

Priority dossiers under the Estonian EU Council Presidency

INTRODUCTION

Estonia will hold the EU Council Presidency from July to December 2017. Its presidency will herald a new Trio Presidency, composed of Estonia, Bulgaria and Austria. This will be the first time Estonia holds the rotating presidency. Estonia is currently led by a government coalition consisting of three political parties: the Estonian Centre Party (Eesti Keskerakond), the Social Democratic Party (Sotsiaaldemokraatlik Erakond) and the Pro Patria and Res Publica Union (Isamaa ja Res Publica Liit). Its Prime Minister, Jüri Ratas, in office since November 2016, belongs to the Estonian Centre Party.

Estonia is a republic divided into 15 counties. It has a unicameral parliamentary system with 101 Members of Parliament, elected by proportional representation. On 15 October 2017, local municipality elections will be held, followed by parliamentary (Riigikogu) elections in 2019.

POLITICAL PRIORITIES OF THE ESTONIAN PRESIDENCY

The Estonian Presidency promises to focus on preserving the common values of prosperity, security, peace and stability in Europe. It will seek to maintain Europe's unity through practical decisions, while focusing on the following over-arching objectives:

- an open and innovative European economy,
- a safe and secure Europe,
- a digital Europe and the free movement of data,
- an inclusive and sustainable Europe.

This note looks at the Estonian Presidency priorities in Part A, with those dossiers which figure in the Joint Declaration agreed by the three institutions as priorities for 2017 marked with an asterisk (*). Part B refers to other dossiers in the 2017 Joint Declaration.

PART A: ESTONIAN PRESIDENCY PRIORITIES

1. OPEN AND INNOVATIVE EUROPEAN ECONOMY

The Estonian Presidency will focus on the development of a business environment that favours stability, knowledge-based growth and competitiveness. To this end, the free movement of services and cross-border mobility of companies will be encouraged, as well as the completion of the second stage of the European Banking Union. In concrete terms, implementation of the measures of the Capital Markets Union will be a priority, as well as utilisation of the European Fund for Strategic Investments (EFSI) as this becomes necessary. The EFSI legislation, clearly a priority file in the Joint Declaration 2017, could be finalised politically under the Maltese Presidency, possibly with a vote in plenary in July.

Other areas to feature as a matter of priority are:

- Modernisation of taxation rules to prevent tax evasion
- Value added tax regime for cross-border trade and removal of value added tax obstacles to e-commerce (2016/0370 CNS and 2016/0406 CNS)
- Cross-border company law
- New electricity market design
- EU budget 2018
- Omnibus regulation
- Horizon 2020
- Connecting Europe Facility
- Future of the Common Agricultural Policy
- European Services e-card (2016/0403 COD)
- Free trade agreements with Japan, Singapore, Australia and New Zealand

With regard to the new electricity market design, the European Commission has proposed the Clean Energy Package referred to in Part B of this paper.

2. A SAFE AND SECURE EUROPE

Terrorism and organised crime, as well as the protection of the EU's external borders remain a high priority. To this end, the Estonian Presidency will be focusing on modern IT solutions and the introduction of databases to support the Schengen Area.

Specifically this implies carrying forward work on the following:

- Entry/Exit regulation (Smart Borders 2016/0105 COD) and Use of the Entry/Exit System (2016/0106 COD)*
- European Travel Information and Authorisation System (ETIAS) (2016/0357 COD)*
- European Criminal Records Information System (ECRIS) (2016/0002 COD)*
- Legal migration framework, namely the Entry and Residency of third-country nationals for the purposes of highly skilled employment (2016/0176 COD)*
- Fair asylum policy, which includes the Dublin system (2016/0133 COD), the Asylum Agency (2016/0131 COD), Reception Conditions (2016/0222 COD), Asylum Qualification (2016/0223 COD), Asylum Procedure (2016/0224 COD) and New Resettlement Framework (2016/0225 COD)*
- Efficient procedure for returning illegal migrants (2016/0407 COD)

It is to be noted that these legislative proposals already feature as priority files in the Joint Declaration 2017, with the exception of the return of illegal migrants. Work is ongoing under the Maltese Presidency and there is a possibility that the proposal on the Entry/Exit System (both Regulation and Directive), as well as the Asylum Agency, could be concluded politically by summer. With regard to ETIAS, the Council plans to adopt a general approach by June 2017 and this would therefore feature prominently under the Estonian Presidency. Work on the asylum package, on the other hand, is progressing slowly under the Maltese Presidency. The Estonian Presidency will be tasked with continuing the work started; on most legislative proposals, a general approach is being sought in Council prior to the end of the Maltese Presidency. On ECRIS, the Commission is expected to present a modified proposal by the end of June 2017.

