<u>Commission concludes that an Excessive</u> <u>Deficit Procedure is no longer</u> <u>warranted for Italy at this stage</u>

The Commission took stock today of the additional fiscal effort announced by the Italian authorities this week and concluded that it was material enough not to propose to the Council the opening of an Excessive Deficit Procedure (EDP) for Italy's lack of compliance with the debt criterion at this stage.

Valdis **Dombrovskis**, Vice-President for the Euro and Social Dialogue, also in charge of Financial Stability, Financial Services and Capital Markets Union, said: "I welcome the actions taken by the Italian government to ensure a better budget outcome in 2019. Ensuring sound public finances is a bedrock for confidence and growth. Respecting the commitment to prepare a 2020 budget in line with the EU fiscal rules and thus avoiding further uncertainty will be important in this context."

Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs, said: "The aim of the Stability and Growth Pact is not to punish or discipline anyone; it is to ensure that governments pursue sound public finances and correct problems swiftly when they occur. I am pleased to note this is the case today. The Italian government has responded to the Commission's signal one month ago that an Excessive Deficit Procedure was warranted by adopting a sound package of measures that ensure broad compliance with the Pact. We will carefully monitor the implementation of these measures in the second half of the year. Moreover, we stand ready to ensure that the 2020 draft budget to be presented this autumn will be compliant with the Pact. I have no doubt that we will work seamlessly in this context with the next Commission."

On 5 June 2019, the Commission assessed in its <u>report</u> under Article 126(3) of the Treaty the factors behind Italy's breach of the debt benchmark in 2018. The report examined Italy's budgetary outturn in 2018 and the fiscal forecasts for 2019 and 2020 and concluded that an EDP was warranted. This conclusion was supported by the Economic and Financial Committee in its opinion adopted on 11 June 2019. The Member States also invited Italy to 'take the necessary measures to ensure compliance with the provisions of the Stability and Growth Pact in accordance with the EDP process', and added that 'further elements that Italy may put forward could be taken into account by the Commission and the Committee'.

On 1 July, the Italian government adopted its mid-year budget for 2019 as well as a decree-law, which include a correction for 2019 amounting to €7.6 billion or 0.42% of GDP in nominal terms. As a result, Italy's headline deficit is expected to reach 2.04% of GDP in 2019 (compared to 2.5% in the Commission 2019 spring forecast), which was the target enshrined in the 2019 budget as adopted by the Italian Parliament. The correction in structural terms is slightly greater, amounting to €8.2 billion or 0.45% of GDP, leading

to an improvement in the structural balance of around 0.2% of GDP (compared to a deterioration of 0.2% in the Commission 2019 spring forecast). The difference compared to the nominal amount is due to the lower-than-expected one-off revenues from the tax amnesty of around €0.6 billion, which worsen the fiscal target in nominal but not in structural terms. These figures do not take into account the 0.18% flexibility provisionally granted to Italy for 'unusual events' related to the collapse of the Morandi Bridge and to hydrogeological risks, which will need to be confirmed ex-post based on the outturn data for 2019.

Taking into account the provisions adopted on 1 July, Italy is expected to be broadly compliant with the required effort under the preventive arm of the Stability and Growth Pact (SGP) in 2019, bridging the 0.3% of GDP gap estimated on the basis of the Commission spring forecast. Moreover, the additional fiscal effort delivered by the government for 2019 is such that it also partially compensates the deterioration in the structural balance recorded in 2018.

Finally, as regards 2020, the Italian government has reiterated its commitment to achieve a structural improvement in line with the requirements of the SGP, notably through a new spending review and revision of tax expenditures, as well as improved no-policy change projections reflecting the favourable trends observed so far in 2019. This information was set out in a letter sent on 2 July to the Commission from Prime Minister Giuseppe Conte, and Economy and Finance Minister Giovanni Tria.

Next steps

The Commission will keep under surveillance the effective implementation of this package: It will monitor closely the execution of the 2019 budget and will assess the compliance of the 2020 draft budgetary plan with the Stability and Growth Pact. Moreover, progress with structural reforms in the country-specific recommendations will be key to ensure higher growth and thereby contribute to a decrease in the debt-to-GDP ratio. The Commission will assess the implementation of these reforms within the context of the European Semester.

Background

The EDP is the 'corrective arm' of the Stability and Growth Pact and is designed to safeguard the requirement laid out in the Treaty that Member States should avoid excessive levels of deficit and debt.

