



**COUNCIL OF
THE EUROPEAN UNION**



15295/06 (Presse 326)

PRESS RELEASE

2765th Council Meeting

Transport, Telecommunications and Energy

ENERGY

Brussels, 23 November 2006

President **Mr Mauri PEKKARINEN**
Minister for Trade and Industry of Finland

P R E S S

Main Results of the Council

The Council adopted conclusions in response to the Commission's Action Plan on promoting energy efficiency.

Also in the field of energy, the Council endorsed a Ministerial declaration on Energy Co-operation between the EU, the Littoral States of the Black and Caspian Seas and their neighbouring countries in the framework of the Baku initiative.

The Council adopted a Regulation on the import of certain steel products originating in Ukraine.

CONTENTS¹

PARTICIPANTS	5
---------------------------	----------

ITEMS DEBATED

SUSTAINABILITY OF ENERGY PRODUCTION AND CONSUMPTION: PROMOTING ENERGY EFFICIENCY AND RENEWABLE ENERGY	7
---	---

– Commission's Action Plan on Energy Efficiency	7
– Council conclusions on the Commission's Action Plan on Energy Efficiency	7
– Promotion of energy efficiency and the use of renewable energy sources	12

OTHER BUSINESS	14
----------------------	----

– International relations in the field of energy	14
– Energy Star	15
– Information from the Commission on the state of play of the ongoing review of Community guidelines on state aid for environmental protection	15
– Information from the Commission on the electricity blackouts on 4 November 2006	16
– Meeting of Central - European Energy Ministers	16

OTHER ITEMS APPROVED

ENERGY

– Baku initiative	17
-------------------------	----

TRADE POLICY

– Anti-dumping - Russia - Silicon	17
– Ukraine - Steel products	17

¹

- Where declarations, conclusions or resolutions have been formally adopted by the Council, this is indicated in the heading for the item concerned and the text is placed between quotation marks.
- The documents whose references are given in the text are available on the Council's Internet site <http://www.consilium.europa.eu>.
- Acts adopted with statements for the Council minutes which may be released to the public are indicated by an asterisk; these statements are available on the abovementioned Council Internet site or may be obtained from the Press Office.

AGRICULTURE

- EC/Switzerland - Trade in agricultural products 17
- Transmissible spongiform encephalopathies - rules for prevention, control and eradication..... 18

ENVIRONMENT

- Floods * 18

PARTICIPANTS

The Governments of the Member States and the European Commission were represented as follows:

Belgium:

Mr Marc VERWILGHEN

Minister for Economic Affairs, Energy, Foreign Trade and Scientific Policy

Czech Republic:

Mr Tomáš HÜNER

Deputy Minister for Industry and Trade

Denmark:

Mr Jeppe TRANHOLM-MIKKELSEN

Deputy Permanent Representative

Germany:

Mr Peter HINTZE

Parliamentary State Secretary to the Federal Minister for Economic Affairs and Technology

Estonia:

Mr Tiit NABER

Deputy Permanent Representative

Greece:

Mr Dimitrios SIOUFAS

Minister for Development

Spain:

Mr Ignasi NIETO

Secretary General for Energy, Ministry of Industry, Tourism and Trade

France:

Mr François LOOS

Minister with responsibility for Industry

Ireland:

Mr Noel DEMPSEY

Minister for Communications, Marine and Natural Resources

Italy:

Mr Pierluigi BERSANI

Minister for Economical Development

Cyprus:

Mr Efstathios HAMBOULLAS

Director, Department of Public Works, Ministry of Communications and Works

Latvia:

Mr Juris STRODS

Minister for Economic Affairs

Lithuania:

Mr Vytautas NAVICKAS

Minister for the Economy

Luxembourg:

Mr Georges FRIEDEN

Deputy Permanent Representative

Hungary:

Mr János KÓKA

Minister for Economic Affairs and Transport

Malta:

Mr Ninu ZAMMIT

Minister for Resources and Infrastructure

Netherlands:

Mr Pieter BOOT

Deputy Director General at the Directorate General for Energy and Telecom, Ministry of Economic Affairs

Austria:

Mr Martin BARTENSTEIN

Federal Minister for Economics and Labour

Poland:

Mr Piotr NAIMSKI

Deputy Minister for Economic Affairs, State Secretary, Ministry of Economic Affairs

Portugal:

Mr António CASTRO GUERRA

State Secretary for Industry and Innovation, attached to
the Minister for Economic Affairs and Innovation**Slovenia:**

Ms Mary Veronica TOVŠAK PLETERSKI

Deputy Permanent Representative

Slovakia:

Mr Juraj NOCLAR

Deputy Permanent Representative

Finland:

Mr Mauri PEKKARINEN

Minister for Trade and Industry

Sweden:

Ms Maud OLOFSSON

Deputy Prime Minister and Minister for Industry and
Regional Development**United Kingdom:**

Lord TRUSCOTT

Parliamentary Under-Secretary of State (Energy)

.....

