The EU in the world created by the Ukraine war
This publication has been compiled for participants in the 9th Innovation Day of the European Parliament’s administration, taking place in Brussels on 1 July 2022.

THE EDITOR
Klaus Welle
Secretary-General
European Parliament
B-1047 Brussels
Email contact:
klaus.welle@ep.europa.eu

RESPONSIBLE SERVICES
Directorate-General for Internal Policies of the Union
Directorate-General for External Policies of the Union
Directorate-General for Parliamentary Research Services
Strategic Planning Team - Cabinet of the Secretary-General
European Parliament
B-1047 Brussels

LINGUISTIC VERSIONS
Original: EN

DOCUMENT COMPILED BY
IDEA Unit / Directorate-General for Innovation and Technological Support
Directorate-General for Parliamentary Research Services

Manuscript completed in June 2022
Brussels, © European Parliament, 2022

DISCLAIMER
Reproduction of this publication is not authorised without prior agreement of the Editor.
The EU in the world created by the Ukraine war

July 2022

This publication, produced for the 9th European Parliament Administration Innovation Day, taking place on 1 July 2022, puts forward a revised Strategic Execution Framework for the EU. Starting from the Versailles+ priorities set out by the European Council, it identifies areas in which the Union should develop its resilience. The introductory presentation is complemented by a series of fiches looking in greater detail at a total of 83 policy areas.
Foreword

Building a more coherent and resilient Europe in response to the war

Russia’s war on Ukraine is not just another crisis – in the long series of crises that Europe has experienced so far in this century – another asymmetric shock that the European Union can address by a mix of improvisation and progressive adjustment, once again ‘failing forward’, and learning and progressing by doing.

The return of brutal power politics that we are witnessing represents something much more radical and significant. European cities are being destroyed. European populations are being displaced by force and terror. Member States of the European Union are being threatened and intimidated by no less than a permanent member of the UN Security Council, acting in almost full impunity, with the acquiescence of the world’s second largest power, China. Multilateralism is in retreat. International trade is being taken hostage. Russia is transforming the provision of gas, oil and grain into deadly weapons. Mutual restrictions are splitting the internet, as well as the global payments system.

Beyond the violence of the frontline, a silent geo-economic war of a global nature is taking place. The purpose is to isolate, to disconnect, to destroy supply chains and to disrupt business. Every day the world is becoming less global and less open – and one can wonder if Russia is the only major power wishing to cut off the West from its resource-base, its supply chains and its export markets. The early victims are ironically less in Europe, than in the poorest and the most dependent countries, in which the emerging situation can cancel decades of patient economic development. They face again the risk of a lasting famine.

The European Union also is already paying a heavy price: unsustainable energy prices for consumers and industry, inflation spilling over into all sectors, the erosion of economic growth, and, as a result, the early signals of new social and political tensions. In important ways, the new world being produced by the Ukraine war represents the very opposite of the European project of peace, prosperity, openness, the rule of law and individual freedom.

The return to an age of war forces the European Union to adjust at a pace much faster than we are used to in our characteristically calm deliberation and careful legislative process. The EU will have to deliver on many fronts with resources already constrained by earlier commitments. Whilst seeking to be less dependent on others, it is also (rightly) under the pressure of allies and neighbours to do more. By default, as much as by design, the EU is becoming a geopolitical force, facing – and having to step up to – serious political choices with major long-term consequences. If the geopolitical survival of the EU – and the free nations of central and western Europe – is at stake, an attitude of continuity and ‘business as usual’ will simply not suffice. Alliances, supply routes, financing mechanisms, energy mixes, industrial policies, even our narratives and our processes – everything will need to be re-assessed. At the same time, our collective capacity to deliver new policies will need to become ever more focused, with clear priorities and careful sequencing.

The format of the Strategic Execution Framework – familiar to many in the European Parliament administration – may help us to think through the wide-reaching implications of the Ukraine war for the identity, the purpose, the culture and the structure of the European Union. It may help us to work through how the guidelines set by Heads of State or Government in the Versailles Declaration and its follow-up can and should be translated into an up-dated and more urgent portfolio of actions, whilst building on delivery of the promises made three years ago by the (then) new President of the European Commission, Ursula von der Leyen.
The **Strategic Execution Framework** is a methodology developed for large innovative companies, institutions or groups of institutions. The purpose is to make sure that identity, culture, long-term goals and operational projects are properly aligned and measured. If the European institutions are now faced with the challenge of a newly dangerous world, the principles and projects that we pursue must be as coherent and effective as possible.

Resilience is likely to become the new key word for the European Union. Only acting together can the Member States enjoy a sufficient level of resilience in the face of the multiple shocks happening now or expected soon.

To remain masters of their own destiny in the midst of the geopolitical, economic, and the health crises of today, will require Europeans to both work with reliable partners and to establish a credible level of autonomy in strategic domains. This strategic sovereignty is a precondition for the EU to enjoy 'smart power', able to combine the self-protection of its territory and interests with the sharing of its norms and values.

Stepping-up to the challenges of our new world disorder will require more than a legislative machinery in Brussels. It will need an innovative mix of complementary executive capacity at the centre and vertical cooperation between all levels of governance for fast and efficient policy delivery on the ground. The 'pyramid' approach in this document helps explain how the different layers of government can work together, where they are already doing so effectively, and how stronger collective capacity can be built to address the challenges we face together.

The Versailles Declaration and the decisions that have followed were, inter alia, prepared by the long elaboration of the Strategic Compass and the European Commission’s annual Foresight Reports. The Declaration gives precise guidelines on how to go forward with detailed sets of projects to bolster defence capabilities, to achieve energy independence, to build a more robust economic base, to foster investment, to protect EU values, and to re-engage with partners beyond our borders. One could add the urgent need to move closer to a genuine Health Union, demonstrated by the recent pandemic.

The European Parliament’s administration can help prepare the urgent political work of our Members in all these areas by analysing, for each of them, the state-of-play, the demands of the Parliament so far, the initiatives of the European Commission, and most importantly, what may still need to be done. By doing so, the administration empowers the Members to be active players in agenda-setting.

Building on the demands of the recent Conference on the Future of Europe, the Parliament can also help redefine the agenda to overcome the structural limitations still constraining the European process. For example, it can propose debates and initiatives on how to increase a sense of common European identity, how to improve risk analysis, how to develop contingency planning, and how best to activate the unused potential of current Treaties and/or reduce the cost of non Europe.

The Parliament’s administration stands ready to support our Members as they build resilience and empower Europe to confront the historic challenge that a new generation is facing today.

---

**KLAUS WELLE**  
Secretary-General of the European Parliament
RESILIENCE

THE EU IN THE WORLD CREATED BY THE UKRAINE WAR


Ver.: 21 June 2022
Threats to EUROPEAN SOVEREIGNTY:
- War in Europe;
- Brutal power politics;
- Energy and industrial dependency;
- Climate change;
- Global health threats;
- Ageing and rise of inequalities and poverty;
- Shrinking growth rates and rising debt levels;
- Digital disruption;
- Social nationalism on the rise;
- Terrorism

FUTURE SHOCKS:
- Highly probable risks;
- High impact risks;
- Uncompleted instruments at EU and national levels
IDEATION

PURPOSE

Securing peace, safety and well-being of the European people
IDEATION

LONG-RANGE INTENTION

Strategic sovereignty
IDENTITY

An ever closer and more resilient Union building on pluralism & subsidiarity
NATURE & VISION

NATURE
- Culture
- Structure

VISION
- Goals
- Strategic Metrics

Strategy
VISION

GOALS

I. BOLSTERING our DEFENCE CAPABILITIES
II. ACHIEVING ENERGY INDEPENDENCE
III. BUILDING a MORE ROBUST ECONOMIC BASE
IV. FOSTERING INVESTMENTS and a RESILIENT EU ECONOMIC and FINANCIAL SYSTEM
V. PROTECTING and GUARANTEEING the EU PROJECT AND VALUES
VI. RE-ENGAGING BEYOND OUR BORDERS
VII. GETTING CLOSER to a EU HEALTH UNION
VIII. BUILDING-IN RESILIENCE at all EU GOVERNANCE LEVELS
I. BOLSTERING our DEFENCE CAPABILITIES by 2029
- Plugging strategic investment gaps by 2029;
- Developing EU capabilities by 2029;
- Facing hybrid challenges by 2029;
- Deepening partnerships by 2029

II. ACHIEVING ENERGY INDEPENDENCE by 2040
- Security of supply by 2029;
- Integrated energy market by 2040;
- Optimising demand

III. BUILDING a MORE ROBUST ECONOMIC BASE by 2029
- Enhancing competitiveness by 2029;
- Strategic sectors’ independence by 2029

IV. FOSTERING INVESTMENTS and a RESILIENT EU ECONOMIC and FINANCIAL SYSTEM by 2029
- Financing and investment by 2029;
- Social aspects by 2029;
- Efficient fight against tax evasion and money laundering by 2029

V. PROTECTING and GUARANTEEING the EU PROJECT AND VALUES
- Solidarity with refugees and people impacted by the war;
- Treaty changes;
- Safeguarding values

VI. RE-ENGAGING BEYOND OUR BORDERS
- Reinforcing links with key partners by 2029;
- Efficient and dissuading sanctions by 2029;
- Providing food security and humanitarian assistance to the enlarged neighbourhood by 2029;
- Looking ahead – new approaches to EU enlargement and parliamentary diplomacy by 2025

VII. GETTING CLOSER to a EU HEALTH UNION by 2029
- Establishing a Health Union by 2029;
- Fighting and preventing the Covid-19 and other pandemics;
- Contributing to long-term food security

VIII. BUILDING-IN RESILIENCE at all EU GOVERNANCE LEVELS
- Developing adequately capabilities to assess and face risks;
- Strengthening the European identity;
- Unlocking unused Treaty potential;
- Linking the levels of the Union;
- Reducing the Cost of Non-Europe;
- Adequate financing for the European public goods
VISION

STRATEGIC METRICS

• Greening the programme wheels by 2029

• Attaining the adequate level of resilience and strategic sovereignty in key areas and at different levels of governance by 2029
CULTURE

• From Legislative Machine to Complementary Executive Capacity
• Overcoming silo structures between the EU Institutions and Member States
• Linking the levels of governance within the EU in *vertical cooperation for policy implementation*
**HORIZONTAL COOPERATION** between **INSTITUTIONS** along the complete Legislative Cycle & for common action

<table>
<thead>
<tr>
<th>Issue</th>
<th>European Council</th>
<th>European Commission</th>
<th>European Parliament</th>
<th>Council of Ministers</th>
<th>European Central Bank</th>
<th>European Court of Auditors</th>
<th>European Court of Justice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stress testing</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic foresight</td>
<td>Green</td>
<td>Green</td>
<td>Green</td>
<td>Green</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic guidelines</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Added Value</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-annual Inter-Institutional Programming</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultation / Subsidiarity check</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Yellow</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trilogue</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transposition &amp; implementation</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Yellow</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ex-post evaluation</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Reporting / Scrutiny on the Executive</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negotiation with 3rd countries</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Yellow</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treaty change</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td>Red</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
**EFFECTIVE COOPERATION** between **SUPPORT BODIES** along the complete Legislative Cycle & for common action

<table>
<thead>
<tr>
<th></th>
<th>Committee of the Regions</th>
<th>Economic and Social Committee</th>
<th>European Investment Bank</th>
<th>European External Action Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stress testing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic foresight</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic guidelines</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>European Added Value</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multi-annual Inter-Institutional Programming</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultation / Subsidiarity check</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trilogue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transposition &amp; implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ex-post evaluation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive Reporting / Scrutiny on the Executive</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Negotiation with 3rd countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Treaty change</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
VERTICAL COOPERATION in POLICY IMPLEMENTATION

SYSTEMATIC ASSESSMENT of EXISTING INTEGRATION LEVELS for EXECUTIVE CAPACITIES

Legend
- Instrument available
- Instrument to adopt/improve
- Instrument to create
NATURE & VISION

STRUCTURE:
BUILDING-IN RESILIENCE

- Developing adequately capabilities to face risks
- Strengthening European Identity
- Unlocking Unused Treaty Potential
- Linking the Levels of the Union
- Reducing the Cost of Non-Europe
- Adequate financing for the European Public Goods
NATURE & VISION

STRATEGY

From
Soft
to
Smart Power
ENGAGEMENT

STRATEGIC PORTFOLIO
SYNTHESIS

THE VERSAILLES+ PRIORITIES (March 2022):
I. BOLSTERING OUR DEFENCE CAPABILITIES
II. ACHIEVING ENERGY INDEPENDENCE
III. BUILDING A MORE ROBUST ECONOMIC BASE
IV. FOSTERING INVESTMENTS AND A RESILIENT EU ECONOMIC AND FINANCIAL SYSTEM
V. PROTECTING AND GUARANTEEING THE EU PROJECT AND VALUES
VI. ENGAGING BEYOND OUR BORDERS
VII. GETTING CLOSER to a EU HEALTH UNION

PROGRAMMES:

Von der Leyen Six-Point-Agenda:
➢ EUROPEAN GREEN DEAL
➢ A EUROPE FIT for the DIGITAL AGE
➢ An ECONOMY that WORKS for PEOPLE
➢ A STRONGER EUROPE in the WORLD
➢ PROMOTING the EUROPEAN WAY of LIFE
➢ NEW PUSH for EUROPEAN DEMOCRACY

VIII. STRUCTURAL CHANGE:
BUILDING-IN RESILIENCE at all EU GOVERNANCE LEVELS:
A. DEVELOPING ADEQUATELY CAPABILITIES to ASSESS and FACE RISKS
B. STRENGTHENING EUROPEAN IDENTITY
C. UNLOCKING UNUSED TREATY POTENTIAL
D. LINKING the LEVELS of the UNION
E. REDUCING the COST of NON-EUROPE
F. ADEQUATE FINANCING for the EUROPEAN PUBLIC GOODS
SYNTHESIS

THE VERSAILLES+ PRIORITIES (March 2022):
I. BOLSTERING OUR DEFENCE CAPABILITIES
II. ACHIEVING ENERGY INDEPENDENCE
III. BUILDING a MORE ROBUST ECONOMIC BASE
IV. FOSTERING INVESTMENTS and a RESILIENT EU ECONOMIC and FINANCIAL SYSTEM
V. PROTECTING and GUARANTEEING the EU PROJECT and VALUES
VI. ENGAGING BEYOND OUR BORDERS
VII. GETTING CLOSER to a EU HEALTH UNION
From the NEW STRATEGIC AGENDA of the EUROPEAN COUNCIL 2019-2024 to the VERSAILLES AGENDA
I. BOLSTERING our DEFENCE CAPABILITIES

VERTICAL COOPERATION in DEFENCE CAPABILITIES

Note: The size of each square does not have any meaning.
I. BOLSTERING our DEFENCE CAPABILITIES
II. ACHIEVING ENERGY INDEPENDENCE

VERTICAL COOPERATION in ENERGY INDEPENDENCE

- EU complementary Executive Capacity
- EU primary action
- EU-Member States joint action and cooperation
- Primary action of Member States

Legend:
- Instrument available
- Instrument to adopt/improve
- Instrument to create

- Decouple gas and electricity market prices via reform of EU internal market rules on energy
- Diversification of gas, oil and coal supplies. End dependence on Russian energy
- Improve gas and electricity network interconnections between Member States
- Counter negative social and economic effects of high energy prices
- Energy system integration, sector coupling
- Develop hydrogen networks and promote decarbonised gases
- Implement the voluntary joint gas purchasing mechanism (Member States and European Commission)
- Unified EU external energy policy
- Enhance regional security of supply, contingency planning
- Increase energy efficiency and energy savings
- Increase R&I investment on green energy technologies that can enhance security of supply
- Accelerate take-up of renewable energy sources

Note: The size of each square does not have any meaning.
II. ACHIEVING ENERGY INDEPENDENCE

- Addressing the impact of increased energy prices on citizens and businesses
- Security of energy supplies through reinforced EU contingency planning and preparedness
- Diversifying supply sources, incl. LNG and biogas
- Improving energy efficiency and energy consumption management
- Electricity market design reform, fully interconnected electricity network and synchronisation of the power grids
- Developing a European hydrogen market
- Energy system integration
- Speeding up the development of renewables and production of their key components
- Identification of bottlenecks and missing links in the EU gas networks
III. BUILDING a MORE ROBUST ECONOMIC BASE

VERTICAL COOPERATION in BUILDING a MORE ROBUST ECONOMIC BASE

Legend:
- Instrument available
- Instrument to adopt/improve
- Instrument to create

Note: The size of each square does not have any meaning.
III. BUILDING a MORE ROBUST ECONOMIC BASE

- Critical raw materials
- The Single Market as a "life jacket"
- A more circular approach to design, manufacturing and consumption
- Strengthening the EU's research and innovation capabilities
- Nurturing innovative entrepreneurship
- EU standardisation strategy
- Ambitious and robust trade policy
- Food security and resilient food systems
- Digital technologies and connectivity
- Health and pharmaceuticals
- Semiconductors

Legend:
- Red: New or not advancing
- Yellow: Ongoing
- Green: Completed
IV. FOSTERING INVESTMENTS and a RESILIENT EU ECONOMIC and FINANCIAL SYSTEM

- Robust EU Anti-Money Laundering framework
- Economic impact of sanctions on Russia and on the EU economy
- Promote social cohesion and preserve social model
- Deepening the Capital Markets Union
- Completing the Banking Union
- Combating tax evasion and aggressive tax planning (incl. tax havens)
- Crisis response and flexibility in the EU budget
- Long-term financing options on- and off-budget
- Lessons learned from the NEGEU and the Recovery and Resilience Facility
- Inflation risks and price stability
- Economic and fiscal policy coordination
- Coordination of national state aid measures

New or not advancing
Ongoing
Completed
V. PROTECTING and GUARANTEEING the EU PROJECT and VALUES

VERTICAL COOPERATION in EU PROJECTS and VALUES

Legend
- Instrument available
- Instrument to adopt/improve
- Instrument to create

Note: The size of each square does not have any meaning.
V. PROTECTING and GUARANTEEING the EU PROJECT and VALUES

SOLIDARITY WITH REFUGEES AND PEOPLE IMPACTED BY THE WAR

- Making the temporary protection Directive work
- Trafficking in human beings, in particular women and children
- Mobilising internal funds for food, education, solidarity and health
- Allegations of discrimination of refugees at borders

PROTECTING AND GUARANTEEING THE EU PROJECT AND VALUES

- Extending and strengthening the EU competences to ensure effective response in crisis situations
- Permanent mechanism for participative democracy
- Overcoming the deadlock of unanimity voting
- Parliament's right of legislative initiative

Safeguarding VALUES

- Conditionality principle
- Strengthening the protection of minorities and anti-discrimination measures
- Primacy of EU law and solidarity
- Strengthening the Rule of Law, Democracy and Fundamental Rights

TREATY CHANGES

- New or not advancing
- Ongoing
- Completed
VI. ENGAGING BEYOND our BORDERS

VERTICAL COOPERATION BEYOND OUR BORDERS

EU complementary Executive Capacity

EU primary action

EU-Member States joint action and cooperation

Primary action of Member States

Legend

- Instrument available
- Instrument to adopt/improve
- Instrument to create

Note: The size of each square does not have any meaning
VI. ENGAGING BEYOND our BORDERS

- Amplifying the role of parliaments across the globe
- Enhancing democracy support
- Coordinating international efforts for reconstruction in Ukraine
- Deepening political association with key partners
- Preparing the ground for future accession
- Boosting economies through preferential trade
- Ensuring global food security
- Agreeing on and implementing sanctions
- Meeting humanitarian needs
- Stretching EU funding to meet global needs
- Fighting impunity, punishing aggression & other crimes
VII. GETTING CLOSER to a EU HEALTH UNION

VERTICAL COOPERATION in GETTING CLOSER to a EU HEALTH UNION

- EU complementary Executive Capacity
- EU rapid alert system on disinformation
- Proposal for a Regulation on a reinforced role for the European Medicines Agency (EMA) in crisis preparedness and management for medicinal products and medical devices
- Proposal for a regulation on serious cross-border threats to health
- Proposal for a Council regulation on the emergency framework of measures for ensuring the supply of crisis-relevant medical countermeasures in the event of a public health emergency at Union level
- International treaty on pandemic prevention and preparedness
- Horizon Europe, the 9th EU research and innovation framework programme (RFPP 2021-2027)
- EU4 Health, the Union Programme for the Union's action in the field of health (RFPP 2021-2027)
- Vaccination policy
- Health policies
- Education, research and innovation policy
- Communication, and education strategies (scientific literacy, initiatives to combat the infodemic)