The basis for triggering an EDP is a general government deficit in excess of the 3% of GDP, and/or a debt level above 60% of GDP and insufficiently diminishing towards that level. Currently, no Member State is in the corrective arm of the Pact, following Spain's exit in June 2019.

For more information

<u>Communication 'The 2019 Spring Round of Fiscal Surveillance for Italy'</u>

Article 126(3) report on Italy (5 June 2019)

Press release: Spring 2019 Economic Forecast

Press release: European Semester 2019 Spring Package

Article 126 of the Treaty on the Functioning of the EU (TFEU)

The Stability and Growth Pact

Excessive Deficit Procedure

Follow Vice-President Dombrovskis on Twitter: @VDombrovskis

Follow Commissioner Moscovici on Twitter: @pierremoscovici

Follow DG ECFIN on Twitter: @ecfin

Daily News 03 / 07 / 2019

European Commission adopts rules to ensure a smooth transition to its next President and the next College of Commissioners

The appointment of the President of the European Commission and of the Commissioners takes place in line with Article 17(7) of the Treaty on the European Union (TEU). The European Commission as an institution is responsible for ensuring the smooth transition between the current and the next Members of the College of Commissioners. In line with standard practice, the European Commission has adopted a set of rules specifying the practical arrangements for the candidate for President/President-elect and the Commissioners-designate in the months preceding their appointment to the new Commission. These arrangements mirror the ones put in place back in 2014, when the Juncker Commission was preparing to take office. They take into account the fact that both the candidate for President/ President-elect and Commissioners-designate need to spend considerable time in Brussels, Luxembourg and/or Strasbourg while preparing to officially take up their duties. More concretely, following their nomination, the candidate for President/President-elect would be entitled to an office in the Commission premises, the necessary IT equipment, as well as to a limited number of staff members to support his or her work. The same would be provided to the Commissioners-designate as of the moment that the President-elect announces that he or she has accepted them as candidates for Member of the Commission. Both the candidate for President/President-elect and the Commissionersdesignate would also be able to rely on the support of the Commission services, including the Commission representations in the EU Member States, in relation to their possible travels. The full text of the rules is available online here. (For more information: Margaritis Schinas - Tel.: +32 229 60524; Mina Andreeva — Tel.: +32 229 91382)

President Juncker temporarily transfers portfolio responsibilities following departure of two Members of the European Commission

Following the resignation of Andrus Ansip and Corina Cretu from their respective Commission mandates in order to take up the seats they were elected to in the European Parliament, President Juncker has decided to temporarily transfer their portfolios to Vice-President **Šefčovič** and Commissioner Hahn respectively. Andrus Ansip has served until now as Vice-President for the Digital Single Market, and Corina Cretu has been in charge of Regional Policy. With his experience as Energy Union Vice-President and project team leader, Vice-President **Šefčovič** has the necessary expertise and a good network, both of which make him the ideal person to ensure continuity in the Digital Single Market portfolio during this temporary period. Commissioner **Hahn**, in charge of European Neighbourhood Policy and Enlargement Negotiations, was in charge of regional policy during his previous Commission mandate and hence has all the necessary knowledge and contacts to temporarily manage the Regional Policy portfolio. This is in line with Article 17(6) of the Treaty on European Union and Article 248 of the Treaty on the Functioning of the European Union, according to which the President decides how the European Commission is organised. This morning, President Juncker informed the European Parliament and Prime Minister Antti Rinne, as the current holder of the Presidency of the Council, Vice-President **Šefčovič** and Commissioner **Hahn**, as well as the rest of the College about the resulting temporary working arrangements. The updated Decision on the organisation of responsibilities of the Members of the Commission is available online <u>here</u> and a full overview is <u>here</u>. (For more information: Margaritis Schinas -Tel.: +32 229 60524; Mina Andreeva - Tel.: +32 229 91382)

COLLEGE MEETING: Commission concludes that an Excessive Deficit Procedure is no longer warranted for Italy at this stage

