses for the period fell to $263,000 (2016: $782,000). After

an impairment charge in respect of exploration assets of $271,000 (2016:

$284,000) and $101,000 in respect of the decision to divest of its stake in

Advanced ***Agricultural*** Holdings (Pty) Limited, the loss before taxation for

the period was $782,000 (2016: $1,188,000). Cash balances at 31 December

2017 were $206,000 (2016: $30,000).

Outlook

The last six months have been a transitional period of positive change for

Block Commodities. Management believes that blockchain technology and the

array of potential applications will transform day-to-day life in the

future. The Company's local understanding and early mover advantage into the

blockchain and crypto space has provided it with invaluable insight,

connections and investment opportunities to be leveraged for the benefit of

all stakeholders.

In order to allow us maximise our trading business in Africa we have been

very active in identifying the most suitable local partners to assist us in

developing our strategy and to build the right innovative and

forward-thinking platform.

We aim to build a business which generates high revenues, whilst maintaining

a strong social humanitarian and empowerment ethos.

Block Commodities' pilot ***agricultural*** ecosystem platform project in

collaboration with the Dala/Wala financial platform and FinComEco, will be

located in Uganda and if successful, we expect to quickly expand into other

sub-Saharan countries and explore opportunities for other commodities which

are compatible with our platform and could benefit from our blockchain-based

model.

We would like to sincerely thank our loyal shareholders for their continued

and patient support over the last year and we look forward to updating the

market with news of Block Commodities' progress in the future - we are just

at the beginning of an exciting journey!

Chris Cleverly

Executive Chairman

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

Unaudited Consolidated Income Statement

For the half year to 31 December 2017

Unaudited Unaudited Unaudited

6 months to 6 months to Year ended

31 December 31 December 30 June

2017 2016 2017

Note $'000 $'000 $'000

Revenue 4 - 113 -

Cost of sales - (103) -

Gross margin - 10 -

Other trading - - 9

income

Operating (263) (782) (1251)

expenses

Share of loss of - - (24)

associate

Impairment of:

- exploration 6 (271) (284) (719)

and evaluation

costs

7 (101) - -

- investment in

associate

Other losses (44) (19) (2)

Operating loss (679) (1,075) (1,987)

Net finance (103) (113) (286)

expense

Loss before (782) (1,188) (2,273)

taxation

Income tax - -

expense

Loss for the (782) (1,188) (2,273)

period

attributable to

owners of the

parent company

Loss per share: 5 (0.04 cents) (0.11 cents) (0.17 cents)

basic and

diluted

All results relate to continuing activities

Unaudited Consolidated Comprehensive Income Statement

**Load-Date:** March 28, 2018

**End of Document**



[***-Investment Plan for Europe takes hold in Bulgaria; EUR 300m of EIB loans, guarantees, equity in 2017***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RVK-5TC1-JD3Y-Y02N-00000-00&context=1516831)

ENP Newswire

March 12, 2018 Monday

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**Length:** 1024 words

**Body**

The EIB Group provided EUR 300m of investment in Bulgaria in 2017 - 0.59% of the country's GDP, above the EU average of 0.46%.

Four EIB corporate projects received EUR 160m in loans; two of these projects were backed by a guarantee from the European Fund for ***Strategic*** Investments, an EU vehicle to kick-start the economy.

The EIB also supported the priorities of the Bulgarian EU Council Presidency.

EIB investment in Bulgaria in 2017

The European Investment Bank Group, comprising the European Investment Bank (EIB) and its subsidiary, the European Investment Fund (EIF), provided close to EUR 300m of new loans, guarantees and equity investment in Bulgaria in 2017. EIB loans totalled EUR 250m, while EUR 49m was provided by the EIF to facilitate the investments of small businesses to support their growth and competitiveness.

The EIB Group's support for Bulgaria reached some 0.59% of the country's GDP, above the EU average of 0.46%. The EU bank launched lending to private corporates backed by a guarantee from the European Fund for ***Strategic*** Investments (EFSI), part of the Investment ***Plan*** for Europe. Total investment triggered by these transactions reached EUR 1.58bn.

In 2017, the EIB celebrated the 25th anniversary of its first lending operation in Bulgaria. Over this period, the EIB supported 79 projects and the EIF implemented 56 operations in Bulgaria. The total cumulative EIB lending commitment in the country amounts to EUR 5.1bn since the launch of the Bank's operations there in 1992.

Fostering the development of the Western Balkans

The EIB is the most active International Financial Institution in the Western Balkans region with loan approvals reaching EUR 8bn over the past ten years while the EIF has committed more than EUR 200m, raising more than EUR 900m of investments since 2011. The EIB Group is further committed to supporting the priorities of Bulgaria's EU Council Presidency such as the development of transport corridors and the digitalisation of the region.

EIB Vice-President Vazil Hudak commented: 'For a quarter of a century, the EIB has assisted Bulgaria with reducing regional disparities and increasing competitiveness by financing critical infrastructure and small and medium-sized enterprises. Last year, we reached out to private corporates directly for the first time, and the pipeline for this year is just as promising.'

First private sector EFSI loans in Bulgaria

Two lending operations were concluded under the European Fund for ***Strategic*** Investments (EFSI), which is part of the Investment ***Plan*** for Europe, or 'Juncker ***Plan***', and which enables the EIB to finance operations that do not easily attract funding due to their higher risk profile. More specifically, the EIB signed the following loan agreements:

A EUR 31m loan to Oliva AD - Bulgaria's leading sunflower oil ***producer*** and grain trader. The company is using the EIB loan to finance the construction of a new sunflower oilseed production plant and storage and logistics facilities in the Beloslav municipality near Varna.

A EUR 100m loan to Biovet - a subsidiary of the pharmaceutical company Huvepharma International - to finance a ***planned*** increase of production capacity and R&D activities in the area of animal health. This operation will strengthen the competitiveness of a leading company in the veterinary pharmaceutical sector in Bulgaria, reinforcing Europe's leading position in the animal health market.

Promoting digitalisation and RDI in the aviation industry

The EIB supported the RDI activities of Software AG in relation to new software products used for the digitalisation of business processes. The project, which involves investments in several EU Member States, focuses on software applications related to the Internet of Things and the management of big data. The EUR 23m loan is supporting the upgrading of internet interconnectivity in Bulgaria.

The EU bank has also provided a EUR 55m loan to the French aviation systems manufacturer Latecoere for innovation and capacity expansion. EUR 6m of this amount will be used to finance the construction of a new assembly plant in Plovdiv, Bulgaria's second largest city. The first stage of the Bulgarian part of the project is expected to generate over 200 jobs.

Fostering municipal transport

The EU bank signed a loan agreement for EUR 56m to finance the construction of the first stage of Sofia Metro line 3, including a 7.8 km-long twin-track metro line, eight metro stations, a train depot and the supply of 20 metro trains and a control system. This investment will help reduce reliance on private cars and increase the modal share of public transport, thereby contributing to climate change mitigation and positively affecting the economic and social development of Sofia.

Support for SMEs and mid-caps

In 2017, the Bank concluded EUR 40m of intermediated lending with two EIB partner financing institutions, further improving the access of Bulgarian SMEs and municipalities to EIB financing:

A EUR 30m loan will enable Raiffeisen Leasing Bulgaria to better address the needs of SMEs and mid-caps, which are the backbone of the Bulgarian economy. It is expected that more than 150 companies operating in Bulgaria in ***agriculture***, manufacturing, transportation and storage will benefit from this loan.

A EUR 10m loan to Procredit Bank to co-finance smaller projects implemented by SMEs and mid-cap companies in Bulgaria.

Signed in 2016, the SME Initiative in Bulgaria was successfully launched in early 2017, with guarantee agreements concluded with ten partner banks in the country. By the end of 2017, more than 2 000 individual SME loans had been originated under the ***programme*** in Bulgaria providing total financing of approximately EUR 300m to small businesses, thus reaching 50% utilisation in the first year of implementation. Approximately 10% of this financing was used to support RDI in small businesses.

The EIF committed EUR 49m in four guarantee operations, aimed at raising EUR 327m.

DuSan Ondrejicka

[*d.ondrejicka@eib.org*](mailto:d.ondrejicka@eib.org)

+352 4379 - 83334

+352 621459234

Press Office

[*press@eib.org*](mailto:press@eib.org)

+352 4379 - 21000

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

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[***-Monsanto and ToolGen Announce Global Licensing Agreement on CRISPR Platform, Underscore the Benefits of Innovation for Farmers***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5P8F-26F1-F0K1-N3SV-00000-00&context=1516831)

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**Body**

'As a company we remain committed to the development of safe, sustainable and high-quality crops, and look forward to leveraging the CRISPR platform as we endeavor to meet the needs of farmers while answering consumer demand for food options.'

ST. LOUIS & SEOUL, South Korea--(BUSINESS WIRE)--Monsanto Company (NYSE: MON) and ToolGen, Inc. (KONEX, 199800), a biotechnology company specializing in genome editing, announced today that the companies have reached a global licensing agreement for the use of ToolGen's CRISPR technology platform to develop ***agricultural*** products.

ToolGen is an early pioneer in gene editing research. The license provides Monsanto with access to ToolGen's comprehensive suite of CRISPR intellectual property for use in plants. This agreement further expands Monsanto's broad portfolio of gene-editing tools that can be used to develop improved and sustainable crops.

'We are excited to bring ToolGen's CRISPR platform on board at Monsanto, and are continuing to bolster and diversify our capabilities in this field of research,' said Tom Adams, Ph.D., vice president of biotechnology for Monsanto. 'As a company we remain committed to the development of safe, sustainable and high-quality crops, and look forward to leveraging the CRISPR platform as we endeavor to meet the needs of farmers while answering consumer demand for food options.'

In order to grow more using less, farmers need a variety of seed choices to solve their local needs - like managing changing weather, fighting plant disease and pests, and using crop inputs and natural resources wisely. The companies noted that gene-editing technologies, like CRISPR, offer ***agriculture*** researchers significant advantages over existing plant breeding and biotechnology methods due to their versatility and efficiency, and will allow Monsanto to provide farmers with solutions to problems that have been previously unaddressed.

'We are pleased to announce our agreement with Monsanto, a global ***agriculture*** leader, and look forward to working together to build new and exciting opportunities in ***agriculture***,' said Jongmoon Kim, chief executive officer of ToolGen. 'This agreement further validates our platform and demonstrates the value that gene editing will hold for the future of both ***agriculture*** and biotechnology.'

Additional terms of the agreement were not disclosed.

About Monsanto Company

Monsanto is committed to bringing a broad range of solutions to help nourish our growing world. We ***produce*** seeds for fruits, vegetables and key crops - such as corn, soybeans, and cotton - that help farmers have better harvests while using water and other important resources more efficiently. We work to find sustainable solutions for soil health, help farmers use data to improve farming practices and conserve natural resources, and provide crop protection products to minimize damage from pests and disease. Through ***programs*** and partnerships, we collaborate with farmers, researchers, nonprofit organizations, universities and others to help tackle some of the world's biggest challenges. To learn more about Monsanto, our commitments and our more than 20,000 dedicated employees, please visit monsanto.com. Follow our business on Twitter at twitter.com/MonsantoCo.

About ToolGen, Inc.

ToolGen, Inc. is a biotechnology company focused on the development and application of genome editing technologies. It creates, and holds intellectual property rights for essential tools and technologies for editing the genetic information in microbial, plant, animal, and human cells. ToolGen's mission is to translate the potential of our innovative platform technology into transformative products for biomedicine and ***agriculture***. For more information, please visit [*www.toolgen.com*](http://www.toolgen.com).

