

Priority dossiers under the Romanian EU Council Presidency

Introduction

Romania will hold the EU Council Presidency from January to July 2019. Its Presidency comes at the end of the European Parliament's current legislative term, with European elections taking place on 23-26 May 2019. This is the first time that Romania holds the EU Council Presidency since joining the European Union on 1 January 2007.

Romania has a bicameral legislature. The Parliament consists of the Senate (the upper house) having 137 seats and the Chamber of Deputies (the lower house) with 332 seats. The members of both houses are elected by direct, popular vote on the basis of proportional representation to serve four-year terms. The executive branch of the Government is directly or indirectly dependent on the support of the parliament, often expressed through a vote of confidence.

The Social Democratic Party (PSD) heads the current governmental alliance with the centre-right Liberal-Democrat Alliance (ALDE). Romania is a semi-presidential republic, with Klaus Iohannis as President in office since November 2014, and the current Prime Minister, Viorica Dancila (PSD), in office since January 2018.

PART A: POLITICAL PRIORITIES OF THE ROMANIAN PRESIDENCY

This note looks at the Romanian Presidency priorities, with those dossiers which figure in the Joint Declaration agreed by the three institutions as priorities up to May 2019 marked with an asterisk (*).

Romania will focus on the over-arching principle of cohesion as a common European value, and as an expression of the unity between EU Member States and regions. To this end, it has announced that its Presidency programme will focus on **four main pillars**:

- ensuring fair and sustainable development through an increased level of convergence, cohesion, innovation, digitalisation and connectivity;
- maintaining a safe Europe;
- strengthening the EU's global role; and
- a Europe of shared values.

On the first pillar, there is consensus at the EU level that strengthened convergence between the Member States would allow better functioning of the European Single Market and a strengthening of the EU's competitiveness. To this end, ongoing work by Parliament and Council on the Multiannual Financial Framework (MFF) 2021-2027 (2018/0166 APP)* is crucial for stimulating economic growth. The European Parliament adopted an interim report on the consent to the MFF in the November I plenary, while the specific programme proposals which have been referred to

parliaments' committees, at the request of the Conference of Presidents, are now starting to be voted following adoption of the interim report, in the interest of ensuring consistency with Parliament's general position. An increase to a ceiling of at least 1.11 % of GNI has been proposed by the European Commission. Moreover, the proposed decision on own resources provides for a range of new resources, including a tax on non-recycled plastic packaging waste and Emissions Trading Scheme auctioning revenues. These measures would cover 22 % of the EU budget in 2027. As of today, it seems more likely that the MFF negotiations will be agreed in the Council under the following Finnish Presidency. For its part, the European Commission has issued a communication calling on the Council to reach agreement on the MFF by the end of 2019, after the consent of the European Parliament.

The Romanian Presidency pledges to make further progress on the Banking Union and banking reform, and on the Capital Markets Union. The following legislative proposals have been in the negotiation process during the Austrian Presidency, or could be passed over to the Romanian Presidency for conclusion:

- Recovery and resolution of central counter-parties* (2016/0365 COD);
- Credit servicers, credit purchasers and the recovery of collateral* (2018/0063 COD);
- Minimum loss coverage for non-performing exposures* (2018/0060 COD) -
- Framework for the development of EU sovereign bond-backed securities* (SBBS) (2018/0171 COD) - linked to the deepening of EMU, this proposal is politically sensitive.

On deposits insurance, while work is ongoing under the Austrian Presidency, this proposal could be passed over to the Romanian Presidency:

- European Deposit Insurance Scheme* (2015/0270 COD).

Energy and transport are considered by the Romanian Presidency to be key sectors for achieving competitiveness of European industry and for ensuring an adequate level of interconnection in the Single Market. The following are the legislative proposals currently on the table. The Romanian Presidency is expected to focus on concluding these proposals, in the absence of an agreement reached by the Austrian Presidency.

On Energy:

- Common rules for the internal market in electricity* (2016/0380 COD);
- Internal market for electricity* (2016/0379 COD);
- European Agency for the cooperation of energy regulators* (2016/0378 COD);

On these legislative proposals, work is ongoing under the Austrian Presidency and it is hoped that on most, reaching agreement will be feasible before the end of the year.