Legend:
- Instrument available
- Instrument to adopt/improve
- Instrument to create

Note: The size of each square does not have any meaning.
VII. GETTING CLOSER to a EU HEALTH UNION

- European Democracy Action Plan
- Update of the 2003 Commission recommendation on cancer screening
- Health promotion and disease prevention
- Action plan against disinformation including a code of practice to fight online disinformation
- Promotion of transnational training of health professionals, including through European universities' networks
- Joint Framework on countering hybrid threats
- Regulations on the emergency framework of measures in the event of a public health emergency at Union level
- Regulation on serious cross-border threats to health
- Regulation on the European Centre for Disease Prevention and Control (ECDC)
- Regulation on the reinforced role for the European Medicines Agency (EMA)
- Establishing the Health Emergency Preparedness and Response Authority (HERA)
- Preparing for the evolution of the COVID-19 pandemic
- Accelerate pan-European network to accelerate COVID-19 vaccine trials
- EU vaccine strategy, in the EU and globally
- EU instrument for temporary support to mitigate unemployment risks
- Early response to the COVID-19 pandemic

- FIGHTING the COVID-19 PANDEMIC

- RESPONDING BETTER TO FUTURE PANDEMICS

- ESTABLISHING a HEALTH UNION

- New or not advancing
- Departed
- Completed
SYNTHESIS

Von der Leyen Six-Point-Agenda:

1. EUROPEAN GREEN DEAL
2. A EUROPE FIT for the DIGITAL AGE
3. An ECONOMY that WORKS for PEOPLE
4. A STRONGER EUROPE in the WORLD
5. PROMOTING the EUROPEAN WAY of LIFE
6. NEW PUSH for EUROPEAN DEMOCRACY
1. EUROPEAN GREEN DEAL

VERTICAL COOPERATION in EUROPEAN GREEN DEAL

THE VON DER LEVEN AGENDA

Legend
- Instrument available
- Instrument to adopt/improve
- Instrument to create

Note: The size of each square does not have any meaning.
2. A EUROPE FIT for the DIGITAL AGE

VERTICAL COOPERATION in making EUROPE FIT for the DIGITAL AGE

THE VON DER LEVEN AGENDA

[Diagram of vertical cooperation and EU agenda]

Note: The size of each square does not have any specific meaning.
2. A EUROPE FIT for the DIGITAL AGE

THE VON DER LEYEN AGENDA

- Single Market Emergency Instrument
- Digital Education action plan
- Artificial intelligence package: AI Act / Machinery Directive
- Social rights for people working on digital platforms
- Cybersecurity package: resilience act/cybersecurity for EU institutions
- Platforms regulation: Digital Services Act / Digital Markets Act
- Data regulation: Data governance Act / Data Act
- European Chips Act package
- Important projects of common European Interest (IPCEIs)
- European digital identity
- Updating 2020 New industrial strategy
- Synergies between civil, defence and space industries
- Competition policy fit for digital challenges
- Digital Finance Strategy
- Standardisation strategy
- Path to Digital Decade / Digital targets 2030

IMPROVING the FUNCTIONING of the SINGLE MARKET

SHAPING the DIGITAL FUTURE for EUROPE

SUPPORTING INDUSTRY and SMALL and MEDIUM-SIZED ENTERPRISES

EUROPE FIT for DIGITAL AGE

New or not advancing
Departed
Completed
3. AN ECONOMY THAT WORKS for PEOPLE

VERTICAL COOPERATION in making an ECONOMY THAT WORKS for PEOPLE

THE VON DER LEVEN AGENDA

EU complementary executive capacity

EU primary action

EU-Member States joint action and cooperation

Primary action of Member States

Legend

Instrument available
Instrument to adopt/improve
Instrument to create

Note: The size of each square does not have any meaning.
3. AN ECONOMY THAT WORKS for PEOPLE

THE VON DER LEVEN AGENDA
4. A STRONGER EUROPE in the WORLD

THE VON DER LEYEN AGENDA
5. PROMOTING the EUROPEAN WAY of LIFE

THE VON DER LEVEN AGENDA
6. NEW PUSH FOR EUROPEAN DEMOCRACY

VERTICAL COOPERATION in NEW PUSH for EUROPEAN DEMOCRACY

THE VON DER LEVEN AGENDA

Note: The size of each square does not have any specific meaning
SYNTHESIS

VIII. STRUCTURAL CHANGE: BUILDING-IN RESILIENCE at all EU GOVERNANCE LEVELS

A. DEVELOPING ADEQUATELY CAPABILITIES to ASSESS and FACE RISKS
B. STRENGTHENING EUROPEAN IDENTITY
C. UNLOCKING UNUSED TREATY POTENTIAL
D. LINKING the LEVELS of the UNION
E. REDUCING the COST of NON-EUROPE
F. ADEQUATE FINANCING for the EUROPEAN PUBLIC GOODS
VIII. BUILDING-IN RESILIENCE at all EU LEVELS

- Adequate Financing for the European Public Goods
- Developing Adequately CAPABILITIES to ASSESS and to FAcER Risks
- Reducing the COST of NON-EUROPE
- Linking the LEVELS of the UNION
- Unlocking UNUSED TREATY POTENTIAL
- Strengthening EUROPEAN IDENTITY
A. DEVELOP ADEQUATELY CAPABILITIES to ASSESS and to FACE RISKS at CENTRAL EU LEVEL

OVERCOMING STRUCTURAL LIMITATIONS to STRATEGIC SOVEREIGNTY
B. STRENGTHENING EUROPEAN IDENTITY

VERTICAL COOPERATION in STRENGTHENING EUROPEAN IDENTITY

Legend
- Instrument available
- Instrument to improve & adopt
- Instrument to create

Note: The size of each square does not have any specific meaning.
B. STRENGTHENING EUROPEAN IDENTITY

OVERCOMING STRUCTURAL LIMITATIONS to STRATEGIC SOVEREIGNTY

MATERIAL IDENTITY

IN RELATION TO OTHERS

CITIZENSHIP AND RIGHTS

EDUCATION AND SYMBOLS

- A European monument to lives
- More EU symbols at external borders
- EP Prize for freedom of the press
- Create a network of all former EU interns back to 1960
- Holocaust survivors assistance scheme
- Individual membership to EU political parties
- Developing EP network of Political Houses and Foundations
- EU unemployment Benefit Scheme
- Consular protection and EU social security number in EU APP
- European volunteers
- Transnational lists
- EU electoral night
- Support to human rights defenders
- More illustrative euro coins and banknotes
- Create an award for citizens who defended European values
- Handling of the EU Charter of Fundamental Rights to all citizens
- Consular protection and EU social security number in EU APP

New or not advancing
- Departed
- Completed
C. UNLOCKING UNUSED TREATY POTENTIAL

OVERCOMING STRUCTURAL LIMITATIONS to STRATEGIC SOVEREIGNTY

WAYS TO UNLOCK TREATY POTENTIAL

- Green Deal
  - Create own resources Article 511 TFEU
  - Make MFN more flexible Article 182 TFEU
  - Create climate emergency office Article 152 TFEU
- Economy for People
  - Make country-specific recommendations public Article 196(4) TFEU
  - Create European Business Code (Art. 50 and 114 TFEU)
- Migration and Citizen Security
  - Flag action gap with other large democracies
  - Allow Eurojust to initiate criminal investigations Article 85(4)(a) TFEU
  - Tackle irregular migration Article 296(1) TFEU
- Values, Democracy and Transparency
  - Role of law enforcement Article 322(1) TFEU
  - Ensure enforcement of international trade rules Article 287 TFEU
- Digital Agenda
  - Permanent structured cooperation (PESCO) Article 46 TEU + Protocol id
- Europe in the World
  - Grant EU jurisdiction over IP rights Article 262 TEU
  - Progressive framing of European Defence Policy Article 40(2) TEU
  - Promote digital social innovation Article 154 TFEU
  - Build European digital sovereignty Articles 171 and 114 TFEU
- Lisbon Treaty (likely to be our work basis until 2030)
  - Establish European Green Deal and European Climate Pact Article 102 TFEU
  - Use leverage of public opinion
  - Push Council/European council to unlock CAP/energy tools
  - Use legislative compromise reports and follow-up by Commission

New or not advancing
- Departed
- Completed
D. LINKING the LEVELS of the UNION

VERTICAL COOPERATION in LINKING the LEVELS of the UNION

OVERCOMING STRUCTURAL LIMITATIONS to STRATEGIC SOVEREIGNTY

Cooperation with global partners

Cooperation with EU partners

Cooperation with national parliaments

Cooperation with regional and local gov org.

Legend

Instrument available
Instrument to adopt/improve
Instrument to create

Note: The size of each square does not have any meaning.
D. LINKING the LEVELS of the UNION

OVERCOMING STRUCTURAL LIMITATIONS to STRATEGIC SOVEREIGNTY

---

**LINKING THE LEVELS**

**PARTNERS' INPUT INTO EU POLICY**

- Annual meeting with regional and local partners on the CWP
- Partnership with regional executives and parliametary assemblies
- Structured relationship with national parliaments
- Partnership with global governmental organisations
- Partnership with European governmental organisations
- Conference on the Future of Europe
- Creating a Linking the Levels EU inter-institutional WG
- Digital monitoring of partners' positions
- Network of regional hubs (RegHub)
- Revision of EU CONSULTATION of partners from all levels
- Linking the Levels EU exchange programme for officials
- Systematic use of partners' input in EPRS products
- Pre-legislative synthesis on key EC priorities
- Analysing input received from partners
- Obtaining input from partners
- Outreach products
- Welcome pack for newly elected leadership of GOS
- Monthly newsletter to interact with partners
- "What Europe does for me"
- Update of database of partners' contacts
- Building a platform for communication with partners

---

**EU/MULTILEVEL OUTREACH**

- Outreach activities
- Outreach products

---

**SYSTEMATIC PARTNERSHIPS WITH GOS**

- National, regional and local level
- Global and EU level

---

**Early stage or no progress**

**Some progress**

**Advanced stage**
E. REDUCING the COST of NON-EUROPE

VERTICAL COOPERATION in EUROPEAN ADDED VALUE and COST of NON-EUROPE

OVERCOMING STRUCTURAL LIMITATIONS to STRATEGIC SOVEREIGNTY

EU complementary executive capacity

EU primary action

EU-Member States joint action and cooperation

Primary action of Member States

Legend
- Instrument available
- Instrument to adopt/improve
- Instrument to create

Stress-testing tools for EU legislation
Carbon pricing in buildings and transport
Effective scrutiny of efficiency and added value of national expenditure
Support for efficient and digital administration
Reinforced transparency, anti-corruption at national, regional and local level
Addition value, subsidiarity and proportionality at national/regional level

Note: The size of each square does not have any meaning.

Common rules on asylum in line with international law
EU public procurement agency (health, defence, energy)
EU-wide standards on cybersecurity, AI, IoT and 5G
Funding for employment protection in downturns, e.g. SURE programme
EU public procurement agency (health, defence, energy)
EU wide standards on cybersecurity, AI, IoT and 5G
Funding for employment protection in downturns, e.g. SURE programme
EU Common Defence
Common border protection system
Harmonized, simplified, sustainable and fair taxation

Expansion of Digital Innovation Hubs (DHI) to cover more SMEs
Implementation and enforcement of existing EU law (e.g. Environment)
Incentives to modernize the care economy
A common approach on prevention in national health care (e.g. vaccination)
Ambitious public co-financing of green and digital transformation investments
Continue to remove barriers and obstacles to Single Market, Banking and Capital Market Union

Process to reduce administrative duplication and related budgetary waste
Effective scrutiny of efficiency and added value of national expenditure
Support for efficient and digital administration
Reinforced transparency, anti-corruption at national, regional and local level
Addition value, subsidiarity and proportionality at national/regional level

Instrument to adopt/improve
Instrument to create

E. REDUCING the COST of NON-EUROPE

OVERCOMING STRUCTURAL LIMITATIONS to STRATEGIC SOVEREIGNTY

- Stronger CSOP
- Single market for goods
- Single market for services
- Consumer rights
- Digital single market
- Economic and Monetary Union +/− €322 bn
- Completing Banking Union
- Water legislation
- Environment, energy and research +/− €605 bn
- Transport and tourism +/− €51 bn
- Social Europe, employment and health +/− €42 bn
- Citizens’ Europe +/− €58 bn
- JHA - Migration and borders +/− €55 bn
- External policy +/− €67 bn
- External policy
- Fighting crime, corruption and cyber-crime +/− €35 bn
- Border control and visa policy
- Legal migration
- Free movement of citizens
- Closing gender pay gap
- Autonomous vehicles - liability rules and insurance

New or not advancing
- Departed
- Completed
F. ADEQUATE FINANCING for the EUROPEAN PUBLIC GOODS

VERTICAL COOPERATION in ADEQUATE FINANCING for the EUROPEAN PUBLIC GOODS

OVERCOMING STRUCTURAL LIMITATIONS to STRATEGIC SOVEREIGNTY

Complementary executive capacity

EU primary action

EU-Member States joint action and coordination

Primary action of Member States

Legend
Instrument available
Instrument to improve & adopt
Instrument to create

EU off-budget instruments linked to the EU budget, e.g. balance of payments facility, Guarantee Fund for External Actions, EFSM, EFSD, Trust Funds, Turkey Facility, InvestEU, Emergency Support Instrument, European Peace Facility

EU off-budget instruments not linked to the EU budget, e.g. ESM, EFSF, Greek loan facility and the three crisis-mitigating safety nets SURE, European Guarantee Fund and ESM pandemic crisis support

Note: The size of each square does not have any specific meaning
F. ADEQUATE FINANCING for the EUROPEAN PUBLIC GOODS

OVERCOMING STRUCTURAL LIMITATIONS to STRATEGIC SOVEREIGNTY

STRATEGY AND COMMUNICATION

1. Analysis of problems with Own Resources system
2. Simplify Own Resources system and eliminate corrections
3. Own Resources more closely linked to policies
4. More genuine Own Resources
5. More borrowing
6. Strengthen control over assigned revenue
7. Better communicate European Added Value
8. Focus on European public goods
9. Bring off-budget instruments into the budget
10. Complete audit of all off-budget instruments
11. Strengthen scrutiny and control of off-budget instruments
12. Strengthen scrutiny and control of own resources
13. Co-decide own resources
14. Expand role of Own Resources implementing regulation
15. Co-decide MFF
16. Council to decide MFF by qualified majority
17. MFF to include political revision clause
18. MFF negotiating box to exclude legislative co-decision elements
19. Review existence/coverage of the MFF
20. European Council debate on the EU financing system
21. Reform of EU financing system in debate on Future of Europe
22. Focus on money saved by acting at EU level
23. Better communicate sound financial management of EU budget
24. Develop the concept of the ‘waste rate’ of not acting at EU level

LEGISLATION AND PROCEDURES

REVENUE

EXPENDITURE

New or not advancing
Departed
Completed
A REVISED STRATEGIC EXECUTION FRAMEWORK for the EU

- From Legislative Machine to Complementary Executive Capacity;
- Overcoming silo structure between the EU Institutions and Member States.

- Building in resilience at all EU governance levels

THE VERSAILLES+ PRIORITIES (March 2022):
1. BOLSTERING OUR DEFENCE CAPABILITIES
2. ACHIEVING ENERGY INDEPENDENCE
3. BUILDING A MORE ROBUST ECONOMIC BASE
4. FOSTERING INVESTMENTS AND A RESILIENT EU ECONOMIC AND FINANCIAL SYSTEM
5. PROTECTING AND GUARANTEING THE EU PROJECT AND VALUES
6. ENGAGING BEYOND OUR BORDERS
7. GETTING CLOSER to a EU HEALTH UNION

Von der Leyen Six-Points revised Agenda

VIII. STRUCTURAL CHANGE: BUILDING IN RESILIENCE at all EU GOVERNANCE LEVELS
A. DEVELOPING ADEQUATELY CAPABILITIES to ASSESS and FACE RISKS
B. STRENGTHENING EUROPEAN IDENTITY
C. UNLOCKING UNLEASH TREATY POTENTIAL
D. LINKING the LEVELS of the UNION
E. REDUCING the COST of NON-EUROPE
F. ADEQUATE FINANCING for the EUROPEAN PUBLIC GOODS

From Soft to Smart Power

1. Defence capabilities
2. Energy independence
3. Robust economic base
4. Economic and financial resilience
5. Protection of the EU values
6. Impact beyond our borders
7. EU as a health actor
8. Built-in resilience at all EU levels

- Securing peace, safety and well-being of European people
- Threats to European Sovereignty:
  - War in Europe;
  - Brutal power politics;
  - Energy and industrial dependency;
  - Climate change;
  - Global health threats;
  - Ageing and rise of inequalities and poverty;
  - Shrinking growth rates and rising debt levels;
  - Digital disruption;
  - Social nationalism on the rise;
  - Terrorism

- An ever closer and more resilient Union building on pluralism & subsidiarity

- Strategic Sovereignty

1. Greening the programme wheels by 2029
2. Attaining the adequate level of resilience and strategic sovereignty in key areas and at different levels of governance by 2029

REVISED
REMAINING
EU strategic orientations
for a more autonomous EU

Contribution to the Innovation Day
of the European Parliament Administration
1 July 2022

For internal use only
This contribution has been requested by the Secretary-General in the aftermath of the Russian invasion of Ukraine. It is intended to identify the policy areas in which the EU should reinforce its strategic independence and enhance its sovereignty. The policy areas are represented in six wheels, collecting a total of 74 analytical sheets. This work is the result of a joint effort of DGs IPOL and EXPO.

The six wheels are complemented by a seventh wheel on the health policy field with a further nine analytical sheets. This wheel has been prepared by DG EPRS.