Cautionary Statements Regarding Forward-Looking Information: Certain statements contained in this release are 'forward-looking statements,' such as statements concerning the company's anticipated financial results, current and future product performance, regulatory approvals, business and financial ***plans*** and other non-historical facts, as well as the pending transaction with Bayer Aktiengesellschaft ('Bayer'). These statements are based on current expectations and currently available information. However, since these statements are based on factors that involve risks and uncertainties, the company's actual performance and results may differ materially from those described or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, among others: risks related to the pending transaction between the company and Bayer, including the risk that the regulatory approvals required for the transaction may not be obtained on the anticipated terms or time frame or at all, the risk that the other conditions to the completion of the transaction may not be satisfied, the risk that disruptions or uncertainties related to the pending transaction could adversely affect the company's business, financial performance and/or relationships with third parties, and the risk that certain contractual restrictions during the pendency of the transaction could adversely affect the company's ability to pursue business opportunities or ***strategic*** transactions; continued competition in seeds, traits and ***agricultural*** chemicals; the company's exposure to various contingencies, including those related to intellectual property protection, regulatory compliance and the speed with which approvals are received, and public understanding and acceptance of our biotechnology and other ***agricultural*** products; the success of the company's research and development activities; the outcomes of major lawsuits, including potential litigation related to the pending transaction with Bayer; developments related to foreign currencies and economies; fluctuations in commodity prices; compliance with regulations affecting our manufacturing; the accuracy of the company's estimates related to distribution inventory levels; the recent increases in levels of indebtedness, continued availability of capital and financing and rating agency actions; the company's ability to fund its short-term financing needs and to obtain payment for the products that it sells; the effect of weather conditions, natural disasters, accidents, and security breaches, including cybersecurity incidents, on the ***agriculture*** business or the company's facilities; and other risks and factors detailed in the company's most recent periodic report to the SEC. Undue reliance should not be placed on these forward-looking statements, which are current only as of the date of this release. The company disclaims any current intention or obligation to update any forward-looking statements or any of the factors that may affect actual results.

Contact:

Monsanto Company

Media

Camille Scott, 314-694-4645

or

Investors

Laura Meyer, 314-694-8148

or

ToolGen, Inc.

Company

Okjae Koo / Seokjoong Kim, +82-2-873-8168

or

Media

Kirsten Thomas, 508-280-6592

or

Investors

Tram Bui, 646-536-7035

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

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HINA Digest

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**Body**

Zagreb, 14 November 2017 (Hina) - Gov't to set aside nearly HRK 1bn for demographic revival in 2018ZAGREB, Nov 13 (Hina) - Next year, shortly below1 billion kuna will be secured for the implementation of demographic revivalmeasures, it was said in Government House on Monday following a meeting of the Council for Demographic Revitalisation.The money, which has been provided for this purpose,relates to changes in the income census for Child Allowance entitlements, which will encompass a larger number of families eligible for Child Allowance, increasing thenumber of kindergartens and providingafternoon child care in them, state secretary for demography, Marin Strmota told a press conference after the meeting.An additional 94,000 families or 156,000 more children will be eligible for Child Allowance bringing the total number of families receiving the allowance to 250,000. Thus, a total of HRK 440 million will be needed to this end. The law regulating the changes will enter into force on 1 July next year, Strmota said.An amount of HRK 70 million has been secured for the construction of new kindergartens and local government units can apply for these funds, he added.The third measure will be to introduce shift work in kindergartens and the cost of HRK 300 million for this purpose will be covered from the European Social Fund, Strmota said.Strmota explained that the income census for eligibility for Child Allowance will be increased from 50% of the budget base which now is HRK 1,663 to 70% or HRK 2,328.Strmota confirmed that the proposed amendments to the lawarejust the first step to introduce a universal child allowance.Minister of Demographics, Family, Youth and Social Policy, Nada Murganic said that a negative demographic trend was one of the significant problems the country isfaced with and this is more than one ministry can deal with.Asked to comment on criticism by President Kolinda Grabar-Kitarovic that the country was in "extraordinarycircumstances" with regard to its demographic state of affairs, Murganic said she would use the term "challenging circumstances.""I wouldn't say the President was criticising, but cautioning, that's her obligation.

