Press release – Financial support for workers affected by no-deal Brexit

The European Globalisation Adjustment Fund finances active labour policies such as reskilling of individual workers, career advice, training, relocation allowances or business start-ups. So far, EU governments could only apply for EGF financial support for workers and self-employed persons who have lost their jobs due to globalisation or an economic crisis. The change approved today by the European Parliament specifies that redundancies and self-employed persons whose activity has ceased as a result of significant repercussions on business models, growth and employment caused by the withdrawal of the UK from the EU without an agreement should also fall within the scope of the EGF.

The legislation was adopted by 516 votes against 23 and 17 abstentions.

The change to the regulation will apply from the day following that on which the Treaties cease to apply to the UK if there is no withdrawal agreement in place. However, this regulation will not apply if an agreement is concluded by the date of the UK's withdrawal.

Quote

Vilija Blinkevičiūtė (S&D, Lithuania), rapporteur, said: "EGF has been operational since 2007 and has helped many workers who have been made redundant to find a new job. This fund works very well. We have to do our utmost to prepare for any possible negative effects that our companies and workers may suffer from due to a no-deal Brexit."

Background

The member states and European Parliament must approve all EGF applications. Once approved, the EU pays 60 % and the EU countries 40 %.

Since 2007, 70.000 workers have benefitted from EGF funding.

Procedure: Ordinary legislative procedure: first reading

[Press release – MEPs adopt plan to keep 2020 EU funding for UK in no-deal Brexit scenario]

Parliament approved a measure to make sure that EU funds for 2020 are fully available if the UK leaves the European Union without a deal. The draft regulation extends to 2020 the contingency plan [approved by the European Parliament on 17 April 2019], previously limited to 2019.

The aim is to minimise any negative impact that the UK's withdrawal may have on beneficiaries of EU funding and on the European Union budget in the case of a no-deal scenario. The measure includes programmes such as Horizon 2020, Erasmus+ and agriculture and regional policies.

The proposal would make it possible to continue payments to UK beneficiaries throughout 2020, provided the UK continues to pay its contributions and accepts the necessary controls and audits.

The [draft recommendation] by rapporteur [Johan Van Overtveldt] (ECR, BE), Chair of the Committee on Budgets, endorsing the approval of the proposal, was adopted with 543 votes in favour, 30 against, and 46 abstentions.

Other Brexit-related items

MEPs also voted on the period for granting simplified [fishing authorisations] for EU fishing vessels in United Kingdom waters and fishing operations of United Kingdom fishing vessels in European Union waters, now extended until 31 December 2020. The report by Chris Davies (Renew Europe, UK) was adopted with 574 votes in favour, 24 against and 2 abstentions. An additional contingency measure, allowing member states directly impacted by Brexit to access financial support from the EU Solidarity Fund (now only meant for natural disasters), will be put to the vote on Thursday, following an agreement in the Regional Development Committee earlier on Monday.

Juncker Plan has made major impact on EU jobs and growth

The Investment Plan for Europe, the Juncker Plan, has played a key role in boosting jobs and growth in the EU. Investments by the European Investment Bank (EIB) Group backed by the Juncker Plan's European Fund for Strategic Investments (EFSI) have increased EU gross domestic product (GDP) by 0.9% and added 1.1 million jobs compared to the baseline scenario. By 2022, the Juncker Plan will have increased EU GDP by 1.8% and added 1.7 million jobs. These are the latest calculations by the Joint Research Centre (JRC) and the Economics Department of the EIB Group, based on financing agreements approved until the end of June 2019.

Jean-Claude **Juncker**, President of the European Commission, said: *"We have achieved what we set out to do: return Europe to solid growth and boost job creation. By 2022, the Juncker Plan will have added 1.7 million jobs to the EU labour market and increased EU GDP by 1.8%. I always said that the Plan was not a cure-all. But with more than one million small-sized companies receiving financing that wasn't available to them before, we can be proud."*

Jyrki **Katainen**, Commission Vice-President, responsible for Jobs, Growth, Investment and Competitiveness, said: *"We have come a long way since the first projects in 2015! Today the European economy is back on track and the Investment Plan will have a lasting impact. The projects financed so far benefit more than one million small businesses and help us transition to a low-carbon, circular and sustainable economy. I am proud to say that we delivered on our number one priority to mobilise private money for the public good."*

Werner **Hoyer**, European Investment Bank Group President, said: *"When we first discussed this initiative five years ago, many people were skeptical. It is hard to believe that any financial instrument can create jobs in the millions or support one million companies. Yet, recent calculations show that we were right to pursue our ideas. The Juncker Plan has had a sizable impact on economies and lives across Europe: it has supported environment- and climate-friendly projects, innovation and a fairer society, and it will continue to* *do so even when Jean-Claude and I are long-retired."*

Long term effect

In addition to the direct impact the Juncker Plan has had on jobs and GDP growth, the Plan will also have a long term macroeconomic impact on the EU. Looking ahead to 2037, Juncker Plan operations will still have created 1 million jobs and have increased EU GDP by 1.2%. Improved connectivity and increased productivity resulting from Juncker Plan supported projects are helping to boost European competiveness and growth in the longer-term.

