This is the thirteenth in a series of updates outlining key developments which have taken place across the EU institutions. Each week, the EU27 Bulletin will update you on institutional proposals, major policy speeches by EU leaders and decisions adopted by the EU institutions. We also look ahead to what developments may emerge over the coming week.

Developments in the European Parliament

The plenary session in Strasbourg this week was opened by President of the European Parliament, David Sassoli, with a minute of silence for the victims of gender-based violence worldwide. The European Parliament appealed to all EU countries to ratify the Istanbul Convention, the first legally binding international instrument to prevent and combat violence against women and girls. To date, 21 EU Member States have ratified the Istanbul Convention, including Ireland. MEPs also called for the European Commission to introduce a legal act to tackle all forms of gender-based violence, including cyber violence, and to include violence against women as an EU recognised crime.

Aside from this, the main items on the plenary agenda this week were the final confirmatory vote on the European Commission, approval by the Parliament of the EU’s annual budget for 2020 and a debate and resolution on the declaration of a climate emergency.

New College of Commissioners finally gets green light

The European Parliament approved the new European Commission by simple majority on 27 November 2019. The Commission officially took office on 1 December 2019, following formal appointment by the European Council. With 461 votes in favour, 157 against and 89 abstentions, this is a more comfortable result than some expected given the narrow nine vote margin with which President of the European Commission, Ursula von der Leyen, was elected in July 2019. For comparison, this is a larger majority than that received by the Juncker Commission in 2014, with 423 votes in favour, 209 against and 67 abstentions, but a smaller majority than José Manuel Barroso in 2010, with 488 votes in favour.

MEPs from the three largest political groups in the European Parliament, the EPP, S&D and Renew Europe, supported the new Commission in what has been referred to as a new three party pro-EU coalition. The Greens/EFA group abstained from the vote, although some individual Green MEPs did support President von der Leyen’s team. This indicates their desire to press for more ambitious action in the opposition, rather than as part of the pro-EU bloc, and instead to support initiatives on a case by case basis. Some members of the ECR group also voted in favour of the new College of Commissioners. President von der Leyen’s Commission is the most gender balanced in history with 11 female Commissioners and 15 males, but still falls short of the absolute gender parity so desired by the President.

Ahead of the vote, then President-elect von der Leyen presented further details about her proposed work programme for the new Commission. The President began with a call for “a fresh start” and a transformation for Europe after years of crises.

At the centre of this vision, is a desire to embrace the so-called twin transitions – environmental and digital. In the words...
of the President, “We should harness this transformative power of the twin climate and digital transition to strengthen our own industrial base and innovation potential.” The European Green Deal was identified as the cornerstone of this reform agenda, including the introduction of a competitive industrial strategy, the mainstreaming of climate finance, and the inclusion of sustainable development goals in trade deals. Equally, President von der Leyen called for the EU to develop greater ownership of new technologies, to develop more modern digital infrastructure, to support greater innovation and to maximise the safe use of data. The President pledged that increased investment and regulation would be put in place to allow Europe to profit from these transitions.

The newly elected President repeated her intention to lead a geopolitical Commission, which she described as one that invests in alliances and coalitions, promotes open and fair trade and strengthens its network of partners in the world. President von der Leyen finished her address with an urgent plea for Europe to stand up to modern challenges and to shape the global order in line with its values, so that Europeans in 2050 can feel proud at being part of a union that is carbon neutral, a leading digital power and that balances a competitive market with social concerns.

New Commissioners undergo last minute portfolio changes
Each Commissioner will receive an updated mission letter to reflect last minute portfolio changes. In addition to the changes announced last week, Bulgarian Commissioner Mariya Gabriel's portfolio has been renamed as Research, Culture, Education and Youth (previously Innovation and Youth). Margaritis Schinas, Commissioner for Promoting our European Way of Life, will be additionally responsible for dialogue with religious organisations, a task initially entrusted to Věra Jourová as Commissioner for Values and Transparency. The French candidate for the Internal Market portfolio, Thierry Breton, has also been entrusted with designing a European strategy for the data economy.

Group leaders put forward political priorities for legislative term
Ahead of the confirmatory vote on the European Commission, a number of political group leaders laid out their priorities for the new legislative term. Manfred Weber, the leader of the EPP, issued an op-ed in Politico, calling on the European Parliament to fight for a more democratic Union following the failure of the Spitzenkandidat system. Specifically, he called for the introduction of the right of initiative for the European Parliament and for the Parliament to become the primary legislative agenda setter for the European Commission. Dacian Cioloș, Chair of the Renew Europe group, focused on creating a more participatory EU through the convocation of the Conference on the Future of Europe in another op-ed for Politico. He argued the European Parliament should lead the democratic exercise in cooperation with NGOs and citizen organisations. In addition, in a letter to members of the S&D, group leader Iratxe Garcia-Perez, praised the significant influence of the S&D group on the composition and programme of the new European Commission, which she argues will give the S&D group the opportunity to shape the European agenda towards “a more ecological and social future”.