We are implementing measures and policies and I think that is a jointpolicy and I don't think that the difference in opinion between the president and government is as drasticas you aresaying," she said.EU strengthening defence cooperation, opportunity for Croatian defence industryZAGREB, Nov13(Hina) - Twenty-three European member states, including Croatia in Brussels on Monday signed a defence pact aimed at strengthening defence cooperation.Foreign and European Affairs Minister Marija Pejcinovic-Buric and Defence Minister Damir Krsticevic signed the Permanent Structure Cooperation (PESCO) document on behalf of Croatia."This is a great day for Europe, for strengthening its defence capabilities. Croatia has decided to make a contribution to the permanent structural cooperation, which is in our national interests. By participating in PESCO we have an opportunity to include Croatia's defence industry even more, as well as small and medium-sized companies in projects of equipping, developing and modernisation, " Krsticevic said.He added that Croatia has already prepared several projects aimed at strengthening EU's defence capacities and of the Croatian Army."These projects related to cybernetic defence, as well as projects related to intelligence services, or projects for the use of drones, various logistics projects and projects that relate to medical attention or submarine surveillance," Krsticevic added.Speaking of good examples of benefits Croatia enjoys, following itsinvolvement in PESCO, Krsticevic said the Utilis company with the assistance of the Defence Ministry, managed to obtain 600,000 euro from European Structural funds for a project simulating cybernetic conflict.The permanent structured cooperation on defence agreement (PESCO), seeks to tighten defence between EU members and improve coordination in the development of new military hardware.EU foreign policy chief Federica Mogherini hailed the signing of the document as a “historic moment.”“This is the beginning of a common work. Twenty-three member states engaging both on capabilities and on operational steps is something big,” she said.Outgoing US ambassador meets with Croatian interior ministerZAGREB, Nov 13 (Hina) - Croatia and the United States have very strong security relations and the two countries are also cooperating on rule of law and law enforcement, outgoing US Ambassador Julieta Valls Noyes told a press conference after meeting with Croatian Interior Minister Davor Bozinovic in Zagreb on Monday.Valls Noyes is spending her final week in Croatia as US ambassador and is paying farewell calls on the ministers and ministries that are "very important" to the United States."We have a very strong security relationship with Croatia, our ***strategic*** partner, our partner in NATO. We have done a great deal together on the military front, but it's less well known that we also have an extremely strong relationship on rule of law and law enforcement," the US ambassador said.She recalled that the US is cooperating with the Croatian Ministry of Justice, cooperation hasbeen established with the US Federal Bureau of Investigation, there are training activities and a number of activities and projects related to areas such asfighting terrorism andcyber security.She also mentioned a regional attache for theUS Drug Enforcement Agency (DEA) who is based in Croatia. The DEA opened its Zagreb office on September 4, 2016 as one of its 15 offices in Europe."(We are also) cooperating across a range of issues and specific investigations," Valls Noyes noted.Valls Noyes said that she and Bozinovic discussed how to even further deepen and strengthen the cooperation and "to further improve the ties that we already have on the security front, on the military front and in other areas such as the LNG terminal and other key priorities between the United States and Croatia, the shared interests of the United States and Croatia."Bozinovic said that both sides clearly intended "not only to maintain this ***strategic*** relationship but also to improve it in all areas of cooperation." He said that as for the Ministry of the Interior, the two sides had created a framework for specific activities they would be working on in the time ahead."I am glad that our American partners have recognised our intention to build and improve the capacity of the Ministry of the Interior, primarily in fighting terrorism and in cyber security, where the US has great capabilities and the good will to share its knowledge, skills and experience with us," the Croatian interior minister said.He said that his ministry was working intensely on raising the international cooperation to a much higher level and not only within the European Union."The EU framework is not sufficient for any country to fight against contemporary security challenges. We need broader cooperation, and we are particularly pleased that in pursuing this broader cooperation we can work with countries that are our ***strategic*** partners, such as the United States," Bozinovic stressed.He said that today's meeting focused on cooperation on preventive and proactive police action and recalled that a major international scientific conference, entitled "Big Data in Law Enforcement: From Reactive to Proactive", had recently been organised by the Ministry of the Interior.Bozinovic said that the conference had discussed the use of modern technologies in preventing crime and potentially dangerous social behaviours and detecting terrorist threats at an early stage."Our American partners have by far the greatest experience in that," Bozinovic said, adding that Croatia and the US would continue working together on personnel training and exchanging best practice in confronting new challenges.Croatia and Israel ink ***agricultural*** cooperation agreementZAGREB, Nov13(Hina) - Croatia's ***Agriculture*** Minister Tomislav Tolusic and his visiting Israeli counterpart, Uri Ariel, on Monday signed a bilateral agreement on cooperation in ***agriculture***, and talked about a number of possibilities for cooperation in irrigation and export of Croatian ***agricultural*** ***produce***, the Croatian ***Agriculture*** Ministry said in a press release Monday.Uri Ariel,who serves as a member of the Knesset for the Jewish Home, and as Minister of ***Agriculture*** and Rural Development, was paying an official visit to Croatia at the invitation of Minister Tolusic.After talks with Tolusic, the Israeli official was received by CroatianPrime Minister Andrej Plenkovic and on that occasion the bilateral agreement was signed by the two farm ministers.The Croatian minister was quoted as saying that he was honoured by Ariel's visit to Zagreb which took place soon after his tour of Israel this September."I am also honoured thatthe agreement has been signed which will serve as the foundation for the development of our cooperation in the ***agricultural*** sector," Tolusicsaid, adding that "this is an opportunity for enhancing bilateral trade, notablyin the export of Croatian meat and meat products in Israel.The agreement, which envisages the establishment of an inter-state committee, provides for the exchange of experience and technologies as well as good practices in crop farming and cattle breeding.Maistra, Pet Minuta, Bruketa&Zinic&Grey winners of HGK's Golden MartensZAGREB, Nov 14 (Hina) - The Croatian Chamber of the Economy (HGK) on Monday presented the most successful companies with its "Zlatna kuna" (Golden Marten) awards, and this year's winner in the big company category was Maistra, a leading hotel company in Croatia headquartered in Rovinj, whereas "Pet Minuta", a company specialised in computer ***programming*** and computer production, won the Golden Marten award among medium-sized companies, and the best small company was the full service advertising company Bruketa&Zinic&Grey.The HGK decided that the award for the best lender would go to Privredna Banka Zagreb (PBZ) and Wiener Osiguranje Vienna Insurance Group was declared best insurer.Mate Rimac, the founder of Rimac Automobili, a car manufacturer that develops and ***produces*** electric supercars, drivetrain and battery systems, won the award for promotion of entrepreneurship.Addressing the award-giving ceremony on Monday evening in Zagreb, President Kolinda Grabar-Kitarovic thanked the HGK for providing its expertise and advice for the organisation of the promotion of Croatia's economy abroad.She said she firmly believed that the exports should serve as a pillar of the development of the national economy, and called for closer cooperation between the state, researchers and business people,Prime Minister Andrej Plenkovic said that his cabinet would continue taking measures and adopting laws conducive to the development of the national economy.Likewise, the government is set to implement the tax reform to reduce the tax burden on the economy.The premier spoke about the ***plans*** to prepare Croatia to adopt the euro.Reforms are key to Croatia's demographic revival, Plenkovic added.The HGK head Luka Burilovic called for a deeper and more dynamic change apart from the current positive indicators such as economic growth, rising exports and the narrowing of the budget gap.He also urged a more efficient public administration and stable legislative framework.Burilovic underscored the importance of introducing a new educational system."Education must be our tool to create a more efficient system weathering all challenges," he said, recalling that the Chamber proposed a model of dual education to make school-leavers employable and available in the market.The president of EUROCHAMBERS, the Association of European Chambers of Commerce and Industry, Richard Weber, praised the Croatian chamber for its efforts to advance its performance in the recent years. Weber gave credit to the HGK leadership for accomplishments in making use of the network of EURCHAMBERS to help Croatian businesses.Floating LNG terminal project unacceptable to county for nowZAGREB, Nov 13 (Hina) - The proposed project for the construction of a floating LNG terminal off Omisalj on the northern Adriatic island of Krk is unacceptable to Primorje-Gorski Kotar County for now, and the County Assembly will take a final position on it on November 23 when it will discuss the environmental impact study, the county administration said on Monday.The head of the County Department for Spatial ***Planning*** and Environmental Protection, Koraljka Vahtar Jurkovic, told a press conference in Rijeka that the County Assembly would discuss the environmental, economic and aesthetic acceptability of the floating LNG terminal.Vahtar Jurkovic represents the county on a 16-memberadvisory commission appointed by the Ministry of Environmental Protection and Energy.She said that the commission would vote in accordance with the County Assembly's resolution.The terminal would be designed as a 345-metre-long ship which would be used for receiving, storing, reloading and regasification of liquefied natural gas. Vahtar Jurkovic said that as such it would be a source of emissions into the environment.County head Zlatko Komadina said that the county was not in favour of a new project with new risks, while old risks were not dealt with, citing the Urinj thermal power plant which should have switched to natural gas.Komadina said he supported Omisalj Municipality regarding the floating LNG terminal project, adding that the municipality had set an additional condition for the project to go head - rehabilitation of the grounds of the former DINA Petrokemija industrial installation."We are aware of Croatia's needs, but Croatia should also be aware of the requirements of Primorje-Gorski Kotar County and Omisalj Municipality," Komadina said.A public consultation on the environmental impact study for the floating LNG terminal began on October 30 and lasts until November 28. It is being coordinated by the County Administrative Department for Spatial ***Planning***, Construction and Environmental Protection.Economic analyst, Opposition politicians see Agrokor as example of crony capitalismZAGREB, Nov13(Hina) - Developments surrounding the heavily indebted private food and retail group Agrokoris an example of crony capitalism, a round-table discussion was told in Zagreb on Monday.One of the participants, economic analyst Zeljko Ivankovic, recalled that the main characteristics of crony capitalism wereclose and private connections between business people and power-wielding politicians and the creation of legal insecurity, providing afertile soil for corruption.Ivankovic went on to say that Agrokor used to employ a former central bank governor, a man who later became a finance minister, a union leader, and some other people who were connected with office-holders through private connections or were before or after employment in Agrokor office-holders themselves.All this prompted this analyst to conclude that this was an unprecedented example of crony capitalism.Ivankovic also firmly believes that only the collapse of the Agrokor group could help Croatia get rid of crony capitalism, however he did not believe that the group would go under, judging by current developments.Social Democrat (SDP) lawmaker Orsat Miljenicsaid that the law known as Lex Agrokor should not have been adopted but that the authorities should focus on reinforcing the institutions and amending the bankruptcy legislation.GLAS party leader Anka Mrak Taritas said that the government, emergency administrator Ante Ramljak and the vulture funds were three cronies in the present-dayAgrokor.Linic testifies about tight cash flows during his ministerial termZAGREB, Nov 13 (Hina) - Former finance ministerSlavko Linicon Monday testified at the trial of former tax administration chief and former Social Democrat (SDP) lawmakerNada Cavlovic Smiljanec, who is charged with defrauding the state budget of HRK 9.5 million by allegedly helping businessman Zeljko Bilos avoid paying tax.The witness testified about the initiative he had launched after steppinginto ministerial office in 2011, in order to improve the collection of overdue taxes. Linic, a formerSDP minister, underscored that at the start of his ministerial term, as much as 52 billion kuna of overdue taxes exacerbated the issue of tight cash flow.The indictment also charges Bilos and a former head of the Osijek Tax Office, Ruzica Kovacevic. Under the indictment, upheld in February 2016, Bilos asked that his company's tax debt of close to HRK 8.4 million in interest be written off and that the collection of a tax debt of more than HRK 27 million be stopped even though there was no legal basis for that.Testifying in this case today, Linic recalled that a scheme adopted in February 2012 enabled the rescheduling of debts to the state in connection withliabilities in the form of unpaid taxes, contributions and customs duties, and that an application for that purpose had to be submitted within a 60-day deadline."When I noticed that some businesses failed to prepare the necessary documentation in a timely fashion, we amended the legislation and extended the deadlines," Linic told the Zagreb County Court, adding that the legislation on financial transactions and pre-bankruptcy settlements was adopted for that purpose.Linic confirmed that he had talked with Bilos about possible rescheduling of his debt and told him that he must meet all legal conditions to be granted approval for rescheduling and postponement of payments as well as a loan from the HBOR development bank."Bilostelephoned me to say that he intended to pay back the debt if his liabilities on interest could be written off," Linic said, adding that the businessman "did not request anything illegal.""Every entrepreneuris optimistic and thinks they can servicetheir debts. However, he (Bilos) had to prove that he servicednew obligations inan orderly manner. I made it clear to him that he had to repay his debts," Linic said.He mentioned that the case of Bilos was a topic of his talks with the then minister Ivan Vrdoljak of the Croatian People's Party (HNS),and that Cavlovic Smiljanec told him that SDP official and MEPBiljana Borzanalso lobbied for Bilus as a businessman who employed a large number of workers in east Croatia.Croatia records surplus in personal money transfers in 2016ZAGREB, Nov 13 (Hina) - Last year Croatia was again among EU countries with a surplus in personal money transfers, while the EU again recorded a negative balance, Eurostat data showed on Monday.In 2016, Croatia received €378 millionin personal transfers, while €133 million was transferred out of Croatia. As a result, it recorded a positive balance of€245 million. By comparison, in 2015 Croatia recorded a surplus of €741 million in personal transfers from abroad.Of the money transferred out of Croatia,€59 million went to other EU member states and€74 million to non-EU countries.Croatia ranked alongside Latvia, which recorded a surplus of€173 million. The lowest surplus, of€5 million, was again recorded by Slovenia."In 2016, flows of money sent by residents of the European Union (EU) to non-EU countries, referred to as personal transfers, amounted to €30.3 billion, compared with €31.3 bn in 2015. As inflows to the EU totalled €9.9 bn in 2016, this resulted in a negative balance (-€20.4 bn) for the EU with the rest of the world. The majority of personal transfers consist of flows of money sent by migrants to their country of origin," Eurostat said.Largest surpluses in personal transfers in Poland and Portugal, largest deficit in FranceThe outflows of personal transfers in 2016 were highest from France (€10.0 bn), followed by the United Kingdom (€7.1 bn), Spain (€6.8 bn) and Italy (€6.2 bn). In contrast, the highest inflows were recorded in Portugal (€3.3 bn) and Poland (€3.0 bn), ahead of the United Kingdom (€2.5 bn) and Romania (€2.4 bn). As a result, the largest surpluses in personal transfers were registered in 2016 in Poland and Portugal (both +€2.8 bn) and Romania (+€2.2 bn), while France (-€9.4 bn) recorded by far the largest deficit, followed by the United Kingdom (-€4.6 bn), Germany (-€4.2 bn) and Italy (-€4.0 bn).Highest proportion of intra-EU inflows and outflows in Slovakia, of extra-EU inflows in France and extra-EU outflows in SloveniaIn 2016, the highest shares of inflows from other EU member states among total inflows were recorded in Slovakia (99%), Luxembourg and Hungary (both 94%) and Poland (88%). On the contrary, extra-EU inflows accounted for about three-quarters of total inflows in France (74%), and for about two-thirds in Italy (66%) and Belgium (63%).Slovakia (97%), Luxembourg (92%) and Ireland (79%) were the member states that recorded the highest proportion of intra-EU outflows in total outflows. For extra-EU outflows, the largest shares were observed in Slovenia (86%), the Netherlands (83%), Portugal (81%), France (75%) and Italy (74%).Conference of catering and tourism industries held in SibenikZAGREB, Nov 13 (Hina) - The 30th conference of the catering and tourism industries, organised by the Croatian Chamber of Trades and Crafts (HOK), brought together about 500 participants at the Solaris hotel complex in the coastal city of Sibenik on Monday to discuss the current situation in this sector.The conference was opened by Tourism Minister Gari Cappelli, who thanked those present for making this year a successful tourist year."We want to hear from people in the field where we are, what mistakes we are making, to deal with the issues of employment and tax relief, because people are the key to a successfultourism industry," Cappelli said, noting that tourist consumption had increased and that Croatia had recorded 100 million tourist nights this year."Next year we expect a very busy tourist year for all, including the catering industry,so we need to continue working on service quality," the minister said.Speaking of the problem of labour shortages, Cappelli noted that 200,000 job-seekers were registered with the national employment service "and we can't find 5,000 workers to work in the tourist industry.""Next year we will need another 15,000 workers. We can resolve this problem with labour import contracts in the short term and with competence centres in the long term," he added.HOK president Dragutin Ranogajec said that HOK was working on retraining ***programmes*** and that a sufficient number of workers could be secured for the next season in cooperation with the relevant government departments.The head of the HOK Catering and Tourism Guild, Nenad Sepak, recalled the conclusions of last year's conference, urging the relevant government departments to removelegal barriers that were hampering the development of the catering and tourism industries.Nearly 50% of Croatians ***plan*** to travel abroad this winter, says surveyZAGREB, Nov 13 (Hina) - This winter about 46% of Croatian citizens ***plan*** to travel abroad, mostly during Advent, then for New Year holidaysand thirdly to go skiing, a survey conducted by Mastercard and the GfK market research centre says.The online survey was conducted in September 2017 on a sample of one thousand bank clients in Croatia aged between 18 and 55.About 46% of citizens ***plan*** to travel, 52% of them ***plan*** Advent holidays, 31% will travel for New Year's and 16% ***plan*** to go skiing.The survey showed that Croatians travel more for recreational purposesrather than business.In the past 12 months, about 54% of respondents travelled for recreational purposes, mostly around Europe and spent HRK 6,000 on average or about HRK 1,000 more than they did the year before, Mastercard said.The survey showed that consumers are turning more to online reservations for accommodation. About 57% of those surveyed ***plan*** their trips online."Croatian travellers are aware digitally and the Internet is their key source of information on destinations, reservations and paying for travel and accommodation," Mastercard Croatia said.Advent in Zagreb to kick off on 2 DecZAGREB, Nov 13 (Hina) - The eighth edition of "Advent in Zagreb" will be held in the Croatian capital from 2 December to 7 January, and the ***programme*** of the event was presented on Monday by Mayor Milan Bandic and the head of the local tourist board, Martina Bienenfeld.The lighting of the first Advent candle in the city's main square on 2 December will kick off this season's event.Exhibitions including "Mind From Future" about world-famous inventor Nikola Tesla, Christmas concerts and some other seasonal happenings are included in the ***programme***."The sound of Christmas bells, the scent of gingerbread, mulled wine and various other delicacies... Just forget everything and enjoy all these wonderful things! During the Advent season, Zagreb offers a variety of events that will satisfy even the most demanding visitors. Plenty of fun, excellent food, unique events, art, but also a genuine Christmas atmosphere, await you on the streets of Croatia's capital. Don't wait for Santa sitting by your fireplace, find him in the city! Make sure you polish your boots before you go because we have in store for you a number of pleasant surprises, including the musical ***program*** which will make you want to dance all night long!," reads the invitation on the web site of the Zagreb tourist board."Advent in Zagreb" is one of the most important annual events for Zagreb's as well as Croatia's tourism.During Advent, Zagreb lives in a special atmosphere and this year again people will be able to enjoy traditional delicacies and theme ***programmes*** in the city's squares.During last season's Advent in Zagreb, as many as 95,000 guests visited the Croatian capital and they registered nearly 170,000 bed-nights.Advent in Zagreb has helped the Croatian capital to be declared the best Christmas destination twice to date.IMF forecasts continuation of economic growth in EuropeZAGREB, Nov13(Hina) - Economic growth in Europe is continuing and getting stronger, various risks have evened out but numerous challenges remain, so political decision makers must use this opportunity to start a recovery and reinforce the progress outlook, forwhich stronger rule of law is essential, according to the International Monetary Fund's autumn forecaston the region presented in Sarajevo on Monday.The deputy head of the IMF division for Europe, Emil Stavrev, said the strong economic impetus of recent years continued in 2017, promptingthe IMF to reviseup its earlier forecast.GDP growth in Europe in 2017 is projected at 2.4%, whereas in 2016 it was 1.7%. In 2018, GDP growth is projected at 2.8%.Stavrev said economic recovery in Europe had a positive impact on the rest of the world and was not shaken by political shocks such as Brexit, the attempted coup in Turkey and the outcome of last year's US presidential election.According to IMF analysts, it is important that unemployment rates in many European states are back to thelevels before the 2008 global recession, and some even recorded significant salary growths.Developed European states recorded a 2% salary growth, Stavrev said, adding that in most European Union member states from central and eastern Europe, among whichCroatia is included, salary growth was higher than productivity growth.That element hides one of the mid-term risks, according to the IMF. Ifsuch salary growth is not coupled with appropriate productivity, it could threatenthe competitiveness of east European countries on the European as well as the global market. Otherrisks includethe ambiguitiesrelated to the consequences of Great Britain's exit from the EU as well as the rising protectionist trends and the geopolitical risks.The IMF's recommendation to the "new Europe" states, those ofcentral and eastern Europe, is to more carefully align the monetary and fiscal policy with structural reforms in order to preserve competitiveness on the market and increase public sector efficiency.For the EU as a whole, the key recommendation is to strengthen the architecturefinancially, as the estimate is that it is necessary to simultaneously deal withoutstanding issues in the banking sector and implement fiscal rules in the euro area more strictly.The euro area must complete its architecture, which means rounding off the banking union, strengthening its fiscal capacities in order to withstand shocks, and strengthening the single capital market through stricter implementation of fiscal rules in the euro area, said Stavrev.Kosovo at risk of attacks by returning Islamist militants, report saysZAGREB, Nov13(Hina) -Kosovo’s government considers the possibility of attacks by Islamic State fighters returning from Iraq and Syria one of the main threats to national security, Reuters cited a a new strategy document.Around 300 Kosovars have gone to Syria and Iraq since 2012 to fight with the Islamic State group for the establishment of a caliphate ruled by Islamic law, Reuters said. Some 70 have been killed but many, including women and children, are still believed to be in the conflict zone, despite the group’s expulsion from almost all the population centers it had held.The document, “State Strategy Against Terrorism and Action ***Plan*** 2018-2022”, was posted on thewebsite of the Kosovo government on Friday. It said potential threats included “attacks by members of terrorist organizations through foreign terrorist fighters, inactive cells, but also by sympathizers and supporters who may be inspired to commit violent acts”.International and local security agencies have previously warned of the risk posed by returning fighters, and in 2015, Kosovo adopted a law making fighting in foreign conflicts punishable by up to 15 years in jail.The report said there had been “public calls for terrorist attacks in Kosovo and the region” and called terrorism “one of the biggest threats to national security”.Kosovo’s population is nominally 90 percent Muslim, but largely secular in outlook.There have been no Islamist attacks on its soil, although in June, nine Kosovar men were charged with ***planning*** attacks at a soccer match in Albania against the visiting Israeli national team and its fans the previous November.The state prosecutor said some of the men had been in contact with Lavdrim Muhaxheri, a prominent Islamic State member and the self-declared “commander of Albanians in Syria and Iraq”, from whom they had received orders to attack. Muhaxheri was reported to have been killed in the Syria the same month.The government strategy, compiled by the Interior Ministry, said that a form of radical Islam had been imported to Kosovo by non-governmental organizations from the Middle East after the end of its 1998-99 war of secession from Serbia.In other news:Traditional conference held ahead of Vukovar Remembrance DayZAGREB, Nov 13 (Hina) - The 20 edition of an annualscientific conference "Vukovar 91 - Twenty-Six Years Later," started on Monday in thateastern town in memory of the victims of the 1990s war.The two-day conference organised by the Vukovar branch of the Ivo Pilar social sciences institute, will hear about thirty lectures in the fields of historiography, sociology, anthropology, culturology, theology, religious sociology, demography and law and who have researched and promote the truth about Vukovar during the Homeland War."These conferences are aimed at continually analysingVukovarin 1991, which is a watershed and a fateful place in establishing the Croatian state," Drazen Zivic of the Ivo Pilar institute said.Vukovar Remembrance Day commemorative eventswill continue until November 20.The central ceremony will be held on November 18 with a commemorative marchthrough the streets of Vukovar headed by Vukovar war veterans, to the memorial cemetery.***Producer*** prices rise for 10 months straightZAGREB, Nov13(Hina) - In October 2017, industrial ***producer*** prices in Croatia went up by 1.1% on the year, increasing for the tenth consecutive month, as well as by 0.3% on the month, the national statistical office said on Monday.***Producer*** priceswent up 0.3% monthly on both the domestic and the foreign market, while annually they went up 1.3% on the domestic and 0.8% on the foreign market.Heineken Croatia opens storage facilityZAGREB, Nov 13 (Hina) - Heineken Croatia Ltd. on Monday opened an HRK 20.5-million green warehouse within the compounds of its brewery in Karlovac, 50 kilometres south of Zagreb.The warehouse, 5,200 square metres large and 11 metres high, was built in seven months' time in line with green construction regulations.Environment friendly materials were used in the construction of this facility, which was built by local construction firms, according to a press release issued by the Heineken company in Croatia.ZSE indices downZAGREB, Nov13(Hina) - The Zagreb Stock Exchange (ZSE) main indices went down on Monday -- the Crobex fell by 0.8% and the Crobex10 by 0.6%, while the most liquid shares being those of companies from the Agrokor Group.The Crobex was down 0.81%, closing at 1,842.04 points, while the Crobex10 dropped by 0.61% to 1,086.14 points.Regular turnover was HRK 9.36 million or approximately 3 million kuna less than on Friday. Another HRK 2 million was generated in trading with Valamar Riviera tourism company shares.The most liquid share was that of the Ledo frozen food company which turned over HRK 2.4 million. Ledo was also the biggest loser of the day as the price of its shares dropped by 14.15% to close at HRK 801.01 per share.(EUR 1 = HRK 7.5)THIS BULLETIN INCLUDES NEWS ITEMS RELEASED BY 0830 HRS TUESDAY. (Hina) ms its Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, Nov13(Hina) - Twenty-three European member states, including Croatia in Brussels on Monday signed a defence pact aimed at strengthening defence cooperation.