The European Commission took stock today of the additional fiscal effort announced by the Italian authorities this week and concluded that it was material enough not to propose to the Council the opening of an Excessive Deficit Procedure (EDP) for Italy's lack of compliance with the debt criterion at this stage. Valdis Dombrovskis, Vice-President for the Euro and Social Dialogue, also in charge of Financial Stability, Financial Services and Capital Markets Union, said: "I welcome the actions taken by the Italian government to ensure a better budget outcome in 2019. Ensuring sound public finances is a bedrock for confidence and growth. Respecting the commitment to prepare a 2020 budget in line with the EU fiscal rules and thus avoiding further uncertainty will be important in this context." Pierre Moscovici, Commissioner for Economic and Financial Affairs, Taxation and Customs, said: "The aim of the Stability and Growth Pact is not to punish or discipline anyone; it is to ensure that governments pursue sound public finances and correct problems swiftly when they occur. I am pleased to note this is the case today. The Italian government has responded to the Commission's signal one month ago that an Excessive Deficit Procedure was warranted by adopting a

sound package of measures that ensure broad compliance with the Pact. We will carefully monitor the implementation of these measures in the second half of the year. Moreover, we stand ready to ensure that the 2020 draft budget to be presented this autumn will be compliant with the Pact. I have no doubt that we will work seamlessly in this context with the next Commission." A press release is available here. (For more information: Annika Breidthardt — Tel.: +32 229 56153; Annikky Lamp— Tel.: +32 229 56151)

COLLEGE MEETING: Initiative citoyenne européenne: la Commission enregistre trois nouvelles initiatives et conclut qu'une initiative est irrecevable sur le plan juridique

Aujourd'hui, la Commission européenne a décidé d'enregistrer trois nouvelles initiatives citoyennes européennes intitulées: « Un prix pour le carbone pour lutter contre le changement climatique », « Cultiver les progrès scientifiques: les cultures sont importantes », et « Mettons fin à l'ère du plastique en Europe ». La Commission a également conclu aujourd'hui qu'elle ne pouvait enregistrer une proposition d'initiative citoyenne européenne intitulée « Droits de l'UE, droits des minorités et démocratisation des institutions espagnoles », cette dernière étant irrecevable sur le plan juridique et manifestement en dehors du cadre des attributions de la Commission en vertu des traités de l'UE. À ce stade de la procédure, la Commission n'a pas analysé les initiatives sur le fond, mais s'est prononcée uniquement sur leur recevabilité juridique. Si, en l'espace d'un an, l'une des trois initiatives enregistrées recueille un million de déclarations de soutien, provenant d'au moins sept États membres différents, la Commission procédera à son analyse et disposera d'un délai de trois mois pour réagir. Elle pourra décider de faire droit à la demande ou non, mais, dans les deux cas, elle sera tenue de motiver sa décision. Un communiqué de presse complet est disponible en ligne. (Pour plus d'informations : Natasha Bertaud — Tél.: +32 2 296 74 56; Tim McPhie - Tél.: +32 229 58602; Katarzyna Kolanko - Tél.: +32 229 63444)

COLLEGE MEETING: Commission appoints Pierre Régibeau as the new Chief Economist of DG Competition

The European Commission has today appointed Dr. Pierre Régibeau as Chief Economist of the Directorate General for Competition (DG COMP). Dr. Régibeau, a Belgian national, currently serves as Vice-President at Charles River Associates, as well as Honorary Professor at the University of Essex. Since obtaining his PhD in Economics from the University of California Berkeley, he has held teaching positions at the Sloan School of Management (MIT), the Kellogg School of Management (Northwestern University), the University of Barcelona and INSEAD. Most recently, he was a reader of Economics at the University of Essex. Between 2006 and 2011, he was a member of the Economic Advisory Group on Competition Policy, a group of academics advising DG Competition. Dr. Régibeau will take up his duties as the sixth competition Chief Economist on 1 September 2019. The role entails assisting in the evaluation of the economic impact of the Commission's actions in the competition field and providing independent guidance on methodological issues

of economics and econometrics in the application of EU competition rules. (For more information: Mina Andreeva — Tel.: +32 229 91382; Andreana Stankova — Tel.: +32 2 29 57857)

EU Trust Fund for Africa: new migration-related measures to protect vulnerable people and foster resilience of host communities in North of Africa

