Plenary round-up – Brussels, November II 2017

The adoption of the 2018 budget was one of the main points of the November II plenary session. It also included debates on the State of Energy Union 2017 and the situation in Yemen, with a resolution adopted on the latter. Members addressed an oral question to the European Commission regarding negotiations for a Convention establishing a multilateral court for the settlement of investment disputes (MIC). Members also adopted, inter alia, reports on transnational arrangements for mitigating the impact of the introduction of IFRS 9, on the instrument contributing to stability and peace, on the ranking of unsecured debt instruments in insolvency hierarchy as well as on the implementation of the European Disability Strategy.

State of the Energy Union 2017

The Commission Vice-President for the Energy Union, Maroš Šefčovič, presented the state of play of the Energy Union for 2017 as well as recent Commission proposals that aim to improve the functioning of the EU internal gas market. The Energy Union has been identified by the Juncker Commission as one of the 10 political priorities, and was included in the Bratislava Declaration as well. The Energy Union is about accelerating the modernisation of Europe's entire energy economy, making it low carbon and efficient in both energy and resources, in a socially fair manner. As it also touches upon issues of security, he referred to the Commission's proposal, published on 8 November, to update the EU Gas Directive in order to improve the functioning of the EU internal gas market, increase competition between suppliers, and boost Europe's energy security.

Situation in Yemen

Socio-economic collapse, long predicted in Yemen, and the continuing security vacuum, have brought the country to a crisis point far beyond the political crossroads it faced in 2014.

After nearly three years of full-blown civil war, pitching the Iranian-backed Houthi movement against the internationally recognised Yemeni government, backed by an alliance led by Saudi Arabia, the humanitarian situation in Yemen is catastrophic. The European Parliament adopted a resolution after a debate preceded by a statement on the situation in Yemen, delivered on behalf of the High Representative by Christos Stylianides, Commissioner for Humanitarian Aid and Crisis Management. The European Parliament has adopted several resolutions on Yemen since 2015. In July 2015, Parliament called on all warring parties to end the use of violence; in February 2016, Parliament's resolution expressed grave concern at the alarming deterioration of the humanitarian situation in Yemen. On 13 June 2017, the European Parliament adopted another resolution on the humanitarian situation in Yemen, expressing, once more, grave concern at its alarming deterioration.

Multilateral court for the settlement of investment disputes (MIC)

Following previous resolutions in which Parliament called for the replacement of investor-to-state dispute settlement, the Commission recommended, on 13 September 2017, that the Council mandate the opening of negotiations on the matter. The INTA committee asked the Commission to specify its current legislative proposals and the reaction of the Council and Member States, to detail the impact of an MIC upon existing bilateral investment treaties, its interlinkages with domestic jurisdiction as well as the procedural improvements it would bring. The Commission was also requested to define the multilateral organisation to be responsible for the application of a future MIC.

2018 budget procedure

Following a provisional agreement on the 2018 EU budget reached on 18 November 2017 by European Parliament and Council negotiators, the next step of the 2018 budget procedure was the adoption of the joint

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text by the Council and by Parliament, with both approving the final text on 30 November. Due to some revision (in both directions) of the amounts, the priority for sustainable growth, jobs, security, and climate change is maintained and supported with €160.11 billion in commitments, translating to total payments of €144.68 billion for 2018. Moving closer to the Commission's original proposal, allocations to tackle competitiveness for growth and jobs are increased for the Horizon 2020 and Erasmus+ programmes, as well as the Youth Employment Initiative being raised to €350 million. The budgets of the EU agencies dealing with the migration crisis are enlarged, while adjustments have been made to reflect the changing political landscape in candidate countries.

Mitigating the impact of introducing IFRS 9

Parliament adopted, by a large majority, at first reading the trilogue agreement on transitional arrangements for mitigating the impact of IFRS 9. As this new accounting standard requires banks to hold more capital, a proposed five-year phase-in period should allow EU banks to add a portion of this provision onto their regulatory capital, as well as a three-year phase-out for banks with large exposure to public-sector foreign currency debt.

Instrument contributing to stability and peace

Parliament also adopted the redeployment of €100 million of existing budgetary resources to the Instrument Contributing to Stability and Peace for 2018-2020. Development efforts aim at strengthening peace and security and eliminating poverty. But security is itself a precondition for development, and thus the instrument aims to counter the deterioration of the security environment in which EU development initiatives operate. The EU already supports civilian security-sector actors in crisis and conflict situations. However, in cases where only the military are able to restore the situation to enable the provision of aid securely, the existing instrument has not permitted support, and thus it has had to be adapted to encompass military actors.

Ranking of unsecured debt instruments in insolvency hierarchy

During the financial crisis, banking failures spread from financial institution to institution, sometimes requiring the taxpayer to bail them out. To avoid this situation in any future scenario, the EU is reforming its regulations for financial services. Under the EU's new bank recovery and resolution legislation – because national rules on unsecured debt-holders and creditors diverge – differences have emerged in the ranking of unsecured debt instruments in insolvency hierarchy. Parliament adopted by a large majority the first-reading agreement on the proposal to ensure that the legislation to rank bank creditors when banks fail applies uniformly in the EU.

Implementation of the European Disability Strategy

Parliament adopted with a large majority its own-initiative report on the implementation of the European disability strategy, which highlights the need to include equality, gender and non-discrimination aspects in all areas of legislation affecting the needs of those with disabilities. While the European Accessibility Act appears to be a step in the right direction to improving access, major barriers to social inclusion, employment, and education continue to disadvantage people with disabilities in the EU.

Opening of trilogue negotiations

The JURI, IMCO, CULT and AFCO committees announced their decisions to enter into interinstitutional negotiations on four legislative files, three of which were confirmed unopposed. As for the JURI committee's decision to enter into trilogue negotiations, on the proposal regarding the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and retransmissions of television and radio programmes, a request for a vote was submitted. The vote on this mandate is now scheduled for Tuesday 12 December, during the next plenary session.

This 'at a glance' note is intended to review some of the highlights of the plenary part-session, and notably to follow up on key dossiers identified by EPRS. It does not aim to be exhaustive. For more detailed information on specific files, please see other EPRS products, notably our 'EU legislation in progress' briefings, and the plenary minutes.