ZAGREB, Nov 13 (Hina) - Croatia and the United States have very strong security relations and the two countries are also cooperating on rule of law and law enforcement, outgoing US Ambassador Julieta Valls Noyes told a press conference after meeting with Croatian Interior Minister Davor Bozinovic in Zagreb on Monday.

ZAGREB, Nov13(Hina) - Croatia's ***Agriculture*** Minister Tomislav Tolusic and his visiting Israeli counterpart, Uri Ariel, on Monday signed a bilateral agreement on cooperation in ***agriculture***, and talked about a number of possibilities for cooperation in irrigation and export of Croatian ***agricultural*** ***produce***, the Croatian ***Agriculture*** Ministry said in a press release Monday.

ZAGREB, Nov 14 (Hina) - The Croatian Chamber of the Economy (HGK) on Monday presented the most successful companies with its "Zlatna kuna" (Golden Marten) awards, and this year's winner in the big company category was Maistra, a leading hotel company in Croatia headquartered in Rovinj, whereas "Pet Minuta", a company specialised in computer ***programming*** and computer production, won the Golden Marten award among medium-sized companies, and the best small company was the full service advertising company Bruketa&Zinic&Grey.

The HGK decided that the award for the best lender would go to Privredna Banka Zagreb (PBZ) and Wiener Osiguranje Vienna Insurance Group was declared best insurer.

Mate Rimac, the founder of Rimac Automobili, a car manufacturer that develops and ***produces*** electric supercars, drivetrain and battery systems, won the award for promotion of entrepreneurship.

Addressing the award-giving ceremony on Monday evening in Zagreb, President Kolinda Grabar-Kitarovic thanked the HGK for providing its expertise and advice for the organisation of the promotion of Croatia's economy abroad.

She said she firmly believed that the exports should serve as a pillar of the development of the national economy, and called for closer cooperation between the state, researchers and business people,

Prime Minister Andrej Plenkovic said that his cabinet would continue taking measures and adopting laws conducive to the development of the national economy.

Likewise, the government is set to implement the tax reform to reduce the tax burden on the economy.

The premier spoke about the ***plans*** to prepare Croatia to adopt the euro.

Reforms are key to Croatia's demographic revival, Plenkovic added.

The HGK head Luka Burilovic called for a deeper and more dynamic change apart from the current positive indicators such as economic growth, rising exports and the narrowing of the budget gap.

He also urged a more efficient public administration and stable legislative framework.

Burilovic underscored the importance of introducing a new educational system.

"Education must be our tool to create a more efficient system weathering all challenges," he said, recalling that the Chamber proposed a model of dual education to make school-leavers employable and available in the market.

The president of EUROCHAMBERS, the Association of European Chambers of Commerce and Industry, Richard Weber, praised the Croatian chamber for its efforts to advance its performance in the recent years. Weber gave credit to the HGK leadership for accomplishments in making use of the network of EURCHAMBERS to help Croatian businesses.

ZAGREB, Nov 13 (Hina) - The proposed project for the construction of a floating LNG terminal off Omisalj on the northern Adriatic island of Krk is unacceptable to Primorje-Gorski Kotar County for now, and the County Assembly will take a final position on it on November 23 when it will discuss the environmental impact study, the county administration said on Monday.

ZAGREB, Nov13(Hina) - Developments surrounding the heavily indebted private food and retail group Agrokoris an example of crony capitalism, a round-table discussion was told in Zagreb on Monday.

ZAGREB, Nov 13 (Hina) - Former finance ministerSlavko Linicon Monday testified at the trial of former tax administration chief and former Social Democrat (SDP) lawmakerNada Cavlovic Smiljanec, who is charged with defrauding the state budget of HRK 9.5 million by allegedly helping businessman Zeljko Bilos avoid paying tax.

ZAGREB, Nov 13 (Hina) - Last year Croatia was again among EU countries with a surplus in personal money transfers, while the EU again recorded a negative balance, Eurostat data showed on Monday.

ZAGREB, Nov 13 (Hina) - The 30th conference of the catering and tourism industries, organised by the Croatian Chamber of Trades and Crafts (HOK), brought together about 500 participants at the Solaris hotel complex in the coastal city of Sibenik on Monday to discuss the current situation in this sector.

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THIS BULLETIN INCLUDES NEWS ITEMS RELEASED BY 0830 HRS TUESDAY.

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**End of Document**



[***RF Government approves Strategy for Development of Sea Ports in Caspian Sea***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PYF-68P1-F03F-D07B-00000-00&context=1516831)

SKRIN Market & Corporate News

November 14, 2017 Tuesday 2:21 PM GMT

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**Body**

The Strategy for the Development of Sea Ports in the Caspian Sea was approved by RF Government Decree dated 8 November 2017 (No 2469-?). According to the official website of the Russian Government, the main goal of the Strategy is to consolidate the economic and geopolitical presence of Russia in the Caspian Sea, to expand and deepen economic and cultural ties with Caspian countries and create conditions for the further socio-economic development of the Caspian region by increasing international trade via the Caspian ports.

The directive is drafted by the Ministry for North Caucasus Affairs to fulfil the President’s instruction following the Government meeting on 12 October, 2016 (Pr-2077 of 27 October, 2016, item 2) and in accordance with the Federal Law No.172-FZ of 28 June, 2014 "On ***Strategic*** ***Planning*** in the Russian Federation."

The signed directive has endorsed the Strategy for the Development of Sea Ports in the Caspian Sea and Rail and Road Links to Them until 2030 (from now on, referred to as the Strategy).

The draft Strategy has been elaborated taking into account the Concept for Long-term Socio-economic Development of the Russian Federation for the Period Until 2020, (approved by the Government’s directive No.1662-r of 17 November, 2008), the Concept of the Demographic Policy of the Russian Federation Until 2025, (approved by the President’s executive order No. 1351 of 9 October, 2007,) the Strategy of the National Security of the Russian Federation, (endorsed by the President’s executive order No. 683 of 31 December, 2015), and the ***programme*** of action to ensure ***strategic*** interests of the Russian Federation in the Caspian Sea in 2016-2018.