The European Commission has approved 5 new migration-related programmes in North of Africa totalling €61.5 million. These new programmes adopted under the EU Emergency Trust Fund for Africa will reinforce ongoing measures to protect and assist refugees and vulnerable migrants in North of Africa especially in Libya, improve the living conditions and resilience of Libyans as well as foster economic opportunities, labour migration and mobility in the North of Africa countries. Commissioner for Neighbourhood and Enlargement Negotiations, Johannes Hahn, underlined: "The events of last night killing migrants are a strong reminder of the need to pursue EU's efforts to protect them and to put an end once and for all to the Libyan detention system. The EU continues to push for the ultimate closure of detention centres and is working to provide assistance and protection to people in need. In the framework of the African Union - European Union - United Nations Task Force, we support vulnerable migrants to voluntarily return and reintegrate in their countries of origin and refugees and asylum seekers to be evacuated out of Libya in view of their resettlement. Our new programmes under the EU Emergency Trust Fund for Africa will help to protect vulnerable people, stabilise communities, and reduce hardship for migrants, refugees and local people in areas most affected by migratory flows. With these new programmes, we continue to support our neighbours in North Africa to respond together to migration-related challenges in ways that safeguard security, rights and dignity of migrants and refugees, in the mutual interest of Europeans and our neighbours.". The full press release is available online as well as a dedicated factsheet on EU Trust Fund for Africa, North of Africa Window. (For more information: Maja Kocijancic - Tel.: +32 229 86570; Alceo Smerilli -Tel.: +32 229 64887)

Better recognition of civil or commercial judgments between EU countries and global trade partners*

Yesterday, the European Union, represented by the European Commission, along with 39 key trade partners have adopted the Hague Convention on the Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters. Commissioner for Justice, Consumers and Gender Equality, Věra Jourová said: "The recognition of judgments helps company expand their businesses in our internal market. Extending this system at international level with the Convention will allow European companies to trade more easily in 39 countries around the world." Once ratified, the Convention will facilitate the access to justice for EU businesses and citizens through the recognition and enforcement of judgments by the courts of signatory

countries. For example, if a French court rules that a Chinese company owes money to a French company, the Chinese court will have to recognise and enforce that ruling. The Convention will facilitate trade and investment by improving legal certainty and reducing costs in international trade and international dispute resolution. The Commission will now start the process of preparing EU accession to the Convention. More information on the Hague Convention on Recognition and Enforcement of Foreign Judgments in Civil or Commercial Matters is available online. (For more information: Christian Wigand — Tel.: +32 229 62253, Melanie Voin — Tel.: +32 229 58659)

Les pays de l'UE testent leur capacité à coopérer en cas de cyberattaques

Les pays de l'UE, l'Agence de l'UE pour la cybersécurité (ENISA) et la Commission européenne se sont réunis aujourd'hui à Paris pour un exercice appelé Blue OLEx 2019 auquel ont participé des représentants de haut niveau des autorités nationales de cybersécurité pour tester la coopération et la cyber-résilience au niveau de l'UE. Cet exercice a été conduit dans le cadre de la Directive sur la sécurité des réseaux et de l'information qui a établi une coopération au niveau opérationnel et technique entre les Etats membres par le biais du réseau des centres de réponse aux incidents de sécurité informatique (CSIRT). Les résultats obtenus lors du test contribueront à élaborer des procédures opérationnelles normalisées prévues dans le cadre de la <u>Recommandation</u> sur la réaction coordonnée aux incidents et crises de cybersécurité de l'UE et des États membres (BluePrint), adoptée en 2017. Trois niveaux de gestion de crise ont été identifiés: politique, opérationnel et technique. Le test réalisé aujourd'hui complète des exercices réguliers de gestion de crise. Cet exercice a été précédé par la première réunion de haut niveau du groupe de coopération réunissant des représentants des autorités nationales responsables de la Directive sur la sécurité des réseaux et de l'information. Les participants ont dressé le bilan des progrès réalisés dans la coopération de l'UE dans le domaine de la cybersécurité depuis la création du groupe de coopération en 2017. De plus, les participants ont présenté les cadres nationaux de cybersécurité et débattu des développements futurs. Plus d'informations sur la stratégie de cybersécurité de l'UE sont disponibles dans ce <u>mémo</u>, cette <u>brochure</u> et cette <u>fiche d'informations</u>. (*Pour plus* d'informations: Nathalie Vandystadt - Tél.: +32 229 67083; Marietta Grammenou- Tél.: +32 229 83583; Inga Höglund — Tél.: +32 229 50698)

Agriculture: Commission publishes latest short-term outlook for main EU agricultural sectors