Commission:

Mr Andris PIEBALGS

Member

.....

The Governments of the Acceding States were represented as follows:

Bulgaria:

Ms Galina TOSHEVA

Deputy Minister for the Economy and Energy

Romania:

Mr Darius MESCA

State Secretary, Ministry of Economy and Trade

ITEMS DEBATED**SUSTAINABILITY OF ENERGY PRODUCTION AND CONSUMPTION: PROMOTING ENERGY EFFICIENCY AND RENEWABLE ENERGY**– *Commission's Action Plan on Energy Efficiency*

The Council took note in a public debate of the presentation by Commissioner Andris Piebalgs of the recently adopted Action Plan for Energy Efficiency (14349/06).

The Commission's "Action Plan for Energy Efficiency: Realising the Potential" contains a package of 75 priority measures covering a wide range of cost-effective energy efficiency initiatives. These include actions to make energy appliances, buildings, transport and energy generation more efficient. The Action Plan is to be implemented over the next six years. The Commission indicates in its Action Plan that a Community's 20% energy saving potential by 2020 is technically and economically feasible. The realisation of these savings could by 2020 lead to annual savings of EUR 100 billion¹ and 390 Mtoe², whilst reducing the EU's CO₂ emissions more than twice as much as required by the Kyoto Protocol by 2012.

– *Council conclusions on the Commission's Action Plan on Energy Efficiency*

Following the presentation by Commissioner Andris Piebalgs of the Action Plan for Energy Efficiency and in response to it, the Council adopted the following conclusions in a public debate:

"Council welcomes and supports the overall approach of the Commission's ambitious Action Plan for Energy Efficiency. Council agrees that energy efficiency and energy savings constitute a cornerstone of the Energy Policy for Europe. Energy efficiency and energy savings contribute concurrently to the three main Community energy policy objectives relating to security of energy supply, competitiveness and sustainable development including climate change.

¹ Estimated on the basis of a price of USD 48 per barrel net of taxes.

² Million tonnes oil equivalent.

Therefore, Council confirms its commitment to work together with the European Commission and the European Parliament, and with the Community's industry and citizens, in a joint attempt to realise the Community's 20% energy saving potential by 2020, which the Commission estimates to be technically and economically feasible. The realisation of these savings could by 2020 lead to annual savings of EUR 100 billion¹ and 390 Mtoe², whilst reducing the EU's CO₂ emissions more than twice as much as required by the Kyoto Protocol by 2012.

Without prejudice to its position on individual actions proposed in the Action Plan, Council encourages the Commission to proceed rapidly with its implementation, in line with its ambitious timetable and taking due note of these Council Conclusions.

I. General considerations

Baselines in Member States at national or regional level, energy efficiency actions under way

Many Member States have already adopted National Energy Efficiency Action Plans, with a dedicated national authority or agency. Under the Directive on energy end-use efficiency all Member States will be required to do this. Effective coordination between these National Action Plans and action at Community level will be important. It should be noted however that the potential for further energy savings varies from one Member State to another, as do the resources made available and actions taken.

Realising the full potential of existing EU legal instruments

The optimal implementation and enforcement of existing legislation relating to energy efficiency³ is essential and, with close cooperation between all players, will provide a substantial part of the energy savings which the Community is able to achieve in the short to medium term. Reporting requirements under different legislative instruments and reporting to Eurostat should be rationalised and streamlined, including by using the National Energy Efficiency Action Plans from the Directive on energy end-use efficiency for other reporting obligations.

The successful implementation of the recommendations in the Commission's Action Plan also requires a continued and strengthened focus on R&D on energy efficiency in the context of the Seventh Research and Development Framework Programme (2007-2013), in the context of the energy component of the Competitiveness and Innovation Framework Programme (CIP) as well as in the context of the overall CIP.

¹ Estimated on the basis of a price of USD 48 per barrel net of taxes.

