

## State aid: Commission finds Portugal's extension of hydro-power concessions to EDP does not involve state aid

The use of public water resources for electricity production in Portugal is subject to a concession agreement. The government picks a concessionaire following specific procedures determined by law. In 2007, Portugal extended several hydro power concessions beyond the termination date that had originally been granted (2020 in average). These extensions were granted to EDP against the payment of €704 million.

This measure was never notified to the Commission for state aid approval and has the effect of maintaining 27 hydro power plants under the control of EDP, together accounting for 27% of Portugal's generation capacity.

In September 2013, following the receipt of complaints, the Commission opened a [formal investigation](#) into the measure. The main concerns related to the price paid by EDP for the extension of the concessions and to the market impact of the extension given EDP's strong position on the Portuguese market.

During the formal investigation, the Commission verified that the compensation paid by EDP for the extension of the hydro power concessions was in line with market conditions. The Commission concluded that the financial methodology used to assess the price for extending the concessions was appropriate and led to a fair market price .

On this basis, the Commission has now concluded that the compensation paid by EDP for the extension of the concessions does not involve state aid.

Note that the present decision does not address compliance of the measure with other provisions of EU law, such as EU public procurement rules and antitrust rules based on Articles 106/102 TFEU.

The non-confidential version of the decision will be published in the [State aid register](#) on the [competition](#) website under the case number [SA.35429](#) once eventual confidentiality issues have been resolved. The [State Aid Weekly e-News](#) lists new publications of state aid decisions on the internet and in the EU Official Journal.

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## Remarks by Jyrki Katainen, Vice

# President of the European Commission at the High Level Dialogue Session of the Belt and Road Forum for International Cooperation

It is a pleasure to be here to discuss Connectivity – the driving force of the twenty-first century.

The Asian Development Bank estimates that Asia faces a \$26tn infrastructure gap until 2030. Done the right way, more investment in cross-border infrastructure links could boost sustainable growth for all. That is why it is in Europe's interest to be part of this Initiative. China is at one end of the Belt and Road – Europe at the other. Our Trans-European Networks (TEN-T) are already extending East and South. We want to be better connected to our neighbours and partners. We want to build bridges – not walls. As China and the EU are both developing transport initiatives, coordination between us is essential.

This is the role of the EU-China Connectivity Platform. Looking ahead we should ensure that any ambitious scheme to connect Europe and Asia should adhere to the following eight principles – “Eight” being a homonym for prosperity in Chinese:

First, transparency on plans and activities, together with open, rules-based public tenders and reciprocal market access. Second, inclusiveness by ensuring that all parties and countries have a fair say on priorities. We should use multilateral frameworks, like ASEM, to make this a reality. Third, long term vision. We cannot deliver with a piecemeal approach. We need a robust feasibility study with a strong focus on economic and environmental aspects. Fourth, this will help to avoid the mistakes of the past. We have learnt the hard way how to assess the impact on the environment and on the local communities who will be most directly affected. Fifth, we must mainstream the principle of sustainability in line with the 2030 Agenda. The Paris Agreement provides Asia and Europe with opportunities to invent new and better ways to produce, consume, invest and trade. Sixth, cost effectiveness. Transparent, non-discriminatory and open procurement will minimise the fiscal burden, reduce the risk of misappropriation and ensure a level playing field. We need to apply global standard lending disciplines but also bring in a more innovative approach to financing, including public-private partnerships and risk sharing. Seventh, we must involve multilateral banks like the European Investment Bank, the European Bank for Reconstruction and Development, the Asian Development Bank or the World Bank. Their decades of experience make them an invaluable partner for new institutions like the Asian Infrastructure Investment Bank.

Finally our eighth and perhaps most important principle should be reciprocal benefits for all. Not only for countries, but also a fair chance for economic

operators from all sides.

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## **Statement by the Spokesperson on the latest ballistic missile launch by the Democratic People's Republic of Korea**

The launch earlier today of a ballistic missile by the Democratic People's Republic of Korea (DPRK) seriously violates multiple United Nations Security Council Resolutions. This and previous launches constitute a threat to international peace and security and further aggravate tensions in the region at a time when de-escalation is instead needed.

