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COUNCIL AGREES ON EU TAXONOMY POSITION DESPITE NUCLEAR ENERGY CONTROVERSY

EU Ambassadors approved the Council's position on the EU taxonomy to facilitate sustainable investments. As per the agreement, only those financial products classified as 'sustainable' would be subject to the taxonomy. The Council also included a new class of "transitional economic activities" where, in order to qualify, an activity must support the transition to a climate-neutral economy. However, despite the agreement, Germany, Austria, Luxembourg and Greece officially expressed their dissatisfaction that nuclear energy was not explicitly excluded from the future list of 'sustainable' economic activities. The Council's position will now be subject to changes during the process of interinstitutional negotiations with the European Parliament.

DRAGHI DEFENDS ACCOMMODATIVE MONETARY POLICY DURING HIS LAST HEARING

This week Mario Draghi appeared before the European Parliament's ECON Committee for the last time in his capacity as President of the European Central Bank (ECB). He was questioned by MEPs on his last monetary policy decisions, cutting ECB interest rates to a historically low -0.5% and restarting quantitative easing. The ECB Chair was adamant that the accommodative stance was necessary in the face of slowing growth and consistently low inflation predictions. He also affirmed that monetary policy still had instruments for further support, if necessary, but made strong calls for countries with healthy budgets to begin public investments to combat the economic slowdown.

FRANCO-GERMAN JOINT STATEMENT SETS ECONOMIC & FINANCIAL PRIORITIES FOR 2019-2024

As discussions on the EU's strategic agenda for 2019-2024 continue, Germany and France published a joint statement outlining their priorities in the area of economy and finance. The document focuses on three key principles: i) strengthening the euro area and single market; ii) boosting innovation and investment; and iii) strengthening Europe's economic leadership internationally. In many ways, the paper mirrors the incoming Commission's positions. For instance, to promote European industry, the paper calls for a review of existing competition rules, to allow for the creation of so-called European champions. The Visegrad Group (Poland, Hungary, Czech Republic, Slovakia) is set to publish its priorities early next month.

AGREEMENT TO APPOINT THE FIRST EUROPEAN CHIEF PROSECUTOR

The European Parliament and the Council of the European Union appointed Ms Laura Codruta Kövesi as the first European Chief Prosecutor. The European Public Prosecutor's Office will be an independent and decentralised prosecution office of the European Union, with the competence to investigate, prosecute and bring to judgment crimes against the EU budget, such as fraud, corruption or serious cross-border VAT fraud. Ms Kövesi will sit for a non-renewable term of seven years. She will be in charge of organising the work of the European Public Prosecutor's Office; representing it, directing its activities and taking care of its effective functioning.

PARLIAMENT COMMITTEE REJECTS ROMANIAN, HUNGARIAN CANDIDATES AHEAD OF HEARINGS

The European Parliament's Legal Affairs Committee (JURI) rejected the Romanian Commissioner-designate for Transport, Rovana Plumb, and the Hungarian nominee for Neighbourhood, László

Trócsányi. According to the EP rules, JURI's approval of Commissioner-designates is required before the hearings, which are due to begin next Monday, can take place. The decision was unprecedented and has unclear implications, having been justified on conflict of financial interest grounds. President-elect Ursula von der Leyen can now try to address JURI's concerns and ask MEPs to reconsider the Commissioner-designates or, conversely, withdraw the nominees and ask their Member State to put forward new candidates.

COMING UP NEXT WEEK:

- **30 September: EU-Moldova Association Council.** On the agenda: EU-Moldova Association Agreement, global challenges, Eastern Partnership.
- **30 September – 8 October: Hearings of Commissioner-designates in the European Parliament.**
- **4 September: Environment Council.** On the agenda: Climate change, Environmental Action Programme, circular economy, emissions.

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