The document shall contribute to the exchange of views which will take place at the Innovation Day of the European Parliament administration on 1 July 2022.
The document was produced under the coordination and supervision of the Strategy and Innovation Unit of DG IPOL (Chapter VII was produced by EPRS)

Contributors:

I. Bolstering EU’s defence capabilities
Anna Barbieri, Holger Benzing, David Blumenthal, Matteo Ciucci, Corinne Cordina, Radka Hejtmanova, Ulrich Karock, Atanaska Koleva, Oliver Krentz, Jérôme Legrand, Chloé Malet (intern), Bozica Matic, Sven Ott, Radostina Parenti, Kristi Polluweer, Gerrard Quille, Felix Smets, Martina Toplicanec
Coordinated by Andrea Nicole Maier

II. Achieving energy independence
Aleyda Hernandez with input by Aliette Carré and Hélène Cuisinier on some aspects
Coordinated by Radostina Parenti

III. Building a more robust economic base
Matteo Ciucci, Corinne Cordina, Kristi Polluweer, Valentina Papa, David Blumenthal, François Negre, Elena Mainardi, Atanaska Koleva, Bozica Matic, Marie Ramot, Aliette Carré, Gaetano de Salvo, Signe Winther Jensen, Stefania Nardelli, with input by Gabriel Alvarez, Holger Benzing, Dagmara Stoerring, Hana Sedlackova, Diane Bourlon de Rouvre on some aspects
Coordinated by Radostina Parenti

IV. Fostering investments and a resilient EU economic and financial system:
Darren Neville, Cristina Dias, Drazen Rakic, Samuel De Lemos, Stephanie Hon nefelder, Martijn Hendriksen, Marcel Magnus, Christian Scheinert, Aoife Kennedy, Regina Konle-Seidl, Monika Makay, Mina Petrucci, Lina Bu keviciute, Dirk Verbeken, Kristina Grigaite, Radostina Parenti, Jost Angerer, Alexandre Mathis, with input by Katarina Jastrzemb ska, Saulius Milius, Bettina De Souza, Ben Slocock, Danai Papadopoulou, David Schwander on some aspects
Coordinated by Radostina Parenti

V. Protecting and guaranteeing the EU project and values
Coordinated by Anje Bultena
VI. Engaging beyond our borders


Coordinated by Andrea Nicole Maier

VII. Getting closer to an EU health competence

Clément Evreux

Coordinated by Marianna Pari and Guillaume Ragonnaud
Contents

I. BOLSTERING OUR DEFENCE CAPABILITIES ................................................................................................................. 10

A. PLUG STRATEGIC INVESTMENT GAPS .......................................................................................................................... 12

1. Increase defence expenditure & Invest in key technologies and strategic enablers ............................................. 12
2. Capability development planning ............................................................................................................................. 14
3. Collaborative research, development and procurement in defence .................................................................. 16
4. Military mobility ....................................................................................................................................................... 18
5. Strengthening the EU defence industry, including standardisation for military goods ................................... 20

B. DEVELOP EU CAPABILITIES ............................................................................................................................... 22

1. Increase space defence and industrial capabilities ................................................................................................. 22
2. Civilian and military CSDP missions and operations ............................................................................................ 24
3. EU Rapid Deployment Capacity ............................................................................................................................. 26
4. Command and control structures ........................................................................................................................... 28
5. Intelligence capacities ............................................................................................................................................ 30

C. FACE HYBRID CHALLENGES ................................................................................................................................. 31

1. Boosting EU cyber-resilience .................................................................................................................................... 31
2. Fight disinformation .................................................................................................................................................. 33
3. Protect critical infrastructure .................................................................................................................................... 36

D. DEEPEN PARTNERSHIPS ........................................................................................................................................... 38

1. EU-NATO ................................................................................................................................................................. 38
2. Security & defence partnerships and dialogue ......................................................................................................... 40
3. EU Security and Defence Partnership Forum ........................................................................................................... 41

II. ACHIEVING ENERGY INDEPENDENCE .................................................................................................................. 42

A. SECURITY OF SUPPLY .......................................................................................................................................... 44

1. Security of energy supplies through reinforced EU contingency planning and preparedness .................................. 44
2. Diversifying supply sources, incl. LNG and biogas .............................................................................................. 45
3. Speeding up the development of renewables and production of their key components ........................................... 46

B. INTEGRATED ENERGY MARKET ................................................................................................................................ 48

1. Identification of bottlenecks and missing links in the EU gas networks .................................................................. 48
2. Energy system integration ......................................................................................................................................... 49
3. Developing a European hydrogen market ............................................................................................................... 50
4. Electricity market design reform, fully interconnected electricity network and power grids synchronisation ............................................................................................................................................... 51

C. OPTIMISING DEMAND ............................................................................................................................................. 52

1. Improving energy efficiency and energy consumption management ........................................................................ 52
2. Addressing the impact of increased energy prices on citizens and businesses ..................................................... 53
III. BUILDING A MORE ROBUST ECONOMIC BASE

A. STRATEGIC SECTORS’ INDEPENDENCE

1. Critical raw materials
2. Semiconductors
3. Health and pharmaceuticals
4. Digital Technologies and Connectivity
5. Food security and resilient food systems

B. ENHANCING COMPETITIVENESS

1. The Single Market as a “life jacket”
2. A more circular approach to design, manufacturing and consumption
3. Strengthening the EU’s research and innovation capabilities
4. Nurturing innovative entrepreneurship
5. EU standardisation strategy
6. Ambitious and robust trade policy

IV. FOSTERING INVESTMENTS AND A RESILIENT EU ECONOMIC AND FINANCIAL SYSTEM

A. FINANCING AND INVESTMENT

1. Crisis response and flexibility in the EU budget
2. Long-term financing options on- and off-budget
3. Lessons learned from NGEU and the Recovery and Resilience Facility
4. Inflation risks and price stability
5. Economic and fiscal policy coordination
6. Coordination of national state aid measures
7. Completing the Banking Union
8. Deepening the Capital Markets Union

B. SOCIAL ASPECTS

1. Promote skills for evolving labour market and ensure quality jobs
2. Promote social cohesion and preserve social model

C. INTEGRITY AND RESILIENCE

1. Economic impact of sanctions on Russia and the EU economy
2. Robust EU Anti-Money Laundering framework
3. Combating tax evasion and aggressive tax planning (incl. Tax havens)

V. PROTECTING AND GUARANTEEING THE EU PROJECT AND VALUES

A. SOLIDARITY WITH REFUGEES AND PEOPLE IMPACTED BY THE WAR

1. Collecting and analysing evidence of war crimes through Eurojust
2. Making the temporary protection Directive work
3. Trafficking in human beings, in particular women and children
4. Mobilising internal funds for food, education, solidarity and health
5. Allegations of discrimination of refugees at borders ................................................................. 107

B. TREATY CHANGES .................................................................................................................. 109
1. Extending and strengthening the EU competences to ensure effective response in crisis situations .... 109
2. Permanent mechanism for participative democracy ................................................................. 111
3. Overcoming the deadlock of unanimity voting ......................................................................... 112
4. Parliament’s Right of Legislative Initiative .............................................................................. 114

C. SAFEGUARDING VALUES ....................................................................................................... 117
1. Strengthening a European Sense of Belonging ......................................................................... 117
2. Primacy of EU law and solidarity ............................................................................................. 119
3. Strengthening the Rule of Law, Democracy and Fundamental Rights ....................................... 123
4. Strengthening the protection of minorities and anti-discrimination measures ......................... 125
5. Conditionality principle ............................................................................................................ 130

VI. ENGAGING BEYOND OUR BORDERS .................................................................................. 132
A. REINFORCING LINKS .............................................................................................................. 134
1. Enhancing democracy support .................................................................................................. 134
2. Deepening political association with key partners .................................................................. 136
3. Boosting economies through preferential trade ...................................................................... 141

B. DISSUADING & PUNISHING .................................................................................................. 143
1. Agreeing on and implementing sanctions ................................................................................. 143
2. Fighting impunity, punishing aggression & other crimes ......................................................... 145

C. RESPONDING TO NEEDS ..................................................................................................... 147
1. Ensuring EU funding for global needs ....................................................................................... 147
2. Meeting humanitarian needs .................................................................................................... 150
3. Supporting global food security ............................................................................................... 152

D. LOOKING AHEAD .................................................................................................................. 155
1. Preparing the ground for future accession ............................................................................. 155
2. Coordinating international efforts for reconstruction in Ukraine ............................................. 157
3. Amplifying the role of parliaments across the globe .............................................................. 160

VII. GETTING CLOSER TO AN EU HEALTH COMPETENCE ..................................................... 162
A. HEALTH EDUCATION AND PREVENTION ......................................................................... 164
1. Health promotion and disease prevention ................................................................................. 164
2. Action plan against disinformation including a code of practice fighting online disinformation .... 166

B. ESTABLISHING A HEALTH UNION ..................................................................................... 168
1. Regulation on serious cross-border threats to health ............................................................... 168
2. Regulation on a reinforced role for the European Medicines Agency (EMA) ......................... 170
3. Regulation on the European Centre for Disease Prevention and Control (ECDC) .................. 172
4. Decision establishing the Health Emergency Preparedness and Response Authority (HERA) .... 174
5. Establishing the ‘EU FAB’ network of ‘ever ready’ multi technology therapeutic production in the EU 178

C. FIGHTING THE COVID-19 PANDEMIC

1. EU vaccine strategy, in the EU and globally 180

2. ‘Vaccelerate’ – a pan-European network to accelerate Covid-19 trials 182
I. Bolstering our defence capabilities

- EU-NATO
- EU Security and Defence Partnership Forum
- Increase defence expenditure & invest in key technologies and strategic enablers
- Capability development planning
- Collaborative research, development and procurement in defence
- Military mobility
- Strengthen EU defence industry, including by standardising military goods
- Increase space defence and industrial capabilities
- Civilian and military CSDP missions and operations
- Command and control structures
- EU Rapid Deployment Capacity
- Intelligence capacities
- Boost EU cyber resilience
- Fight disinformation
- Protect critical infrastructure

BOLSTERING OUR DEFENCE CAPABILITIES
I. BOLSTERING our DEFENCE CAPABILITIES

VERTICAL COOPERATION in DEFENCE CAPABILITIES

Legend
- Instrument available
- Instrument to adopt/improve
- Instrument to create

Note: The size of each square does not have any meaning.
I. Bolstering our defence capabilities

A. Plug strategic investment gaps

1. Increase defence expenditure & Invest in key technologies and strategic enablers

Overview

Military spending in Europe has been kept at low levels for the last two decades, due to the assessment made by many European states of their security environment. Taken together, EU Member States spend annually close to EUR 200 billion on defence, but this has so far not been sufficient to allow Member States who are also NATO allies to meet their commitments in terms of defence capabilities made in the NATO framework.

The Russian war against Ukraine has changed this assessment radically, as there is an increased feeling of vulnerability in many European states. However, preparing for new military challenges and drawing on the lessons learnt from the war will likely require profoundly rethinking European armed forces’ capabilities and force structures. This – combined with the poor record of accomplishment in intra-European defence cooperation and coordination, low levels of investment in key technologies and inefficient spending – result in having to manage major challenges simultaneously:

- Member States must transform their forces whilst keeping a meaningful level of international engagement to hedge against the influence of the EU’s strategic competitors in the EU’s own neighbourhood;
- Member States must re-build wartime stocks of munitions, material and supplies, and recruit and train personnel capable of sustaining high-intensity warfare over longer periods;
- Member States must consider forward presence of large parts of their combat forces and pre-positioning of equipment and supplies.

Military assistance to Kyiv through the European Peace Facility (EPF) has diminished stocks of arms in the Union. Yet reassessing the equipment needs and boosting defence spending will not diminish the fragmentation of the Union’s defence market if the past, individualistic practices of the 27 do not change. The present dramatic situation offers an opportunity for EU Member States to spend more and – perhaps more importantly – to spend better on defence. This means investing together, as well as in the right technologies and capabilities.

Hence, the need to invest better in European priorities, to strengthen European resilience, to further boost research, technology development and innovation, and to reduce strategic dependencies in technologies and value chains that are critical for security and defence.

In the EU, a major step forward was the establishment of the European Defence Fund 2021-2027 (EDF) with an overall budget of EUR 7.953 billion for the programme period. The EDF aims to foster the competitiveness, efficiency and innovation capacity of Europe’s defence technological and industrial base throughout the EU. The EDF complemented earlier EU initiatives – in particular the Transfers of Defence Related Products Directive and the Defence Procurement Directive – aimed at creating a more integrated European defence equipment market.

What are the ways out?

In the wake of the Versailles Declaration of 11 March 2022, the Strategic Compass (endorsed on 25 March 2022) placed the revival of the industrial and technological base of European defence at its core. The Compass lists goals and deliverables to strengthen EU defence, including an analysis of defence investment gaps, delivered as a joint Communication by the Commission and the European Defence Agency (EDA) on 18 May 2022. This joint Communication envisages two legislative proposals, which can be important elements to spend better together in the future. A short-term instrument of EUR 500 million (from the EU budget) to replenish the armaments stocks through joint procurement is due by the end of June 2022. This instrument is meant to pave the way for an EU framework for joint defence procurement, with the expected proposal on a European Defence Investment Programme (EDIP) regulation in Q3 2022.

EU defence initiatives, such as the Permanent Structured Cooperation (PESCO) and the European Defence Fund, should now be used to reduce critical gaps of strategic enablers substantially by 2025.
I. Bolstering our defence capabilities

Relevant EP positions

In its annual report on the implementation of CSDP in 2021, Parliament calls on Member States that are NATO allies to aim to respect the goal of spending 2 % of GDP on defence.

In addition, EU military capability development processes should be integrated into national defence planning processes. The Parliament insisted on a rapid and coherent implementation of permanent structured cooperation, with an integrated internal market for defence equipment, in order to strengthen the EU’s ability to act efficiently. Due to dependencies, we must increase our resilience and strategic autonomy. This includes providing a capacity for autonomous resilience.

The Parliament is hoping to play a bigger role in defence spending and investment through its budgetary powers. Indeed, the Parliament insists on the need to go beyond declarations and take action, in particular by providing the EU with a truly European defence industrial base through an EDF with an adequate budget.

In terms of capability development, the Parliament’s resolution of 17 February 2022 encouraged the EU and its Member States to focus on a small number of projects that are consistent with CSDP objectives, that are operational, and that provide European added value. These projects are needed to achieve the EU’s level of ambition and strengthen Member States’ capabilities.

Ongoing or upcoming initiatives

The Strategic Compass sets up different milestones. First, an exchange on national objectives regarding increased and improved defence spending will be organised by mid-2022. The Commission will also develop additional incentives to stimulate Member States’ collaborative investments in strategic defence capabilities, and will report on the progress, barriers and opportunities related to multinational defence capability projects in the Annual Single Market report. As of 2022, an EU-wide coordinated approach to identify critical technologies relevant for security and defence will be developed. In 2023, there will be an assessment, together with the Commission, of the risk to our supply chains of critical infrastructure.

The EU will focus its capability development efforts on next-generation capabilities in all domains – including at system and subsystem level – in the following areas: land domain (soldiers systems and a main battle tank system), maritime domain (digitally networked high-end naval platforms, including naval unmanned platforms), air domain (future combat systems, countering unmanned aerial systems, and a European standard for A2/AD), space domain (new sensors and platforms for space-based earth observation, technologies for space situational awareness and space-based communication services), and cyber domain (enhanced military mobility).

The joint Communication on Defence Investment Gaps also puts forwards shorter- and longer-term initiatives to address capability gaps. In addition to expected legislative proposals to this end, the communication envisages that the Commission and the Member States set up a Defence Joint Procurement Task Force to support the coordination of very short-term procurement needs.

EP committees involved: AFET, SEDE, ITRE

Further reading

EPRS, Member States’ defence investment and capability gaps, May 2022
I. Bolstering our defence capabilities

A. Plug strategic investment gaps

2. Capability development planning

Context

One of the key weaknesses of European defence is the lack of coordination among Member States. Neither NATO nor the EU have been able remedy to the shortfalls arising from capabilities development based first and foremost on national considerations. The existence of what are, in principle, capable defence industries in half a dozen Member States – and the desire in even more Member States to develop their own national defence technological and industrial base – has led to a fragmentation of both supply and demand.

Some industries – with the support of the Member States concerned – have sought to use arms sales abroad in order to hedge against the risks arising from low demand, small batches, decades-long decision-making processes and low throughput production. In a number of cases, European producers competed against each other and supplied war material to governments that may not have consistently complied with the ten criteria of the Common Position on Arms Exports.

After 1999, the EU took several steps to enhance defence coordination, in particular with a view to reaching its ‘headline goal’ (a rapid reaction force of 50 000-60 000 soldiers). Failing to achieve that goal, the EU lowered its ambitions, from the deployment of an army corps to that of a brigade (5000 soldiers) as a ‘Rapid Deployment Capacity’. Coordination and joint planning of military capabilities remains difficult for EU Member States, always hesitant to abandon their national sovereignty on defence issues. The EU has, however, created several mechanisms in order to try and increase defence coordination: the Capability Development Plan (CDP) of the European Defence Agency, the Coordinated Annual Review on Defence (CARD), and PESCO being the main ones. In the context of increasing EU-NATO cooperation, these EU processes should be coordinated, as much as possible, with the NATO Defence Planning Process (NDPP) – yet this is hardly the case. The most recent reviews of CARD and PESCO do not give rise to optimism that EU MS will reach the objectives they set for themselves... and they confirmed the negative impact this has had on MS’ capacity to conduct joint operations.

However, Russia’s war on Ukraine has rung the alarm for the 27 MS in terms of defence capabilities and budgets, leading them to make strong commitments at the Versailles Summit on 11 March 2022. The Strategic Compass, adopted at the following summit (24-25 March 2022), reiterated MS’ commitments and translated them into operational deeds. After a rapidly delivered defence investment gap analysis by the Commission and EDA (18 May), there is now an opportunity to plan such capability development in a smarter (i.e. more collective) way. This is made even more urgent by the need to replenish stockpiles, reduced by past disinvestments in defence, as well as by the recent transfers of military equipment to Ukraine.

Relevant EP positions

In its 2021 annual report on the implementation of CSDP, the European Parliament called for the Strategic Compass to define clear priorities for the revision of the Capability Development Plan (CDP) and subsequent cycles of the main objectives (i.e. Headline Goals [HLG]). The EP recommended streamlining and integrating the planning and capability development processes (CDP, HLG/High Impact Capability Goal [HICG], PESCO, CARD) and maintaining coherence with the respective NATO processes, in particular the NATO Defence Planning Process (NDPP).

The EP also called for integrating EU military capability development processes into national defence planning processes.
Ongoing or upcoming initiatives

In order to bring military capability development closer to operational needs and provide the necessary capabilities, the 2022 Strategic Compass commits to adapting defence capability planning and development procedures, which would lead to the revision of the Headline Goal process by 2023. Furthermore, the Compass commits to further ensuring ‘that the results of these processes remain coherent with those of the respective NATO processes’. The document also pledges that ‘all EU defence initiatives and capability planning and development tools are embedded in national defence planning’. Finally, it includes a commitment on behalf of the EU Member States to ‘exchange on our national objectives on increased and improved defence spending to match our security needs, maximise output, increase interoperability and make full use of economies of scale, including through a coordinated and collaborative European approach and the full use of EU tools’.

Thinking ahead

PESCO priorities for defence capabilities should be reviewed and the instrument should be better used in order to fully exploit the EU added value.

EP committees involved: SEDE

Further reading

S. Clapp, Member States’ defence investment and capability gaps, May 2022, EPRS.
I. Bolstering our defence capabilities

A. Plug strategic investment gaps

3. Collaborative research, development and procurement in defence

Context

Meeting in Versailles on 11 March 2022, EU leaders committed to bolster European defence capabilities in light of the Russian military aggression against Ukraine. The European Defence Fund (EDF) promotes cooperation among companies and research actors in the Union in research and development of state-of-the-art and interoperable defence technology and equipment. The Defence Procurement Directive sets out European rules for procurement of arms, munitions and war material for defence purposes.

The fragmentation of Europe’s security and defence capabilities has led to economic inefficiencies, reduced operational capacity and increased strategic dependencies. The Strategic Compass endorsed at the end of March 2022, as well as the Defence Investment Gap Analysis and Way Forward that followed in May 2022 acknowledged the necessity of collaborative procurement. Member States could maximise economies of scale and face the large costs of high-end capabilities, avoiding competition for limited supply capacity and preventing unnecessary duplication.

Relevant EP positions

Parliament resolution of 25 March 2021 supported the ambitions of the Defence Package Directives but regretted the continued fragmentation of the EU’s internal market for defence products. It stressed that still a very high volume of procurement expenditure is incurred outside the Directive’s framework. Parliament called on Member States to strengthen intra-EU defence procurement, and research and development cooperation, as well as to use common procurement and research projects to boost interoperability between their militaries.

Parliament recommendation of 8 June 2022 called to urgently launch a discussion with a view to establishing another off-budget financial facility, which would address the entire life cycle of military capabilities at EU level from collaborative research and development and joint procurement to joint maintenance, training and security of supply. It also recommended strengthening the EDF and increasing the number and relevance of collaborative defence industry projects.

Ongoing or upcoming initiatives

The Defence Investment Gaps Analysis and Way Forward announced initiatives to step up joint procurement, such as the swift establishment of a Defence Joint Procurement Task Force and a short-term EU instrument to incentivise joint procurement to fill the most urgent and critical gaps in collaborative way (due by end of June 2022). This instrument is to pave the way to an EU framework for defence joint procurement in the form of a European Defence Investment Programme (expected by Q3 2022), which will establish conditions for Member States to form European Defence Capability Consortia. Moreover, the Strategic Compass had also announced other measures to further increase and leverage collaborative defence investment at the EU level, such as a VAT waiver (by early 2023), upcoming proposals for new financing solutions (by mid-2023) and following the interim evaluation of the EDF, work on a possible amendment to adjust and reinforce the EDF bonus system.

The February 2022 Commission roadmap on critical technologies for security and defence outlines a path for boosting research, development and innovation (RTD&I) in critical technologies and value chains for security and defence. It aims to promote from the outset an EU-wide strategic and coordinated approach to make the best use of EU and Member States' RTD&I programmes and achieve synergies between civilian and defence RTD&I communities.

Thinking ahead

With the increased funding needs for multiple new initiatives necessary in the context of the changed geopolitical environment, it is important to use the potential of collaborative, research, development
I. Bolstering our defence capabilities

and procurement to maximise economies of scale and help spend the dedicated funds in the most efficient way. The competent parliamentary committees would continue to monitor and follow-up on the planned new initiatives, including by means of input to the strategic agenda setting and scrutiny. The need for better implementation and enforcement of the Defence Procurement Directive remains essential to help improve the functioning of the internal market for defence products.