The DPRK is expected to comply with its international obligations: it must halt these launches and abandon its ballistic missiles programmes in a complete, verifiable and irreversible manner. The same holds true for its nuclear, nuclear weapons and all other weapons of mass destruction programmes.

The European Union calls on the DPRK to engage in a credible and meaningful dialogue with the international community. The European Union is ready to support such a process for dialogue. The High Representative/Vice-President, Federica Mogherini will remain in close contact in the coming days with all of the European Union's international partners, following her address to the UN Security Council earlier this week and her visits to Beijing, New Delhi and Moscow last month.

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## **Remarks by High Representative/Vice-President Federica Mogherini at the joint press conference with Sven Mikser, Minister for**

**Tallinn, 12 May 2017**

*Check against delivery!*

Thank you very much.

First of all, Sven [Mikser, Estonian Minister of Foreign Affairs], it is really a pleasure for me to be back in Tallinn. This is my third visit in the recent years, and for sure not the last one in the next months. I will come back in June and then during the [Estonian] Presidency [of the Council] regularly, to run with you in full partnership our foreign, security and defence policy.

I have had today very good, very fruitful meetings with the President, the Prime Minister, with the Minister of Defence, with the Chairman of the Foreign Affairs and the Defence Committee in the Parliament, with you. We had discussions at length and excellent continuation of cooperation and preparation for the Presidency and I am going to open the Lennart Meri Conference ["Darkest before Dawn?: The war on trust and how to win it"] in a few minutes. Let me say, this is my second time at the conference, so I am particularly pleased for this opportunity I have and this honour.

I would like to start by saying that Estonia is proceeding with the preparation for the Presidency in an excellent manner. It is going to be the first time the country holds this Presidency, having anticipated for six months this important event. More than an event actually – this important work in the service of the Union and the citizens of the Union and in particularly challenging times for both the internal life of the European Union but also for the international, regional situations we are facing. And I have to say, we feel in safe hands knowing that we move from the Maltese Presidency to the Estonian Presidency. Two countries that have a truly European approach – knowing very well that only being together as a Union we have the relevant size and impact that can protect our citizens in the world of today and have a clear and strong role in the globalised world we are living in.

We discussed in particular with Sven [Mikser] the foreign policy agenda that will be characterising the six months of the Estonian Presidency. The Eastern Partnership Summit will be one of the highlights. It is extremely useful and important for us to prepare this work together, and together with each of the six partners that will be with us. Already in June we will have the Foreign Ministers of the Eastern partners joining us to prepare the Summit and during the beginning of the Estonian Presidency we will prepared the Summit together with Sven [Mikser].

I was particularly pleased he mentioned himself also the Africa-EU Summit we will have later in November. This is I think also symbolically extremely powerful – the fact that during the Presidency of a very Nordic country in the Union, one of the main political focuses of our foreign policy will be our partnership with Africa. On Monday, Sven [Mikser] will be with us at the Foreign Affairs Council where we will be hosting the President of the African Union Commission. If we want to work on security, counter-terrorism but also migration and economic development, we have to partner with our closest neighbour and our biggest neighbour – that I know from here is not Africa but it is in terms of continents – and here the added value of Estonia especially in the field of digital competences will be particularly appreciated.

And then, we will have during the Presidency of Estonia a very substantial package on security and defence. I know that this is top priority here; this is top priority all over the European Union and this is why we are working now for the last year to use all the instruments the European Union has in the field of European defence, in strong cooperation with NATO. We will be implementing 42 practical projects of cooperation with NATO; Jens Stoltenberg and myself will report on that in June, just before we start the Estonian Presidency – so during these 6 months we will follow-up on these concrete actions in the field of maritime security, cyber threats, hybrid challenges.

So, this will feature very high on the Estonian Presidency programme; and the same goes for the operational decisions we will take hopefully during the Estonian Presidency on the European defence. This can mean Permanent Structured Cooperation, this can mean the use of the Battlegroups, this can mean using all the instruments the European Union has to take care of the security of its citizens in cooperation with NATO – not in competition, never, but in a much more effective manner.