² Million tonnes oil equivalent.

³ Directive 2006/32/EC on energy end-use efficiency and energy services, Directive 2005/32/EC on ecodesign requirements for energy-using products, Directive 2004/08/EC on promotion of cogeneration, Directive 2002/91/EC on the energy performance of buildings and Directive 92/75/EEC on Labelling.

Criteria for actions at EU level

Any proposal for new legislation and adaptation of existing legislation must be subjected to a high quality impact assessment to assess, in a balanced way, the social, environmental and economic dimensions of sustainable development, taking into account the external dimension of sustainable development and the costs of inaction and in accordance with the principles of good governance and better Regulation. Such a comprehensive impact assessment should provide a clear view of potential cost-effective energy savings, as well as an evaluation of the relation to overall EU policy goals, especially as concerns energy, competitiveness, sustainable development and economic and social goals. Furthermore, the subsidiarity principle should be respected, and voluntary agreements with industry should be considered where appropriate.

Council encourages the Commission to cooperate closely with Member States and other stakeholders when drafting and implementing new measures as well as when monitoring and analysing the results achieved and examining the need for possible improvements. The final choice between different potential instruments should be based on a thorough comparison of their effectiveness, estimated cost for governments and market players, and the compatibility of the instrument with the existing legal and business frameworks. Thereafter, monitoring and reporting should be carried out in an effective manner, avoiding bureaucratic reporting requirements from the EU.

Main obstacles and challenges

More attention and effort should be devoted to the translation of R&D results into energy-efficient products and services on the market and to the demonstration of these products and services. Legislation which discourages the promotion of energy efficiency should be reviewed and amended as appropriate. The ongoing review of the Community Guidelines on State Aid for Environmental Protection should take better account of energy efficiency considerations and should be completed as soon as possible. Moreover, the awareness, motivation and behaviour of public authorities, consumers and industry with regard to increased energy efficiency should be further improved. Given the need to ensure adequate resources from all those involved in the development of the proposals of the Action Plan and their implementation, the Commission should seek to ensure that adequate resources are available in accordance with applicable budgetary rules and within its overall budget.

II. Actions under the six pillars of the Action Plan on Energy Efficiency

Dynamic energy performance requirements for energy-using products, buildings and energy services

Council agrees that dynamic and regular updating of appliance and equipment labelling, minimum performance requirements and reduced stand-by energy use are a priority area, designed to stimulate market penetration of the most energy-efficient products and to eliminate the least energy-efficient ones. Council invites the Commission to take into account the experience from the ongoing implementation of the Buildings Directive before expanding its scope or including minimum performance requirements for new or renovated buildings.

Improving energy transformation

The considerable differences between Member States in terms of the efficiency of their energy generation, transmission and distribution networks dictate a differentiated yet focused approach, with specific targeted actions where necessary. Close cooperation is needed between all players to identify and remove barriers to improving energy efficiency in this area, including through innovation and technology.

During the next few decades, there will be a need to replace old electricity and heat production capacity with new. Therefore, Council underlines that it is important to ensure that the most energy-efficient technology available is used for the construction of new capacity, including the increased use of high-efficiency CHP, district heating and cooling and waste heat recovery, and whilst taking into account considerations relating to cost-effectiveness, security of supply and the environment.

Moving on transport

Transport in general - including public, professional and private transport - holds a huge potential for increased energy efficiency, and a correspondingly large spectrum of possible measures exists to achieve this potential through an integrated approach. Therefore, Council encourages the Commission and Member States to ensure continuous improvement in the energy efficiency of vehicles, in combination with policies on improved driver behaviour, infrastructural measures, urban transport and multimodal transport, also by using real-time traffic and travel systems in all modes of transport and, where appropriate and practical, measures to reduce the need for transport. In this context, potential synergies with the Community's relevant strategies and R&D programmes should be exploited.

Furthermore, Council encourages the Commission to consider, in addition to its list of proposed measures, other measures with comparable effects on energy efficiency (such as, for example, mandatory fuel consumption meters for cars, aerodynamic improvements, Galileo-linked voluntary speed limiters *et cetera*). Council looks forward to receiving the forthcoming Commission Communication on a revised long term strategy to reduce CO₂ emissions from cars, since Council considers a further reduction of emissions to be of key importance.