The main goal of the Strategy is to consolidate the economic and geopolitical presence of Russia in the Caspian Sea, to expand and deepen economic and cultural ties with Caspian countries and create the conditions for further socio-economic development of the Caspian region by increasing international trade via Caspian ports.

Targets of the Strategy’s implementation:

- development of the Russian Caspian transit hub and its inclusion in the international trade system;

- building a sustainable transport and logistics corridor with Iran, India and Persian Gulf countries;

- socio-economic development of the Caspian region;

- development of export-oriented business via the Russian Caspian transit hub;

- reduction of current logistics costs;

- strengthening of the national defence capability and security on the Caspian Sea.

The Strategy provides solutions for regulatory, tariff, investment, operational and institutional tasks.

Regulatory tasks involve increasing the competitiveness of cargo and passenger traffic through Russian ports on the Caspian Sea by simplifying administrative procedures (such as acceleration of customs clearance of cargo shipments and on-the-spot coordination of projects on upgrading port infrastructure facilities). They also encompass the creation of favourable conditions for increasing domestic and international tourism in the region (in particular, by easing customs rules).

Tariff tasks involve working out and administering uniform competitive shipment tariffs for transportation via the Caspian transit hub.

Investment tasks include upgrading the existing infrastructure and building new transit and logistics facilities for developing cargo and passenger traffic, including port facilities, as well as remote and close road and railway links to sea ports.

Operational tasks include the introduction of a project ***planning*** and management system, which highlights the export potential of the Caspian region, in particular, its production and logistics facilities. This can be accomplished by creating the necessary legislative and administrative conditions and institutions.

Institutional tasks are aimed at stimulating the development of ***agriculture*** and industrial production, which together with transport infrastructure can ***produce*** a synergistic effect for the development of the region as a whole, with the help of institutions for the support of such projects.

The Strategy will be carried out in three stages: the first or preparatory stage (until 2020); the second or main stage (2020-2025), and the third or long-term stage (2026-2030).

The Strategy’s targets, tasks and mechanisms are aimed at creating a sustainable transport and logistics corridor and promoting trade and tourism, primarily with Iran, India and Persian Gulf countries. During the long-term stage of implementation, experts ***plan*** to study the possibility of promoting trade with all Caspian states, taking into account the expanded capacities of the new offshore deep-water port (terminal).

Implementing the Strategy will make it possible to increase grain exports via the Caspian Sea ports to seven mln tonnes, and the same amount of other dry cargo by 2030, as well as to attract up to 30,000 domestic tourists a year to the Caspian region, and create over 2,000 jobs. / portnews.ru

**Load-Date:** November 14, 2017

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[***-Bayer to fund three youth led food security projects***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PS3-5TJ1-JD3Y-Y0TN-00000-00&context=1516831)

ENP Newswire

October 20, 2017 Friday

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**Length:** 1173 words

**Body**

Monheim - Bayer will be funding future projects developed by some of the world's brightest young food security advocates during the 2017 Youth Ag-Summit.

The three projects will tackle issues related to the United Nations Sustainable Development Goals (SDG) of Gender Equality, Quality Education, and Responsible Consumption and Production.

Last week, 100 young ***agricultural*** enthusiasts, aged 18-25 and from 49 different countries, gathered in Brussels, Belgium, for the third edition of the Youth Ag-Summit. Organized by Bayer together with the two Belgian young farmers associations Groene Kring and Federation des Jeunes Agriculteurs, the event provided an opportunity for delegates to work on concrete solutions to one of humanity's greatest challenges: how to feed a growing world population in a sustainable manner.

At the Youth-Ag Summit, delegates worked across the week in groups of ten to develop their ideas, before pitching to a jury of experts and the audience. The jury and the audience then selected the winners on the basis of criteria such as feasibility, innovativeness and creativity:

Third place went to 'Imperfect Picks', a group who was assigned to work on SDG 12: Responsible Consumption and Production. These delegates impressed with their cartoon campaign to promote 'ugly fruits' to children, and enable a broader cultural shift towards accepting food that appears blemished but is still of good quality. They won EUR 3,000 to further develop and implement their project.

Second place went to 'Seeds of Change', a group of delegates focusing on SDG 4: Quality Education. They will use their prize of EUR 5,000 to fund a project aimed at promoting ***agriculture*** in schools through young ***agricultural*** champions, in order to bridge the disconnect between people who consume, and people who ***produce*** food.

Finally, first place was awarded to the group 'AGRIKUA' ('kua' being the Swahili word for 'grow'), whose project focuses on promoting Gender Equality (SDG 5) in the ***agricultural*** sector. Their ***plan*** to create an online professional platform for young Kenyan women seeking opportunities in ***agriculture*** impressed the jury and audience alike, and they took home the grand prize of EUR 10,000. On top of this funding, the AGRIKUA delegates will also receive dedicated training and coaching to help make the project a reality. They will also be invited back to Europe to present their project to a relevant industry platform.

Speaking about this year's crop of winners, Fleur Wilkins, Head of ***Strategic*** Messaging and Executive Communications for Crop Science, a division of Bayer, and member of the jury, said: 'We were blown away by the level of creativity, intelligence, and diligence shown by each of the delegate groups in the final projects they presented. Bayer is thrilled to be funding three of these for future development, but we are convinced that all of this year's Youth Ag-Summit delegates will continue to champion and contribute to a more sustainable food system.'

As well as working in groups to develop their projects, delegates spent the week hearing from world-renowned speakers and partner organisations, who inspired them to each commit to doing 'Three Little Things' in their everyday life to foster greater food security. They also paid a visit to the EU Committee of the Regions, and met with Members of the EU Parliament Tom Vandenkendelaere and Richard Ashworth to discuss ***agricultural*** policy. Another highlight of the week was a visit to Hof ten Bosch, a Bayer ForwardFarm nestled in the heart of the Belgian countryside.

About the Youth Ag-Summit

The Youth Ag-Summit is a global bi-annual conference designed to inspire and connect the next generation of young leaders in ***agriculture*** and related disciplines. In October 2017, 100 young leaders aged 18 to 25 met in Brussels, Belgium, to create an open dialogue on one of the world's biggest challenges: how to feed a growing population in a sustainable manner. The next edition of the Youth Ag-Summit will be held in Brazil in 2019.

Following previous editions hosted in Canada and Australia, this year's Summit was the first to be held in a European city. The Youth Ag-Summit is part of Bayer's ***Agricultural*** Education ***Program*** which aims to raise global awareness about farming and food supplies. This year's delegates hailed from 49 countries: Argentina, Australia, Bangladesh, Belgium, Bolivia, Botswana, Brazil, Canada, Chile, China, Colombia, Denmark, Ecuador, El Salvador, Estonia, Finland, France, Germany, Guatemala, Hungary, India, Indonesia, Ireland, Italy, Japan, Kenya, Lithuania, Malaysia, Nepal, Netherlands, New Zealand, Nigeria, Paraguay, Philippines, Poland, Russia, South Africa, Spain, Sri Lanka, Sweden, Tanzania, Thailand, Turkey, Uganda, Ukraine, United Kingdom, USA, Vietnam, and Zimbabwe.

About Groene Kring

Groene Kring (GK) is an association for young farmers in Flanders, Belgium, which counts around 3,500 members. GK brings young farmers together via regular activities and events, organizes entrepreneurship education, and protects the interests of young farmers on a regional, national and international level.

About the Federation des Jeunes Agriculteurs

La Federation des Jeunes Agriculteurs (FJA) represents young farmers living and working in Wallonia, Belgium. FJA represents the views of 2,800 members, advocating on their behalf at a national and European level. As an official education provider within the agriculatural sector, they also organize training courses.

Bayer: Science For A Better Life

Bayer is a global enterprise with core competencies in the Life Science fields of health care and ***agriculture***. Its products and services are designed to benefit people and improve their quality of life. At the same time, the Group aims to create value through innovation, growth and high earning power. Bayer is committed to the principles of sustainable development and to its social and ethical responsibilities as a corporate citizen. In fiscal 2016, the Group employed around 115,200 people and had sales of EUR 46.8 billion. Capital expenditures amounted to EUR 2.6 billion, R&D expenses to EUR 4.7 billion. These figures include those for the high-tech polymers business, which was floated on the stock market as an independent company named Covestro on October 6, 2015.

Forward-Looking Statements

This release may contain forward-looking statements based on current assumptions and forecasts made by Bayer management. Various known and unknown risks, uncertainties and other factors could lead to material differences between the actual future results, financial situation, development or performance of the company and the estimates given here. These factors include those discussed in Bayer's public reports which are available on the Bayer website at [*www.bayer.com*](http://www.bayer.com). The company assumes no liability whatsoever to update these forward-looking statements or to conform them to future events or developments.

Contact:

Tel: +49 214 30-1

[Editorial queries for this story should be sent to [*newswire@enpublishing.co.uk*](mailto:newswire@enpublishing.co.uk) ]

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**End of Document**



[***Velocys PLC Interim results for the 6 months ended 30 June 17***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5PKR-24P1-JCXB-20FJ-00000-00&context=1516831)

London Stock Exchange Aggregated Regulatory News Service (ARNS)

September 29, 2017 Friday 7:02 AM GMT

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**Length:** 1613 words

**Body**

RNS Number : 1753S

Velocys PLC

29 September 2017

News release

Velocys plc

("Velocys" or "the Company")

29 September 2017

Interim results for the six months ended 30 June 2017

Velocys plc (VLS.L), the renewable fuels company, is pleased to announce its interim results for the six months ended 30 June 2017.

Highlights

-- Key milestones at ENVIA Energy's Oklahoma City plant, the first smaller scale, commercial gas-to-liquids plant in the world include:

- Production of first finished, saleable products.

- Velocys' reactors and catalyst performing in line with performance requirements at commercial scale.

- The Company has increased its equity share and voting rights with no cash or other consideration provided, following the exit on 28 September 2017 of NRG from the JV (post period end)

- Key capacity milestone expected to be reached during October 2017 (post period end).

-- New strategy as a renewable fuels company providing, with partners, economically attractive biorefineries to ***produce*** premium quality renewable jet and diesel fuel.

-- Consistent progress towards our first biorefinery in the US, with our ***strategic*** partners:

- Partnerships announced with Morimatsu and TRI.

- Selection of IHI E&C for FEL-2 engineering study.

- Invitation by US Department of ***Agriculture*** to advance to Phase II application for a loan guarantee of up to $200m.

- Appointment of SMBC as the lender of record.

-- Fundraise of GBP10m (before expenses).

-- Reshaping of the Company, following completion of its primary development ***programme***, to deliver the demands of the new strategy (post period end).

-- John Tunison appointed as Interim CFO (post period end).

-- Industry partnership formed, including British Airways, aimed at waste to renewable jet fuel plants in the UK (post-period end).

-- Revenue of GBP0.2m (H1 2016: GBP0.5m).

-- Cash\* at period end GBP13.8m (31 December 2016: GBP18.7m).

-- H1 2017 cash outflow GBP4.9m (H1 2016: GBP13.6m, H2 2016: GBP5.4m).

\* Defined as cash, cash equivalents and short term investments

David Pummell, CEO of Velocys, said:

"As Velocys the Renewable Fuels Company, we have made considerable progress in our strategy implementation and subsequent restructuring of the business over the first part of the year. Successive operational milestones have been reached at ENVIA Oklahoma and we have made steady progress towards developing our first biorefinery in the US. The success of the Velocys Fischer-Tropsch system at ENVIA validates our technology at a commercial scale, and it will be this system that, we will take forward in our future biorefineries, subject to securing further funds.