Obviously, foreign policy in particular is what happens while you are planning things, so we will have also to deal together with any developments that will be arising during those 6 months and normally we always do have some developments going on. I can say that I am particularly glad that I will be able to count on good friends and wise friends here in Estonia, starting from Sven [Mikser] and all his colleagues, all the government, to guide the European Union through this challenging but also exciting next months.

I will finish by saying we always – journalists as well – focus on the challenges, on the threats, on the crises. Let me tell you that seeing through the eyes of our partners in the world, the European Union in this moment is a point of reference. I know Europeans do not always perceive it this way; I believe Estonians do see the added value of being a Union and I think this is something on which you can help the other Europeans to realise what we have. And we have also a responsibility to be a point of reference for our partners in the world as a credible, reliable partner – corporative partner – that can play a very important role in the world of today.

Thank you.

**Q and A**

***Q. On sanctions against Russia. [details inaudible]***

**FM:** First of all, let me say that having adopted the decisions on the sanctions unanimously and having kept that unity for all these years – and continuing to keep this unity in the European Union for all these years – is not exactly seen as a failure on the Russian side. They were, I think, quite surprised, and these sanctions have an impact on the Russian economy. Let me also add that the Russian economy has problems by itself that derive from other elements but the sanctions – and this is an issue for the Russian authorities to tackle, but a serious issue. The sanctions for us are linked to, first of all, the annexation of Crimea that we consider and will consider in the future as illegal by international standards, and linked to the

conflict in the east of Ukraine. For us sanctions are not a policy in itself – they are an instrument, one of the instruments we have to achieve the political objective we have which is the end of the conflict in the east of Ukraine, the full implementation of the Minsk agreements – it is only one component of our policy on the conflict in Ukraine and is also only one component of our relations with Russia.

When it comes to our work on the conflict in Ukraine, in the east of Ukraine, we are doing other things that I would definitely not define a failure such as the strong support to the OSCE work in the east of Ukraine itself through the monitoring mission. The European Union is the strongest supporter of the mission and doing a lot of work on the ground – that is never enough, because in a conflict it is never enough what you manage to do on the ground – but both on humanitarian aid and on important issues like demining it is the European Union behind the positive things that manage to be done on the ground. The other element of our work on Ukraine is a very relevant one – that is the support to the reform agenda of the country. That is also a way of supporting the authorities in Kyiv to implement their side of the Minsk agreements. Mainly the political side of the agreement, but we also say that the security side of the Minsk Agreement has also to be implemented and here we come back to the role of Russia and the influence it can exercise.

The Minsk Agreement is an agreement that Russia has signed – its signature is something that should count for the Russian authorities themselves – and this is something we discuss with our Russian interlocutors. I was in Moscow myself a few weeks ago – this to say that beyond the sanctions we also have a dialogue open exactly to find ways in which we can help the implementation of the Minsk agreements, and our relations with Russia do not limit themselves to the disagreements and the different views we have on the conflict in Ukraine or the annexation of Crimea. We work constantly with Russia when it comes to some specific files where we see added value in cooperation. I think of counterterrorism dialogue or migration cooperation or the Nordic dimension and the Arctic – areas where the European Union and Russia and some of our member states still cooperate fruitfully together.

Or I think of something that for me is very important – the fact that Russian students are the first beneficiaries of our Erasmus projects. Keeping our people together, exchanges of our people – intensified – is I believe a big investment we can do for the future of our relationship, because beyond leaderships there are people. Having said that, there are also fields of foreign policy for instance where we have a channel open. We constantly work together on issues like the crises in Syria, Libya, Afghanistan or DPRK. And there are files where the European Union and Russia see completely eye to eye – I think of the implementation of the nuclear agreement with Iran or the conflict between Israel and Palestine. So it is a complex relation. It is a relation that as long as the situation in Ukraine will stay as it is will not go back to normal. But it is a relationship that also contemplates selective engagement on some issues where cooperation is needed.