**EP committees involved:** ITRE, IMCO, AFET, SEDE

**Further reading**

Context

Prior to the Ukraine crisis, the issue of military mobility – that is, the ability of military forces and their weapons to move expeditiously toward their objective – was already high on the EU agenda. The 2017 Joint Communication on Improving Military Mobility in the European Union, followed by the 2018 related Action Plan, provided a coherent framework for programmes, projects, initiatives and activities as part of an EU coordinated approach. The Action Plan on Military Mobility was then followed by implementation reports, the last one adopted in September 2021. Improving military mobility also became part of the PESCO commitments, as established in December 2017, and at project level – with a separate PESCO project. It was also a major deliverable under the 2018 EU – NATO Joint Declaration.

As the crisis unfolds at the EU North-Eastern borders, the concept of military mobility is making a quantum leap. Following the 11 March Versailles Declaration, the Strategic Compass for security and defence, endorsed by the European Council on 24-25 March 2022, now underlines the “urgent need to substantially enhance the military mobility of our armed forces within and beyond the Union.” In concrete terms, it foresees an update to the Action Plan before the end of 2022, including an immediate acceleration of the implementation of dual-use transport infrastructure projects, an analysis of the EU transport infrastructure capability to sustain short-notice large-scale movements (also in 2022), and an improvement and harmonisation of cross-border procedures (2025).

The 2021-27 financial allocation for military mobility under the Connecting Europe Facility (CEF) amounts to EUR 1.69 billion. As a response to the current crisis, the EC announced on 8 April that it will expedite the funding of military mobility projects by investing EUR 339 million for 22 projects selected under CEF. Projects include railway infrastructure upgrades as well as works to increase port and airport capacity and strengthen road bridges.

The expected upgrade of the North Sea-Baltic TEN-T corridor for dual civil/defence use and progress on the priority infrastructure project Rail Baltica¹ may play a crucial role in enhancing EU’s capability to rapidly transfer military equipment and weaponry to its North-Eastern borders². The TEN-T is the main tool for identifying dual-use synergies in the transport network, with the 2021 proposal for a revision of the TEN-T Regulation adding additional dual civil/defence use roads and railways in the network. Yet, the participation of Chinese companies under the Road and Belt initiative raises autonomy concerns for strategic mobility infrastructure projects³⁴. Regulatory and procedural issues such as the lengthy and complex procedures and custom formalities related to military operations, and the diverging national rules on the transportation of dangerous goods, represent alongside the infrastructural barrier another obstacle to enhanced military mobility⁵.

Relevant EP positions

Parliament adopted several resolutions covering military mobility. The 2018 resolution on the implementation of the Common Foreign and Security Policy welcomed the progress on this issue. It emphasises the potential for improving connectivity among EU countries as well as the importance of the EU’s strategic autonomy.

---

¹ Rail Baltica is an 870-kilometer-long high-speed rail line from Tallinn via the Baltic states to Poland, connecting the Baltic region with Western European rail networks. https://www.railbaltica.org/
⁵ https://ec.europa.eu/defence-industry-space/eu-defence-industry/military-mobility_en
I. Bolstering our defence capabilities

Parliament’s 2021 resolution on the general budget of the EU for the financial year 2022 calls for increased funding for the European Defence Fund and for military mobility in order to fully foster an innovative and competitive defence industrial base.

Parliament’s 17 February 2022 resolution on the implementation of the Common Security and Defence Policy (annual report 2021) welcomes the initial stages of the military mobility project and calls for the subsequent stages to be implemented swiftly.

Parliament’s 5 May 2022 resolution on the impact of Russia’s illegal war of aggression against Ukraine on the EU transport and tourism sectors reiterates its strong regret over the decision to drastically cut the final envelope on the military mobility budget line under the Connecting Europe Facility (CEF II) programme 2021-2027, and calls on the Commission to find and present solutions to significantly increase it. Moreover, the EU should help Member States develop dual-use infrastructure and transport interconnections within the EU, but also with the Western Balkans, Moldova, Georgia and Ukraine.

**Ongoing or upcoming initiatives**

On 8 April 2022, 63 MEPs from different political groups (EPP, S&D, Renew, Greens, ECR, non-attached) have addressed a letter to the EU leaders in which they ask for an increase of the proportion of the EU co-funding rate for military mobility projects, simplified procedures for the evaluation of CEF military mobility project applications, and a simplified Environmental Impact Assessment (EIA) obligation to speed up on the delivery of military mobility projects.

The presentation by the Commission of the 2023 budget does not show a substantial rise in the budget for military mobility (EUR 237 million, +2 % compared to 2021), showing the limited margin for manoeuvre in the 2021-2027 MFF. Many in the EP and some Commissioners acknowledge the need to look again into the MFF. This however does not seem to be widely shared so far at Member States level.

**EP committees involved:** TRAN, SEDE, IMCO, BUDG, ENVI

**Further reading**

EPRS (2022), “Revision of the trans-European transport network guidelines”

---

I. Bolstering our defence capabilities

A. Plug strategic investment gaps

5. Strengthening the EU defence industry, including standardisation for military goods

Context

Meeting in Versailles on 11 March 2022, two weeks after Russia launched its war against Ukraine, EU leaders committed to bolster European defence capabilities and to take measures to strengthen and develop the European defence industry.

Over the last years, several important steps aiming at integration of the EU defence market have been taken. A major step forward was the establishment of the European Defence Fund 2021-2027 (EDF) with an overall budget of EUR 7.953 billion for the programme period. The EDF aims to foster the competitiveness, efficiency and innovation capacity of the European defence technological and industrial base throughout the EU. The EDF was preceded by precursor projects (Preparatory Action on Defence Research and the European Defence Industrial Development Programme), and complemented earlier EU initiatives – notably the Intra Community Defence Transfers Directive and the Defence Procurement Directive – towards a more integrated European defence equipment market.

To a certain extent, the EDF already contributes to standardisation, by asking Member States to not only jointly work on development projects, but also to demonstrate that they mean to procure and use the technology or equipment together later on. However, the EDF cannot not alone solve all problems related to the fragmentation and therefore inefficiency of European defence procurement. It will require that the Member States work in good faith together with the Commission to determine the EDF work programme and funding allocations. (See below, in ‘Thinking ahead’.)

At this stage, the integration of the EU defence market remains far from accomplished with the production of military equipment mainly occurring at national level. This has led to the duplication of military platforms, with negative consequences for the interoperability of systems and additional red tape. The fragmentation of Europe’s security and defence capabilities has led to economic inefficiencies, reduced operational capacity and increased strategic dependencies.

Relevant EP positions

Parliament has traditionally supported EU defence integration and cooperation. In its Recommendation of 8 June 2022, Parliament called for swift progress in establishing a defence union with more ambitious short-, medium- and long-term objectives by implementing the concrete actions laid down in the Strategic Compass.

In its February 2022 resolution on the implementation of the CSDP in 2021, Parliament stressed the need to counter the fragmentation of its internal market for defence products.

Already in its resolution of 25 March 2021, Parliament regretted the continued fragmentation of the internal market for defence products. It stressed that a very high volume of procurement expenditure was still incurred outside the Directive’s European framework. Parliament pointed specifically to the need to develop a comprehensive and holistic concept for a European defence equipment market, which formally connects all existing fragments and future initiatives.

Ongoing or upcoming initiatives

The Strategic Compass endorsed at the end of March 2022, as well as the Defence Investment Gap Analysis that followed in May 2022, envisages initiatives that aim to plug the gaps identified in capabilities and investment, as well as to enhance the European defence technological and industrial base. In particular, the Joint Communication ‘on the Defence Investment Gaps Analysis and Way Forward’ announced an in-depth mapping of the EU’s current and necessary industrial manufacturing capabilities, with the objective to creating a shared picture of the EU’s capacity to produce and of its needs, in order to ensure European security of supply to Member States.
I. Bolstering our defence capabilities

Thinking ahead
EU Member States jointly spend annually around EUR 200 billion on defence. However, data shows that in 2020, they only conducted 11% of their total equipment procurement within a European framework, and that this percentage has been decreasing. Further increases are programmed, but with the increased funding needs for other new initiatives responding to the changed geopolitical environment and competing priorities, it is essential that those funds are spent in the most efficient way.

Further standardisation of armaments would lead to cost savings for defence spending by injecting added value in defence production processes and by avoiding the duplications of capabilities and equipment.

A truly integrated EU defence market brings potential for economies of scale and a stronger EU defence and technological base. The need for better implementation and enforcement of the Defence Procurement Directive remains essential to help improve the functioning of the internal market for defence products.

EP committees involved: ITRE, IMCO, AFET, SEDE

Further reading
EPRS, EU Defence Package: Defence Procurement and Intra-Community Transfers Directives, October 2020
Policy Department for External Relations, Review of the Preparatory Action on Defence Research (PADDR) and European Defence Industrial Development Programme (EDIDP): lessons for the implementation of the European Defence Fund (EDF), May 2021
EPRS, Defence industry cooperation in the European Union, May 2021
Sabatino E., The European defence fund: a step towards a single market for defence?, Journal of European Integration, February 2022
Policy Department for External Relations, European armaments standardisation, 2018
B. Develop EU capabilities

1. Increase space defence and industrial capabilities

Context
Space is a strategic domain and an essential enabler for daily activities, both civil and military. The current geopolitical context suggests that nearly three decades of close collaboration in space between Russia and the Western world seem to be ending. This highlights the importance of strengthening the security aspects of the EU space programme.

The importance of space systems has been demonstrated recently by a variety of security-related events, including the deployment of space-based assets for functions ranging from detection of damage to support for emergency response (COVID-19 pandemic, massive migration on Polish-Belarusian border in 2021, Russia’s war of aggression against Ukraine). With technological innovations, synergies between civil, defence and space industries could be enhanced. Aggression in space could also directly affect services provided by the EU’s Space Programme or military operations on the ground. With the growing threat of cyber-attacks and the progressive militarisation of space, it is essential to ensure the protection of the various components of the Space Programme and to adapt to this fast-paced environment, meet the challenges of today and anticipating the needs of tomorrow.

Relevant EP positions
On 27 April 2021, Parliament adopted the final text on the Space Programme for the 2021-2027 period. The text aims to ensure investment continuity in EU space activities, as well as the innovation capacity of the European space industry. On 29 April 2021, Parliament adopted the European Defence Fund, one of its aims being the financing of priority projects agreed by Member States within the framework of the Common Security and Defence Policy. The Commission’s Communication on ‘Updating the 2020 New Industrial Strategy: Building a stronger Single Market for Europe’s recovery’ of 5 May 2021 underlined the importance of identifying and mitigating strategic dependencies in ‘sensitive ecosystems’, including those of ‘proximity, social economy and civil security’, and ‘aerospace and defence’.

The 2021 EP annual report on the implementation of the Common Security and Defence Policy calls on the EU Member States to take action to preserve the Union’s space and air sovereignty. In particular, Parliament ‘calls on the Union to develop a space defence strategy in order to preserve the autonomous and undisrupted access of the EU and its Member States to space assets at all times’.

Ongoing or upcoming initiatives
To improve the EU’s ability to operate safe, secure and strategic infrastructure and to effectively counter threats in outer space, the Commission adopted, on 15 February 2022, two packages on defence and space policies.

The space package includes the Joint Communication on Space Traffic Management (STM) and the proposed regulation on the Union Secure Connectivity Programme (2023-2027).

The Communication aims to lay down an EU approach to space traffic management (STM) for a safe, secure and sustainable use of space, while preserving the EU’s strategic autonomy by developing STM civil and military requirements. The EU STM approach addresses the regulatory aspects and comprises non-binding measures (standards and guidelines), as well as possible legislation at EU level. The ITRE committee recently adopted an oral question to the Commission relating to that Communication, which is expected to be accompanied by a plenary resolution on the matter in due course.

The Secure Connectivity Programme aims to establish a multi-orbital satellite communication system that ensures the provision of global, secure, flexible and resilient satellite communication services for governmental and civilian users, which will integrate the European Quantum Communication Infrastructure, with high-speed broadband access service.
I. Bolstering our defence capabilities

These two initiatives are concrete deliverables of the Commission Action Plan on Synergies between civil, defence and space industries, which aims to reinforce European innovation by exploring the disruptive potential of technologies at the interface between defence, space and civil uses, such as cloud, processors, cyber, quantum and artificial intelligence. The Commission Communication ‘Roadmap on critical technologies for security and defence’, which is part of the defence package, recognises space as a sensitive and critical industry and proposes initiatives to strengthen it.

The second element of the defence package, the Strategic Compass, endorsed by the European Council on 24-25 March 2022, underlines the need for EU Member States to invest jointly in key military capabilities to operate in outer space. The document also calls on Member States to secure access to strategic domains such as high seas, air, cyber and space, acting in cooperation with key partners, such as NATO. The Compass also announces an EU Space Strategy for security and defence, to be adopted by the end of 2023; the validation of the Galileo threat response mechanism, expected by the end of 2022; and the exploration of the use of solidarity, mutual assistance and crisis response mechanisms in case of attacks originating from space, or of threats to space-based assets, by the end of 2022.

Thinking ahead

At present, the EU is not independently capable of sending humans to space, which is becoming more important both economically and in terms of security. The EU should therefore acquire advanced capabilities in this domain. As noted by ESA Director General Josef Aschbacher, ‘Why should Europe be excluded from the group of countries that master human spaceflight on their own?’

EP committees involved: ITRE, SEDE

Further reading

EPRS, European Defence Fund 2021–2027, April 2021
Policy Department for external policies, The European space sector as an enabler of EU strategic autonomy, December 2020
EPRS, Establishing the European Defence Fund, October 2018
I. Bolstering our defence capabilities

B. Develop EU capabilities

2. Civilian and military CSDP missions and operations

Context

EU missions and operations constitute the key operational tool of the EU’s Common Security and Defence Policy (CSDP) to promote stability and security in the Union’s neighbourhood and on the global stage. The overarching goal is to maintain security at home and abroad by preventing or resolving crises, enhancing the capacities of partners, and protecting the EU and its citizens. As of March 2022, there are 18 ongoing CSDP missions and operations (11 civilian missions and 7 military operations). Around 5000 military and civilian staff, provided by the EU Member States, are deployed on three continents.

The Russian war against Ukraine represents a direct threat to the EU’s interests and values. The EU responded promptly to Russia’s invasion, in particular in the CSDP field through an unprecedented provision of lethal defensive military equipment under the European Peace Facility, and through the revision of mandates of the EU Advisory Mission in Ukraine and the Border Assistance Mission in Moldova. Russia’s aggression has obliged the EU to acknowledge more clearly the threat coming from Russia, not only in Ukraine but also in its wider neighbourhood. This has led the EU to review and adapt, when needed, the mandates of all its missions and operations, from the Eastern Partnership to sub-Saharan Africa.

The current Russian invasion of Ukraine also highlights the need to strengthen both the conventional forces of key EU partners and their resilience against cyber, hybrid and informational warfare. CSDP missions and operations are needed, now more than ever.

Relevant EP positions

In the 2021 CSDP annual report, Parliament stressed the importance of civilian and military CSDP missions and called on the Member States to commit sufficient personnel within short time frames. MEPs also stressed that the Strategic Compass must set the ambition of renewing the civilian CSDP, and that a ‘Civilian Compact 2.0’ reviewing the initial strategic document supporting civilian CSDP, should be adopted in a timely manner. They supported the idea that the Strategic Compass should outline fundamental aspects of civilian CSDP, including civilian capability development, beyond 2023. The EP also supported the idea that strategic priorities for civilian CSDP should be linked to the annual review process of the Compact, and reiterated the need for a stronger link between CSDP, Justice and Home Affairs, and Commission-led action.

Ongoing or upcoming initiatives

The Versailles declaration (11 March 2022) stressed the need to invest further in the capabilities necessary to conduct the full range of missions and operations, including by investing in strategic enablers (such as cybersecurity and space-based connectivity) to support missions and operations. The Strategic Compass, the EU’s ‘defence white book’ endorsed by the Council on 24-25 March 2022, goes further in planning the reform of CSDP missions and operations, with precise target dates. All dimensions, including planning, governance and financing issues, are tackled, and commitments are made. The Compass vows to pursue a more flexible (modular) and integrated (with other instruments) approach to missions and operations, which should make them more robust, tailor-made, resilient and – therefore – effective tools.

Military operations will continue to benefit from the European Peace Facility (EPF), but may also be complemented by other tools, such as the future Rapid Deployment Capacity. As for civilian interventions, a new Civilian CSDP compact is to be adopted by mid-2023. Mutual support between CSDP missions and operations, as well as European-led ad hoc missions and operations, will be reinforced, as early as this year (2022).
I. Bolstering our defence capabilities

Thinking ahead
Recent reviews show CSDP missions and operations have to be made more resilient and effective. The use of the European Peace Facility is a positive improvement, but Russia’s – too-often successful – Russian hybrid attacks, including ‘propaganda wars’ in some countries hosting CSDP missions, show the need to make further improvements.

EP committees involved: AFET, SEDE, AFCO, LIBE, BUDG

Further reading
POLDEP (2021), ‘Preparing the CSDP for the new security environment created by climate change’, in-depth analysis.
I. Bolstering our defence capabilities

B. Develop EU capabilities

3. EU Rapid Deployment Capacity

Context

The Russian war against Ukraine has turned Russia into a direct threat to Europe’s security and to the stability of its neighbourhood and the international order.

The Strategic Compass, a defence policy document endorsed by the Council on 24-25 March 2022, lays down the foundations of an EU Rapid Deployment Capacity in its first part, titled ‘Act & Prepare’. Consisting of up to 5000 troops, the Capacity would include tailored force packages with land, air and maritime components. This modular force would consist of substantially modified EU Battlegroups and pre-identified military forces and capabilities from the Member States, ‘in line with the single set of forces principle’.

The EU Rapid Deployment Capacity (RDC) would allow for the swift deployment of troops ‘for different types of crises’ outside the Union, including combat missions and first entry forces. However, in line with Article 32(1) of the TEU, the RDC will first focus on the so-called ‘extended Petersberg Tasks’, in particular the military rescue and evacuation tasks. The second task of the EU Rapid Deployment Capacity will be post-conflict stabilisation in its early stages – for example, should the need arise to swiftly reinforce EU missions and operations conducted with a mandate from regional or international organisations.

The timetable for implementing the Capacity is as follows: operational scenarios should be determined before the end of 2022, with regular training and exercises starting as early as 2023. In 2023, the scope and definition of the common costs, a problematic issue for EU Battlegroups along with force generation, will also be reassessed. The EU Rapid Deployment Capacity must aim to reach full operational capability (FOC)\(^8\) by 2025. For command and control, either EU Member States national headquarters or the EU Military Planning and Conduct Capability (MPCC) can be used. If the latter option is selected, substantial efforts should be made for the MPCC to reach FOC by 2025.

Relevant EP positions

Parliament is calling for the EU to strengthen its capacity to act and to provide a rapid and coordinated reaction to crises. On 15 November 2021, the Security and Defence (SEDE) subcommittee held an exchange of views with General Claudio Graziano, Chair of the EU Military Committee, incorporating an extensive discussion of the proposed EU Rapid Deployment Capacity. In the 2021 CSDP annual report, the EP hoped that the Strategic Compass would be the first step towards the development of an EU independent operational capacity. Parliament supported in particular the creation of the ‘rapid entry force’, which would include a multinational land brigade of around 5000 troops, with air, maritime and special forces components, that would be mobilised in case of a security emergency. The EP believed that it is realistic and necessary, as a first step, for Member States to agree within the framework of the Strategic Compass on the circumstances that would make it necessary to mobilise such a force, and agree on one or several operational scenarios. The EP stated that the concept of a rapid deployment force needs to provide added value in comparison to EU Battlegroups, either reforming them or replacing them. It called, therefore, on the Council and the Commission to thoroughly assess, explore, and develop options for setting up a standing force that would be permanently stationed and train together.