Boosting investment and supporting SMEs

As of October 2019, the Juncker Plan is set to mobilise €439.4 billion in additional investment across the EU. More than one million start-ups and small businesses are now expected to benefit from improved access to finance.

Some 70% of the expected mobilised investment comes from private resources, meaning that the Juncker Plan has also met its objective of mobilising private investment.

Who has received financing?

Thanks to the Juncker Plan, the EIB and its subsidiary for financing small businesses, the European Investment Fund (EIF), have approved financing for close to 1200 operations and are on track to provide risk financing for more than one million start-ups and SMEs across a wide range of sectors and in all 28 EU countries.

As of October 2019, the top countries ranked by EFSI-triggered investment relative to GDP are Greece, Estonia, Portugal, Bulgaria and Poland. Examples of Juncker Plan projects range from pan-European high-speed charging infrastructure for electric vehicles to a food waste management company in Romania to reintegrating former military personnel into the workplace in the Netherlands. Factsheets by country and by sector provide a more detailed overview and further project examples.

How has the Juncker Plan benefited citizens and businesses?

In addition to financing innovative projects and new technologies, the Juncker Plan has supported other EU objectives, such as climate, social and transport policy. Thanks to the Juncker Plan:

- More than 10 million households have access to renewable energy
- 20 million Europeans are benefitting from improved healthcare services
- 182 million passengers per year are enjoying better rail and urban infrastructure

For a complete overview of the benefits, see the European Investment Bank's 2018 annual report on its operations inside the EU.

Impact on climate action

The Juncker Plan's European Fund for Strategic Investments supports ground-breaking ideas to protect the planet. Projects financed by the EIB Group under the Juncker Plan are set to trigger €90.7 billion in investment for climate action. These include zero-energy buildings, wind farms, solar energy projects, water-saving showers, eco-friendly buses and LED lighting.

Tailor-made advisory services and online meeting place

Another important goal of the Juncker Plan is to help projects get off the ground. The European Investment Advisory Hub, provides technical assistance and advice for fledgling projects. Since its launch in 2015, the Hub has handled more than 1,400 requests from project promoters in all EU countries, of which more than 400 are benefitting from tailored advisory support. More than 50 of these have already fed into the EIB lending pipeline. One was the upgrade of the street lighting system of Vilnius to make it more energy efficient. The project, which also received a €21.6 million EFSI-backed loan, will help reduce electricity consumption and costs by an estimated 51%, saving around €1 million per year. The energy saving is equivalent to the average energy consumption of almost 3,100 households.

In addition, as of September 2019, 890 projects have been published on the European Investment Project Portal – an online meeting place for project promoters and investors. These cover all major sectors of the EU economy, with total investment proposed amounting to €65 billion. More than 60 projects have received financing since being published on the Portal. The Portal also offers additional services, such as the organisation of matchmaking events.

Background information

The Investment Plan for Europe, the Juncker Plan, was launched in November 2014 to reverse the downward trend of low-levels of investment and put Europe on the path to economic recovery. Its three objectives were to remove obstacles to investment; to provide visibility and technical assistance to investment projects; and to make smarter use of financial resources. The European Fund for Strategic Investments is an EU budget guarantee that allows the EIB Group to finance more, and often riskier, projects.

Often, financing goes towards highly innovative projects, or start-ups without a credit history. Projects also pool smaller infrastructure needs by sector and geography. The Juncker Plan allows the EIB Group to finance a greater number of operations with a higher risk-profile than would have been possible without the EU budget guarantee's backing, as well as to reach out to new clients: three out of four receiving Juncker Plan backing are new to the bank.

On 18 April 2019, the European Parliament gave its green light to the successor to the Juncker Plan for the next Multiannual Financial Framework: the InvestEU Programme.

The macroeconomic impact assessment is a joint work between the EIB Economics department and the Commission's Joint Research Centre (JRC). It is based on a well-established, published, and peer-reviewed methodology developed by the JRC. The modelling details are available in the June 2018 impact report.