***Q. You just mentioned those challenges and what is ahead of us and one of the topics is EU and Turkey. Do you see any possibilities that there will be a new wave of immigrants towards EU? And the second part of the question is –***

***as we heard today Slovakia and Hungary have not agreed to implement the quotas on refugees and do not accept them. So the question is: do we have a plan with Turkey? And the second part of the question is how do you react with those sayings from the Slovakian and Hungarian side?***

**FM:** First of all, let me say very clearly, our relation with Turkey goes well beyond the issue of the Syrian refugees. Turkey is a candidate country. Turkey is a big and relevant player in the region, having a key role when it comes to the war in Syria, when it comes to solving the Cypriot issue, when it comes to our economic or energy relations, when it comes to our relations with the people of Turkey – all of them. So I have always considered a limit to see our relations with Turkey only through the angle of how to manage the refugee crisis – that first of all, is a crisis for the refugees.

We assume always the European perspective that we have lived through a refugee crisis – let me tell you that countries like Niger, one of the poorest countries in the world, hosts 700 000 refugees, with an economy that is not comparable to any of the economies of any of the European Union member states. And the same can go for most of the African or Asian countries and not to mention the fact that Jordan or Lebanon or Turkey themselves host millions of refugees. So I would like us to be rational on this and recognise that our support to Turkey in their efforts to host refugees in a decent manner – for instance giving education to the Syrian children – is an investment in our own future and it is an investment in the future of Syria and in the stability of the region, and that this is not the only issue we have on the table with Turkey.

Actually, it is now not even the most relevant, as the major wave of migrants as you put it – and I would like us to make a clear distinction between the refugees and the migrants, these are two different things – in this moment is coming through Libya to Italy, so it is not a Turkish route. And on this the work we are doing with Africa will be essential, including the Africa Summit we will have during the Estonian Presidency.

When it comes to – and by the way, I often say and I know this is not always popular in European Union – the management of the migration flows, including preventing irregular migration flows to the European Union, we also have to recognise the positive value of migration, including for some sectors of our economy. There are some sectors of the European economy that would not survive one single day if all the migrants were to disappear tomorrow from the European territory and I think we have to acknowledge this. Also being a land that has experienced migration or immigration in the last century and even in the last couple of decades. This is the same thing we should keep in mind talking about internal solidarity.

One of the things that will come to the Presidency table not on the external angle – so it is not our file – will also be how we manage effective solidarity among Member States. This is not our direct institutional competence but I can tell you very openly we will need to share responsibility also when it comes to hosting and protecting refugees inside the European Union. If we continue to believe or to live in the illusion that countries of first arrival of refugees, be it Italy or Greece or tomorrow

Estonia, you do not know where the next refugee flow will come from, you avoid seeing the reality – which is that people do not come to one country or another, they come to Europe. And as a Union, we have to take responsibility and share responsibility and this will make things sustainable.

There is no such a big number that would put in danger either the economies or the culture of any of our Member States. All of this is manageable and feasible if we do it together. It becomes a serious problem if it is only one Member State – even the bigger one – having to face something like this alone. The strength we have is that we are together and as in a family, if one member of the family is facing a difficulty, the others come and help. This is true for refugee crisis, this is true for economic support, this is true for all the other issues, we help each other. This is the basis of the European solidarity, this is the basis of being a Union and I believe we will have to find a practical, sustainable, rational manner to continue to help each or to start helping each other in some of the issues we are doing.

***Q. New wave of refugees or migrants? [details inaudible]***

**FM:** It is a very different thing. It is different in legal terms and it is different in terms of routes from countries of origin and transit. The flow of migrants in these months is still very much relevant; the flow of Syrian refugees from Turkey is at the moment not so relevant. So, when you look at the complete number it is still a relevant one, but it is a different kind of wave and it is taking a different route. It is not Syrians, it is mainly Sub-Saharan Africans that are coming and it is not through Turkey but it is through Libya.

It is a different route, it is a different kind of phenomenon that has to be tackled with different instruments and if you are asking me about the waves of migrants who are coming to Europe which means through Libya to Italy in this moment, I can tell you that the way in which we are handling this, thanks also to a very good work we have done with the Foreign Ministers of the all 28 Member States, is through a presence at sea – the European Union has a military mission at sea in the Mediterranean, at the same time dismantling the traffickers networks, having arrested more than 100 smugglers, seizing the boats that are used, saving lives – tens of thousands of people were saved but also training the Libyan coasts guards so that they can take care of the dismantling of the smuggling networks in the Libyan territorial waters.

