



Brussels, 22 March 2019

EU LEADERS AGREE MULTI-TIER APPROACH TO EXTENDING ARTICLE 50

Following over eight hours of negotiations, the EU27 leaders decided to grant the UK an extension of Article 50 until 22 May, under the condition that the Withdrawal Agreement is ratified by the House of Commons next week. If, however, the deal falls short of a majority, the European Council agreed to delay Brexit until 12 April, expecting the UK to "indicate a way forward before this date." The UK will then have to decide whether to apply for a long extension and participate in the upcoming EU elections (and potentially the next EU budget) or, conversely, crash out of the EU without a deal.

SPRING EU SUMMIT COVERS EU-CHINA RELATIONSHIPS AND CELEBRATES EEA ANNIVERSARY

Besides Brexit, the Spring European Council summit touched upon several important issues. EU leaders exchanged views on relations with China in the global context, in view of the upcoming EU-China summit on 9 April. Leaders also discussed strengthening the EU's economic base, climate change and the fight against disinformation for the upcoming European and national elections across the EU. Finally, the European Council invited the Prime Ministers of Iceland, Liechtenstein and Norway to celebrate the 25th anniversary of the European Economic Area (EEA).

LAST MINUTE POLITICAL DEAL ON OVERALL ESAS REVIEW PACKAGE

The European Parliament and Council reached a provisional political deal on the package reviewing the functioning of the European Supervisory Authorities (ESAs). The new rules, which remain subject to technical finalisation, aim to improve supervisory convergence of financial markets through reinforced and more transparent use of existing tools and the establishment of coordination groups at the EU-level. The ESAs will also benefit from enhanced powers, funding and governance. Technical dialogues will continue until mid-April in order to finalise the agreement. The deal will then need to be endorsed by the European Parliament and Council.

NEW REPORT REVIEWS EU ACTIONS TO ADVANCE LGBTI EQUALITY

The European Commission published its third annual report on its action plan to advance Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) equality. The report finds that most Member States are implementing policies to advance LGBTI equality, with the Commission increasing its engagement with NGOs over the course of last year to counteract hate speech online and raise awareness. However, the Commission notes that the Equal Treatment Directive continues to be at risk from not being implemented: if voted for, it would improve the legal protection against discrimination for many LGBTI individuals. The Commission is committed to getting the Directive adopted.

CO-LEGISLATORS REACH PRELIMINARY AGREEMENT ON INVEST EU PROGRAMME

The European Parliament and Council reached a preliminary agreement on the creation of the InvestEU programme. To recall, InvestEU builds on the success of the Juncker Plan, and will bring together under one roof the European Fund for Strategic Investments and 13 other EU financial instruments currently supporting investment in the EU, making financing easier to access. Like the Juncker Plan, InvestEU is an EU budget guarantee, amounting to at least €38 billion, and aims to mobilise some €650 billion. This preliminary agreement is still subject to formal approval by European Parliament and Council.

COMING UP NEXT WEEK:

- **25-28 March: European Parliament plenary session.** On the agenda: Copyright Directive, Dieselgate, the rule of law and fight against corruption in Malta and Slovakia.
- **26-27 March: Informal meeting of transport ministers.**

Karl Isaksson, Managing Partner Brussels, Kreab