The latest agricultural short-term outlook report published today by the European Commission shows in its main findings that EU exports of pork, beef, olive oil and dairy products are expected to continue increasing in 2019 with overall EU agricultural production also on the rise. The dairy sector sees sustained demand for EU dairy products and favourable weather conditions. In addition, global demand for skimmed milk powder is high. Exports of EU beef are expected to increase by 15% in 2019 despite a reduction in beef production of 1.2%. Demand for pigmeat, especially coming from China, should lead to an increase of 12% of EU exports in 2019 while

production will remain stable. As for poultry, thanks to sustained demand and high prices, production will keep growing, increasing by 2.5% compared to 2018. For 2019/2020, cereal production is expected to recover and reach 311 million tonnes. Wheat production should increase by 11% and reach 142 million tonnes. Production of peaches and nectarines could reach around 4.1 million tonnes in 2019, an increase of 4% compared to 2018, thanks to favourable weather conditions. As for the sugar sector, production is expected to reach 18.3 million tonnes, an increase of 4% compared to last year in spite of a reduction in the EU sugar beet area. More information is online. The short-term outlook report with analysis and statistics by market is available here. (For more information: Daniel Rosario – Tel.: +32 229 56185; Clémence Robin – Tel.: +32 229 52509)

Mergers: Commission clears the acquisition of Evonik's methacrylates business by Advent

The European Commission has approved, under the EU Merger Regulation, the acquisition of the methacrylates business division of Evonik Industries AG ("Evonik") of Germany by Advent International Corporation ("Advent") of the US. Evonik's methacrylates business division manufactures methyl methacrylate and other methacrylate derivatives, which are used as an input for the production of certain coating resins, as well as certain types of resins. Advent is a private equity investor, which controls among others Allnex S.A. of Belgium, a company active in the production of coating resins. The Commission concluded that the proposed acquisition would raise no competition concerns given, on the one hand, the limited horizontal overlap between the companies' activities and, on the other hand, the absence of anti-competitive vertical effects resulting from the combination of the activities of Allnex and Evonik's methacrylates business. The transaction was examined under the normal merger review procedure. More information is available on the Commission's <u>competition</u> website, in the public <u>case register</u> under the case number M.9353. (For more information: Ricardo Cardoso - Tel.: +32 229 80100; Maria Tsoni - Tel.: +32 229 90526)

Eurostat : Le taux d'investissement des entreprises stable à 23,6% dans la zone euro, part des profits des entreprises en baisse à 39,8% (Première diffusion pour le premier trimestre 2019)

Au premier trimestre 2019, le taux d'investissement des entreprises s'est situé à 23,6% dans la zone euro, stable comparé au trimestre précédent. La part des profits des entreprises s'est quant à elle située à 39,8% au premier trimestre 2019 dans la zone euro, contre 40,0% au quatrième trimestre 2018. Ces informations sur les comptes européens trimestriels des secteurs proviennent d'une première diffusion de données, corrigées des variations saisonnières, publiée par Eurostat, l'office statistique de l'Union européenne, et la Banque centrale européenne (BCE). Un communiqué de presse est en ligne. (Pour plus d'informations: Lucía Caudet — Tél.: +32 229 56182; Sophie Dupin de Saint-Cyr — Tél.: +32 229 56169)

Eurostat : Le taux d'épargne des ménages en hausse à 12,6% dans la zone euro, taux d'investissement des ménages quasiment stable à 9,3% (Première diffusion pour le premier trimestre 2019)

Au premier trimestre 2019, le taux d'épargne des ménages a été de 12,6% dans la zone euro, contre 12,1% au quatrième trimestre 2018. Le taux d'investissement des ménages a été de 9,3% au premier trimestre 2019 dans la zone euro, contre 9,2% au trimestre précédent. Ces informations sur les comptes européens trimestriels des secteurs proviennent d'une première diffusion de données, corrigées des variations saisonnières, publiée par Eurostat, l'office statistique de l'Union européenne, et la Banque centrale européenne (BCE). Un communiqué de presse est en ligne. (Pour plus d'informations: Lucía Caudet — Tél.: +32 229 56182; Sophie Dupin de Saint-Cyr — Tél.: +32 229 56169)

STATEMENTS

Statement by High Representative/Vice-President Federica Mogherini, Commissioners Johannes Hahn and Dimitris Avramopoulos on the air strike in Tripoli