For more information

The Juncker Plan's impact on jobs and growth: factsheet

EIB/JRC 2019: Assessing the macroeconomic impact of the EIB Group

Juncker Plan factsheets by country and sector

EIB's complete EFSI project list

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EU enforcers must monitor closely new reporting standards

The common enforcement priorities related to 2019 IFRS financial statements include:

· specific issues related to IFRS 16 Leases given the need to exercise significant judgement in its application, particularly in determining the lease term and the discount rate;

· improvement of the information provided under standards that became applicable in 2018 IFRS financial statements:

o IFRS 9 *Financial Instruments for credit institutions* – relating to expected credit losses and significant increase in credit risk, and IFRS 15 *Revenue from Contracts with Customers for corporate issuers*, which should be of focus where revenue recognition is subject to significant assumptions and judgements; and

· the application of IAS 12 *Income* regarding deferred tax assets arising from unused tax losses.

Steven Maijoor, ESMA Chair, said:

"The provision of good quality financial information by listed issuers in their financial statements is a key element in building investors' confidence in European capital markets and the priorities regarding financial information reflect key changes in the IFRS standards in 2019 which impact on issuers and financial markets.

“We continue to stress the importance of providing investors with material, complete, balanced and accessible information on non-financial matters, including environmental matters and climate change. Issuers should also improve the transparency and quality of reported information in various areas, most notably on the key non-financial performance indicators used and on the non-financial disclosure frameworks adopted.

“The consistent application of reporting standards across the EU is essential to enhancing investor protection and promoting stable and orderly markets.”

ESMA also highlights the potential implications of the transition from one interest rate benchmark rate to another one on financial reporting and the importance of timely disclosure of its consequences. It encourages issuers to prepare for the timely implementation of recent IFRS 9 amendments which address hedge accounting implications, and monitor developments in the EU endorsement process which is expected to be finalised in time for the 2019 accounts.

Key non-financial information issues and Alternative Performance Measures (APMs)

ESMA highlights the principles of materiality and completeness of disclosures which should guide the reporting of non-financial information, including the importance of reporting information in a balanced and accessible fashion. This should include disclosures of non-financial information focusing on: environmental and climate change-related matters, key-performance indicators, the use of disclosure frameworks and supply chains. In addition, ESMA reminds issuers of the importance of providing adequate disclosures to enable users to understand the rationale for, and usefulness of, any changes to their disclosed APMs, especially regarding changes due to the implementation of IFRS 16.

Other issues

ESMA expects issuers to undertake all necessary steps to comply with the new European Single Reporting Format (ESEF) requirements which will begin to apply with the 2020 annual financial statements. Finally, it highlights the importance of disclosures analysing the possible impacts of the decision of the United Kingdom to leave the European Union.

Next steps

ESMA and European national enforcers will monitor and supervise the application of the IFRS requirements as well as any other relevant provisions outlined in the Statement, with national authorities incorporating them into their reviews and taking corrective actions where appropriate. ESMA will collect data on how EU listed entities have applied the priorities and will report on findings regarding these priorities in its Report on the 2020 enforcement activities.

Press release – Opening of October II plenary session

President Sassoli announced that Parliament´s Conference of Presidents has endorsed Laura Codruţa Kövesi's appointment as the first head of the new European Public Prosecutor's Office.

The European Parliament has received the UK's withdrawal agreement from the Council this afternoon. The Conference of Presidents will meet today at 18:00 to discuss the next procedural steps.

Changes to the agenda

Monday

A Commission statement on "Criminalisation of sexual education in Poland" has been added. The debate should be wound up with a resolution, to be voted in the November I part-session.

A Commission statement on "The storms in Europe – particularly the heavy rains in Spain and of the hurricane in Azores (Portugal)" has been added.

As a consequence, the sitting will be extended until 22:00.

Wednesday

The debate on “Opening accession negotiations with North Macedonia and Albania” will be wound up with a resolution, to be put to the vote on Thursday.

Thursday

The debate on Uganda, notably the proposed bill to impose capital punishment of homosexual acts” will now be entitled “The situation of LGBTI people in Uganda”.

The votes on the two Objections pursuant to Rule 112 will be moved from Thursday to Wednesday.

Requests by committees to start negotiations with Council and Commission

Decisions by several committees to enter into inter-institutional negotiations (Rule 69c) are published on the plenary website.

If no request for a vote in Parliament on the decision to enter into negotiations is made by midnight on Tuesday, the committees may start negotiations.