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Activities of the institutions of the European Union - February 2023

The Note summarises the main events involving the EU institutions in February 2023, providing an overview of the issues and documents that were discussed and negotiated.

In particular, the main proposals made by the European Commission, the legislative resolutions adopted during the plenary session of the European Parliament are listed, and a summary of the topics addressed in the meetings of sectoral councils that took place during the period under review is given.

Main proposals submitted by the European Commission

- Proposal for a Decision on the accession of the European Union to the Geneva Act of the Lisbon Agreement on **Designations of Origin** and **Geographical Indications** (COM(2023) 54), 9 February 2023, referred to 9th Standing Committee *(Industry, Trade, Tourism, Agriculture and Agri-Food Production)* on 14 February 2023;
- Proposal for a directive amending Directive 2012/19/EU (COM (2023) 63), on **waste electrical and electronic equipment** (WEEE), of 8 February, referred to the 8th Standing Committee *(Environment, Ecological Transition, Energy, Public Works, Communications, Technological Innovation)* on 9 February 2023;
- Proposals for a directive amending the **VAT** rules for the **digital era** (COM(2022) 701) of 7 February, and for a regulation amending the administrative cooperation arrangements in the same field (COM(2022) 703) of 8 February 2023, referred to the 6th Standing Committee *(Finance and Treasury)* on 14 February 2023;
- Proposal for a regulation on the collection and transfer of *Advanced Passenger Information* (API) (COM(2022) 729) , of 7 February 2023, referred to the 1st Standing Committee *(Constitutional Affairs)* on 9 February 2023;
- Proposal for a Regulation on the collection and transfer of **API for the** purposes of prevention, detection, investigation and prosecution of **terrorist** offences and **serious crime** (COM(2022) 731), of 7 February 2023, referred to the 1st Standing Committee *(Constitutional Affairs)* on 9 February 2023;

- Proposal for a Regulation on **classification**, **labelling** and **packaging of** substances and mixtures (COM(2022) 748), 3 February 2023, allocated to the 9th Standing Committee *(Industry, Trade, Tourism, Agriculture and Agro-Food Production)* on 7 February 2023;
- Proposals for a Directive (COM(2022) 760) and for a Regulation (COM(2022) 762) to make **public capital markets in** the Union more attractive to companies and to **facilitate access to capital for small and medium-sized enterprises, of** 1 February 2023, referred to the 6th Standing Committee *(Finance and Treasury)* on 1 February 2023;
- Proposal for a Directive on **multiple voting share structures** in companies seeking admission to trading in their shares on an SME growth market (COM(2022) 761), 2 February 2023, referred to the 6th Standing Committee *(Finance and Treasury)* on 7 February 2023;

It should also be noted that on 1 February 2023, the European Commission published the Communication 'A ***Green Deal*** **Industrial Plan for the** Net Zero Emission Era' (COM(2023) 62), based on four pillars: a predictable, consistent and simplified regulatory environment; accelerated access to finance, to which a **reform of the state aid framework** is envisaged; improved skills; and resilient trade policy and supply chains.

Plenary Session of the European Parliament

The European Parliament met on 1-2 and 13-16 February 2023. The main legislative resolutions adopted were:

- Resolution on the draft regulation amending Regulation (EU) 2019/631 as regards increasing **CO_2** performance standards for new **passenger cars** and new light commercial vehicles, (COM(2021)0556), 14 February 2023, P9_TA(2023)0039;
- Resolution on the draft regulation amending Regulation (EU) 2021/241 establishing the **Facility for Recovery and Resilience** as regards the inclusion of chapters dedicated to the ***REPowerEU plan*** in the relevant plans (COM(2022)0231, 14 February 2023, P9_TA(2023)0036;
- Resolution on the draft implementing provisions for the Statute of the **European Ombudsman**
- (2022/0903(NLE)), 15 February 2023, P9_TA(2023)0045;
- Resolution on the draft Council Regulation amending Regulation (EU) 2021/2085 setting up the **Joint Undertakings** under Horizon Europe as regards the '*Chip*' Joint Undertaking, (COM(2022)0047), 15 February 2023, P9_TA(2023)0044;
- Resolution on the draft Council Decision on the conclusion, on behalf of the European Union and its Member States, of the Protocol to the Cooperation Agreement on a **Civil Global Navigation Satellite System** (GNSS) between the European Community and its Member States, of the one part, and the Republic of Korea, of the other part, to take account of the accession of the Republic of Bulgaria, the Republic of Croatia and Romania to the European Union (2018/0429(NLE), 15 February 2023, P9_TA(2023)0043;
- Resolution on the draft regulation amending Regulation (EU) 2015/760 on European Long-Term Investment Funds (ELTIF) as regards the scope of **eligible** assets and **investments**, portfolio composition and diversification requirements (COM(2021)0722), 15 February 2023, P9_TA(2023)0040;
- Resolution on the draft Council directive laying down detailed arrangements for the exercise of the **right to vote** and to stand as a candidate in municipal elections by citizens of the Union residing in a Member State of which they are not nationals (recast) (COM(2021)0733), P9_TA(2023)0038;