High Representative/Vice-President Federica Mogherini, Commissioner for the European Neighbourhood Policy and Enlargement Negotiations, Johannes Hahn, and Commissioner for Migration, Home Affairs and Citizenship, Dimitris **Avramopoulos**, in a <u>joint statement</u> condemned the attack on a detention centre in Tripoli and violence against civilians, including refugees and migrants: "The European Union joins the call for the UN to carry out an immediate investigation into who perpetrated this horrific attack. Those responsible should be held to account. Throughout this conflict the EU, in close cooperation with the UN and in the framework of the African Union — European Union — United Nations Taskforce on Libya, has worked to protect Libyans, refugees and migrants. We have sought to evacuate refugees and migrants from the detention centres near the frontline. Where possible, we have enabled them to find safety outside of Libya — these efforts must continue and be stepped up urgently. [...] Our position on Libya's system of detaining migrants is clear: this system has to end and migration needs to be managed in full compliance with international standards, including when it comes to human rights. When it comes to the political situation in Libya, the EU will continue to lend its fullest support to the UN and UNSG Special Representative Salamé to achieve a political settlement." The full statement is available here. (For more information: Maja Kocijancic — Tel.: +32 229 86570; Natasha Bertaud - Tel.: +32 229 67456; Tove Ernst - Tel.: +32 229 86764)

Upcoming events of the European Commission (ex-Top News)

[Updated at 16:23 on 03/07/2019]

President Juncker temporarily

transfers portfolio responsibilities following departure of two Members of the European Commission

Following the resignation of Andrus **Ansip** and Corina **Creţu** from their respective Commission mandates in order to take up the seats they were elected to in the European Parliament, President **Juncker** has decided to temporarily transfer their portfolios to Vice-President **Šefčovič** and Commissioner Hahn respectively.

Andrus **Ansip** has served until now as Vice-President for the Digital Single Market, and Corina Creţu has been in charge of Regional Policy. With his experience as Energy Union Vice-President and project team leader, Vice-President **Šefčovič** has the necessary expertise and a good network, both of which make him the ideal person to ensure continuity in the Digital Single Market portfolio during this temporary period. Commissioner **Hahn**, in charge of European Neighbourhood Policy and Enlargement Negotiations, was in charge of regional policy during his previous Commission mandate and hence has all the necessary knowledge and contacts to temporarily manage the Regional Policy portfolio.

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This morning, President **Juncker** informed the European Parliament and Prime Minister Antti Rinne, as the current holder of the Presidency of the Council, Vice-President **Šefčovič** and Commissioner **Hahn**, as well as the rest of the College about the resulting temporary working arrangements. The updated Decision on the organisation of responsibilities of the Members of the Commission is available online here and a full overview is here.

European Commission adopts rules to ensure a smooth transition to its next President and the next College of Commissioners

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These arrangements mirror the ones put in place back in 2014, when the Juncker Commission was preparing to take office. They take into account the fact that both the candidate for President/ President-elect and Commissioners-designate need to spend considerable time in Brussels, Luxembourg and/or Strasbourg while preparing to officially take up their duties.

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Both the candidate for President/President-elect and the Commissioners-designate would also be able to rely on the support of the Commission services, including the Commission representations in the EU Member States, in relation to their possible travels. The full text of the rules is available online here.

European citizens' initiative: Commission registers 3 new initiatives and determines 1 as inadmissible

Today the European Commission decided to register 3 new European citizens' initiatives: 'A price for carbon to fight climate change', 'Grow scientific progress: crops matter!', and 'Let's put an end to the era of plastic in Europe'. The Commission also determined that it cannot register a proposed European citizens' initiative entitled 'EU law, minority rights and democratisation of Spanish institutions' as it does not invite the Commission to make a proposal for a legal act.

At this stage in the process, the Commission has not analysed the substance of the initiatives, but only their legal admissibility. Should any of the 3 registered initiatives receive 1 million statements of support from at least 7 Member States within 1 year, the Commission will analyse and respond to the initiative. The Commission can decide either to follow the request or not, and in both instances would be required to explain its reasoning.

1. 'A price for carbon to fight climate change'

The organisers of the initiative call on the Commission 'to propose EU legislation to discourage the consumption of fossil fuels, encourage energy saving and the use of renewable sources for fighting global warming and limiting temperature increase to 1.5°C'. The objective of the initiative is to introduce a minimum price on CO2 emissions, abolish the existing system of free allowances to EU polluters and introduce a border adjustment mechanism, while allocating the revenue from carbon pricing 'to European policies that support energy saving and the use of renewable sources, and to the reduction of taxation on lower incomes'.