Financing energy efficiency, economic incentives and energy pricing

New, innovative approaches, including public-private partnerships, are needed in order to lower the barriers to energy-efficient investments. All energy-efficiency investments which are clearly cost-efficient in the short, medium or long term should be further encouraged and facilitated.

Financial institutions, business, including SMEs, and the public sector need guidance and advice, in both the investment and implementation phases of energy-efficiency projects. Structural and Cohesion Funds are essential financing sources for energy efficiency investments.

Changing energy behaviour

Tailored measures and actions should be undertaken at national or local level to motivate energy users to reduce their energy consumption, in particular by "activating" the energy consumer with feedback on use - for example by smart metering - and with information on how to reduce consumption. EU projects and networks could provide input for these measures and actions. In parallel, the exchange of best practice and experience between authorities, companies and other players in society should be stimulated and optimised; best practice should furthermore be disseminated to public authorities, consumers and industry. The public sector should fulfil an exemplary role, and local and regional energy agencies have a key contribution to make. The role which education, training, ESCO's, energy managers and energy audits can play should be facilitated and promoted.

International partnerships

At the global level, minimum energy efficiency performance requirements for energy using products and products affecting energy use, product standards, agreements on measurement methods, labelling schemes, procurement guidelines for energy-using equipment and energy audit programmes should be developed and implemented. Whenever possible, this should be done in line with the Community's work on dynamic energy performance requirements for energy-using products, buildings and energy services. In order to achieve this, the European Union should cooperate proactively with key stakeholders such as the IEA, G8 (Gleneagles Dialogue), WTO, UN bodies and relevant third countries, with the aim of concluding an International Framework Agreement on Energy Efficiency. In this context Council takes note of the Commission's contribution, in the form of its recent Communication on the Global Energy Efficiency and Renewable Energy Fund ¹.

With regard to the Lisbon agenda, Council notes that there is considerable potential synergy between the EU's aim of promoting energy-efficiency globally and the increased opportunities for competitive EU companies on the global market for energy-efficient products and services.

¹ 13809/06 + ADD 1 + ADD 2

III. Priorities

Among the many good proposals listed in the Commission's Action Plan, Council would highlight the following five actions as being of key importance for the Commission and Member States during the six-year application period of the Action Plan:

- Exploit the huge energy-efficiency potential in transport, using an integrated approach and a variety of measures including voluntary agreements and legislation if necessary, *inter alia* by making rapid and continuous cost-effective improvements in vehicle fuel efficiency in cooperation with the automobile and fuel industries.
- Dynamically and regularly improve and expand the scope of minimum efficiency requirements for energy-using equipment, including standby-loss reduction. In this context, the Eco-Design Directive should be fully utilised and international co-operation on energy performance requirements should be strengthened.
- Improve the energy-efficient and energy saving behaviour of all energy consumers, including by demonstrating the benefits of available energy efficient technology and behaviour and for example by revising, enlarging the scope of, and regularly upgrading the Framework Directive 92/75/EC on labelling and the resulting implementing Directives.
- Use instruments at European, national and regional level, such as the Seventh Research and Development Framework Programme, in order to maximise the contribution which R&D, innovation and technology can make to energy efficiency.
- Continue the implementation of the Buildings Directive, and on the basis of experience gained from its application, utilise and develop the framework provided by the Directive to realise the potential for further energy savings from buildings".
- ***Promotion of energy efficiency and the use of renewable energy sources***

The Council held a public policy debate on the basis of a Presidency questionnaire (15212/06) which focused on two important aspects of EU energy policy - namely energy efficiency and the use of renewable energy sources.

Both energy efficiency and renewable energy are part of the overall consideration of EU energy choices to be addressed in the context of the forthcoming Strategic EU Energy Review and the accompanying Renewable Energy Roadmap. Strategic Decisions on the future direction of EU policy in this field will be taken at the March 2007 European Council meeting.

At the end of the debate, the Presidency underlined the following ideas that emerged from the debate:

- There is a consensus that energy efficiency and renewable energies form a key component of energy policy - at both national and European level.
- Energy efficiency and cost-effective use of renewable energy sources enhance competitiveness and security of supply.
- There is a need to promote and facilitate investments in cost-effective energy efficiency measures. Governments and the financial sector should cooperate in developing innovative funding tools.
- There is wide agreement on the need to raise awareness, through education, training, demonstration, feedback on energy consumption, etc., and focusing on groups such as SMEs, public authorities, children, etc. This is mainly a task for national, regional and local authorities.
- As regards the use of renewable energy sources, delegations agreed that this should be increased, since the use of renewable energy sources reduces greenhouse gas emissions and the Community's dependence on external sources of energy.
- R&D programmes at all levels should contribute to the development of new and improved technology, with a view to making renewable energies competitive.
- The large-scale investment required in renewable energy needs a stable and predictable long-term regulatory framework. Policy makers should ensure this.
- On international cooperation on energy efficiency and renewable energy, a Community initiative for an international framework agreement was generally supported in principle, even though concerns and questions as to the precise content of such an initiative must be addressed.