- Ends -

For further information, please contact:

Velocys +44 1235 838

David Pummell, CEO 621

Numis Securities (Nomad and joint

broker)

Alex Ham

Stuart Skinner

Jamie Lillywhite +44 20 7260

Tom Ballard 1000

Canaccord Genuity (Joint broker)

Henry Fitzgerald-O'Connor +44 20 7523

Ben Griffiths 8000

Camarco (Financial communications

& PR)

Billy Clegg +44 20 3757

Georgia Edmonds 4983

Certain information contained in this announcement would have constituted inside information (as defined by Article 7 of Regulation (EU) No 596/2014) prior to its release as part of this announcement.

[*www.velocys.com*](http://www.velocys.com)

Chairman's statement

Pierre Jungels, CBE

The first half of 2017 has been a period of significant ***strategic*** change for Velocys. In February we announced that the first Fischer-Tropsch products had been made at ENVIA's plant in Oklahoma City using Velocys' reactors and catalyst, and by the end of the period the first finished, saleable products had been ***produced***. This is the realisation of many years of dedicated effort, encompassing research and development, engineering, project management and the building of relationships in the industry. We have increased our equity share and voting rights at ENVIA following the exit of NRG from the JV and look forward to confirming that a key capacity milestone has been reached in October 2017.

During the period, Velocys also advanced its new strategy for commercialising its technology by driving forward the development of its first biorefinery. Creating a world-leading technology is a significant accomplishment, and now Velocys is focused on its commercialisation through the delivery to the market of repeatable biorefineries. Velocys needs world class partners to achieve this aim, and a number of these partnerships are now in place.

The Company's transition from technology development to its commercial roll-out has meant the winding down of R&D ***programmes*** both in the UK and the US. The Company will maintain its corporate and commercial office in the UK. Further details on these changes are given in the CEO's report.

After conducting a detailed ***strategic*** review, Velocys has taken the decision to focus its resources on the renewable fuels market. Other market opportunities, such as stranded gas conversion to liquids, are still available and their attractiveness to Velocys will continue to be reviewed as market conditions change in the future. These opportunities are seen as additive to the core strategy.

Our internal analysis confirms that the Velocys route to the production of renewable fuels can be cost-effective using the reserves of sustainable biomass feedstock that are abundant in the US. Unlike other routes to renewable fuel production these biorefineries will not be constrained by the amount of feedstock available, and will therefore be well positioned to deliver significant quantities of renewable fuel to a large and growing market at a market competitive price.

During the first half of the year there were a number of changes to the board at Velocys. Non-executive director Mark Chatterji left the Board in April and was replaced as the chair of the Audit and Risk Committee by Andrew Morris, who was nominated as a non-executive director at the start of June. Ross Allonby left the board in June. I would like to thank Mark and Ross for their contribution to the Company. I would like to welcome Andrew, who brings a wealth of financial and business experience from companies similar to Velocys in terms of size, sector and complexity. Board costs have been reduced with the reduction in the number of non-executive directors, and by reducing the fees paid to existing non-executive directors by 10%.

Post-period end, on 21 July the Company announced that Susan Robertson would be stepping down as Chief Financial Officer, a role she has held for the last nine years. I would like to express my warmest thanks to Susan for her enormous contribution to Velocys during that time. I welcome John Tunison as our new Interim CFO, who is based in our Houston office.

Velocys completed a fundraise of GBP10m in May, primarily through the support of existing shareholders. Proceeds raised are being used primarily to fund the pre-FEED (FEL-2) engineering study for the first biorefinery, to undertake a joint technology demonstration with our partner TRI, and to extend Velocys' loan arrangement with ENVIA to support the plant in achieving steady state operations. Additional funding is now required; further details are given in the financial review.

Outlook

The Company has commenced its transition to a renewable fuels business, taking swift and concerted action to capitalise on its achievements at ENVIA. Through refreshing the organisational structure Velocys has renewed its focus, and is building a strong team to deliver the new strategy. There is significant emphasis for the team on delivering ***strategic*** partnerships to underpin the development of its biorefineries. Velocys has transformed in a short time and, we aim to sustain this effort through to final investment decision for the first biorefinery, which we are targeting in 2018, subject to securing further funds.

Chief Executive's report

David Pummell

Introduction

Velocys continues to make significant progress in its ***strategic*** ***plan*** to reposition itself as a renewable fuels company. With our partners, we ***plan*** to build economically-attractive biorefineries that ***produce*** premium quality renewable jet fuel and diesel. The success of the Velocys Fischer-Tropsch (FT) system at ENVIA validates our technology at commercial scale and it will be this system we will take forward in future biorefineries.

Although our strong focus will be the production of renewable fuels in the US market from the conversion of woody biomass waste materials, we remain open to other opportunities that complement our core strategy. We recently entered into an industry partnership that includes British Airways and Suez, aimed at developing waste-to-jet fuel plants in the UK. The changes recently made to the Renewable Transport Fuels Obligation (RTFO) now provides the necessary commercial platform to also exploit the UK market.

I would like to thank our talented, energetic team for the dedication and skills with which they tackle the many interrelated work streams we have underway, and for their professionalism during the recent internal restructuring process - as we transition to Velocys the renewable fuels company.

Strategy implementation

Velocys technology is in operation in the first smaller scale commercial gas-to-liquids (GTL) plant in the world. With this as a platform, the Company has adopted a bold long term vision that could place Velocys at the vanguard of the production of cellulosic renewable fuels in the world. We are all focused on its delivery. The three pillars of our strategy are:

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[***BRIEF NEWS BULLETIN NO. 10350***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5RR6-7G21-JDKJ-10R8-00000-00&context=1516831)

HINA Digest

24 February 2018

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**Body**

Zagreb, 24 February 2018 (Hina) - Croatian, Montenegrin presidents meet in ZagrebZAGREB, Feb 24 (Hina) - Croatian President Kolinda Grabar-Kitarovic on Friday received her Montenegrin counterpart Filip Vujanovic, who was on a working visitto Croatia, the Office of the Croatian President said in a press release.They described the bilateral relations as traditionally good and agreed that it was necessary to give impetus to their developmentin all matters of commoninterest.Grabar-Kitarovic underscored the importance of continuingthe enlargement of the European Unionand the consolidationof Croatia's southeast neighbourhood. In this context, she said that Croatia was fully supportive of Montenegro's EU membership aspirations.The two presidents discussed the developments in the region and agreed that NATO's credible open door policy was of extreme importance.EU summit considers downsizing number of MEPs, lead candidate modelZAGREB, Feb 24 (Hina) - Leaders of the 27 member-states of the European Union on Friday broadlyagreed on the European Parliament's proposal to reducethe number of MEPs in the next composition of the parliament following the exit of Britain, however, they are against automaticity in theelection of the European Commission President in the lead candidate process (the so-called Spitzenkandidatprocess).Croatia's Prime Minsiter Andrej Plenkovic said after the meeting that agreement in general was reached on the EP composition through downsizing the number of seats from 751 to 705."Croatia would be allocated one more seat and would have 12 MEPs instead of 11," the premier said after the informal meeting of EU leaders in Brussels.One of the topics on the meeting's agenda was the election of the EC President."On the issue of lead candidates — the so-called Spitzenkandidaten or Spitzenkandidatinnen — there was agreement that the European Council cannot guarantee in advance that it will propose one of the lead candidates for President of the European Commission.