Under the EU Treaties, the European Commission can take legal action in the areas of climate action, the environment, taxation and common commercial policy. The Commission therefore considers the initiative legally admissible and has decided to register it. The registration of this initiative will take place on 22 July 2019, starting a 1-year process of collection of signatures of support by its organisers.

2. 'Grow scientific progress: crops matter!'

The organisers of the initiative state that <u>Directive 2001/18/EC on Genetically Modified Organisms (GMOs)</u> is 'outdated' and ask for a revision of its rules concerning new plant breeding techniques (NPBT), with the objective of facilitating 'the authorisation procedure for those products obtained through NPBTs'.

Under the EU Treaties, the European Commission can take legal action in the area of the internal market and product authorisations. The Commission therefore considers the initiative legally admissible and has decided to register it. The registration of this initiative will take place on 25 July 2019, starting a 1-year process of collection of signatures of support by its organisers.

3. 'Let's put an end to the era of plastic in Europe'

The organisers of this initiative 'call on the European Commission to revise the Directive on the impact of certain plastics on the environment with the aim of banning all single-use plastics in Europe'. The initiative aims to ban 'all plastic packaging and bottles by 2027 so that concrete measures can begin to be put in place to respect the limits of our resources.'

Under the EU Treaties, the European Commission can take legal action with an aim of preserving, protecting and improving the quality of the environment. The Commission therefore considers the initiative legally admissible and has decided to register it. The registration of this initiative will take place on 26 July 2019, starting a one-year process of collection of signatures of support by its organisers.

4. 'EU law, minority rights and democratisation of Spanish institutions'

Referring to events in the context of the movement for independence in Catalonia, the organisers of this initiative aim to ensure that 'both the

Commission and the Parliament are fully aware of the current situation in Spain [...] and the need to set mechanisms in motion to help improve democratic standards in Spain, thereby guaranteeing the rights and freedoms of minority groups and of all Spanish citizens by means of EU law and instruments.'

More specifically, the initiative invites the Commission to examine the situation in Spain and take possible steps in the context of the Commission's 2014 Communication 'A new Framework to strengthen the Rule of Law'. Under that framework, the Commission can enter into a dialogue with a Member State to prevent the emerging of a systemic threat to the rule of law. However, the initiative does not invite the Commission to submit a proposal for a legal act, which is the sole purpose of European Citizens' Initiatives.

The Commission has therefore concluded that the initiative manifestly falls outside the Commission's powers to propose a legal act for implementing the EU Treaties, and is therefore inadmissible.

Background

European citizens' initiatives were introduced with the Lisbon Treaty and launched in April 2012, upon the entry into force of the European citizens' initiative Regulation, which implements the Treaty provisions. In 2017, as part of President Juncker's State of the Union address, the European Commission tabled reform proposals for the European citizens' initiative to make it even more user-friendly. In December 2018, the European Parliament and the Council agreed on the reform and the revised rules will start applying as of 1 January 2020.

In the meantime, the process has been simplified and a collaborative platform offers support to organisers. All this has contributed to 30% more registered citizens' initiatives (38 registrations under the Juncker Commission compared to 29 under the previous Commission) and 80% fewer refusals (only 5 citizens' initiatives were not registered under this Commission compared to 20 under the previous Commission).

Once formally registered, a European citizens' initiative allows 1 million citizens from at least 7 of the Member States to invite the European Commission to propose a legal act in areas where the Commission has the power to do so.

The conditions for admissibility are that the proposed action does not manifestly fall outside the framework of the Commission's powers to submit a proposal for a legal act, that it is not manifestly abusive, frivolous or vexatious and that it is not manifestly contrary to the values of the Union.

For More Information

Full text of the proposed European Citizens' Initiatives:

- A price for carbon to fight climate change (available as of 22 July 2019) http://stopglobalwarming.eu/
- Grow scientific progress: crops matter! (available as of 25 July 2019) www.growscientificprogress.org

- Let's put an end to the era of plastic in Europe (available as of 26 July 2019)
- EU law, minority rights and democratisation of Spanish institutions

ECIs currently collecting signatures

ECI website

ECI Regulation