Ongoing or upcoming initiatives

Highlighting the importance of Parliament and particularly the SEDE sub-committee, the EP expects to receive regular updates and reports on the implementation of the Strategic Compass and the EU

\(^8\) The full capability to employ effectively a weapon, item of equipment or system of approved specific characteristics, and which is manned and operated by an adequately trained, equipped and supported military force or unit.
I. Bolstering our defence capabilities

RDC. With regards to the Rapid Deployment Capacity in particular, the SEDE subcommittee has commissioned an In Depth Analysis: ‘The EU Rapid Deployment Capacity, EU Battlegroups and Article 44 TEU’ (not yet published).

Thinking ahead

The EU must explore and determine the modalities of operation of the future Rapid Deployment Capacity. This means critically assessing the RDC’s nature and aim, as envisioned in the Strategic Compass. Where will the EU RDC fall into the CSDP architecture and the internal institutional equilibrium of the EU? What type of political decision-making process, command and control structure, and funding procedure are most likely to ensure flexibility and solidarity? Realistically, what can we demand of Member States for the EU RDC in the context of the post-COVID 19 pandemic economic crisis, and the looming threat of recession created by EU sanctions against Russia?

On the surface, the creation of a ‘rapid entry force’ appears to serve the strategic and operational autonomy of the Union. However, there is no guarantee that the Member States can or will dedicate personnel, forces and assets to the EU RDC, when most of them already have binding security commitments, including the reinforcement of NATO’s deterrence posture in the East following Russia’s invasion of Ukraine. Parliament must therefore monitor the situation closely.

EP committees involved: AFET, SEDE

Further reading

EPRS (2021), ‘Strategic Compass: Towards Adoption’, at a glance note.
EPRS (2021), ‘Where will the EU’s Strategic Compass point?’, briefing.
I. Bolstering our defence capabilities

B. Develop EU capabilities

4. Command and control structures

Context

In order to provide command and control (C2) of the EU’s CSDP Missions and Operations (amounting to some 37 operations and missions on three continents since the first mission in 2001), the EU can use either EU-level capacities or those of the EU Member States (MS) dedicated to the the Common Security and Defence Policy (CSDP). At the EU level, civilian missions can use the Civilian Planning and Conduct Capability (CPCC); for military missions and operations, the EU Military Planning and Conduct Capability (MPCC). For executive military CSDP operations, the EU can use Member States’ facilities or – as part of the Berlin Plus agreement – NATO’s Supreme Headquarters Allied Power Europe (SHAPE).

In the context of the EU’s enhanced strategic autonomy, there is a need to reform the C2 structures of CSDP missions and operations, especially military missions and operations, and to improve their effectiveness. Indeed, Russia’s war against Ukraine (launched on 24 February 2022) has altered the EU’s strategic environment and the European security order, contributing to the need for credible, strong and self-reliant European forces. A standing, centralised operational headquarters for all EU military missions and operations would offer certain advantages, such as immediate availability, improved readiness and efficiency, reduced bureaucratic conflicts, and increased EU cohesion and institutional memory. A single point of command would enhance the effectiveness and credibility of the EU in crisis management.

Relevant EP positions

In the 2021 CSDP annual report, Parliament called for necessary personnel, equipment and resources (including secure tools for the exchange of classified information) to be allocated to the EU’s C2 structures, notably the EU MS and the MPCC. The EP stressed the importance of rapidly transforming the MPCC into a true command and control structure (HQ), capable of providing forward-looking and strategic anticipation functions, and of directing operations and missions with responsiveness and flexibility. As regards maritime operations, Parliament reiterated the need to secure the Union’s role as a provider of international maritime security, calling on the EU to build on its CSDP naval operations. This would include reinforcing the maritime command and control capabilities, which were identified as ‘significant gaps’ in the Coordinated Annual Review on Defence (CARD).

Ongoing or upcoming initiatives

The EU is in the process of implementing the Strategic Compass, a policy document adopted by the Council on 24-25 March 2022 to define the EU’s defence and security strategy for the next decade. In its first part, titled ‘Act & Secure’, the Compass addresses the question of the C2 structures for CSDP missions and operations. Different goals are set up for the MPCC. From 2023 onwards, the MPCC should be able to help conduct regular live exercises in all domains. Moreover, the MPCC is expected to reach full operation capability (FOC) by 2025, in order to be available for use by the EU Rapid Deployment Capacity, which should also be ready in 2025.

The EP Subcommittee on Security and Defence (SEDE) is following the developments linked to C2 via hearings and reports (an upcoming own initiative report on the future Rapid Deployment Capacity is likely to tackle the questions of Command and Control).

Thinking ahead

The Russian invasion of Ukraine highlights the necessity for the EU to take greater responsibility in the defence of the continent and to be able to conduct autonomous military action when necessary. Indeed, an augmented MPCC is expected to command one executive military operation, up to the size of an EU Battlegroup, once it reaches full operational capacity (FOC) in 2025.
The EU should aim to continue developing the MPCC while strengthening its unique, comprehensive approach to crisis management. Unlike NATO, a military alliance, the Union can use a mix of civilian and military tools to resolve crises and promote peace, stability and European values outside of the EU. Concretely, this means deepening the cooperation among CSDP military components, including the MPCC, and their civilian counterparts (mainly the CPCC). Both are part of the Joint Support Coordination Cell inside of the EEAS.

**EP committees involved:** AFET, SEDE, AFCO

**Further reading**

POLDEP (2022), ‘Security challenges at the EU’s eastern border: which role for CSDP?’, in-depth analysis.

EPRS (2021), ‘Charting a course through stormy waters: The EU as a maritime security actor’, briefing.


I. Bolstering our defence capabilities

B. Develop EU capabilities

5. Intelligence capacities

Context
Russia’s war of aggression against Ukraine revealed divergent approaches between EU Member States (MS) and the US on the interpretation of intelligence shared amongst partners. In fact, the US opted for public dissemination of its interpretation of intelligence that was also available to EU MS, but the MS interpreted the information differently and did not have a policy of sharing it publicly.

In her 2021 State of the Union speech, Commission President Ursula Von der Leyen had already identified the need to strengthen the EU’s coordination of intelligence, and made a proposal for an EU joint situational awareness centre – a proposal welcomed by Parliament.

Relevant EP positions
The Parliament has long called for an intelligence-led EU threat analysis, calling in March 2022 the Strategic Compass exercise an ‘unprecedented strategic reflection exercise’ for the development of the EU’s CSDP. The EP calls for this process to become a regular exercise of intelligence review and threat analysis, leading to updates of the Strategic Compass (much like a regular national Defence Review). Indeed the 2022 Annual Report on CSDP ‘stresses the importance of accurate and timely intelligence for supporting decision-making and ensuring secure missions and operations, and better combating influence and disinformation campaigns targeting them’.

Parliament’s Subcommittee on Security and Defence (SEDE) also regularly discusses these issues in its regular meetings, including with the Intelligence bodies and Counter Terrorism Coordinator. In addition, the EP has a Special Committee for briefings from the EU’s High Representative/Vice-President on matters including intelligence issues.

Ongoing or upcoming initiatives
The Strategic Compass was developed by using the EU’s intelligence capabilities. This was done in three steps – a threat analysis, a structured strategic dialogue, and further development and revision – before adoption. In order to come to this result, the Single Intelligence Analysis Capacity (SIAC) (bringing together the EU Intelligence and Situation Centre (EU INTCEN) and the Intelligence Directorate of the EU Military Staff) conducted what can be called the EU’s very first threat analysis in November 2020.

Thinking ahead
According to the EP, European security and resilience cannot be achieved without the long-term security and resilience of all EU neighbours. Parliament is therefore in favour of extending cooperation in the field of intelligence with Eastern Partnership countries.

EP committees involved: AFET, SEDE, INGE

Further reading
Danny Pronk, Claire Korteweg, Sharing the burden, sharing the secrets: The future of European intelligence cooperation, Clingendael, September 2021.
I. Bolstering our defence capabilities

C. Face hybrid challenges

1. Boosting EU cyber-resilience

Context
Considering that cyberspace has become a field for strategic competition, the Strategic Compass aims at maintaining an open, free, stable and secure cyberspace. In the Versailles Declaration, EU leaders highlighted the need to best prepare for fast-emerging challenges, including by strengthening cyber resilience with further investments. The first EU-wide cyber legislation, the Security of Network and Information Systems (NIS) Directive of 2016, boosted overall cybersecurity standards in the EU. In 2017, the Commission adopted the Cybersecurity Act, revamping the EU Agency for Cybersecurity (ENISA) and establishing an EU-wide certification framework. In addition, the European Cybersecurity Competence Network and Centre aims to strengthen EU leadership in cybersecurity, support network and information system resilience and reliability and increase the global competitiveness and high standards of the EU’s cybersecurity industry. With a view to reinforce Europe's collective resilience against cyber threats, the Cybersecurity Strategy of 2020 outlined actions for the EU’s technological sovereignty. The Commission also presented a proposal to address cyber resilience of critical entities and networks – the revised NIS Directive or 'NIS 2' (political agreement was reached on 13 May 2022).

Relevant EP positions
Parliament’s May 2021 resolution, on shaping the digital future of Europe, pointed to the importance of whole-of-society and holistic approach towards cybersecurity. In its June 2021 resolution on the EU’s Cybersecurity Strategy, Parliament called for the pooling of resources to enhance the EU’s strategic resilience and to reduce its dependency on foreign technologies. Also in its 2021 annual report on the implementation of CSDP, Parliament underlined the need for EU institutions and Member States to cooperate at all levels to build a cybersecurity strategy with the objective to further strengthen resilience, to develop common, and also better, national, robust civilian and military cyber-capabilities and cooperation. In the 19 May 2022 resolution on reinforcing the EU’s capacity to act in the face of the consequences for the EU of Russia’s war in Ukraine, MEPs called for a new Strategic Autonomy Fund for Europe, covering cybersecurity along with other vital fields.

Ongoing or upcoming initiatives
In March 2022, the Commission proposed rules to bolster the resilience and response capacities of the EU institutions, bodies, offices and agencies (EUIBAs) against cyber threats. The Strategic Compass foresees for the EU’s Cyber Defence Policy to be augmented in 2022. To this end, the Commission also announced an initiative for common standards for digital products and services under a new Cyber Resilience Act.

Thinking ahead
The war in Ukraine has significantly increased the importance of additional improvements in EU cybersecurity and resilience. Ever increasing cyber-attacks from state and non-state actors make more EU action necessary, in particular for the protection of EU institutions, critical infrastructure like energy grids or health services, of EU assets (eg in space), or of EU CSDP missions and operations, against cyber-attacks. Furthermore, the expected fast rollout of “internet of things” (IoT) devices will create cybersecurity risks if not well accompanied by product safety measures. Cooperation and dialogues with partner countries (such as Ukraine or Moldova), or organisations (such as NATO or regional organisations) should be stepped-up.

EP committees involved: ITRE, LIBE, INGE, SEDE

Further reading
EPRS, Understanding the EU’s approach to cyber diplomacy and cyber defence, May 2022
I. Bolstering our defence capabilities
C. Fight hybrid challenges

2. Fight disinformation

Context
We are witnessing a systematic Russian strategy, including through disinformation attacks (and other instruments of hybrid warfare), to undermine the EU in strategic areas where EU common security and defence policy (CSDP) missions and operations are deployed. Since Russia started its war against Ukraine, it has engaged in disinformation of unparalleled malice and magnitude across different types of media, in order to deceive its citizens at home and the international community, proving that even information can be weaponised. The increase in these attacks since the start of the war has been documented in key areas in the Eastern Partnership (Ukraine, Moldova and Georgia) as well as in the Sahel (in particularly in the Central African Republic and Mali).

In addition and as outlined in several EP resolutions, particularly the report of the Special Committee on Foreign Interference in all Democratic Processes in the European Union, including Disinformation (INGE) and the annual CSDP reports, the EU and our democracies are under constant attack by malicious foreign and domestic actors, seeking to interfere in our democratic processes. EU Member States and institutions need to recognise that foreign information manipulation and interference (FIMI) threatens the very existence of democracies. These foreign interference campaigns aim to intensify the polarisation in society, undermine the trust between citizens and the public authorities, manipulate voting behaviours and weaken the democratic processes of the targeted countries, in particular Western democracies. These campaigns are coordinated, they are well funded and they make use of different tools to exploit vulnerabilities in our democracies.

In this context, strategic communication is an important tool to fight the infowar. As stated in the INGE report, ‘proactive measures including pre-bunking are far more effective than subsequent fact-checking and debunking efforts’. By promoting real information and supporting journalism, raising awareness about the manipulation campaigns targeting EU citizens, giving people tools to detect misleading narratives and debunking widespread false narratives, civil society, media and EU and national officials work to counter this. To reach out, it is crucial for democratic organisations to engage with citizens, using their preferred languages and platforms. Learning to deal with these questions is also essential when it comes to securing a sustainable future digital media ecosystem.

For the EU’s CSDP, analytical means to identify disinformation and strategic communication to counter the threat are increasingly becoming essential capacities for CSDP missions and operations and third-state partners. For this reason, the EU has increased its capabilities to support CSDP deployments through better situational awareness, resilience building and strategic communications support. The urgent needs identified in the Strategic Compass include completing the EU's hybrid toolbox and including new concepts in the revised mandates of CSDP missions and operations to provide them with the means to address disinformation.

The annual CSDP report called for the establishment of intelligence units in all CSDP missions and operations to support decision-making in countering hybrid threats (including disinformation) and in providing the EU Intelligence and Analysis Centre (EU IntCen), the EUMS and the Civilian Planning and Conduct Capability (CPCC) with accurate and timely intelligence in real time.

Relevant EP positions

- European Parliament resolution of 9 March 2022 on foreign interference in all democratic processes in the European Union, including disinformation (2020/2268(INI))
- European Parliament resolution of 1 March 2022 on the Russian aggression against Ukraine (2022/2564(RSP)), condemning inter alia the use of information warfare by Russian authorities, state media and proxies to create division with denigrating content and false narratives about the EU.
I. Bolstering our defence capabilities

- The European Parliament Resolution (and 2021 Committee on Culture and Education [CULT] report) of 21 October 2021 on Europe’s Media in the Digital Decade warned of the dangers of ‘internal and external political and economic interference, whether from governments, powerful interest groups, third countries or other external actors’ and highlighted the ‘specific situation faced by Member States that are exposed to geopolitical risks arising from third-country interference in their information space’ (2021/2017(INI)).
- Report on the implementation of the Common Security and Defence Policy– 2021 annual report (2021/2183(INI))

Ongoing or upcoming initiatives

The Strategic Compass set out an EU Hybrid Toolbox that should provide a framework for a coordinated response to hybrid campaigns affecting the EU and its Member States, including the full mobilisation of all relevant civilian and military instruments where appropriate. In addition, the creation of EU Hybrid Rapid Response Teams should support Member States, CSDP missions and operations and partner countries in countering hybrid threats, including disinformation, ensuring synergies and exploring further avenues for counter-hybrid cooperation with NATO.

There have been several initiatives proposed under the European Democracy Action Plan to bolster societal resilience and develop responses to counter malign FIMI. In order to scrutinise these proposals, the INGE II (ING2) Special Committee has a mandate to follow-up on the INGE I recommendations and work closely together with EU stakeholders and international partners to strengthen action against FIMI. The Digital Services Act, together with the revised Code of Practice, will also tackle the spread of disinformation by introducing mandatory risk assessments and mitigation measures for very large online platforms, as well as transparency for algorithms amplifying disinformation.

On the EU media policy side, a Decision entered into force on 2 March 2022 banning the Russian state-owned media outlets Russia Today (RT), its subsidiaries and ‘Sputnik’ from broadcasting on the EU territory. EU wide-ranging sanctions cover not only traditional broadcast channels (such as satellite TV) but also online platforms. Further sanctions were proposed by the Commission’s president in early May 2022 in order to ban three additional Russian state-owned broadcasters from Europe (most likely TR Planeta, Russia 24 and TV Centre). Countering disinformation will also remain key in the context of the upcoming Commission proposal on the European Media Freedom Act, aimed to tackle media independence (expected by the second half of 2022).

Furthermore, institutions have worked against disinformation for many years. In 2015, the EEAS set up its first task force focusing on disinformation from the Kremlin. In 2018, the EU adopted its action-plan against disinformation. The EP Secretary-General set up an inter-DG task force against disinformation, led by DG COMM, ahead of the 2019 European elections. Parliament’s administration will continue to develop this work in the follow-up of the INGE recommendations and ahead of the 2024 elections. The communication departments of the Parliament, Commission and European External Action Service (EEAS) have developed close informal cooperation to exchange information and alerts linked to disinformation and, where relevant, coordinate responses.

Thinking ahead

As outlined in the INGE report, the EU should develop a risk-based, whole-of-society and whole-of-governments strategy built on common definitions and methodology, resilience-building, disruption and defence capabilities, and diplomatic and deterrence responses. There is a need to follow-up on these recommendations, in close cooperation with EU stakeholders and international partners.
I. Bolstering our defence capabilities

Likewise, Parliament’s Subcommittee on Security and Defence (SEDE) continues to monitor the systematic Russian strategy to undermine the EU in key strategic areas, in particular in its neighbourhood, and to urge the rapid enhancement of capacities of CSDP missions and third-state partners as identified in the Strategic Compass. On 13 June, the SEDE Chair, representing the SEDE Working Group on the Peace and Security pillar of Global Europe, will focus on ‘Disinformation’ and the ‘Russian War Against Ukraine’ in the High Level Geopolitical Dialogue with Vice-President/High Representative Josep Borrell.

**EP committees involved:** AFET, SEDE, IMCO, CULT, LIBE, ING2

**Further reading**

- Study on *Disinformation and propaganda: impact on the functioning of the rule of law and democratic processes in the EU and its Member States* – 2021 update
- Study on *Best practices in the whole-of-society approach in countering hybrid threats*
- In-depth Analysis on the *Impact of disinformation campaigns about migrants and minority groups in the EU*


*Can we protect society from the deepfake menace?*, European Parliamentary Research Service, September 2021
I. Bolstering our defence capabilities

C. Face hybrid challenges

3. Protect critical infrastructure

Context
In the context of the Russian war against Ukraine and deteriorating geopolitical competition, the EU must enhance its capacities, including security and defence, to promote a stable international order and open ‘global commons’ (air, maritime, space and cyberspace), which are essential to the prosperity and security of its citizens. This requires a strategic EU response to protect (interdependent) critical infrastructures inside and outside the EU.

In recent years, different forms and elements of infrastructure have become more interconnected, with services and networks operating across the internal market and linked to systems and infrastructures outside the EU. Critical infrastructure underpins the performance of a number of vital societal functions, including European defence. A disruption affecting the provision of service by one operator, in one sector has the potential to cause a cascading effect, impacting other services and operators, potentially in other Member States and across the EU as a whole.

Russia’s war of aggression against Ukraine has demonstrated that damage, destruction or disruption to such infrastructure can have significant negative effects on the security of the EU and its key partners, on society as a whole and on individual citizens. Protecting critical infrastructure and increasing its resilience, while reducing its vulnerabilities, has therefore become a major objective of the EU.

The threats arising from the war underline the need to build a culture of sharing information and expertise between the EU and Member States, including building integrated situational awareness, shared by the EU institutions, bodies and agencies, and Member States, in particular for the critical infrastructure on which the smooth functioning of the internal market depends. Preparedness in the area of security of critical infrastructure is more essential than ever, given the increased exposure of Europe to an accumulation of threats due to the war. These threats may also originate outside the EU and require the EU to have the security and defence response capacities to prevent external threats from spilling over and affecting the EU and its Member States.

Within the EU, the protection of critical infrastructure has been addressed in different ways.

One, which touches on how EU infrastructure could be impacted by non-EU providers, is the Foreign Direct Investment (FDI) Screening Regulation of 2019. The regulation establishes a common framework for assessing risks to the EU’s security and public order emanating from FDI originating in third countries. More specifically, critical infrastructure in areas such as energy, transport, water, health, communications, media data processing and storage, aerospace and defence is included in the list of factors to be taken into consideration in this assessment.

Relevant EP positions
Parliament’s 5 May 2022 resolution on the impact of Russian illegal war of aggression against Ukraine on the EU transport and tourism sectors calls on the Commission to protect transport infrastructure further both within and outside the EU (see paragraphs 44 and 45 of the resolution).

The recent EP Annual Reports on the Implementation of the Common Security and Defence Policy and the European Parliament recommendation to the Council and Vice-President / High Representative of the Union for Foreign Affairs and Security Policy on the EU’s Foreign, Security and Defence Policy after the Russian war of aggression against Ukraine set out recommendations on the importance of addressing critical infrastructure vulnerabilities in the EU’s external policies, including defence.