With regard to the Return Directive (Directive 2008/115/EC), and its connection to the use of the Schengen Information System for the return of illegal migrants, the Estonian Presidency intends to give priority to the Renewed Action Plan announced by the European Commission in its Communication of 2 March 2017, together with the implementation of the Malta Declaration of 3 February 2017, which highlighted the need to start a critical review of EU Return Policy.

On the international front, the Estonian Presidency supports the EU Global Strategy, the strengthening of trans-Atlantic relations and those with the European Neighbourhood Policy (ENP) countries, particularly the Eastern Partnership. It will also work on the review of the Cotonou Agreement.

On the defence front, the Estonian Presidency commits to enhancing European military capabilities, specifically to seek agreement on a level of military spending of 2 % of GDP. In line with the EU-NATO joint declaration of July 2016, emphasis will be placed on cyber-security and defence.

3. A DIGITAL EUROPE AND THE FREE MOVEMENT OF DATA

A digital Europe is an over-arching goal of the Estonian Presidency, based on the country's vast experience in the development of digital services. The Presidency will be focusing on the establishment of a Digital Single Market, increased e-solutions and data, as well as cross-border e-services.

The following are the main areas expected to be developed during the Estonian Presidency:

- EU Telecoms Reform, composed of the Electronic communications code (2016/0288 COD) and the Body of European Regulators for Electronic Communications (BEREC) (2016/0286 COD)*
- Copyright reform, encompassing copyright in the digital single market (2016/0280 COD) and the Regulation on online transmissions of broadcasting organisations and re-transmissions of television and radio programmes (2016/0284 COD)*
- Audiovisual media services reform (2016/0151 COD)*
- e-Privacy regulation and EU internal data protection rules (2017/0003 COD & 2017/0002 COD)*
- Cross-border parcel delivery services (2016/0149 COD)
- Development of e-Justice

While progress has been made on the package on copyright in the digital single market, it will likely be left to the Estonian Presidency to conclude these negotiations. The Audiovisual Media Services reform is expected to commence during the Estonian Presidency, with a first trilogue in July, and possible political agreement between the co-legislators towards the end of this year.

4. AN INCLUSIVE AND SUSTAINABLE EUROPE

The development of the information society has changed the nature of employment; as a consequence, there is a need to pay attention to working conditions and skills, as well as the need to reconcile work and family life.

In particular, the Estonian Presidency will focus on:

- Posting of Workers Directive (2016/0070 COD)*
- Regulation on the Coordination of social security systems (2016/0397 COD)*
- Work and family life package (2017/0085 COD)
- European Solidarity Corps (2017/0102 COD)*

The Work and Family Life Package is part of the wider European Pillar of Social Rights, adopted by the European Commission on 26 April 2017. An essential part of this package is the new proposal for a Directive on Work-Life balance for Parents and Carers (2017/0085 COD), as well as guidance on the interpretation of the Working Time Directive 2003/88/EC. On the Written Statement Directive 91/533/EEC, giving employees starting a new job the right to be notified in writing of the essential aspects of their employment relationship, the Commission is launching two consultations on a proposed revision to reflect labour market changes. The first consultation of the social partners concerns modernising the rules on labour contracts.

From the point of view of sustainability, the Estonian Presidency takes account of the Paris Agreement and the commitment of a 40 % reduction in greenhouse gas emissions by 2030. To this end, the following proposals, forming part of the Clean Energy package, will be given priority:

- Modernisation of EU Emissions Trading System (ETS) (2015/0148 COD)*
- Effort-sharing regulation (ESR) (2016/0231 COD)*
- Measures to limit greenhouse gas emissions from land use, land use change and forestry (LULUCF) (2016/0230 COD)*
- Increasing energy efficiency (2016/0376 COD)*.

On the ETS file, the Council adopted a general approach on 28 February 2017, and technical work is ongoing, paving the way for the Estonian Presidency to possibly reach a conclusion. On the Effort-sharing Regulation, a general approach may be adopted by Council in June 2017, while Parliament adopted its position in plenary in June. With regard to LULUCF, the ENVI committee will be seeking a mandate for negotiations from plenary, probably after the summer, hence it will be on the agenda of the Estonian Presidency.

PART B: JOINT DECLARATION ON LEGISLATIVE PRIORITIES

The Presidents of the European Parliament, Council and Commission signed, on 13 December 2016, the Joint Declaration on the EU's Legislative Priorities for 2017, in which they commit to give priority treatment in the legislative process to a series of initiatives in key policy areas.

The following is an overview of all the other legislative initiatives in the process of being finalised at Parliament level or being negotiated with the Council, and which remain a priority for end-2017. Those initiatives forming part of the Estonian Presidency priorities, and which are mentioned in part A of this paper, will not be repeated here.