On transport:

- Use of vehicles hired without drivers* (2017/0113 COD); Parliament is planning to adopt its first-reading position in January 2019;
- Interoperability of electronic road toll systems* (2017/0128 COD);
- Cabotage - Amending Reg (EC) No 1071/2009 and Reg (EC) No 1072/2009 with a view to adapting them to developments in the sector* (2017/0123 COD);
- Clean and energy-efficient road transport vehicles* (2017/0291 COD);
- Combined transport of goods between Member States* (2017/0290 COD);
- International market for coach and bus services* (2017/0288 COD);
- Emission performance standards for new passenger cars and for new light commercial vehicles* (2017/0293 COD).

In the light of little progress on most of these proposals, Parliament may opt for the adoption of a first-reading position before the end of the legislature. In fact, on 25 October 2018, Parliament adopted its first-reading position on Charging of heavy goods vehicles (Eurovignette)*

(2017/0014COD). The Austrian Presidency has not considered this as a priority in view of the fact it would effectively phase out the vignette-based system effective in Austria.

On the second pillar, the internal security of the EU is a priority matter for the Romanian Presidency. The security of the external borders, through the implementation of the Schengen evaluation mechanism, and the EU developed information systems and their interoperability will be key points. Linked to this is the question of cybersecurity, combating radicalisation and the prevention of terrorist activity.

The following are ongoing legislative proposals which the Romanian Presidency is expected to prioritise, unless a conclusion is reached under the current Presidency:

- Cybersecurity Act* (2017/0225 COD);
- European Criminal Records Information System (ECRIS)* (2016/0002 COD);
- Interoperability between EU information systems in the field of borders and visa* (2017/0351 COD); and its amending proposal Framework for interoperability between EU information systems and amending the Eurodac Regulation, the Regulation on SIS, the ECRIS-TCN Regulation and the EU-LISA Regulation* (2018/0152 COD);
- Interoperability between EU information systems in the field of police and judicial cooperation, asylum and migration* (2017/0352 COD).

For the Security Union Package:

- Cross-border access of law enforcement authorities to electronic evidence* (2018/0108 COD);
- Appointment of legal representatives for the purpose of gathering evidence in criminal proceedings* (2018/0107 COD);
- Cross-border access to and use of financial data by law* (2018/0105 COD).

On the third pillar, strengthening the EU's global role, the aim is to work on the implementation of the Global Strategy and its various instruments. In this regard, the Romanian Presidency will focus on the development of EU defence capabilities, for example through the Coordinated Annual Review on Defence (CARD), the European Defence Fund, Permanent Structured Cooperation (PESCO), and promoting closer relations between the EU and NATO.

Romania will also focus on the external component of the MFF, and on future external assistance financial instruments. The Eastern Partnership, which will be celebrating its ten-year anniversary, is also a main priority for the upcoming Presidency. Romania would like to link the benefits of the free trade agreements already in force and the inter-connectivity with the most advanced of members of the Eastern Partnership. Moldova, and its European aspirations, as well as the enlargement strategy for the Western Balkans, will feature prominently during the upcoming Presidency.

On the fourth pillar, a Europe of shared values, the Romanian Presidency will seek to promote cohesion as a common EU value. The need to rebuild citizens' trust plays a central role. To this end, there is a clear need to promote the values enshrined in the Treaties, such as cohesion, equality, freedom, democracy, human dignity, justice and solidarity. The following legislative proposal is key to this objective:

- European Citizens' Initiative (ECI)* (2017/0220 COD) - the aim is to improve the functioning of the ECI, to make it more accessible to citizens and less burdensome.

With a view to bringing the EU closer to citizens, and in an effort to deepen citizens' consultation, the Romanian Presidency will be holding, on 9 May 2019 in Sibiu, an informal summit on the future of the EU.