Ongoing or upcoming initiatives
Trilogue negotiations are currently underway on the Directive on the Resilience of critical entities (ŠIMEČKA, Renew, 2020/0365 COD, LIBE) with a third – and possibly final – trilogue set to take place before the end of June 2022.
The European Critical Infrastructure Directive 2008/114 EC was deemed inadequate, given the increasing interdependencies within and between critical infrastructure sectors, as well as the evolving risks that they face. The Commission proposal attempts to switch the current approach fundamentally, including by protecting specific assets and reinforcing the resilience of the critical entities that operate them. In addition, the Commission proposes to extend the scope of the Directive to cover ten sectors, while only transport and energy were covered under the previous Directive. At the same time, efforts have been made to both ensure efficiency and avoid overlaps with two other interlinked files, on which negotiations have recently concluded:

- NIS2 (A high common level of cybersecurity, GROOTHUIS, Renew 2020/0359COD)
- DORA (Digital finance: Digital Operational Resilience Act, KELLEHER, Renew, 2020/0266 COD)

Efforts to step up the EU preparedness have also included exercises with partners to increase resilience in critical sectors. The French Presidency of the Council of the European Union, together with the European External Action Service (EEAS) and the European Union Agency for Cybersecurity (ENISA), organised a scenario-based exercise in early 2022, called EU CyCLES (Cyber Crisis Linking Exercise on Solidarity), with the aim of raising awareness at the political level and strengthening cooperation between the operational and political levels in case of a large-scale cyber-attack against the EU critical infrastructures.

In addition, the Strategic Compass identified as urgent the establishment of an EU Hybrid Rapid Response Teams adaptable to the threat and drawing on relevant sectoral national and EU civilian and military expertise to support Member States, CSDP missions and operations, and partner countries in countering threats and challenges affecting the security of EU critical infrastructure. The need to have such deployable response capacities on high alert was made clear in Ukraine when the EU deployed its Cyber Rapid Response Teams to Kyiv. Other Ukrainian critical infrastructure – including military depots and facilities, nuclear, energy and civilian infrastructure, including vital services such as hospitals – has also been the target of military attacks by Russia.

The Russian war against Ukraine has highlighted the need for the EU to increase its security and defence responses, which will also be necessary in other parts of the world to support EU partners and protect EU interests. These interests include maintaining the openness of the Global Commons (i.e. international air, maritime, space and cyber space), on which the EU is dependent for its trade and relations with partners across the globe.

**Thinking ahead**

As legislation is in the final stages of negotiations, closely following its implementation will be an important next step. With particular regard to the Resilience of Critical Entities Directive, attention should be paid to the Commission’s reviews of the Directive. These reviews must consider if the scope and the sectors and subsectors covered by the Directive need to be broadened.

The Strategic Compass sets out a clear level of ambition and timelines for enhancing the EU’s security and defence capacities to respond to hybrid attacks, including those that impact critical infrastructures inside and outside the EU. This is particularly important as the blurring of lines between the realms of civilian and military matters – and the dual-use nature of cyber tools and technologies – highlight the urgent need for the EU to equip itself with instruments to ensure coherence and common action in the field of security and defence.

**EP committees involved:** LIBE, TRAN, ITRE, IMCO, ECON, SEDE

**Further reading**


EPRS (2021), ‘Improving the resilience of critical entities’
I. Bolstering our defence capabilities

D. Deepen partnerships

1. EU-NATO

Context

Russia’s invasion of Ukraine, launched on 24 February 2022, has reinforced the relevance of the Atlantic Alliance for the protection of the EU’s eastern flank and for stepping-up the complementary role of the EU in areas of the European Peace Facility (to coordinate the provision of lethal defensive equipment to Ukraine), military mobility and cyber-defence. While 21 EU Member States are already NATO allies, Sweden and Finland officially applied for NATO membership on 18 May 2022. Their accession would strengthen the transatlantic relationship and the cooperation between NATO and the EU. Despite the progress of the common security and defence policy (CSDP), which is essential to secure a strong EU pillar within NATO, most EU Member States remain reliant on NATO (and US) resources and capabilities to guarantee their security and their influence abroad.

EU-NATO cooperation took on a new momentum between 2016 and 2018. The EU-NATO joint declaration signed in July 2016 in Warsaw was a key step in consolidating cooperation. The declaration recognises how the two organisations are ‘essential partners’ in providing Euro-Atlantic security. In December 2016, the EU and NATO councils proposed a list of 42 common actions for implementing the commitments made in the declaration in the following areas: hybrid threats, operational cooperation, cyber security, defence capabilities, defence industry and research, exercises, capacity-building, and political dialogue. In December 2017, 32 additional proposals were added to the initial list, including counter-terrorism; women, peace and security; and military mobility.

The 2018 EU-NATO joint declaration, signed in Brussels, called for swift progress in the implementation of the ambitions set out in the first declaration, while recognising the EU’s efforts to bolster European security and defence, mainly through the Permanent Structured Cooperation (PESCO) and the European Defence Fund (EDF). Finally, the EU’s High Representative/Vice-President and the Secretary General of NATO have submitted five progress reports to their respective Councils, highlighting key achievements and concrete deliverables across all areas of interaction.

In practice, the flagship area of NATO-EU cooperation is military mobility. For example, a ‘structured dialogue on military mobility’ between the EU and NATO was launched in 2018. Other areas of interaction include operation cooperation, training and exercises, politico-strategic and diplomatic cooperation, and capability development. Efforts are ongoing to ensure coherence between EU instruments and processes (PESCO, EDF, CARD) and respective NATO tools (the NATO Defence Planning Process – NDPP, the Partnership for Peace Planning and Review Process – PARP).

Cooperation between the EU and NATO follows key guiding principles: the single set of forces, openness, transparency, inclusiveness and reciprocity, in full respect of the decision-making autonomy, procedures and defence policies of both organisations and their Member States.

Relevant EP positions

In 2021, Parliament adopted a resolution on EU-NATO cooperation, approving the intensified cooperation with the Alliance since the 2016 and 2018 Joint Declarations. The EP stressed that a strong EU-NATO partnership is vital to address the security challenges faced by both organisations. Moreover, Parliament asked that the Strategic Compass be closely linked and coherent with NATO’s new Strategic Concept. Both processes represent a unique chance to establish clear priorities and to identify additional synergies in EU-NATO cooperation. On 1 March 2022, Parliament adopted a resolution reaffirming that NATO is the foundation of the collective defence of EU Member States that are NATO allies. Welcoming the unity of the EU and NATO in facing Russian aggression, the EP encouraged strengthening NATO’s enhanced forward presence on the EU’s eastern borders, and underlined the need to increase the Alliance’s collective deterrence posture, preparedness and resilience. Parliament encourages EU Member States to increase defence spending, develop more effective capabilities, and fully utilise joint EU efforts to strengthen NATO’s European pillar.
I. Bolstering our defence capabilities

Ongoing or upcoming initiatives

The EU is in the process of implementing the Strategic Compass for security and defence, endorsed by the European Council on 24-25 March 2022. The Compass reinforces and starts putting ‘flesh’ on the concepts of strategic autonomy and common strategic culture in the EU. As stated in its Part Five, titled ‘Partner’, the links between NATO and the EU will be strengthened, deepened and expanded across all agreed areas of interaction from 2022 onwards. This includes resilience, emerging disruptive technologies, hybrid threats, foreign information manipulation, climate and defence, cybersecurity, maritime security and outer space. In parallel, NATO’s new Strategic Concept should be adopted during the Madrid Summit in June 2022. The Alliance is also conducting its 2030 reflection process, underlining the need for close EU-NATO dialogue on security and defence issues.

Thinking ahead

The EU must reflect on its role inside NATO and on the implications of both EU non-NATO Members and non-EU NATO Members for EU security and defence. With Finland and Sweden’s applications to join NATO, the number of EU Member States who are also allies is rising. Whether or not this development will help EU common strategic culture and autonomy remains to be seen. In the eastern Mediterranean, tensions with NATO ally Turkey regarding energy resources is testing the EU Member States’ solidarity towards Greece and Cyprus.

The EU and NATO must develop a common, coordinated and efficient engagement strategy with geopolitical rivals like Russia and China. In particular, the threat posed by Russia to the EU’s eastern borders reveals the necessity to clarify the complementarity between, on the one hand, the EU’s mutual defence and assistance clauses (TEU Article 42(7) and TFEU Article 222), and on the other hand, NATO’s defence clause (North Atlantic Treaty Article 5). This includes a potential division of labour.

In April, the EP’s Conference of Presidents had an extraordinary meeting with the Secretary General of NATO on the consequences of the Russian war against Ukraine. Parliament’s Subcommittee on Security and Defence (SEDE) will continue to work on the EU-NATO Partnership in its regular meetings. In addition, the EP’s Delegation for relations with the NATO Parliamentary Assembly (D-NAT) will continue to ensure the EP’s positions and visibility in the framework of the NATO Parliamentary Assembly.

EP committees involved: AFET, SEDE

Further reading

EEAS (2022), ‘EU-NATO cooperation’, factsheet.
EPRS (2022), ‘Russia’s war on Ukraine: NATO’s response’, at a glance note.
EPRS (2021), ‘NATO looks to the 2030s’, at a glance note.
### D. Deepen partnerships

#### 2. Security & defence partnerships and dialogue

**Context**

The Russian war against Ukraine has forced the European Union to enhance its efforts towards increasing European defence capabilities. Bilateral and multilateral cooperation with partners is crucial in this context, regarding *inter alia* capability development and procurement, training and exercises, information-sharing and mutual support in times of crisis. Security and defence partnerships and dialogues can contribute to all of these objectives.

Security and defence have had an important and increasing place in the European Union’s engagement with its global partners for a number of years, based on existing cooperation formats in which security and defence issues are addressed in many different ways. Partners such as Norway, for instance, participate in capability development initiatives, such as the European Defence Fund, through the EEA agreement. Other partners, such as Canada, participate in regular dialogue with the European Union on security and defence in the context of their strategic partnership or association agreements. With African countries, important cooperation takes place via the African Union, via civilian and military CSDP missions, complemented more and more by the practical support from the European Peace Facility. With the United States, the EU recently established a dedicated dialogue on security and defence that took place for the first time on 22 April 2022. Similar formats could be envisioned for other partners.

**Relevant EP positions**

Recommendation to the Council and the Commission, VP/HR for Foreign Affairs and Security Policy on the EU’s Foreign, Security and Defence Policy after the Russian invasion of Ukraine (2022/2039(INI)).

**Ongoing or upcoming initiatives**

In line with the Strategic Compass proposals, the EU aims, from 2022 onwards, to:

- implement a new joint set of priorities for EU-UN cooperation;
- deepen political dialogue and strengthen cooperation with the OSCE, African Union and ASEAN;
- seek to develop a joint roadmap with the OSCE on conflict prevention and crisis management;
- renew and enhance our cooperation with the African Union.

*Parliament's* Subcommittee on Security and Defence (SEDE) has monitored the developed of the Strategic Compass over the last 18 months and will continue to do so during its implementation, including of the chapter on “partnerships”. SEDE has systematically organised meetings on key security and defence partnerships and dialogues, including EU-NATO, the recently launched EU-US Security and Defence Dialogue, and with the Minister of Defence of Japan. In 2022, SEDE’s Annual Report on the Implementation of the Common Security and Defence Policy, it sets out in a specific chapter proposals for *strengthening dialogue, partnerships and cooperation on security and defence*.

**Thinking ahead**

It will be necessary to deepen security and defence partnerships and dialogues to meet the EU’s level of ambition in security and defence. Much of this deepening can likely be done through increased engagement within the many existing frameworks. SEDE will continue to engage in this work in the framework of the implementation of the Strategic Compass and insist on including a complementary parliamentary dimension to security and defence partnerships.

**EP committees involved:** AFET, SEDE

**Further reading**

I. Bolstering our defence capabilities

D. Deepen partnerships

3. EU Security and Defence Partnership Forum

Context
The Russian war against Ukraine has underlined the need to enhance the EU’s defence capabilities. A vital aspect of this process is the EU’s set of partnerships with global partners. In recent years, the EU has developed specific security and defence partnerships with key partners bilaterally, with regional organisations and with international partners, not least NATO and the United Nations. Bilateral partnerships include those with countries that have signed a framework partnership agreement for participation in CSDP missions and operations, security and defence dialogues (including the recently launched EU-US Dialogue on Security and Defence), and innovative forms of cooperation, such as naval exercises in the Indo-Pacific involving EU Operation Atalanta, India, South Korea and Japan. Notable regional partnerships include those with the African Union, ASEAN and the OSC. One of the most advanced partnerships is likely that between the EU and NATO, which should be further deepened with the upcoming third EU-NATO Joint Declaration. The EU has also long worked with the United Nations on security matters, and a specific agreement was reached in 2020 to enhance their cooperation and strengthen responses in peace operations.

Relevant EP positions
Recommendation to the Council and the Commission Vice President/High Representative of the Union for Foreign Affairs and Security Policy on the EU’s Foreign, Security and Defence Policy after the Russian invasion of Ukraine (2022/2039(INI)).

Ongoing or upcoming initiatives
The EU Strategic Compass (the EU’s first strategic defence policy document – or White Paper), approved by the Council in March 2022, recognised the importance of these different security and defence partnerships and called for stronger partnerships with like-minded partners – whether those be countries, regional or multilateral institutions. A key component of this engagement will be the EU Security and Defence Partnership Forum, which is to be convened every two years to bring all of the EU’s partners together. The goal is to use that opportunity to highlight cooperation and reinforce the partnerships by creating a common sense of purpose. It would thereby aid in coordinating international efforts and increase the credibility and legitimacy of the EU’s external action.

Parliament’s Subcommittee on Security and Defence (SEDE) will continue to monitor progress in developing the EU’s security and defence partnerships – a key pillar in the implementation of the Strategic Compass – and will discuss potential collaboration with the EEAS in preparation of the next Partnership Forum. This discussion will also provide an occasion to showcase the parliamentary partnership dimension.

EP committees involved: AFET, SEDE

Further reading
II. Achieving energy independence

- Security of energy supplies through reinforced EU contingency planning and preparedness
- Diversifying supply sources, incl. LNG and biogas
- Speeding up the development of renewables and production of their key components
- Identification of bottlenecks and missing links in the EU gas networks
- Developing a European hydrogen market
- Energy system integration
- Electricity market design reform, fully interconnected electricity network and synchronisation of the power grids
- Improving energy efficiency and energy consumption management
- Addressing the impact of increased energy prices on citizens and businesses

New or not advancing
Ongoing
Completed
II. ACHIEVING ENERGY INDEPENDENCE

VERTICAL COOPERATION in ENERGY INDEPENDENCE

Note: The size of each square does not have any meaning
II. Achieving Energy Independence

A. Security of supply

1. Security of energy supplies through reinforced EU contingency planning and preparedness

Context

Energy independence through the triple diversification of sources, suppliers and supply routes has guided much of the EU’s energy policy. Since the first gas crisis of 2009, the EU started to develop common tools to address potential situations to energy supply disruptions. Similar legislation was introduced in 2017 for the electricity sector. The Russian war against Ukraine and the imminent threat of severe supply disruptions have increased the need to reinforce the EU’s contingency planning and preparedness.

Relevant EP positions

In its resolution of 7 April 2022, Parliament called for an immediate, full embargo on Russian imports of oil, coal, nuclear fuel and gas, and for complete abandonment of Nord Stream 1 and 2. It strongly advocated an EU plan on security of energy supply in the short term and highlighted the importance of diversifying energy resources, technologies and supply routes, including collaboration with non-Russian trading partners. Parliament also supported further investment in energy efficiency, renewable energy, gas and electricity storage solutions.

Ongoing or upcoming initiatives

The Risk Preparedness in the electricity sector regulation lays down rules for cooperation between Member States with a view to preventing, preparing for and managing electricity crises in a spirit of solidarity and transparency and in full regard for the requirements of a competitive internal market for electricity.

The Security of Gas supply regulation establishes transparent mechanisms concerning, in a spirit of solidarity, the coordination of planning for, and response to, emergencies at national, regional and Union level.

On 18 May 2022, the Commission asked Member States to update their contingency plans and outlined an external energy engagement strategy to address overdependence on single suppliers.

On 23 March 2022, the Commission adopted a legislative proposal for mandatory gas storage rules to ensure Member States fill all gas storage sites to at least 80 % by November 2022 (and 90 % in subsequent years), introduce a new mandatory certification for storage system operators and up to 100 % transmission tariff discount for gas storage facilities. The Parliament and Council reached a political agreement on 19 May 2022, which included the Parliament’s proposal to introduce a new supply disruption scenario to reflect the current geopolitical situation.

The December 2021 Gas package includes provisions regarding reinforcement of security of supply measures.

Thinking ahead

An enhanced role for the Parliament in accessing updated information on the risk and preparedness reports could be negotiated. There are several aspects related to confidentiality that could be streamlined rather than having to ask each time for information and relying on Commission presentations rather than the documents themselves.

EP Committees involved: ITRE

Further reading

- ENTSO-E, ENTSOG, TYNDP 2022 Scenario Report, April 2022
- ACER, Risk Preparedness
II. Achieving Energy Independence

A. Security of supply

2. Diversifying supply sources, incl. LNG and biogas

Context

Energy independence through the triple diversification of sources, suppliers and supply routes has guided much of the EU’s energy policy. The Russian war against Ukraine and the imminent threat of severe supply disruptions have increased the need to step up the EU’s strategy to diversify energy sources in order to reach high levels of energy independence. This includes developing a high share of indigenous low carbon production, further electrification of the economy and diversification of external suppliers.

Relevant EP positions

In the context of the Russian war on Ukraine, its resolutions of 19 May 2022 and of 7 April 2022, Parliament stressed the importance of the diversification of energy resources, technologies and supply routes. It also underlined the importance of ensuring energy sovereignty, strategic autonomy and energy independence. Moreover, it called for the establishment of a new dedicated Strategic Autonomy Fund for Europe to finance cross-border energy infrastructure, and renewable energy production and energy efficiency, reinforcing the path towards the European Green Deal.

Over time, Parliament has provided in various resolutions its input and recommendations in relation to diversification of energy supply sources, i.e. generating power through alternative sources, such as European Strategy on Hydrogen, Renewable energy sources, European Joint Undertaking for ITER and the Development of Fusion Energy.

Ongoing or upcoming initiatives

RePowerEU Plan includes, in addition to an increase of the renewable energy sources (RES) target to 45%, a Biomethane Action Plan, a dedicated Solar Strategy, a solar rooftop initiative, actions for heat pumps, facilitating permitting for renewable sources and a hydrogen push (including 200 mill investment). Furthermore, it formalises the EU Energy Platform to promote joint purchases of gas/LNG and, in the future, hydrogen in the global market and outlines an external energy engagement strategy to address overdependence on single suppliers (of energy and critical materials) and promote joint initiatives on R&D (including SMRs, energy storage or sustainable fuels for example).

The December 2021 Gas package sets the basis for the future hydrogen market. The RED III proposal from July 2021 is currently under discussion in the Parliament.

Thinking ahead

Member States have the right to determine their national energy mix, the structure of energy supply in their country, and the conditions for extraction and production of energy sources (Article 194(2) TFEU). Should the EU want to legislate on these matters, a prior unanimous decision in Council is needed (Article 192(2) TFEU).

According to the RePowerEU Plan, the Commission is considering making legislative proposals to define certain diversification of gas supplies’ obligations on Member States.

Particular attention to be given to the medium-term future of fusion as a potential source of safe, non-carbon emitting and virtually limitless energy, where in the last months several breakthroughs have occurred.

EP Committees involved: ITRE, INTA (external trade aspects), AFET (foreign policy aspects)
II. Achieving Energy Independence

A. Security of supply

3. Speeding up the development of renewables and production of their key components

Context

The Russian aggression against Ukraine has added urgency to tackle the climate crisis by quickly ending the EU’s dependence on Russian fossil fuels. In addition, the current high energy prices add impetus to achieve energy independence and switch to cheaper renewables. These goals can be achieved through energy savings and efficiency on the demand side and through the diversification of energy supplies and supply routes as well as an accelerated rollout of renewable energy throughout the different sectors of activity on the supply side. These measures, put together, shape the so-called RePowerEU Plan proposed by the Commission on 18 May 2022.