MEPs declare climate emergency
MEPs supported a resolution this week declaring a climate and environmental emergency in Europe and globally, with 429 votes in favour, 225 against and 19 abstentions. The resolution calls for the Commission and Member States “to urgently take the concrete action needed in order to fight and contain this threat before it is too late.” This makes Europe the first continent in the world to declare such an emergency (although several national parliaments have already done so, including Ireland). It is hoped that the resolution will send a strong message to the world about the EU’s commitment to tackling climate change, ahead of the UN COP 25 summit which takes place from 2-13 December 2019 in Madrid.

The resolution was submitted by Pascal Canfin MEP, a French delegate of the Renew Europe delegation and Chair of the Parliament’s Environment Committee. The resolution was supported by MEPs from the S&D, Renew, Greens/EFA and GUE/NGL groups. It did not however, secure the support of all groups. The EPP felt the resolution went too far, preferring the term urgency to emergency. MEPs also supported a separate resolution calling on the EU to commit to
achieving climate neutrality as soon as possible, and by 2050 at the latest, at the upcoming UN climate summit.

Budget adopted by Council and Parliament
While negotiations on the EU’s long-term budget, the MFF, are still far from over, negotiations on the annual budget for 2020 were completed this week following its adoption by both co-legislators. The Council rubber stamped the proposal on 25 November 2019, followed by the European Parliament on 27 November 2019, with 543 votes in favour and 136 against. This is the last annual budget of the current MFF and amounts to €168.7 billion, of which 21% will be dedicated to tackling climate change. Budget Commissioner, Günther Oettinger, argued that this keeps the EU on course to reach the budgetary target of spending at least 25% of the Union’s budget on climate measures by 2030.

Polish candidate tipped as next EU data protection regulator
MEPs in the Civil Liberties Committee have selected Mr Wojciech Wiewiórowski from Poland as their preferred candidate for the position of European Data Protection Supervisor. The European Data Protection Supervisor is the EU’s top data protection regulator and is elected for a five-year term. The incumbent works closely with national data protection commissioners. Mr Wiewiórowski’s appointment must still be approved by the Parliament and the Council. If successful, he will replace Giovanni Buttarelli, who sadly passed away in August 2019 as he neared the end of his term.

Developments in the Commission
New Commission will take office without UK representative
The European Commission officially assumed office on 1 December 2019 with only 27 members. This follows two failed attempts by President von der Leyen to encourage the UK to appoint a Commissioner and subsequently the launch of legal proceedings against the UK. Despite concerns that the absence of a UK Commissioner would threaten the legality of the incoming Commission, EU Ambassadors from all Member States (apart from the UK, which abstained) supported continuing without a UK representative, perhaps in the expectation that the UK will leave as planned on 31 January 2020, just two months after the new Commission takes up office. A Commission spokesperson said that the EU will not take infringement proceedings against the UK forward at this time and instead will decide on further action “if any” at a later date.

Commission issues non-paper on draft green finance taxonomy
The Commission has issued a non-paper which attempts to define which economic activities can be considered environmentally sustainable as part of a new sustainable finance taxonomy which is currently being developed at EU level. The publication of the non-paper follows disagreements among Member States and institutions as to which economic activities can be considered ‘green’. Three subcategories of green economic activities are identified: 1) Low carbon activities: activities that are low carbon or zero carbon such as wind energy; 2) Transition activities: economic activities which are not themselves low carbon but facilitate the transition to net zero emissions such as cement manufacture using advanced production technology; 3) Enabling activities: these facilitate sustainable economic activities and include the manufacture of wind turbines and energy efficient boilers. Negotiations on the new taxonomy are understood to have been delayed until 2020.

Developments in the Council
President Tusk officially hands over to Charles Michel
Outgoing President of the European Council, Donald Tusk, formally handed over leadership of the European Council to former Belgian Prime Minister, Charles Michel on Friday 29 November 2019. Speaking at the handover ceremony, incoming President Michel promised to bring a “common-sense approach to problem-solving with innovation and
efficiency” and to lead a more assertive and self-confident Europe in the world. He outlined his ambition for Europe to become a global leader in the green economy with job opportunities, high levels of innovation and good quality of life. He alluded to his support for unified integration as opposed to differentiated integration, stating “We have to find a way forward that works for all Member States”.

In parallel, President Tusk published a report detailing the work of the European Council over the past 17 months (July 2018 to November 2019). This is the third progress report compiled under the mandate of President Tusk and is entitled ‘Remaining united despite Brexit’. The report identifies maintaining unity on a number of issues, notably Brexit, as the mantra and indeed main success of Tusk’s leadership of the European Council. Other achievements identified include: unity on the EU’s approach to Russia, unity of the Eurozone, and achieving consensus that liberal democracy is compatible with effective border controls.