There is no automaticity in this process. The Treaty is very clear that it is the autonomous competence of the European Council to nominate the candidate, while taking into account the European elections, and having held appropriate consultations," according to a press release issued on the official web site of the European Union and the press release quoted remarks by the European Council President Donald Tusk.The idea of transnational lists with candidates from several EU members running in the election together throughout the Union was not given support for the 2019 election. "As regards transnational lists, leaders will come back to this issue in the future," reads the press release.The participants in the summit meetingdiscussedthe post-2020 multiannual budget with Brexit in mind. The departure of Great Britain from the Union would also mean lowerrevenues by 12-14 billion euros annually.Furthermore, more fundingshould be set aside in the budget to tackle migrations, border protection and the defence of the Union.PM Plenkovic expects a combination of savings and higher contributions to EU budget to offset a revenue gap to be caused by Brexit.Progress made in contracting projects for SlavoniaZAGREB, Feb24(Hina) - Prime Minister Andrej Plenkovic said on Saturday progress had been made in the contracting and realisation of projects as part of the Slavonia, Baranja and Srijem Project, adding that it was necessary to strengthen the fiscal capacities of local government and combine the use of the state budget and European Union funds to create a framework for keeping young people in the Slavonia region.Speaking at the fourth session of theSlavonia, Baranja and Srijem Council in Virovitica, Plenkovic said HRK 5.5 billion worth of contracts pertaining to Slavonia had been signed since October 2016.He said it was necessary to even outproject contracting by county as some counties were more efficient and active than others. He saidthe Regional Development Ministry would continue to work on a development agreement for the Slavonia Project so as to have a financial and legal framework for fund allocation. Cooperation with the World Bank will be intensified and the stimulation of competitiveness and enterprise will continue.The ***Agriculture*** Ministry will work on solutions fordamage causedby natural disasters, special attention will be paid to the timber industry, freshwater fisheries and wine making, all important for Slavonia, Plenkovic said.Croatia is yet to feel the full benefits of the redistribution of the European budget and to improve European fund absorption, the cohesion and ***agricultural*** policies beingthe foundations of regional development, he added.Economy Minister Martina Dalic said HRK2.67 billion worth of EU grants were directed into the economy last year and that the bulk of the contracts were signed over the past 12 months, activating enterprise projects worth about HRK 5 billion.She said HRK 445 million worth of grants were allocated to enterprises in five Slavonia counties and that HRK 870 million worth of projects were launched.Dalic said a tender worth HRK 200 million was announced last weekfor small and medium enterprises toinvestin equipment and business development, adding that a tender was being prepared in cooperation with the Tourism Ministry to finance continental tourism.Regional Development and EU Funds Minister Gabrijela Zalac said that three months ago, when theSlavonia, Baranja and Srijem Council last met, 14% of the projects had been contracted, as against 30% now.She said eight tenders worth EUR 190 million from theEuropean Regional Development Fund would be announced soon, and that short, mediumand long term measures would be defined in cooperation with World Bank experts to stimulate the economy, including ***strategic*** investments.***Agriculture*** Minister Tomislav Tolusic said direct aid for farmers in five Slavonia counties last year totalled HRK1.3 billion, withHRK 810 million allocated from the rural development ***programme***, and that HRK 3.7 billion in aid was ***planned*** for this year.Tolusic also announced the possibility of Croatian Bank for Reconstruction and Development loans for farmers.TheSlavonia, Baranja and Srijem Council was established in March 2017 to coordinate the absorption of European structural and investment funds as well as national sources as part of theSlavonia, Baranja and Srijem Project, launched to secure EUR 2.5 billion for investing in enterprise, ***agriculture***, education, health care, research and development, water supply and drainage, culture, nature, transport and energy in five Slavonia counties.During their stay in Virovitica, Plenkovic and cabinet ministers visited the 23rd edition of the Viroexpo business and ***agriculture*** fair.(EUR 1 = HRK 7.4)Bridge presents ***plan*** to rescue SlavoniaZAGREB, Feb24(Hina) - The opposition Bridge party presented in Osijek on Saturday a set of proposals to improve life for Croatian citizens and stop emigration, this time focusing on ***agriculture*** and the problems faced by local farmers.The set of proposals is called "Movement to Stay" and the party has been presenting it around the country.MP Tomislav Zagar said the biggest problems in ***agriculture*** were a lack of land consolidation, a big increase in imports, a fall in production and the difficulty to market products."It'snecessary to better organise land management and control. Land tenders must be transparent and accessible to all. It's unacceptable that someone shouldlease400 hectares and not work the landbut subletit. Farmers must unite to market products more easily. It's also necessary to provide a loan ***programme*** for young farmers so that young people don't leave their homes. Also, it'snecessary to invest in new technologies with the help of European Union funds," Zagar said.Until those things change, we will have depopulation, uneven regional development, unemployment and young people emigrating from rural areas, Zagar said.Bridge president Bozo Petrov said the party was presenting legislative initiatives to stop the population drain and make those who left come back."We need a more efficient public administration and a more transparent justice system and, aboveall, a better framework for businesses because people will stay in Croatia if you offer them a better job. Also necessary are strong population measures which will help families. Those are things all of Croatia should deal with," said Petrov.Croatia's investments in its islands increase in 2016ZAGREB, Feb 24(Hina) - Croatia invested 1.7 billion kuna in the developments of its islands in 2016, which was200 million more than the average annual investments inthe islands in the previous 20 years, according to the government's report on the implementation of the Islands Act.Since 1999 when the law was adopted, the state and public sectorinvested 1.5 billion kuna annually on average inthe 50 inhabited islands and the peninsula of Peljesac.According to the2011 census, 132,756 residents lived on those islands and on Peljesac.Croatia has 78 islands, 524 islets and 642 reefs in its part of the Adriatic Sea. Of those islands, 50 are permanently or occasionally inhabited.There are the four islands connected by bridges to the mainland -- Krk, Pag, Vir and Ciovo -- and their population increased by 10.3% from the previous census in 2001 to 42,245 inhabitants in 2011.All other islands had 82,710 inhabitants on the aggregate, down 2.1% compared to 2001.Some municipalities and towns on the islands saw a rise in their population in the period from 2011 to 2014. For instance, the municipality of Solta on the island with the same name saw an increase from 1,770 to 1,990, and Pasman on the island of Pasman saw a rise from 2,131 to 2,275.Of the 1.7 billion kuna invested in the islandsin 2016, 1.3 billion were non-repayablefunds, and 432 million kuna wereloans approved by the Croatian development bank HBOR, according to the report forwarded to the national legislature.The agency forSMEs and investments setaside 12 million kuna for the islands two years ago.Croatian inventors win 11 awards in Malaysia, including main prize and two goldsZAGREB, Feb 24 (Hina) - Croatian inventors and entrepreneurs have won 11 awards at the Malaysia Technology Expo (MTE) in Kuala Lumpur, including the main prize, two golds, two silvers and three bronzes, for seven inventions and new products, the Zagreb Alliance of Inventors said on Saturday.Vjekoslav Majetic of the DOK-ING company was the best Croatian exhibitor, winning the main prize and a gold medal.Croatia's exhibition area was voted the second best, the organisers presenting the Croatian Chamber of Commerce (HGK) and the Zagreb Alliance of Inventors with a special award.About 600 inventions from Malaysia and 17 countries from Southeast Asia and Europe were shown at the fair.As part of HGK's 15th Innovation Mission, Croatian inventors met with Asian entrepreneurs to commercialise Croatian inventions and encourage business cooperation between Croatia, Malaysia and Southeast Asia.At the Croatian Embassy in Kuala Lumpur, talks were held with a Bangladeshi state delegation interested in commercialising the products of DOK-ING, which makes robotised and special purposes systems and equipment, and Priroda Lijeci, a manufacturer of natural cosmetic products.Next year, Croatia will be the partner country at 18th MTE. It will be the first time the international expo on inventions and innovations has a partner country and the tenth time that Croatia participates in the event.The Croatian delegation also presented the 43rd Croatian exhibition of inventions INOVA – BUDI UZOR 2018, to be held in Zagreb in November and, according to promises from national delegation heads, likely to draw numerous inventors from Malaysia, Indonesia, Singapore, Iran and Taiwan.Croatian campsite receives prestigious German awardZAGREB, Feb24(Hina) - TheCikat campsite on the Croatian island of Losinjhas received theDeutscher Camping-Club (DCC) Europapreis 2018 award at theReise & Camping fair in Essen, Germany.The award, given since 1996 by Germany's largest camping tourism association, was given to Cikaand another five campsites in Germany, Austria and Spain.Six Croatian campsites have received this award so far.Cikatis part of the Jadranka Kampovi company, which has been in business 70 years and operates three more campsites which can receive 9,300 guests in total.Olive growers from Mediterranean meet in SplitZAGREB, Feb 24 (Hina) - The 15th edition of an international two-day conference of olive growers began in Split on Saturday, bringing together 750 participants from eight Mediterranean countries.Opening the event, Assistant ***Agriculture*** Minister Krunoslav Karolic said that 22,000farms and businesses were included in the Croatian olive growing sector.He said that the olive growing sector and olive oil production were of ***strategic*** importance for Croatia's ***agriculture***.Croatia has olive oil museumIn May 2017, the House of Istrian Olive Oil, the first olive growing museum in Croatia, opened in the northern coastal town of Pula, presenting the history of olive growing and manufacturing in Istria and elsewhere in Croatia as well as providing tasting and education.Istriahas 1.5 million olivetrees and 160 olive oil ***producers***, and it boasts of internationally renownedextra virgin olive oil.Croatian, Serbian representatives talk war missingZAGREB, Feb24(Hina) - Representatives of relevant Croatian and Serbian bodies met on Friday to discuss people gone missing in the Homeland War,concludingthat the information on themissingdelivered during Serbian President Aleksandar Vucic's recent visit refersto persons who havealready been found, the Croatian War Veterans Ministry said on Saturday.The information was delivered with good intentions but checks have revealed that the data refertopersons who have been found and whose personal data arevery similar to those of persons for whom the ministry's department for detained and missing persons is still looking.The meeting was organised by the Croatian government's commission for detained and missing persons, whose chairStjepan Sucicand his Serbian counterpart Veljko Odalovic agreed that it is necessary to intensify the resolution of outstanding issues.In order to advance relations in the search for the missing, it was agreed that it is necessary to adopt a new act as the current legal framework datesback to 1995 and that it is necessary to highlight the search for the missing as a humanitarian issue.It was agreed that the next meeting will be held by the end of April, again in Zagreb.Pope Francis receives Bosnia's Presidency membersZAGREB, Feb24(Hina) - Pope Francis on Saturday received the three members of Bosnia and Herzegovina's Presidency and they talked about the situation in the country, the Presidency said in a press release.The Presidency members informed the pope about the political relations in BiH and the reforms aimed at drawing closer to European Union membership in light of the recently presented enlargement strategy for the Western Balkans, the press release said.The Bosnian officials thanked Pope Francis and the Holy See for the support extended to BiHso far, voicing hope that the support would continue.Presidency member Bakir Izetbegovic said in a statement the pope insisted that more be done so that young people stayed in Bosnia and to preserve their identity.Izetbegovicsaid that he and the other two Presidency members, Dragan Covic and Mladen Ivanic, held separate meetings with the Holy SeeSecretary of State Pietro Parolin and that they discussed the situation in BiH in detail.Thefocuswason changes to election legislation and the relations between the nations in BiH, specifically "the problem of the domination of those more numerous in different parts of BiH," said Izetbegovic.He said the talks in the Vatican were successful and gave reason for optimism.Zagreb joins in campaign marking Rare Disease DayZAGREB, Feb 24 (Hina) - The Croatian capital of Zagreb on Saturday joined in markingRare Disease Day, that is observed on the last day of February each year to raise awareness among the general public and decision-makers about rare diseases and their impact on patients' lives.Throughout February, activists of the national federation for rare diseases toured 19 cities and crossed 2,000 kilometres through the country to help raise awareness about rare diseases. Their last stop in this campaign wasZagreb. The campaign ends on 28 February when findings of a survey about the living standards of patients suffering from rear diseases will be presented.Rare diseases are considered to be those that affect fewer than five people per 10,000 inhabitants. About 250,000-300,000 people in Croatia are estimated to be suffering from such diseases. They often appear in childhood because in most cases they are genetically determined, and they put a heavy burden on the patient and their family because of problems in diagnosing such diseases and in seeking adequate treatment.In Europe, 6-8% of the population suffer from rare diseases.If diagnosed in time, many rare diseases can be successfully treated and controlled.In Croatia, there have been some 400 rare diseases diagnosed so far.In 2015,the government earmarked HRK 360 million (approximately 47 million euros) for the establishment of a register of Croatians diagnosed with rare diseases and for improving the provision of the necessary drugsfor the treatment of those diseases as well as for the social inclusion of such patients.14th ZagrebDox starts on SundayZAGREB, Feb24 (Hina) - This year's edition of ZagrebDox, an international documentary filmfestival, begins on Sunday and runs through March 4, beginning at the KaptolBoutique cinemawitha screening of "Over the Limit" by Marta Prus aboutthe Russian system for training athletes."Over the Limit" is described on the festival's website as abehind-the-scenes drama about the intense physical and mental labor put into a sport that thrives on its beautiful aesthetics.The festival's competition ***programme*** has international and regional categories. The regional competition ***programme*** consists offilms from Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Hungary, Italy, Kosovo, Macedonia, Montenegro, Romania, Slovenia and Serbia.There are 21 films in the International Competition and 17 in the Regional Competition this year.Besides the competition ***programme***, ZagrebDox has a number of non-competition ***programmes***.Launched in 2005,ZagrebDox is a specialized festival that presents the best creative documentary films with an imaginary form and a choice of topicsmakingit unique in Croatia and Europe.THIS BULLETIN INCLUDES ITEMS RELEASED BY 2100 HRS ON SATURDAY (Hina) ha Masthead Brief News Bulletin is published by the Croatian News Agency HINA Marulićev trg 1610 000 ZagrebCroatia web:[*www.hina.hr*](http://www.hina.hr) mail: [*hina@hina.hr*](mailto:hina@hina.hr) phone: (+385 1) 48 08 660; fax (+385 1) 48 08 822 Publisher: Branka Gabriela Valentić, DirectorEditor in Chief: Serđo Obratov Bulletin Editor: Marija Šestan

ZAGREB, Feb24(Hina) - Prime Minister Andrej Plenkovic said on Saturday progress had been made in the contracting and realisation of projects as part of the Slavonia, Baranja and Srijem Project, adding that it was necessary to strengthen the fiscal capacities of local government and combine the use of the state budget and European Union funds to create a framework for keeping young people in the Slavonia region.

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[***Egyptian government works with private sector to revitalise domestic agriculture***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:5WS6-C4X1-DXYV-74H8-00000-00&context=1516831)

Oxford Business Group: Articles

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**Body**

Despite Egypt's largely arid landscape, a number of factors have allowed the country to develop as an ***agricultural*** centre, including the fertile belt surrounding the Nile, a widespread and advanced irrigation system, and year-round sunshine. However, in recent decades, Egypt's fast-growing population has largely outstripped the development of its production capacity, leaving the country dependent on food imports even for basic staples, including wheat, since 1974.

This is set to change as part of the government's export-focused economic reform efforts. Leaders in the ***agriculture*** sector are looking to new technologies and policy shifts that can not only make Egypt a self-sufficient ***producer***, but also an exporter of ***agricultural*** commodities that contribute significantly to GDP.

**Sector Status**

***Agriculture*** remains an important part of the Egyptian economy, even as other sectors have grown. According to a 2016 paper published by the International Food Policy Research Institute (IFPRI), although the contribution of ***agriculture*** to GDP and domestic employment has declined in recent decades, it has done so at a slower rate than many other developing countries. According to most current data available from the World Bank, in 2015 the value-add from ***agriculture*** accounted for 12% of Egypt's GDP and 26% of employment. Egypt's irrigation system dates back to ancient times but, despite international and local efforts, channels and pumping stations are still in need of renewal. According to the European Commission, Egypt's area of farmland in production increased by 6.2% between 2003 and 2011. ***Agriculture*** policy is established by the Ministry of ***Agriculture*** and Land Reclamation (MALR), in coordination with the Ministry of Water Resources and Irrigation (MWRI). In February 2017 Abdel Moneim El Banna was appointed the new minister of ***agriculture*** and land reclamation, replacing Essam Fayed as part of a larger Cabinet reshuffle.