In addition, critical raw materials (CRM) are essential for the development of renewables and other elements related to the green transition (i.e. electric cars). Global supply chains that were already stretched by the Covid-19 pandemic were hit again by the Russian war on Ukraine, leaving the industry facing challenges in securing access to resources (see more in A.1. Critical raw materials).

Relevant EP positions

In its resolution of 19 May 2022, Parliament asked the Commission and the Member States to increase the role of renewable energy and investment in them including through the establishment of a dedicated Strategic Autonomy Fund for Europe.

The resolution of 21 October 2021 on the COP26 ‘underlined the importance of increasing renewable energy and energy efficiency targets to achieve climate neutrality by 2050 at the latest and to comply with the Paris Agreement’.

Parliament’s resolution of 15 January 2020 on the European Green Deal called for Renewable Energy Directive (RED II) to be revised in line with the EU goal of net zero GHG emissions by 2050, which will require the EU to greatly increase its share of renewable energy sources and phase out fossil fuel use.

In its resolution of 16 February 2022, Parliament provided input and recommendations to the European strategy for offshore renewable energy.

Ongoing or upcoming initiatives

As part of the Fit for 55 package proposed in July 2021, the revision of the RED II proposed to set a new EU target of a minimum 40% share of renewable energy sources (RES) in final energy consumption by 2030. This is combined with new sectoral targets to help the EU deliver the new 55% greenhouse gas (GHG) target and revised sustainability criteria for biofuels, bioliquids and biomass fuels. The RePowerEU Plan proposed additional targeted amendments to the existing RED II Directive to increase that target to 45% share of renewables by 2030 and introduces measures to speed up permitting processes in Member States. Further elements proposed in the RePowerEU Plan in relation to renewables include:

- A dedicated EU Solar Strategy to double solar photovoltaic capacity by 2025 and install 600GW by 2030.
- A Solar Rooftop Initiative with a phased-in legal obligation to install solar panels on new public and commercial buildings and new residential buildings. Some studies suggest that rooftop PV could provide almost 25% of the EU’s electricity consumption.
- Doubling of the rate of deployment of heat pumps, and measures to integrate geothermal and solar thermal energy in modernised district and communal heating systems.
- A Commission Recommendation to tackle slow and complex permitting for major renewable projects, and a targeted amendment to the Renewable Energy Directive to recognise renewable energy as an overriding public interest and simplify and accelerate permitting. Dedicated ‘go-to’

---

areas for renewables should be put in place by Member States with shortened and simplified permitting processes in areas with lower environmental risks.

- Setting a target of 10 million tonnes of domestic renewable hydrogen production and 10 million tonnes of imports by 2030. The Commission is also publishing two Delegated Acts on the definition and production of renewable hydrogen to ensure that production leads to net decarbonisation. To accelerate hydrogen projects, additional funding of €200 million is set aside for research.

- A Biomethane Action Plan sets out tools including a new biomethane industrial partnership and financial incentives to increase production to 35bcm by 2030, including through the Common Agricultural Policy.

Thinking ahead
Some further legislative proposals on labelling of solar, heat pumps, sustainable fuels for light vehicles and freight are expected in the near future.

EP Committees involved: ITRE (lead), ENVI (GHG, environmental aspects), INTA

Further reading
- EPRS, Promoting renewable energy sources in the EU after 2020, January 2019
II. Achieving Energy Independence

B. Integrated Energy Market

1. Identification of bottlenecks and missing links in the EU gas networks

Context

Energy independence through the triple diversification of sources, suppliers and supply routes has guided much of the EU’s energy policy. The Russian war against Ukraine and the imminent threat of severe supply disruptions have increased the urgency with which the EU needs to identify energy bottlenecks within the EU transmission systems in order to ensure that energy can flow within the Union where it is most needed. While the EU is committed to decarbonising by 2050 and wants to avoid investing in stranded assets, the situation after the war in Ukraine has evidenced that there is enough gas in the Union but not enough interconnections to ensure it flows freely. Furthermore, there is a 15% interconnection objective for 2030 between Member States that is still far from being met (in 2021 only 16 MS were on track to meet their target).

Relevant EP positions

The recently adopted TEN-E framework explicitly excludes new investments in gas infrastructure as part of the PCI lists financed by the CEF. Instead it focuses on electricity projects of common interest, mainly on low carbon and renewable as well as for hydrogen.

Ongoing or upcoming initiatives

According to the RePowerEU Plan, the Commission concluded that a limited number of additional gas infrastructure, estimated at around €10 billion of investment, is needed to complement the existing Projects of Common Interest (PCI) List and fully compensate for the future loss of Russian gas imports without locking in fossil fuels, creating stranded assets or hampering the EU climate ambitions.

A substantial part of the RePowerEU Plan relates to amendments of the Recovery and Resilience Fund (RRF), supporting coordinated planning and financing of cross-border and national infrastructure as well as energy projects and reforms.

Thinking ahead

The Commission has indicated that several EU funds could be used to invest in energy infrastructure needs. The future MFF structure could be re-thought in that direction.

EP Committees involved: ITRE, BUDG/ECON
B. Integrated Energy Market

2. Energy system integration

Context
Sector integration means linking the various energy carriers - electricity, heat, cold, gas, solid and liquid fuels - with each other and with the end-use sectors, such as buildings, transport or industry. Linking sectors will allow the optimisation of the energy system as a whole, rather than decarbonising and making separate efficiency gains in each sector independently. The EU strategy aims to involve various existing and emerging technologies, processes and business models, such as ICT and digitalisation, smart grids and meters and flexibility markets.

Relevant EP positions
In its resolution of 19 May 2021 responding to the Commission Communication on Energy System Integration, Parliament called on the Commission to develop an inclusive, integrated and realistic scenario planning, which further considers energy efficiency and energy system integration. It also emphasised that system integration should make maximum use of existing energy infrastructure that can help deliver a cost-effective transition throughout many sectors.

Ongoing or upcoming initiatives
Energy System Integration is meant to be an integral part of policy making with regard to the Green Deal and energy policy in particular the Fit for 55 package. As part of Horizon Europe calls for tender, several projects aim to demonstrate the benefits of energy sector integration.

Thinking ahead
While the overall goal of the strategy is clear, the details of how to implement such measures in concrete provisions are not. The Commission often objects to the introduction of concrete measures when proposed by the Parliament (this was the case in the TEN-E negotiation for instance where Parliament wanted to work towards common long term infrastructure planning which currently is split between electricity and gas for instance).

EP Committees involved: ITRE

Further reading
- Commission, EU Strategy on energy system integration, July 2020
- EPRS, Energy storage and sector coupling, June 2019
B. Integrated Energy Market

3. Developing a European hydrogen market

Context
In the framework of the 2050 climate objectives and the push for electrification of the EU economy, hydrogen presents many opportunities for a clean transition of hard to abate industrial sectors, for energy storage and to make future use of existing gas infrastructures. The war in Ukraine has increased the urgency of existing policy objectives including hydrogen in order to increase the Union’s energy independence.

Relevant EP positions
In its resolution of 19 May 2022, Parliament stressed the importance of the diversification of energy resources, technologies and supply routes, while avoiding lock-in-effects. It also called on the Commission, to increase the coordination of the planning and financing of energy efficiency and renewable energy, notably green hydrogen.

In its resolution of 19 May 2021 on A European Strategy for Hydrogen, Parliament provided detailed input and recommendations to the Commission communication on the matter.

In its resolution of 10 July 2020 on a comprehensive European approach to energy storage, Parliament underlined the potential of hydrogen for energy-intensive industries, transport and seasonal energy storage, and suggested the inclusion of a hydrogen initiative as an Important Project of Common European Interest (IPCEI).

The TEN-E framework also contains a particular focus on hydrogen.

Ongoing or upcoming initiatives
The December 2021 Package aims to create the conditions for a shift from fossil natural gas to renewable and low-carbon gases, in particular biomethane and hydrogen, and strengthen the resilience of the gas system. One of the main aims is to establish a market for hydrogen, create the right environment for investment, and enable the development of dedicated infrastructure, including for trade with third countries. The market rules will be applied in two phases, before and after 2030, and notably cover access to hydrogen infrastructures, separation of hydrogen production and transport activities, and tariff setting. A new governance structure in the form of the European Network of Network Operators for Hydrogen (ENNOH) will be created to promote a dedicated hydrogen infrastructure, cross-border coordination and interconnector network construction, and elaborate on specific technical rules.

The external energy engagement strategy published on 18 May 2022 includes particular emphasis on third country relations with regards future trade of hydrogen.

As part of the RePowerEU Plan, The Commission is also publishing two Delegated Acts on the definition and production of renewable hydrogen to ensure that production leads to net decarbonisation.

Thinking ahead
As a market yet to be developed, most rules are to be defined, including definitions on types of hydrogen, emissions related to it, safety and permitting, industrial use, end use possibilities, etc.

EP Committees involved: ITRE, ENVI (emissions and permitting), TRAN (synthetic fuels aspects)

Further reading
- EPRS, EU Hydrogen Strategy, April 2021
B. Integrated Energy Market

4. Electricity market design reform, fully interconnected electricity network and power grids synchronisation

Context

Russia’s invasion of Ukraine has been a stark reminder of the implications that Europe’s dependence on fossil fuel imports from third countries can have on the EU energy markets and security of supply. A better functioning internal energy market will increase resilience to external shocks and influence, and reduce price volatility. This can be done partially through enhanced interconnection between Member States, including the synchronisation of the Baltic States to the EU grid and by carefully reviewing the existing market design legislation to address the adequacy of the measures in light of the recent events.

Relevant EP positions

At the request of the EP and the Council, the Commission entrusted ACER to do an in depth assessment of the wholesale electricity market design, which was published in April 2022. The TEN-E framework sets up the guidelines for the Connecting Europe Facility (CEF) financing of cross border energy infrastructure

Ongoing or upcoming initiatives

The revision of the Electricity Market design legislation expected soon.

In its Communication of 18 May 2022, the Commission outlined its proposed course of action on short-term energy market interventions and long term improvements to the electricity market design.

The synchronisation of Baltic States’ grid with the Continental European network through various electricity lines is currently underway.

Thinking ahead

In light of the war in Ukraine, the synchronisation of the Baltic States to the EU grid could be accelerated (current date foreseen is 2025).

As part of the next MFF, EU funding for energy infrastructure could be envisaged beyond the CEF.

EP Committees involved: ITRE

Further reading

- ACER presentation to ITRE, May 2022
- Agreement signed for next phase of Baltic synchronisation, June 2022
C. Optimising demand

1. Improving energy efficiency and energy consumption management

Context
In addition to the triple diversification objective, the Union has developed over time a wide range of legislative tools and initiatives to address demand-side aspects such as energy efficiency and energy consumption management. These range from overall energy efficiency aspects, to buildings, to sector specific legislation for transport, fuel efficiency or eco-design for energy using products. The Russian war against Ukraine and the imminent threat of severe supply disruptions have increased the need to for higher ambition with regards efficiency and consumption management.

Relevant EP positions
Parliament has continuously called for more ambitious energy efficiency targets and stricter regulations. In 2012, Parliament played a key role in the negotiation of the Energy Efficiency Directive (2011/0172(COD)) and ensured that the requirements for national building renovation strategies and mandatory energy audits for large companies

On 23 June 2016, Parliament adopted a resolution on the implementation report on the Energy Efficiency Directive and concluded that the existing directive had been poorly implemented.

On 13 September 2016, Parliament adopted a resolution on an EU strategy on heating and cooling calling on the Commission to focus action on energy efficiency measures in buildings, especially in energy-poor households.

In November 2016, the Commission presented a proposal to amend Directive 2012/27/EU on energy efficiency. On 17 January 2018, it supported a reduction of 40% in EU energy consumption by 2030. The amended Energy Efficiency Directive was then adopted by Parliament and the Council in December 2018.


On 17 September 2020, Parliament voted in favour of maximising the energy efficiency potential of the EU building stock.

Ongoing or upcoming initiatives
As part of the Fit for 55 package, the Energy Efficiency Directive (EED) and Energy Performance of Buildings Directive (EPBD) are being revised. In addition, the ReFuelEU package also addresses fuel efficiency in different modes of transport.

On 18 May 2022, the Commission proposed targeted amendments to the two Directives to increase the ambition of the targets and to introduce some obligations for rooftop solar. Additionally, the Commission issued a communication EU Save Energy detailing short-term behavioural changes which could cut gas and oil demand by 5% and encouraging Member States to start specific communication campaigns targeting households and industry. Member States are also encouraged to use fiscal measures to encourage energy savings, such as reduced VAT rates on energy efficient heating systems, building insulation, appliances, and products.

Thinking ahead
It could be envisaged that several pieces of legislation could be revised in the shorter term to increase the ambition of the targets

EP Committees involved: ITRE, ENVI (eco-design, GHG emissions), TRAN (fuel aspects)

Further reading
- IEA, Global energy efficiency conference, June2022
C. Optimising demand

2. Addressing the impact of increased energy prices on citizens and businesses

Context

Energy prices have reached record levels in 2021 and hit all-time highs following the Russian invasion of Ukraine in the first weeks of March 2022. This substantial increase was driven by global supply and demand dynamics and exacerbated by factors linked to the pandemic and geopolitical tensions, combined with lower than expected imports of fossil gas to Europe from Russia, and the Russian invasion of Ukraine. Some suspicions exist about possible pre-war market manipulation in the gas market by Russian operators. Additional factors such as unfavourable wind conditions, maintenance on nuclear reactors and growing ETS allowance prices further amplified electricity prices.

Gas prices, historically below 30 EUR/MWh, were recently around 100 EUR/MWh, peaking occasionally at more than 200 EUR/MWh. Consequently, wholesale electricity prices also increased strongly over the same period, due to gas-fired power plants often driving the price in EU power markets. For instance, German power prices, historically below 75 EUR/MWh, have averaged around 180 EUR/MWh this year so far, and have occasionally reached more than 400 EUR/MWh. High prices have inevitably caused a sharp rise in inflation and have taken a toll on the economic recovery efforts after the pandemic.

Relevant EP positions

EP successfully introduced joint purchasing of gas in the Gas storage regulation as a possible way to offset pressure on gas prices. Several recent Parliament resolutions address the issue of high energy prices: 24 March 2022, 8 March 2022 and 6 October 2021.

Energy poverty was first addressed in EU legislation through the Third Energy Package of 2009 at the request of the EP that successfully negotiated the introduction of an obligation to Member States to define it. To date, there is still no clear definition at EU or Member State level. As part of agreeing its negotiation mandate on the Fit for 55 package, Parliament confirmed that there should be a definition in the Energy Efficiency Directive, as well as another more specific one in the Social Climate Fund for determining clear criteria for identifying the recipients of the fund. Protection to vulnerable consumers provisions can be found in the following legislation: EPBD, EED, Electricity Directive, RED and the Governance Regulation.

Ongoing or upcoming initiatives

In its Communication of 18 May 2022, the Commission outlined its proposed course of action on short-term energy market interventions and long term improvements to the electricity market design. The RePowerEU Plan of 18 May 2022 includes measures (already pointed out in the Commission Communication on rising energy toolbox of October 2021) that Member States can use to palliate short term effects of rising prices such as state aid, taxes on windfall profits, use of GHG allowances or use of RRF and other EU funds. In addition, the EU Energy Platform was created to pool EU resources together for global energy purchases at lower prices.

Fit for 55 - EED, EPBD, RED, Social Climate Fund (which aims to palliate the effect on vulnerable consumers)

Thinking ahead

Possible revision of the Market Design legislation following the assessment of ACER of 22 April 2022.

EP Committees involved: ITRE, EMPL/ENVI (Social climate fund)

Further reading

- EPRS, Russia’s war on Ukraine: Implications for EU energy supply, March 2022
- Council, Addressing energy prices and energy security in the EU, 2022
- EUI, ACER’s assessment of the EU wholesale electricity market design, June 2022
III. Building a more robust economic base

- Critical raw materials
- The Single Market as a "life jacket"
- A more circular approach to design, manufacturing and consumption
- Strengthening the EU’s research and innovation capabilities
- Nurturing innovative entrepreneurship
- EU standardisation strategy
- Ambitious and robust trade policy
- Food security and resilient food systems
- Digital technologies and connectivity
- Health and pharmaceutical
- Semi-conductors

Legend:
- Red: New or not advancing
- Orange: Ongoing
- Green: Completed
III. BUILDING a MORE ROBUST ECONOMIC BASE

VERTICAL COOPERATION in BUILDING a MORE ROBUST ECONOMIC BASE

Legend

- Instrument available
- Instrument to adopt/improve
- Instrument to create

Note: The size of each square does not have any meaning.
A. Strategic sectors’ independence

1. Critical raw materials

Context
The consequences of the pandemic and of Russia’s aggression to Ukraine highlighted severe bottlenecks and shortages in EU supply chains. In certain cases, the EU found to be highly exposed to vulnerabilities along its raw materials and critical raw materials (CRM) supply chains. CRM allow for the development of strategic sectors: renewable energy, electric cars, storage, etc., such as lithium and cobalt used in the manufacture of batteries or electric engines. They are also key enablers for the digital, defence and aerospace sectors, such as metals and noble gases used in the lithographic or manufacturing processes of chips. The digital, energy-efficient and climate-neutral transition will increase EU demand for strategic raw materials, whose supply is highly concentrated in non-EU countries.

Relevant EP positions
Already in its resolution of 24 November 2021, Parliament asked the Commission to propose a EU strategy for CRMs, based on an integrated approach throughout the value chain. Parliament also asked to diversify EU supply sources of CRMs, reduce its reliance on a few non-EU countries and proposed to strengthen existing partnerships and trade agreements, while exploring options with new countries. It encouraged Member States to carry out strategic stockpiling as part of a coordinated approach and stressed that any agreement must consider the environmental footprint of imports and be responsibly sourced, respecting workers' health and safety, and ensuring decent jobs and working conditions. The potential expansion of critical raw material mining activities in the EU is also encouraged.

In its resolution of 24 March 2022, Parliament asked the EU to reconsider fundamentally its strategies for ensuring full independence from Russian supplies as regards its CRMs and stressed that there can be no return to business as usual. It also called for supply chains to be rebuilt and for trade to be pursued in a manner that ensures independence from Russian supplies. In its resolution of 19 May 2022, Parliament asked for a diversification strategy to ensure a reliable ad sustainable supply of CRM and commodities.

Ongoing or upcoming initiatives
On 3 September 2020, the Commission presented an action plan on CRMs, which included the fourth CRMs list, its assessment, and a foresight study on CRMs for strategic technologies and sectors from the 2030 and 2050 perspectives. In the RePowerEU Plan, the Commission announced an upcoming legislative proposal on critical raw materials.

The ITRE Committee is currently working on an own-initiative report on the Implementation of the Updated New Industrial Strategy for Europe, in which it will have an opportunity to provide input also with relation to CRM.

Thinking ahead
EU domestic supplies of CRMs needed for the green and digital transition are minimal. Europe remains heavily dependent on supplies from third countries, in particular China. After the Russian invasion of Ukraine, the fourth list of EU CRMs will need to be reassessed. Supply risks measuring the disruption of supply chains of specific CRMs will need to include strategic and geopolitical factors. Large dependencies of on individual and potentially unreliable suppliers should be avoided.

EP Committees involved: ITRE, INTA, IMCO

Further reading
- EPRS, Russia’s war on Ukraine: Implications for EU commodity imports from Russia, March 2022
- Policy Department A, Critical raw materials for the green transition and decarbonisation, (upcoming 2022)
III. Building a more robust economic base

A. Strategic sectors’ independence

2. Semiconductors

Context
The global semiconductor shortage following the pandemic and Russia’s aggression to Ukraine exposed the European dependency on supply from a limited number of companies and geographies, including its vulnerability to third country export restrictions. After global semiconductors shortages forced factory closures in a wide range of sectors, on 8 February 2022 the Commission launched the European Chips Act framework to support large-scale technological capacity building and innovation and ensure security of supply in semiconductors, with the goal of having in Europe 20% of the world’s semiconductor production by 2030.