- Resolution on the draft Council Directive on detailed arrangements for the exercise of the right to vote and to stand as a candidate in **elections to the European Parliament for citizens of the** Union residing in a Member State of which they are not nationals (recast) (COM(2021)0732), 14 February 2023, P9_TA(2023)0037;
- Resolution on the draft regulation establishing the **Union Programme for Secure Connectivity for the** period 2023-2027 (COM(2022)0057), 14 February 2023, P9_TA(2023)0033;
- Resolution on the draft Regulation on the exercise of the Union's rights in relation to the application and implementation of the Agreement on the **withdrawal of the United Kingdom from the** European Union and the European Atomic Energy Community (COM(2022)0089), 14 February 2023, P9_TA(2023)0032;
- Resolution on the draft regulation on transparency and *targeting* of **political advertising** (COM(2021)0731), 2 February 2023, P9_TA(2023)0027;
- Resolution on the draft regulation amending Regulation (EU) No 549/2013 on the European system of national and regional accounts in the European Union (COM(2021)0776), 2 February 2023, P9_TA(2023)0025.

General Affairs Council of 6 February 2023

The General Affairs Council met on 6 February 2023. Italy was represented byMr **Raffaele Fitto,** Minister for European Affairs, Cohesion Policies and the National Recovery and Resilience Plan (NRP).

The issues addressed were the following:

- preparations for the **extraordinary European Council of 9-10 February 2023**. The draft conclusions were discussed, with particular reference to: Russia's war of aggression against Ukraine; the EU's economic agenda, Europe's ability to maintain its global competitiveness and the challenges currently facing the European industry; migration[1] .
- **Diverging positions** emerged among the Member States on economic issues: some confirmed their opposition to the creation of **new common funds**, while Greece and Poland condemned the absence of such instruments. However, a certain consensus towards greater flexibility in the use of already available funds and programmes appeared to be consolidating. In his speech, Minister Fitto emphasised that the structure of these funds, in particular those related to cohesion and *NextGenerationEU* (NGEU), had been conceived in a different economic and political context, and that it was therefore necessary to adapt them in order to maintain the balance and proper functioning of the single market. On trade issues, the minister recalled how the **transatlantic dialogue** remains an essential element in addressing the impact of the *Inflation Reduction Act* (IRA). He also reiterated the specificity of maritime borders (an aspect also recalled by France, Greece and Malta) and called on *leaders* to focus on the response to be provided in relation to the external dimension, refrain from considering primary and secondary flows in a confrontational fashion, while prevention of illegal arrivals should remain the main solution. He finally recalled the need to conclude the work on the Pact on Migration and Asylum by finding the right balance between responsibility and solidarity;

[1] For more details on the conclusions of the European Council, please refer to European Factsheet No. 13/DE "European Council - Brussels, 9 and 10 February 2023" and European Union Document No. 2/EU "Conclusions of the Extraordinary European Council of 9 February 2023".

- **EU-United Kingdom relations, with a** particular focus on the implementation of the withdrawal agreement, in particular the **protocol on Ireland/Northern Ireland**. Ministers welcomed the ongoing dialogue between the EU and the UK to find common solutions and expressed their support for the Commission. They also reiterated the EU's readiness to constructively discuss a solution, negotiated within the framework of the protocol;
- **Priorities** of the **Swedish Presidency**. Jessika Roswall, Swedish Minister for European Affairs, emphasised that a starting point of her government's programme is **Russia's illegal aggression against Ukraine** and the EU's common response to its consequences. Main priorities will also be **security**, **competitiveness**, **green and energy transitions**, **democratic values** and the rule of **law**. The General Affairs Council will continue its work in such areas as the rule of law, enlargement and strengthening democracy. Finally, the presidency stated that it will work to strengthen the EU's crisis preparedness and management capabilities, so as to follow up on the Conference on the Future of Europe and to support the Commission in implementing the EU-UK agreements.