**International Interest**

The ministries are supported by the government-run ***Agricultural*** Research Centre, and are advised by a variety of international organisations, including the UN Food and ***Agriculture*** Organisation (FAO), the World Bank, the World Food ***Programme*** (WFP), and various development agencies and companies. In September 2017 the International Finance Corporation announced $150m worth of investments in Egypt's ***agriculture*** industry in partnership with the local private sector. There is also increased interest from new partners. In August 2017 international press reported that Egypt and the Korea-Arab Society signed an agreement to build a $10bn ***agricultural*** city in the north-western Qattara Depression area. The city is expected to be completed in 2018 and will include 50,000 self-regulating greenhouses as well as a number of seawater desalination and solar power plants. A UK trade delegation of 14 companies - most of them new to Egypt - also visited Cairo in September 2017 to explore investment opportunities in the ***agriculture*** sector.

Given its ***strategic*** location, as well as free trade agreements signed with the EU, Turkey, COMESA and other MENA countries, there is potential for Egypt to become an export hub for the region, as well as for new markets further afield, including Australia and Canada.

**Government Efforts**

A long-standing priority for the government has been to shift the ***agricultural*** balance of trade. As noted in a 2017 FAO report, Egypt has the second-highest ***agricultural*** import expenditure as a share of export revenues in the region, at over 35%, second only to Yemen. There have been challenges on this front due to the November 2016 currency devaluation. In August 2017 the head of Egypt's ***Agriculture*** Export Council, Abdel Hamid Al Demerdash, estimated sales from the export season at about $2.1bn, a decline from around $2.2bn in 2015, dampening hopes that the globally competitive prices of exports would result in high enough volumes to see increased revenue. However, the government has been taking steps as part of a longer-term strategy to reverse this trend and narrow the import/export gap, including the promotion of the growth of high-value crops like certain fruits and vegetables, as well as cotton (see analysis).

One key step has been to increase the area available for ***agriculture*** - currently only 3.8% of total land, according to the World Bank. To this end, 630,000 ha in the Western Desert is to be modified for ***agricultural*** and used to raise production. First announced in 2009, the effort is intended to develop arable farmland and distribute it to university graduates, local companies and foreign investment firms. Landholders will receive tax incentives on rents for 10 years. To date, irrigation wells have been drilled and crops planted in a pilot area of 4200 ha; the next phase will include 5000 additional irrigation wells. While projects like this represent promising efforts to raise production, sustainability remains a consideration when cultivating land away from the fertile belt around the Nile. "In Egypt, the cultivated area is about 25% former desert, and we see the fertility index per feddan (approximately anacre) decreasing because most new cultivated area is primarily desert, an expansion trend among both public and private players," Richard Tutwiler, director of the Research Institute for a Sustainable Environment, told OBG.

Another important government initiative has focused on improving the overall quality of the ***produce*** to increase exports. In July 2017, following a decree from Prime Minister Sherif Ismail, the MALR began a ***programme*** to track the quality of ***agricultural*** products on the market by testing ***produce*** samples from various governorates at the Central Laboratory of Pesticide Residues and Heavy Metals. In August 2017 international press sources also reported on extensive efforts to reverse international bans placed on Egyptian ***produce*** from countries such as the UAE and Sudan, including strawberries and peppers.

**Subsidy Shift**

The goal of providing affordable basic staples such as bread, rice, vegetable oil and sugar to Egypt's most vulnerable population segments remains an understandable policy concern. However, the implementation of the subsidy ***programme*** has attracted criticism for what is seen as unsustainable design. Established in the 1950s the policy has led the government to purchase domestically ***produced*** wheat at or above global prices and then both sell the ***produced*** flour at below market prices and provide subsidies for consumers purchasing the bread. This has made Egypt one of the highest food-subsidy providers in the region, outstripping neighbouring countries like Morocco, Tunisia, Algeria and Jordan.

In August 2017 the government moved away from subsidising the production process by implementing a new policy in which subsidies would only be provided for final bread products. The shift is expected to reduce the state's costs by at least 5%.

According to the FAO, this means that transactions along the production chain from state-run buyers to millers, as well as from millers to bakers, would be conducted at market prices, while bread will still be sold at subsidised prices to consumers, with the government paying the bakers the difference in production costs.

**Water Resources**

Accessing sufficient freshwater remains a core challenge in Egypt's arid climate. According to the Central Agency for Public Mobilisation and Statistics (CAPMAS), the sector accounted for 81.5% of the total use or 62.1bn cu metres in 2015/16. Furthermore, renewable freshwater resources per capita have been declining since the 1950s as population grows and regional competition for control of the Nile becomes increasingly tense. Some estimate that the 600 cu metres per capita of water supply each year will fall below the 500-cu-metre threshold by 2025, which is considered "absolute water scarcity" by the FAO.

This issue is becoming more salient with the ongoing construction of Ethiopia's Grand Renaissance Dam, which could decrease Egypt's access to the Nile by around 25% for at least three years, although this could be much longer depending on factors such as the filling of the dam ahead of operations. However, Egypt continues to maintain dialogue with Ethiopia in order to minimize any disruption in this regard. As of January 2018 construction on the dam was more than 60% complete. Given that in FY 2015/16, 72.8% of Egypt's renewable water resources, or 55.5bn cu metres, came from the Blue Nile, this is a concern for ***agriculture***. "Priority for water supplies will always be for drinking and domestic use, and as the population rises, there will always be more demand for this; any cuts in the case of demand exceeding fresh water supply will be from ***agriculture***," Safwat Abdel-Dayem, professor emeritus at the National Water Research Centre, told OBG.

**Water Solutions**

The World Bank's "Enabling the Business of ***Agriculture*** 2017" report noted that Egypt still has a way to go when it comes to integrated management of these limited resources, ranking below countries like Morocco and Jordan. The government has taken steps to address the water shortage issue, manifested in the drafting of the new water resources and irrigation bill in July 2017, which calls for penalising farmers who grow water-intensive crops, including rice, outside specific authorised land plots and enhancing integrated water use in all sectors. In addition, the Farm-level Irrigation Modernisation Project is being implemented by the MWRI and MALR, focusing on both structural improvements and increased awareness of water conservation methods. "We need to modernise both the 'hardware' of canals and pipes to reduce losses, as well as the 'software' of improving farmers associations to ensure local communities share responsibilities for the water situation. Technology by itself will not be enough to achieve the objective of sustainable ***agricultural*** production. You need good management and awareness as well," Abdel-Dayem, told OBG.

Another effort to close the gap between supply and demand is improving wastewater treatment ***programmes*** that allow Egypt to reuse drainage water for ***agriculture***. "We need to accelerate the pace of wastewater treatment facilities. The problem with the infrastructure for treating wastewater from domestic sources is that it needs to be developed enough to be proportional to the expansion in drinking water," Abdel-Dayem told OBG. Since the late 1950s, Egypt's drinking water supply has developed quickly, while the treatment of wastewater from domestic uses did not develop at the same rate. This left coverage of waste-water treatment availability in the range of 40-50%, 85% of which was in urban areas and 15% in rural areas, which attracted interest from the World Bank, German development bank KfW, the Swiss Development Bank and the Islamic Development Bank. In addition, the Holding Company for Water and Wastewater, which created a ***plan*** for water and sanitation, forecasts $3.5bn of investment in wastewater treatment up to 2020.

Hydroponics, a farming technique that allows for the growth of plants in pH-balanced water rather than soil, is also an emerging domestic industry, as shown by the rise of firms like Egyptian Hydrofarms. The technology removes the need for harmful pesticides and also allows for water conservation. "In the last five to six years, a sophisticated, niche high-end market for hydropononics has developed that highlights the organic nature of products of the technology," Tutwiler told OBG.

**Fruits & Vegetables**

As high-value crops, fruits and vegetables are a key focus for increasing exports. According to CAPMAS "Egypt in Figures 2017" report, the production of high-value fruits has expanded in recent years; notably, the production of palm dates increased by 15% between 2014 and 2015, while citrus fruits grew by 5.6% and soya beans by 17.5%.

Exports of Egyptian vegetables, fruits and legumes amounted to $2.2bn in 2016 and there is additional potential to increase production and export of highvalue fruit and vegetables. "The expansion of production of vegetables and fruits has been remarkable during the past 15 years. If you travel on the desert road from Cairo to Alexandria, you will see a lot of orchards growing fruit, at least half of which goes to export," Abdel-Dayem told OBG. "This will improve the food trade balance for Egypt, which now imports 50% of its grains consumption. And there is already a big role for the private sector, as most of these farms belong to individuals and private companies." Tutwiler also noted the improved export quality and investment from international donors in supporting horticulture and high-value crops. "In general, this success has been driven by large-scale commercial farms that import new technologies, with a lot of smallholders feeding these larger exporters," he told OBG.

As detailed in a March 2017 FAO report, two of the highest-potential crops are oranges and table grapes. Oranges are the largest crop grown in Egypt, taking up 520,000 acres of cultivated area, with exports that comprise almost 12% of world exports by value. Table grapes are also a promising crop for export, with increasing numbers of high-quality local ***producers*** and export values rising, in spite of almost constant yields and decreasing production overall since 2008.

Despite this increase, local consumption of these products remains low. According to the WFP, the average household spends 40.6% of its income on food, but one in three Egyptians has poor dietary diversity. This has been getting worse, as local consumption of vegetables has been trending downward from 136.6 kg per capita consumption in 2012 to 101.7 kg in 2015.

**Cereals**

According to the WFP, Egypt is the world's largest importer of wheat, making it especially vulnerable to global food price fluctuations. Indeed, as noted by CAPMAS, in 2015 Egypt was only 49.1% self-sufficient for wheat, and 56.2% for maize. FAO forecasts put cereal crop production in 2017 at average levels, with import requirements expected to remain at same level during 2016/17, at around 20.8m tonnes. Wheat imports specifically are estimated at 12m tonnes. Increasing the volume and efficiency of cereal production is a priority. By 2030 authorities aim to boost the yield per feddan by 3.6 tonnes for wheat, 5.2 tonnes for rice and 5 tonnes for maize, and to expand the cultivated areas available for crops like sorghum and barley. The strategy also intends to reduce pre- and post-harvest losses, which exceed 10% in cereals, by creating heartier varietals and improving transportation and storage facilities.

**Poultry & Livestock**

As Egypt's burgeoning population becomes urbanised, there has been a demonstrated growth in demand for poultry and livestock, particularly pre-prepared products that are easily purchased at an organised retail outlet. As noted in the FAO's "2017 Africa Sustainable Livestock Country Brief for Egypt", livestock imports have increased as demand outstrips supply, with local meat production, for example, only covering 74% of the demand in 2013.

The FAO estimates demand for livestock products will skyrocket between 2015 and 2050, with consumption of beef, milk, poultry and eggs increasing by over 400%, 300%, 1100% and 480%, respectively. To boost local production, a 2017 decree was issued to organise poultry farm licensing such that small farms are consolidated into a larger operation, increasing efficiency.

**Fisheries**

Although the climate is arid, Egypt is surrounded by the Mediterranean and Red Seas, the Suez Canal, assorted lakes and the Nile. In recent decades the country has developed aquaculture, which officially surpassed more traditional capture fishing in 2003. According to the CAPMAS "Egypt in Figures 2017" report, seafood production rose by 2.5% between 2014 and 2015, reflecting a decreased reliance on sea sources (-4.5%) and an increased reliance on fish farms (4.9%). This is part of a longer trend; as detailed in a 2015 research paper on the status of Egypt's fisheries published in *Reviews in Fish Biology and Fisheries*, a quarterly academic journal, on the status of Egypt's fisheries, total production in 2012 was approximately 1.4m tonnes, triple the 457,036 tonnes ***produced*** in 1997, with 75% of this from aquaculture.

**Outlook**

Egypt's status as a regional ***agricultural*** hub and its focus on significantly improving its current ***agricultural*** practices should help the country continue to provide opportunities for market entrants. Attaining the goals set for both self-sufficiency in staples and increased export targets will require continuous technology updates and expertise.

Should these ***planned*** improvements to irrigation systems and water management protocols come to fruition, alongside an efficient supply chain to ensure quality control of crops, Egypt will be well positioned to take advantage of its ***strategic*** location between potential trade partners across the MENA region.

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