1. NEW BOOST FOR JOBS, GROWTH AND INVESTMENT:

- the Circular Economy Package, composed of Batteries and accumulators (2015/0272 COD), Landfill of waste (2015/0274 COD), Waste (2015/0275 COD) and Packaging waste (2015/0276 COD)
- European Deposit Insurance Scheme (EDIS) (2015/0270 COD)
- the Banking Reform Package composed of Capital requirements regulation reform (2016/0360 COD), Loss-absorbing and re-capitalisation capacity Directive (2016/0362 COD) and Regulation (2016/0361 COD), Ranking of unsecured debt instruments in insolvency hierarchy (2016/0363 COD), Exempted entities, remuneration, supervisory measures and powers and capital conservation measures (2016/0364 COD), and Recovery and resolution of central counter-parties (2016/0365 COD)
- Trade Defence Instruments (2013/0103 COD)

The Circular Economy Package is composed of four major legislative initiatives. Technical discussions are ongoing in the Council and an informal trilogue is planned for 26 June 2017. This package will continue to be negotiated under the Estonian Presidency. On the Trade Defence Instruments, negotiations between Parliament and Council are ongoing and it is hoped that political agreement can be reached during the Estonian Presidency.

2. ADDRESSING THE SOCIAL DIMENSION OF THE EUROPEAN UNION:

- Accessibility requirements for products and services (2015/0278 COD)

The IMCO committee voted on the report on accessibility on 25 April 2017 and the Council is expected to adopt a general approach in June 2017. His proposal will be negotiated during the Estonian Presidency.

3. BETTER PROTECTING THE SECURITY OF OUR CITIZENS:

- Money laundering and terrorist financing (2016/0208 COD)

The LIBE and ECON committees are joint committees under Rule 55. The mandate for negotiations was announced in plenary in March 2017 and trilogues are ongoing.

4. REFORMING AND DEVELOPING OUR MIGRATION POLICY IN A SPIRIT OF RESPONSIBILITY AND SOLIDARITY

- External investment plan/European Fund for Sustainable Development (EFSD) (2016/0281 COD)

- External investment package, composed of EIB external lending and the Guarantee fund for external actions (2016/0275 COD & 2016/0274 COD)

The DEVE, BUDG and AFET committees are joint committees under Rule 55 on the EFSD file. The mandate for negotiations was agreed and announced in plenary in April 2017. Both co-legislators hope to reach political agreement, and to have it voted in plenary in July 2017, in which case it would be closed before the Estonian Presidency. On the external investment package files, negotiations are ongoing and they could potentially be closed before the Estonian Presidency.

5. DELIVERING ON COMMITMENT TO IMPLEMENT A CONNECTED DIGITAL SINGLE MARKET

- Preventing unjustified geo blocking (2016/0152 COD)

IMCO adopted this report on 24 April 2017 and a mandate for negotiations was confirmed by plenary in May. This file will likely be concluded under the Estonian Presidency. It is also linked to the need to remove value added tax obstacles on e-commerce, which is an Estonian Presidency priority.

6. DELIVERING ON AN AMBITIOUS ENERGY UNION AND A FORWARD LOOKING CLIMATE CHANGE POLICY

- Clean Energy package, composed of the proposals on Energy efficiency (2016/0376 COD), Energy performance of buildings (2016/0381 COD), Common rules on the internal market in electricity (Directive 2016/0380 COD and Regulation 2016/0379 COD), European Agency for the cooperation of energy regulators (2016/0378 COD), Risk preparedness in the electricity sector (2016/0377 COD), Energy from renewable sources (2016/0382 COD) and Governance of the Energy Union (2016/0375 COD)

It is to be noted that the Maltese Presidency decided to accelerate two of the proposals of the Clean Energy Package, i.e. the Energy Efficiency file, also identified as an Estonian Presidency priority, and the Energy Performance of buildings. The Council plans to adopt a general approach on these two in June, following which it will be up to the Estonian Presidency to push for a conclusion.

One final point concerns the negotiations between the European Parliament, Council and Commission of the Joint Declaration for 2018. Negotiations on which proposals will form part of the Joint Declaration for 2018 will be held towards the end of the Estonian Presidency, with the participation of the subsequent Bulgarian Presidency. The Estonian Presidency is committed to working on all proposals included in the Joint Declaration for 2017 and which are not yet concluded. It is to be noted also that in the 18-month Trio Presidency Programme for Estonia, Bulgaria and Austria, published on 2 June 2017, there is a clear commitment to furthering the initiatives of the Joint Declaration on the EU's legislative priorities.

This document is also available on the internet at: www.europarl.europa.eu/thinktank

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