General Affairs Council of 21 February 2023

The General Affairs Council met again on 21 February 2023. Minister **Raffaele Fitto** was present for Italy. During the meeting:

- preparations were started for the **European Council** meeting **on 23-24 March 2023 by** discussing of an **annotated draft** agenda according to which the following issues should be addressed: **Russia's war of aggression against Ukraine**; **competitiveness**, **single market** and **economy**; **energy**; **migration**; **foreign policy;**
- All speeches, including Minister Fitto's, emphasized a will to defend the functioning of the single market from distortions caused by external or internal factors and **prevent** that the instruments put in place (including the **reform of state aid**) from creating **fragmentation**. The ministers of Italy and Portugal also mentioned a possible future role for a **common sovereign fund**. On **energy**, convergence emerged on the need to adequately prepare for storages and to work on joint gas purchases in order to secure supplies and counter price volatility in view of the coming winter. Minister Fitto agreed with this position but also recalled the key role of the work on **interconnections** and their funding. On **migration**, the minister highlighted the need to combine responsibility and solidarity, harmonise rescue at sea policies, evaluate the role played in this context by private entities, and find appropriate resources for partnerships with countries of origin and transit;
- the presidency briefed ministers on EU support for the **earthquakes in Turkey and Syria**. It highlighted humanitarian needs on the ground and gave an overview of the coordination efforts made by the **EU's Integrated Crisis Response Mechanisms (IPCR)**. The presidency also stressed that it will organise, together with the Commission, a donor conference in March to mobilise funds from the international community to support the populations of Turkey and Syria;
- IPCR Arrangements – approved by the Council on 25 June 2013 and then codified into a legal instrument by Implementing Decision (EU) 2018/1993 – are designed to enable **timely coordination and response at** EU political level to **crises** with a wide impact or political relevance, whether they occur inside or outside the Union. On 6 February 2023, the Swedish Presidency decided to activate the EU Integrated Arrangements for Political Crisis Response

to coordinate, in close cooperation with the European Commission, EU support measures in the aftermath of the earthquake in Turkey and Syria.

- The Commission submitted its **Communication** and **Recommendation** on EU **Disaster Resilience** Targets, published on 8 February 2023;
- the Council requested the consent of the European Parliament to adopt the decisions on the accession of the EU to the Convention on preventing and **combating violence against women and domestic violence** (**Istanbul Convention**).

- The Istanbul Convention is the first legally binding international instrument to create a legal framework for the protection of women against all forms of violence. It includes measures on data collection, awareness-raising, criminalisation of violence against women and provision of support services. It also addresses the dimension of gender-based violence in asylum and migration. The Convention entered into force on 1 April 2014 and was signed by the EU on 13 June 2017. Decisions on the conclusion of the Convention, on behalf of the EU, cover matters falling within the exclusive competence of the Union (i.e. the institutions and public administration of the Union and judicial cooperation in criminal matters, asylum and non-refoulement);

- the Council formally adopted a **regulation** that should allow Member States to add a new ***REPowerEU*** chapter to their national recovery and resilience plans under *NextGenerationEU*. The aim is to finance key investments and reforms to make the EU **diversify its energy supply** and end its dependence on **Russian fossil fuel** imports.

- **Additional subsidies of** EUR **20 billion** will be made available to fund investments and reforms. The sources for this funding will be the Innovation Fund (60%) and the advance on ETS quotas, the emissions trading system (40%). Minister Fitto expressed his views in this regard, emphasising that the Italian Government has already prompted consideration by all appropriate central government agencies and the main state-owned companies, with a view to defining a programme containing projects to be implemented by 2026.

The ECOFIN Council of 14 February 2023

The Council on Economic and Financial Affairs (ECOFIN Council) took place on 14 February 2023. The meeting was preceded by a **Eurogroup meeting**, where developments in energy markets and the Eurozone labour markets in the last few years (based on a note from the Commission services), as well as macroeconomic and financial developments and policy coordination in the Eurozone were considered. Italy's Minister of Economy and Finance **Giancarlo Giorgetti** took part[2] .