12 Member States block progress on greater corporate tax transparency

The Competitiveness Council met on 28-29 November 2019 to discuss, among other issues, achieving greater transparency in corporate tax reporting. The Commission presented EU Ministers with plans to revive the country-by-country reporting directive (CBCR), originally proposed three years ago, which would require companies with global revenues over €750 million a year to declare where they pay taxes. The proposal is aimed to go some way towards addressing corporate tax avoidance and aggressive tax planning, often referred to as base erosion and profit shifting or BEPS. The measure was intended to work in parallel with similar measures at OECD level. However, the CBCR bill failed to pass the necessary threshold to move forward after 12 Member States, including Ireland, blocked the proposal. The fight against tax avoidance is one of the priorities of the Finnish Presidency. There was some controversy surrounding the Finnish Presidency’s decision to present the file as an accounting bill operating under QMV, rather than a taxation file requiring unanimity.

The EU should do more to address inequality in partner countries

The Council adopted conclusions this week calling for greater urgency in the fight against inequality in partner countries, in line with the objectives of the UN Sustainable Development Goals. The conclusions note with concern that levels of inequality have widened in the past 30 years. To combat this, the Council calls for a rights-based approach to development cooperation, investing more in human development, promoting gender equality, greater use of fiscal and labour market policies to target the poorest, private sector cooperation, strengthening climate change resilience and harnessing technological change. Specifically, the conclusions advocate the mainstreaming of equality considerations into wider country assistance programmes and projects.

Other developments

President Lagarde delivers first address as head of ECB

Christine Lagarde delivered her first address as President of the ECB at a conference in Frankfurt on 22 November 2019. President Lagarde advocated a European economy that is “open to the world but confident in itself – an economy that makes full use of Europe’s potential to unleash higher rates of domestic demand and long-term growth.” She argued that this would make the economy more resilient to external shocks and facilitate rebalancing.

Concretely, she called for the establishment of a euro area fiscal policy to boost public investment and respond to changing investment needs, combined with an empowered Single Market in digital and services to encourage private investment. President Lagarde argued that completion of the Single Market will require the “right trade-off” between risk reduction and risk sharing.
France and Germany attempt to frame debate on Future of Europe Conference

France and Germany this week have sought to frame discussions on the organisation of the conference on the future of Europe through the publication of a non-paper. The conference, which is one of the flagship proposals of the new President of the European Commission, is due to begin in 2020 and last for two years. The Franco-German non-paper proposes the conference as a joint venture between the three EU institutions, in close cooperation with EU Member States and civil society organisations/experts. It also proposes the appointment of a conference chair, which they suggest should be a “senior European personality”, supported by a Steering Group made up of different institutional, national and civil society actors.

The two countries also proposed structuring the conference into two thematic blocks. The first (from February 2020 to summer 2020) would focus on issues related to the EU’s democratic functioning. The second and longer phase would focus on policy priorities and be conveniently book-ended by the German EU presidency in mid-2020 and the French Presidency in early 2022. The document emphasises that the conference should be broad in scope, taking into consideration “all issues at stake” and should be part of a bottom up process, in which discussions with citizens and experts are converted into tangible policy outputs.

The proposal was put to EU Ambassadors at a meeting on 27 November 2019. Media reports indicate that the proposal was not rejected by any Member State, but was received with caution by some Ambassadors. Specific concern was raised about the reference to potential treaty change, particularly by Ireland and Denmark. Discussions also focused on institutional ownership of the process, with some Ambassadors arguing that the Council should take the leading role. It has been reported that Guy Verhofstadt MEP, was floated as leader of the conference.

What to look out for next week

2 December 2019: The Home Affairs Council will discuss the future of EU migration and asylum policy and the future of EU internal security.

2 December 2019: The Transport Council will discuss the revision of rail passengers’ rights, and updating EU road charging rules.

3 December 2019: The Justice Council will explore the theme of environmental crimes, the state of play of the European Public Prosecutor’s Office and e-evidence.

3 December 2019: The Telecommunications Council will adopt conclusions on the importance of 5G technology for Europe’s economy and the need to mitigate related security risks.

3 December 2019: Candidates for the position of the next European Ombudsman will attend a hearing in the Petitions Committee of the European Parliament.

4 December 2019: The Eurogroup will meet to discuss among other issues, the draft Eurogroup work programme for 2020.

5 December 2019: The ECOFIN committee will discuss a broad agenda including money laundering, an EU work programme on climate action, the agenda for sustainable finance, energy taxation, a road map for completion of the Capital Markets Union, and the state of the Banking Union.