

# Plenary round-up - January I 2024

The first January 2024 plenary session opened with a statement by Parliament's President, Roberta Metsola, commemorating Jacques Delors, the former Commission President, who passed away on 27 December. The highlight of the session was the presentation by Prime Minister Alexander De Croo of the programme of activities of the Belgian Presidency of the Council. There was also a debate on the conclusions of the European Council meeting of 14-15 December 2023 and on the preparation of the special European Council meeting on 1 February, together with the situation in Hungary and frozen EU funds.

Further debates took place on the review of the economic governance framework; the recent ecological catastrophe involving plastic pellets lost off a ship and its impact on micro-plastic pollution in the maritime and coastal habitats; addressing urgent skills shortages and finding the right talents to boost job creation; improving the socio-economic situation of farmers and rural areas; ensuring fair incomes, food security and a just transition; the revision of the European Labour Authority's mandate; and the fight against the resurgence of neo-fascism in Europe, in particular following the parade that took place in Rome on 7 January. Several debates were held on international issues: keeping commitments and delivering military assistance to Ukraine; the humanitarian situation in Gaza, the need to reach a ceasefire and the risks of regional escalation; the need for an EU and international response to the Houthi attacks in the Red Sea and for continued support to the Yemeni peace process; the state of emergency in Ecuador; and Norway's recent decision to advance seabed mining in the Arctic.

Finally, Jan-Christoph Oetjen (Renew, Germany) was elected a Vice-President of Parliament, replacing Nicola Beer.

#### Gas emissions

Although the Ozone Regulation is working to cut emissions from ozone-depleting substances (ODS), old products containing ODS remain a source of emissions. Parliament debated and adopted an agreed text, endorsed by its Committee on the Environment, Public Health and Food Safety (ENVI), to amend the current regulation. The text sets out how EU countries should deal with traders who do not comply with the rules. It commits the European Commission to maintaining a list of processes for which ODS use is banned, and to assess the availability of alternatives. It also extends the substances that must be recovered and destroyed, recycled or reclaimed to all those found in air conditioning, heat pumps and fire protection.

Because fluorinated greenhouse gas (F-gases) emissions also have big global warming potential, the EU has been regulating them since 2006. A Commission proposal seeks to reduce emissions even further by reducing the supply of hydrofluorocarbons (HFC), banning F-gases in specific applications, and updating rules on implementing best practice. Parliament debated and adopted the provisional agreement reached between Parliament and the Council, which the ENVI committee had earlier endorsed. The text sets deadlines for phasing out altogether the placing of HFCs on the market (2050) and phasing down their production (2036), and allows room for additional quotas. However, the text does not include the minimum administrative fines Parliament proposed.

## Empowering consumers for the green transition

Parliament debated and adopted a provisional agreement with the Council on a proposal that amends two key directives to <u>protect consumers</u> against misleading environmental claims, endorsed by its Committee on the Internal Market and Consumer Protection (IMCO). The text includes several of Parliament's demands, updated definitions, and sets rules for traders making environmental claims regarding goods, including digital components. It introduces a commercial guarantee of durability to improve consumer access to information on the sustainability and reparability of the things they buy, including the duration of the availability of software updates. The legislation will also cover claims made using audiovisual media.



## Debt-equity bias reduction allowance (DEBRA)

Corporate debt rose to 110 % of EU gross domestic product (GDP) in 2021, risking insolvencies and possibly even longer-term economic instability. When a company takes out a loan to boost business, this is often tax-deductible, but the same does not apply to investment. To encourage greater investment in European companies and reduce debt levels, Members voted on a report from the Economic and Monetary Affairs Committee (ECON), under the consultation procedure, on addressing the <u>debt-equity bias reduction allowance (DEBRA)</u>. Largely in favour of the proposal, the committee nevertheless seeks to ensure the impact on tax revenue is limited, given the current economic climate. The committee would reduce equity allowances from 10 to 7 years for large company groups and postpone the stricter interest deduction rules to 2027. The Council must now vote unanimously on the proposal.

### **EU-India relations**

The EU and India have been strategic partners since 2004, cooperating in fields such as climate change, maritime security, digitalisation and health. The EU is India's largest trading partner and its second largest export destination. Parliament held a debate and adopted the report of its Committee on Foreign Affairs (AFET) on EU-India relations. The report recommends strengthening the strategic partnership, based on democratic governance and international law, and calls for shared action and leadership, while recognising the importance of security and defence policy. It also expresses concern at India's deteriorating human rights situation, inviting India to work with the EU on democratic and human rights.

## Activities of the European Ombudsman: 2022 annual report

In the presence of Emily O'Reilly, European Ombudsman, Members considered and adopted the Committee on Petitions (PETI) report on the 2022 annual report on the <u>European Ombudsman's</u> activities. The PETI committee endorses the report, congratulating Emily O'Reilly on her efforts to improve administrative practices and to promote the accountability and full transparency of the EU institutions, bodies, offices and agencies. The Ombudsman's report discusses ethical concerns, including conflicts of interest due to external employment of high-level officials once they have left, interactions with lobbyists, and the inquiry into Frontex.

## Fisheries package

It is now 10 years since the last major reform of the EU's common fisheries policy (CFP). In <u>response to the Commission's fisheries package</u>, Members debated and adopted three own-initiative reports from the Committee on Fisheries (PECH). The first looks at the CFP's execution and future perspectives, in the light of the European Commission's decision not to propose further reform. The second considers the 2013 revision of the Common Market Organisation (CMO) Regulation for fisheries and aquaculture products. The third report largely criticises the Commission's proposed marine action plan. Here, the PECH committee regrets in particular the lack of a socio-economic study into the effects of the plan. The report also considers the blanket ban on bottom trawling in all marine protected areas to be 'simplistic'.

## Opening of trilogue negotiations

One decision to enter into interinstitutional negotiations from the Employment and Social Affairs (EMPL) Committee, on the European Disability Card, was <u>approved without vote</u>, another from the Economic and Monetary Affairs (ECON) Committee, on effective coordination of economic policies and multilateral budgetary surveillance, was <u>approved in a vote</u>.

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.