OTHER BUSINESS

– International relations in the field of energy

The Council took note of information (15143/06) provided by the Presidency and the Commission on the following matters:

– EU-Russia relations

The Council took note of the latest developments in EU-Russia relations in the field of energy. The Presidency referred to the informal dinner which EU Heads of State or Government had with President Putin in Lahti, where an open exchange of views on a range of topics, including energy, was held. The Presidency also indicated that the meeting of the EU-Russia PPC, the Permanent Partnership Council on energy, was postponed, but is still expected to take place during the Finnish Presidency. Commissioner Andris Piebalgs presented his views on the conditions for a win-win situation in future energy relations between the EU and Russia. He also noted the reports and recommendations from the four Thematic Groups - on investments, infrastructures, trade and energy efficiency - in the framework of the EU-Russia energy dialogue.

– Energy Community Treaty

The Council took note of information provided by Commissioner Andris Piebalgs on the first Ministerial Council meeting of the Energy Community which took place in Skopje on 17 November 2006. Commissioner Andris Piebalgs underlined the economic and political benefits of this Treaty for both the Community and the countries of South-East Europe.

The Energy Community Treaty entered into force on 1 July 2006. The objective of this treaty is to create an integrated market in natural gas and electricity in South-East Europe between the European Community and the Republic of Albania, the Republic of Bulgaria, Bosnia and Herzegovina, the Republic of Croatia, the former Yugoslav Republic of Macedonia, the Republic of Montenegro, Romania, the Republic of Serbia, and the United Nations Interim Administration Mission in Kosovo (pursuant to United Nations Security Council Resolution 1244).

At its meeting on 17 November 2006, the Ministerial Council agreed to grant observer status to Moldova, Norway, Ukraine and Turkey.

– **Energy Charter**

The Council took note of information provided by Commissioner Andris Piebalgs on the 17th meeting of the Energy Charter Conference (ECT), which took place in Brussels on 20 November 2006.

In particular, the Energy Commissioner informed Ministers about negotiations with Russia on the draft Transit Protocol; the appointment of Mr Takekazu Kawamura, ambassador of Japan to the EU, as Chairman of the Energy Charter Conference as of 1 January 2007; and the fact that Pakistan has been invited to become a member of the ECT.

– **Other cooperation with third countries**

The Council took note of information provided by the Presidency and Commissioner Andris Piebalgs on the Euro-Mediterranean Energy Forum held on 21 September 2006 in Brussels, the inaugural EU-US High level Dialogue on Climate Change Clean Energy and Sustainable Development (24-25 October) in Helsinki, negotiations with Switzerland on a Protocol on electricity, and several Summit meetings where topics such as energy security, climate change prevention and technological cooperation on energy issues were on the agenda (the EU-ASEM, EU-South Korea, EU-China and EU-India Summits).

– ***Energy Star***

The Council took note of information provided by Commissioner Andris Piebalgs and the Presidency on the progress made towards the conclusion of the agreement with the United States on the coordination of energy-efficiency labelling programmes for office equipment ("Energy Star").

– ***Information from the Commission on the state of play of the ongoing review of Community guidelines on state aid for environmental protection***

The Council took note of information provided by Commissioner Andris Piebalgs on the ongoing review of Community guidelines on state aid for environmental protection as requested by the Cypriot Delegation.

Commissioner Piebalgs informed the Council that new Community guidelines on state aid for environmental protection should be adopted before the end of 2007 and that Member States will be consulted on the project in early 2007 by Commissioner Kroes.

– *Information from the Commission on the electricity blackouts on 4 November 2006*

The Council took note of information provided by Commissioner Andris Piebalgs on electricity blackouts on 4 November 2006 which happened in several Member States. In his response, the Commissioner underlined that the interconnectivity of the electricity networks had prevented a blackout on a larger scale and had enabled the blackout to be quickly remedied; he also indicated that he was waiting for two technical reports which should be available by the end of this month, before being able to state which actions should be undertaken to enable the Community to prevent and improve handling of this kind of incident.