Finally, on the question of a Europe of common values, the Romanian Presidency would like to develop further the discussion on Article 2 of the EU Treaty, and the impact of the EU on citizens' perceptions, particularly with regard to xenophobia and anti-discrimination.

PART B: OTHER JOINT DECLARATION FILES

The Presidents of the European Parliament, Council and Commission agreed on the Joint Declaration on the EU's Legislative Priorities for 2018-2019, in which they committed to giving priority treatment in the legislative process to a series of initiatives in key policy areas.

The following are all the legislative initiatives remaining in the Joint Declaration, currently being discussed in Parliament, or which are in the negotiation process with the Council. Those proposals forming part of the Romanian Presidency's priorities, mentioned in part A of this paper, are not mentioned again here.

MIGRATION POLICY

The following is a list of migration legislative proposals on the Joint Declaration list on which agreement between the two institutions remains a difficult process. It is hoped that the Romanian Presidency will be able to unblock the deeply divergent positions before the end of the parliamentary term.

- Asylum: Member State responsible for examining an application for international protection (Dublin System)* (2016/0133 COD); this proposal is also impacted by the infringement procedures against the Czech Republic, Hungary and Poland for non-compliance with relocation obligations;
- Common procedure for international protection in the Union* (2016/0224 COD);
- Entry and residence of third-country nationals for the purposes of highly skilled employment* (2016/0176 COD).

NB: on the following migration proposals, partial provisional agreements have been reached between the co-legislators; however, due to cross-referencing with the Dublin System, they cannot be finalised. Furthermore, these agreements still require confirmation by the Council. These are:

- European Union Agency for Asylum* (2016/0131 COD);
- Asylum: Eurodac* (2016/0132 COD);
- Standards for the reception of applicants for international protection* (2016/0222 COD);
- Standards for the qualification of third-country nationals or stateless persons as beneficiaries of international protection* (2016/0223 COD);
- Union resettlement framework* (2016/0225 COD).

THE SOCIAL DIMENSION OF THE EUROPEAN UNION

On the coordination of social security systems* (2016/0397 COD), aiming to update EU rules on coordinating social security provisions of EU citizens, a general approach at Council level has been reached and the EMPL committee adopted its report on 20 November 2018. The committee's mandate will be the subject of a vote in plenary in December, with interinstitutional negotiations possibly commencing under the Romanian Presidency.

CONNECTED DIGITAL SINGLE MARKET

The following two legislative proposals, which are at the heart of the Digital Single Market, are linked:

- Contracts for the supply of digital content* (2015/0287 COD);
- Contracts for the online and other distance sales of goods* (2015/0288 COD).

Negotiations are ongoing on the former with a possibility of reaching an agreement before the end of 2018. On the latter, negotiations are planned to commence in mid-December, hence flowing over to the Romanian Presidency.

Also linked to the Single Market are the following proposals, which are part of copyright reform:

- Copyright in the Digital Single Market* (2016/0280 COD);
- Online transmissions of broadcasting organisations and re-transmissions of television and radio programmes (SatCab)* (2016/0284 COD).

It is to be noted that for the above, both co-legislators encountered difficulties on finding common positions and work is ongoing with trilogues expected in December 2018.

Other ongoing files impacting the Single Market:

- Promoting fairness and transparency for business users of online intermediation services* (2018/0112 COD);
- Respect for private life and the protection of personal data in electronic communications (e-Privacy)* (2017/0003 COD).

INTERNATIONAL TRADE AGREEMENTS

Finally, on international trade agreements, finalising balanced and progressive Free Trade Agreements remain a priority for the EU as a whole. While the Japan Economic Partnership Agreement is set to receive consent from plenary in December 2018, substantive progress could be achieved before the end of the legislature on two further planned agreements:

- Singapore
- Vietnam

For both Singapore and Vietnam, the Commission is negotiating two separate agreements, one on free trade and one on investment protection. In both cases, Parliament's consent may be sought in 2019, before the end of the current legislature.

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eprs@ep.europa.eu (contact)

www.eprs.ep.parl.union.eu (intranet)

www.europarl.europa.eu/thinktank (internet)

<http://epthinktank.eu> (blog)