The following topics were discussed at the meeting:

- **Review of economic *governance***: Ministers exchanged views on the review of economic governance, following the Commission's communication on orientations for a reform of the EU governance framework (for more on the prospects for reform, see the Senate International Affairs Service and Research Service **file no. 5/1**). The ECOFIN Council in March will provide another opportunity to make progress. In their speeches, ministers provided policy guidance on the **broad themes proposed by the Swedish Presidency**: how to ensure **country-specific fiscal adjustment** while maintaining **multilateral surveillance** anchored in the EU's common budgetary rules and parameters; views on a possible increased focus on

[2] For further discussion of the outcomes of the meeting, please refer to the Note, prepared by the Senate Study and International Affairs Services, 'ECOFIN Council of 14 February 2023', March 2023.

medium-term planning; the potential role of **a risk-based analysis** of **public debt** developments in identifying country-specific challenges. At a hearing on the reform of EU economic governance held on 2 March before the budget committees of Italy's Senate and Chamber of Deputies, Minister **Giorgetti** illustrated the **Italian position.** According to the minister, it is crucial that the debate on the economic governance review **progress rapidly and go hand in hand with the ongoing discussions on the *green deal* industrial plan**, the temporary crisis and transitional framework and especially the **new state aid regulation**. The minister gave a **positive assessment of** such elements of the proposal as the **medium-term multi-year horizon**; the **integration of economic policy budget planning**; the consideration of the **specific situation of each country** in the definition of an adjustment path; the identification of a **single indicator for fiscal surveillance**, which nevertheless presents some **critical elements.** Further in-depth studies will also need to address the **analysis of debt sustainability**, especially with respect to its possible publicity, the idea that the National Budget and Structural Plans remain **unchanged for four years**; the way in which **investments are allocated;** and the **procedure for macroeconomic imbalances.**

- **Economic and financial impact of Russian aggression on Ukraine**: At the meeting, ministers focused on the implementation and impact of the sanctions adopted following Russia's aggression[3] on Ukraine.
- **Legislative activity**: During the meetings, the French Presidency provided an **up-to-date overview of the state of play** regarding legislative proposals on financial services.

At the meeting, the ministers also:

- adopted an implementing **decision** on **technical amendments** to the **German** Recovery and Resilience Plan (**RRP**);
- revised the **EU list of non-cooperative jurisdictions for tax purposes**, adding four countries, including **Russia** (as well as the British Virgin Islands, Costa Rica and the Marshall Islands);
- decided, without discussion, to extend the EU restrictive measures until 20 February 2024 in view of the situation in **Zimbabwe** and to continue to review the measures on an ongoing basis in the light of political and security developments in the country;
- approved the **EU mandate for** the **meeting of G20** finance ministers and central bank governors scheduled for 24 and 25 February 2023 in Bengalûru, India.

Foreign Affairs Council of 20 February 2023

On 20 February 2023, the Foreign Affairs Council took place. Minister **Tajani** represented Italy. Ministers exchanged views on the Russian aggression on Ukraine, discussed military support through the European Instrument for Peace and the ongoing **training of** Ukrainian armed forces under the *European Union Military Assistance* Mission *Ukraine* (EUMAM). The Council also discussed Kyiv's urgent need for **ammunition** and considered how to intensify joint EU efforts (e.g. through joint procurement, as proposed by Estonia). *This topic, together with other more strictly military aspects, will be dealt with at the next* ***informal meeting of defence ministers****, scheduled for 7 and 8 March in Stockholm.*

The Council:

- imposed new **restrictive measures** on individuals and entities involved in serious human rights violations in **Iran** and **Myanmar** (two years after the military coup);

[3] For more details, please refer to the in-depth study by the Study Service of the Senate of the Republic 'European Union Sanctions against the Russian Federation', Note no. 4/2, March 2023.

- approved **conclusions** redefining **EU priorities** in the **Great Lakes region.** The text provides a framework for all policies in the area, with a focus on the Democratic Republic of Congo, Burundi, Rwanda and Uganda, in coordination with other international initiatives;
- approved two new missions under the Common Security and Defence Policy (CSDP): a **military partnership mission (EUMPN) in Niger**, to support local authorities in the fight against terrorist groups (with a three-year mandate and a budget of €27.3 million for overheads); a **civilian mission (EUM) in Armenia**, to monitor the situation **in the border regions with Azerbaijan** (with a two-year mandate, to give continuity to the EU presence already started in October 2022);
- resolved, within the framework of the European Peace Facility, a **€7 million assistance measure for Jordan's armed forces** to strengthen their contribution to national security (including civil defence);
- approved **conclusions on chemical disarmament and non-proliferation**, setting out the EU position for the fifth special session of the Conference to review the operation of the Chemical Weapons Convention, to be held in The Hague from 15 to 19 May 2023.

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7 March 2023

Compiled by Federico PETRANGELI, Davide ZAOTTINI, Viviana DI FELICE, Laura LO PRATO. Maria Criselda NANIONG CAVANEYRO and Ludovica FINOCCHI collaborated as part of an internship at the International Affairs Service of the Senate of the Republic.

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