– *Meeting of Central - European Energy Ministers*

The Council took note of the Joint Statement of the Energy Ministers and State Secretaries from the Central European countries who met in Budapest on 14 November 2006.

OTHER ITEMS APPROVED

ENERGY

Baku initiative

The Council endorsed a Ministerial declaration on Energy Co-operation between the EU, the Littoral States of the Black and Caspian Seas and their neighbouring countries in view of the 2nd Energy Ministerial Conference to be held in Astana (Kazakhstan) on 30 November 2006.

TRADE POLICY

Anti-dumping - Russia - Silicon

The Council adopted a Regulation terminating the partial interim review of anti-dumping measures applicable to imports of silicon originating in the Russian Federation (14576/06).

Ukraine - Steel products

The Council adopted a Regulation providing for an increase in quantitative limits for imports of certain steel products originating in Ukraine for the year 2006 (14131/1/06).

The European Community and Ukraine concluded an agreement on trade in certain steel products in July 2005. Implementing measures were adopted by Council Regulation (EC) No 1440/2005 on administering certain restrictions on imports of certain steel products from Ukraine and repealing Regulation (EC) No 2266/2004¹.

AGRICULTURE

EC/Switzerland - Trade in agricultural products

The Council adopted a Decision on the position to be adopted by the Community on Decision No 1/2006 of the joint veterinary committee set up under the EC/Switzerland agreement on trade in agricultural products, with a view to amending the agreement in order to take account of changes in EC and Swiss legislation (14442/06).

The agriculture agreement concluded with Switzerland entered into force on 1 June 2002.

¹ OJ L 232, 8.9.2005, p. 1.

Transmissible spongiform encephalopathies - rules for prevention, control and eradication

The Council adopted a common position with a view to the adoption of a Regulation of the European Parliament and of the Council amending Regulation (EC) No 999/2001 laying down rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies (14224/2/06).

The text will be sent to the European Parliament, which should approve it at second reading without amendment.

The proposed Regulation intends to address Member States' concerns, particularly regarding:

- categorisation of countries with regard to BSE risk;
- definition of passive and active surveillance measures;
- and above all, the possibility of adapting the current monitoring system to improvements in the epidemiological situation of the Member State concerned.

Regulation (EC) No 999/2001 is amended in the light of new developments since its adoption.

ENVIRONMENT

Floods *

The Council adopted a common position in view of the adoption of a Directive of the European Parliament and of the Council on the assessment and management of flood risks (12131/06 and 14566/06 ADD1).

The text will be sent to the European Parliament for a second reading, in the context of the co-decision procedure.

When presenting its proposal (5540/1/06), the Commission took into account that, between 1998 and 2004, Europe suffered over 100 major floods, including catastrophic floods along the rivers Danube and Elbe in 2002, floods that caused some 700 fatalities, the displacement of about half a million people and resulted in economic losses totalling at least EUR 25 billion, and that flood events during the summer of 2005, in Austria, Bulgaria, France, Germany and Romania and elsewhere, had raised these figures even further.

Assets at risk from flooding include private housing, transport and public service infrastructure, commercial and industrial enterprises, and agricultural land. In addition to economic and social damage, floods can have severe environmental consequences, for example when waste water treatment plants or factories holding large quantities of toxic chemicals are inundated. Floods can also destroy wetland areas and reduce biodiversity.

The objective of the proposal is, therefore, to reduce and manage the risks which floods pose to human health, the environment, infrastructure and property. It provides for preliminary flood risk assessments, flood mapping in all areas with a significant flood risk, a coordination mechanism within shared river basins and flood risk management plans in vulnerable basins and coastal areas. It ensures a close link to the implementation of the Water Framework Directive.

Given the diversity across the EU in terms of geography, hydrology and settlement structure, the draft Directive provides considerable flexibility for Member States to determine the objectives for the management of flood risks, the measures to be taken to achieve those objectives, and the timetables for implementing measures in the flood risk management plans.

The draft Directive would apply to the whole Community territory, and therefore to flood risks in both rivers and coastal zones. Considering that most of the river basins in Europe are shared, concerted action at Community level would bring added value and improve the overall level of flood protection.

The common position incorporates a number of the European Parliament's first reading amendments, which improve or clarify the text of the proposed Directive.