And we are doing two other things to prevent the losses of lives but also the flourishing of the trafficking of people: inside Libya, we are financing the presence of the International Organisation for Migration and the UNHCR so that they can have access to the detention centres where people are living in awful conditions, save these people, protect these people but also organising voluntary returns to the countries of origin; and we are also working with the countries of origin and transit, in particular Niger, where more than 80% of the flows transit. I can tell you one number that will strike you probably – in the last 9 months through our action with Niger, we moved from 76 000 migrants passing through Niger into Libya to 6 000.



This is to say that it is through partnership, through cooperation with our African partners that we are managing the flows; we are dismantling the traffickers' networks, we are saving lives and we are re-accompanying on a voluntary basis with the UN agencies, working in line with the international human rights standards so that people are protected and the irregular channels are closed. At the same time we also have to work on the regular channels of mobility. This is the work we are doing on the current wave we are facing.

***Q. What do you think of China's Belt Road initiative as an effective option for international cooperation to solve the problems the West is facing?***

**FM:** I was in Beijing myself a couple of weeks ago, I had a chance to discuss this as well as our bilateral cooperation between the European Union and China with the Premier and all my interlocutors there and we are preparing in a very positive manner the next EU-China Summit that will take place in Brussels at the beginning of June.

We see the 'One Belt, One Road' initiative as a positive initiative; Vice-President Katainen is at the OBOR Forum in these days. We believe this has to be developed first of all following international norms, second allowing the non-Chinese enterprises to also take part in the projects and in a good neighbourly spirit. We think connections and developing connections between Asia and Europe is definitely something positive that will benefit both Asia and Europe. It has to be done in the right manner; I think we can do it.

And in general terms, I would like to add that my visit to Beijing was a real success and our cooperation has extremely solid basis. I think that China and the European Union recognised each other in this period of history of the world as two reliable global powers – we do not agree always on everything but we recognise each other's added value.

Link to the video:

<https://ec.europa.eu/avservices/video/player.cfm?ref=I138437>

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## **Commissioner Jourová returns to Eurojust**

The Hague, 12 May 2017

Two years after her first visit in June 2015, Commissioner Věra Jourová, the Commissioner for Justice, Consumers and Gender Equality, and a high-level delegation from the Commission, returned to Eurojust to meet with the College Presidency and the College of National Members for insight into its operational work, specifically in the areas of terrorism, cybercrime, illegal immigrant smuggling and cooperation with third States, and to meet with staff

members.

Commissioner Jourová set out her priorities in the field of criminal law, including the European Public Prosecutor's Office (EPP0). She has received positive feedback from Member States on the work of Eurojust. Two strong pillars, Eurojust and the EPP0, working together, is the Commission's goal. The presentations given by the President and National Members illustrated the coordinating role of Eurojust in the recent terrorism cases and in some large and complex cybercrime cases and provided insight into how Eurojust cooperates with specialised practitioners' networks, Europol and third States. One of the Liaison Prosecutors hosted at Eurojust explained what their presence at Eurojust entails, including casework and participation in practitioners' network meetings. Two milestones in 2017 are the move to the new Eurojust premises and the reorganisation of the Administration to ensure day-to-day support to operational work.

✘ Commissioner Jourova said, *'I am happy to visit Eurojust today. Its role in guaranteeing smooth and efficient judicial cooperation in criminal matters is crucial for Europe's security. I praise Eurojust for achieving high marks in the three 'r's: reputation, respect and results. With the establishment of the European Public Prosecutor's Office, Eurojust will become an even more important partner in the fight against terrorist threats or other crimes such as drug and human trafficking.'*

President Coninx said, *'Cross-border cooperation, speed and trust are essential. Eurojust is a bridge-maker among Member States, practitioners' networks, JHA agencies and third States in the fight against serious and organised cross-border crime and terrorism. We were delighted to meet with Commissioner Jourová to discuss our operational work in supporting and coordinating cases in a timely and result-driven manner.'*

Photo: © Eurojust

**Note to readers:** Due to maintenance in preparation for the move to the new Eurojust premises, the Eurojust website will not be available on 13 and 14 May 2017. We apologise for any inconvenience.