In the Versailles Declaration of 11 March 2022, European Leaders committed to address strategic dependencies in the most significant sectors, including semi-conductors. In particular, the declaration identifies diversifying supply value-chains, maintaining technological leadership and further developing EU production capacity along the lines of the proposed Chips Act. EU competitors have massively supported their chip sectors: the Chinese government support between 2015 and 2025 could reach US$200 billion; the US in the CHIPS for America Act recently planned to spend US$52 billion to accelerate domestic semiconductor production.

Relevant EP positions
In its resolution of 6 April 2022, Parliament stressed the crucial role of semiconductors in ensuring the digital sovereignty of the Union and welcomed the Commission’s initiatives in this regard.

Ongoing or upcoming initiatives
The proposed European Chips Act framework consists of a communication, the Chips Act draft regulation, the Chips for Europe Initiative joint undertaking, and a recommendation toolbox. A budget of €11 billion of direct public investments from the EU and Member States up to 2030 aims at mobilising up to €43 billion of public-private investments. The package introduces two new types of facilities: (i) Open EU Foundries, devoting manufacturing capacity to production for other industrial players and (ii) Integrated Production Facilities, designing and producing components for their own markets. It also envisages a new European Semiconductor Board: a coordination mechanism for monitoring supply of semiconductors, estimating demand, anticipating shortages, activating a ‘crisis stage’, acting through emergency measures such as obliging undertakings to accept orders of crisis-relevant products.

Thinking ahead
Semiconductors are the strategic linchpin of most of the technologies of the future and the essential element in achieving strategic independence in the digital sector (see more in section A.04. Digital Technologies and Connectivity). Ensuring the sufficient financing for the Chips Act that would match the ambitions of the Commission’s proposal seems to be one of the most challenging part of the upcoming inter-institutional negotiations. Moreover, the manufacturing of semiconductors heavily depends on critical raw materials and is thus intrinsically linked to the EU strategy on critical raw materials (see more in sectioA.1. Critical raw materials). Lastly, with energy costs accounting for 5% to 30% of a wafer’s fab operating costs, access to reliable and affordable energy will be essential for EU semiconductor manufacturers to be worldwide competitive in the future.

EP Committees involved: ITRE

Further reading
- EPRS, Ten issues to watch in 2022 – Section 2: Securing Europe’s supply of semiconductors, January 2022
- Policy department for External Policies, Achieving Strategic Sovereignty for the European Union, April 2021
A. Strategic sectors’ independence

3. Health and pharmaceuticals

Context

The Versailles Declaration identified “Health” among the areas, in which the EU should reduce its strategic dependencies and become more autonomous. The priorities outlined in the declaration include supporting innovation and promoting sustainable European production of affordable medicinal products, facilitating procedures for European suppliers, financing research and development and building capacity for the production of critical products to respond to health crises, including through the European Health Emergency preparedness and Response Authority (HERA). With the COVI-19 pandemic, several actions to strengthen the EU preparedness and response to crisis have been taken at EU level, with the aim to build a European Health Union.

Relevant EP positions and initiatives

Even before the COVID-19 pandemic, Parliament has been at the forefront in this area since several years, advocating for a better access to medicines in the EU. The EU strategic autonomy for the production of medicines has been raised by Parliament in its resolution of 17 September 2020 on the “shortage of medicines – how to address an emerging problem”. It called, among other measures, for financial incentives to protect the EU pharmaceutical industrial base and to encourage the industry to locate its operations in the EU, from the production of Active Pharmaceutical ingredients (APIs) to medicines manufacturing, packaging and distribution. Parliament reiterated its recommendations in its more recent resolution on the “A Pharmaceutical strategy for Europe” of 24 November 2021, building up on the Commission Communication on a Pharmaceutical Strategy for Europe of November 2020.

The EU4Health Programme for the period 2021-2027 includes in its general objectives the need to ensure the availability, accessibility and affordability of medicinal products and medical devices and other crisis-relevant products across the EU, including by funding actions to encourage the sustainable production of pharmaceuticals and to strengthen the supply chains and innovation within the Union. With the European Medical Agency (EMA) reinforced mandate, the EU has now a coordinated mechanism to monitor medicine shortages and report on possible shortages of critical medicinal products during crises. The EMA will also coordinate responses of EU/EEA countries to shortages of critical medical devices and in-vitro diagnostics during crises, after an initial transition period up to 2 February 2023. Another important initiative to strengthen EU preparedness and response in case of health threats is the Regulation on a reinforced role for the European Centre for Disease Prevention and Control (ECDC), on which the co-legislators reached an agreement in November 2021. For the Proposal for a Regulation on serious cross-border threats, negotiations are still ongoing.

Several other Parliament resolutions provide specific recommendations on the actions needed in relation to public health, in particular, the resolutions of 17 April 2020 on EU coordinated action to combat the COVID-19 pandemic and its consequences and of 10 July 2020 on EU’s public health strategy post-COVID-19. The newly established Special Committee on the COVID-19 pandemic will also provide a report on lessons learned and recommendations for the future.

Ongoing or upcoming initiatives

The next important step is the revision of the EU Pharmaceutical legislation, which is scheduled for adoption by the Commission in December 2022. As part of the EU pharmaceuticals strategy, the Commission plans to evaluate and revise the EU’s general legislation on medicines for human use to ensure a future-proof and crisis-resistant medicines regulatory system. The revision will aim to ensure access to affordable medicines, foster innovation, including in areas of unmet medical need, improve security of supply, adapt to new scientific and technological developments and reduce red tape. The role of the HERA in boosting research and development will also be key.

Thinking ahead

It will be important to monitor that the Commission does not delay the announced proposals on pharmaceuticals and other health related initiatives, such as the revision of the EU legislation on blood, tissues
and cells, which are priorities for the Parliament. The close monitoring by Parliament of the work of HERA will be also key in the next months, in particular in relation to the war in Ukraine.

**EP Committees involved:** ENVI, COVI

**Further reading**

- Policy Department Study on “Access to medicinal products”, June 2021
- Report on the outcome of the Conference on the Future of Europe concluded on 9 May 2022 (conclusions regarding Health)
III. Building a more robust economic base

A. Strategic sectors’ independence

4. Digital Technologies and Connectivity

Context
In a changing geopolitical world, reducing EU dependencies on critical technologies is vital. In the Versailles Declaration, European Leaders committed to address strategic dependencies in the digital sector and to invest in digital technologies, including Artificial Intelligence, Cloud and 5G deployment in Europe and abroad. The declaration also envisages an examination of the feasibility of digital partnerships and strengthening the relevant EU regulatory framework as well as the standardisation of some key technologies.

Relevant EP positions
Parliament has consistently supported the efforts to build EU additional capacities to address the challenges of the modern digital world and to increase the EU strategic autonomy in the digital domain. Already in 2021, Parliament supported the Digital Europe Programme, with EUR 7.6 billion funding for 2021-2027 and the Connecting Europe Facility - 2021–2027 - Digital added EUR 2.065 billion funding for connectivity. The NextGenerationEU has earmarked over EUR 125 billion for digital investment, the biggest share of which stemming from the at least 20% digital commitment of the Recovery and Resilience Facility spending must be allocated in digital. Most recently, in its 3 May 2022 resolution, Parliament provided policy recommendations on AI in a digital age.

Ongoing or upcoming initiatives
The 9 March 2021 Digital Compass for the EU’s digital decade aims to address the digital vulnerabilities revealed by the coronavirus crisis, such as dependency on non-European technologies. It proposed a number of digital targets for Europe by 2030 with a focus on skills, infrastructure and connectivity, digital transformation for businesses and digitalisation of public services. The Commission followed up with several proposals and initiatives, such as the Digital Skills and Jobs Platform, the European Chips Act, the European Data Act, the European Digital Identity package, the 2030 Policy Programme Path to the Digital Decade, the AI Act, the European Health Data Space. In January 2022, it proposed to the Parliament and Council to sign up to a Declaration on European Digital Rights and Principles.

The recent agreement on the Digital Services Act package provides a solid base for a safer digital space in respect of the fundamental rights of digital users and for a level playing field to foster innovation, growth, and competitiveness.

Inter-institutional negotiations are ongoing on the policy programme Path to the Digital Decade. It provides a roadmap for digital skills, infrastructure, businesses and public services, which aims to set a clear direction for the digital transformation of the EU and for delivery of the digital targets. It also seeks to structure and stimulate cooperation between the EU institutions and Member States, as well as to ensure the consistency, comparability and completeness of the monitoring and reporting on the achievement of the targets.

Moreover, in an increasingly digitalised world with high geopolitical uncertainty, space-based connectivity is a strategic asset for EU’s resilience. Work is currently ongoing on the February 2022 proposal for Union Secure Connectivity Programme (2023-202, aiming to establish a EU secure satellite communication system.

Thinking ahead
The war in Ukraine increased the criticality of industrial and dual-use digital technologies. By combining its technological and industrial strengths, its high-quality digital infrastructure and its regulatory framework based on its fundamental values, Europe should strive to become a global leader in digital economy.

In the context of the policy programme Path to the Digital Decade, it will be important to ensure a clear reporting mechanism on the delivery of the set targets. Specific monitoring, evaluating and reporting on dependencies in key technologies, strategic dependencies and foreign subsidies in strategic sectors will also be essential.

EP Committees involved: ITRE, IMCO, EMPL, ENVI
III. Building a more robust economic base

A. Strategic sectors’ independence

5. Food security and resilient food systems

Context

Russia’s unprovoked invasion of Ukraine, a country known as the ‘breadbasket of Europe’, is raising fears of a global food crisis, further exacerbating existing food security challenges worldwide. Russia and Ukraine are key agricultural players, which, combined, export nearly 12% of the food calories traded globally, and are major providers of basic agro-commodities, including wheat, maize and sunflower oil.

The war comes at a time when the global food system was already struggling to feed its growing population in a sustainable way, under the pressure caused by climate change and the Covid-19 pandemic. The war in Ukraine has stressed the EU’s dependency on key products such as fertilisers and gas as an input for fertilisers from Russia and Belarus. Reducing the EU’s dependence on key imported agricultural producers and inputs will be key in improving the resilience of our food systems in light of the Green Deal.

The disruption in world food markets and the global spike in prices of food supplies and inputs needed for agriculture production (fertilisers and energy) will negatively impact global food supply, EU agricultural markets and EU food security, notably for low-income households (even if the bloc is largely self-sufficient for key agricultural products).

Building on the Commission Communication on a contingency plan for ensuring food supply and food security in times of crisis of November 2021, and the related European Food Security Crisis preparedness and response Mechanism (EFSCM), the EU is expected to implement short-term and medium-term proposals to enhance food security in the EU and in third countries. Such proposals are included in Communication on Safeguarding food security and reinforcing the resilience of food systems of 23 March 2022, which was adopted further to the Versailles declaration of 11 March, agreed by the EU leaders to address the rising food and input prices and enhance global food security in the light of Russia’s war.

Relevant EP positions

On 24 March 2022, the European Parliament adopted a comprehensive resolution calling for an ‘urgent EU action plan to ensure food security inside and outside the EU in light of the Russian invasion of Ukraine’, supporting many actions proposed in the Commission’s package. Parliament emphasised the need to maintain security of food supplies when analysing the objectives set in the Biodiversity and Farm to Fork strategies. Parliament also called for safe food corridors to and from Ukraine to deliver aid and goods.

Ongoing or upcoming initiatives

The Parliament will pay close attention to the delivery of the Farm to Fork Strategy this and next year.

Upcoming initiatives by the AGRI Committee are likely to focus on the scrutiny of measures included in the Commission communication on ‘Safeguarding food security and reinforcing the resilience of food systems’ to support farmers and consumers. Key measures include a €500 million support package (including mobilisation of CAP reserve funds which can be topped up to €1.5 billion through Member States’ national envelopes), market safety net measures to support specific markets (i.e. pig meat sector) and increased levels of advances of direct payments. Other measures add flexibility for Member States in the implementation of existing support mechanisms regarding certain greening obligations in 2022 (derogation to use fallow land under the Ecological Focus Areas), state aid (new self-standing Temporary Crisis Framework (TCF) for farmers affected by significant increases in input costs) and possibility for Member States to apply reduced rates of value added tax and encourage economic operators to contain retail prices. The communication also insists on the need to preserve the EU single market and avoid export restrictions and bans and calls on Member States to make use of the Fund for European Aid to the Most Deprived (FEAD) for EU countries’ actions to provide food and/or basic material assistance to the most deprived.

Thinking ahead

An EU food security and resilience agenda could focus on two priorities:

1) Strengthen the EU’s agricultural sector’s resilience by:
III. Building a more robust economic base

- reducing dependencies on key imported products such as animal feed (cereals, protein plants) and vegetable oils (sunflower) and finding feed alternatives,
- promoting the production and consumption (both human and animal) of protein plants in Europe
- decreasing the dependency on fertiliser import (Nitrate and Potassium) by diversifying sources (Potassium) and decreasing use (Nitrate replaced by fertilisation of animal origin) as well as promotion of agro-ecological practices,
- limiting food waste and food losses at each stage of the food chain.

2) Transform our production capacity in line with more sustainable production methods by:
- pursuing the objectives of the Farm to Fork and Biodiversity strategies as well as principles of circular economy such as in carbon farming, sustainable forest management and eco-services in CAP National Strategic Plans (NSP) and Ecoschemes,
- fostering supply chains for local, regional and high-quality products in legislation (local slaughter houses) and promotion campaigns for consumers,
- promoting the use of renewable energy and materials (including bio-based products) in production, packaging, marketing and transport of agricultural products and stepping-up training and extension services.

**EP Committees involved:** AGRI, ENVI, DEVE, INTA, AFET.

**Further reading**

- EPRS, [Russia’s war on Ukraine: Impact on food security and EU response](https://www.europarl.europa.eu), April 2022
- EPRS [Future Shocks 2022: Addressing risks and building capabilities for Europe in a contested world](https://www.europarl.europa.eu), April 2022
III. Building a more robust economic base

B. Enhancing competitiveness

1. The Single Market as a “life jacket”

Context
The EU Single Market (SM) acts as a “life jacket” in times of crisis and it is key to ensure a coordinated approach to avoid quantitative restrictions or excessive administrative controls for a stronger, autonomous and more resilient Union (see a visualisation in an annex). In its 2022 Annual Single Market Report, published on 22 February 2022, only couple of days before the Russian invasion of Ukraine, the Commission summarised the actions taken to strengthen the SM resilience, in particular to enhance recovery from the COVID-19 crisis, and to boost investment for the green and digital transitions. It also identified a number of supply challenges in several critical areas of industrial ecosystems and stressed the need to address strategic vulnerabilities and better mitigate disruptions. The Russian invasion of Ukraine further highlights the need to increase the SM resilience, to monitor the supply chain disruptions, as well as to identify consequences and to develop policy responses. Furthermore, given that imports from Ukraine have been blocked, it is also necessary to ensure the proper implementation of the customs legislation and to further modernise the current framework, possibly by using “green lanes”\(^1\) that were put into practice for post-Brexit controls and also during the pandemic.

Relevant EP positions
In its resolution of 20 May 2021, Parliament stressed the need to avoid the fragmentation of the Digital Single Market and remove any existing unjustified barriers. On 16 June 2022, IMCO voted on the provisional agreement on the Digital Services Act (DSA), containing specific provisions to fight disinformation as well as a crisis mechanism in case of threat to public health or national security.

Ongoing or upcoming initiatives
Several initiatives aim to strengthen the technological sovereignty and the capacity to respond to crisis of the EU SM, including the Digital Single Market, such as the DSA and the expected Single Market Emergency Instrument (SMEI). Following the COVID-19 pandemic’s impact on the Single Market, the Parliament repeatedly stressed that the SM must not be taken for granted. In its Communication of 5 May 2021, the Commission announced that it would propose a SMEI to provide the capacities needed to address obstacles to free movement and shortages of goods and services of potential relevance to future crises. The main elements of the instrument are expected to include risk-assessments, improved transparency and coordination on intra-EU export restrictions and services restrictions, supply chain monitoring, and capacity information requests.

Thinking ahead
The need to improve the SM resilience in the light of the Russian aggression against Ukraine is paramount. The announced Single Market Emergency Instrument (SMEI) should enable the EU to achieve a strategic autonomy and be able to respond to crises such as the Russian aggression. Further action is needed to prevent shortages and ensure a well-functioning SM, including the free movement of essential goods and services across the EU, to remove remaining unjustified barriers and to strengthen the recovery and resilience.

EP Committees involved: IMCO

Further reading
- EPRS, Completing the single market for goods, April 2022
- EPRS, Completing the single market for services, April 2022

---

\(^1\) The system of green lanes ensures a smooth trade flows of of goods and services, thus avoiding supply chain disruptions, where any checks or screenings should be rapidly completed.
Annex
III. Building a more robust economic base

B. Enhancing competitiveness

2. A more circular approach to design, manufacturing and consumption

Context
Moving to a circular economy is key for achieving EU climate action, nature protection and sustainability ambitions, while also delivering benefits for innovation, growth and jobs. Circular economy and resource efficiency will support the EU move towards ending its dependency on Russian gas, oil and coal imports, but also on critical raw materials. By doing so, the EU will continue its transition towards a more autonomous, resilient and competitive economy.

While the EU has been working since several years on its transformation into a circular economy, including with its legislation on waste, the trend has accelerated since 2020 with the European Green Deal, the Fit for 55 package and the new circular economy action plan.

Ongoing initiatives
The circular economy initiatives, proposed by the Commission so far contain highly relevant measures for the EU’s strategic autonomy. This includes the modernisation of the EU’s legislative framework on batteries and battery waste, the broadening of the framework for setting ecodesign requirements for sustainable products, the new strategy on sustainable textiles and the new regulation on construction products. In several resolutions (i.e. of 10 February 2021 on the New Circular Economy Action Plan and of 15 January 2020 on the European Green Deal), the Parliament called for such proposals, considering that sustainable, circular, safe and non-toxic products and materials should become the norm in the EU single market. Such products and materials should be seen as the default choice, which is attractive, affordable and accessible for all consumers, since products’ lifetime will be extended, energy, resources and costs will be reduced, and more information on products will be available.

Thinking ahead
In addition to these initiatives, Parliament has called for binding EU targets for 2030 to significantly reduce the EU material and consumption footprints and bring them within planetary boundaries by 2050.

The Commission is expected to propose soon further initiatives as part of the circular economy agenda. However, in order to build a robust economic base adapted to the challenges of our uncertain times and citizens’ concerns, plastic and waste need to be tackled in a comprehensive way. Upcoming initiatives will need to implement the EU plastics strategy, encompass bioplastics, microplastics and packaging. Similarly, treatment of waste needs to tackle the whole chain, including waste exports.

The Parliament expects the EU to play a leading role in the negotiations of the international treaty on plastics, similarly to its pioneering role in the climate international negotiations. More generally, circular economy is a domain where the EU can play its standard setting role on the global scene, driving businesses towards innovative and sustainable economic models.

EP Committees involved: ENVI, IMCO, ITRE

Further reading
- EPRS, New circular economy action plan, February 2021
- EPRS, Revision of the Ecodesign Directive: Implementation Appraisal, April 2022
- EPRS, Review of the Waste Shipment Regulation, April 2022
- EPRS, New EU regulatory framework for batteries: Setting sustainability requirements, March 2022
B. Enhancing competitiveness

3. Strengthening the EU’s research and innovation capabilities

Context
The Russian war against Ukraine severely disturbed scientific collaboration with Ukraine and sanctions have put a stop on scientific collaborations with Russia and Belarus. In the longer term, the socio-economic implications of the war could significantly affect the EU research and innovation (R&I) landscape, due to reduced investments in R&I, competing demands on public spending, etc. In the Versailles Declaration, EU leaders committed to continue to build a more robust and resilient economic base, including by strengthening the EU’s R&I capabilities.

Relevant EP positions
In its resolution of 6 April 2022, Parliament recalled the need for continuous investment in researchers’ skills and careers. It also emphasised the need for rules-based multilateral cooperation and that association agreements under Horizon Europe can only be signed with countries that are committed to a rules-based open market economy, including fair and equitable dealing with intellectual property rights and respect for human rights, backed by democratic institutions.

In its resolution of 1 March 2022, Parliament called for funding for all R&I cooperation programs with Russia supported with EU funds to be immediately blocked or withdrawn and for interregional programmes to be suspended.

Parliament underlined, in its resolution of November 2020 on a new industrial strategy for Europe, that securing the EU’s sovereignty and strategic autonomy require an autonomous and competitive industrial base, and huge investment in R&I in key enabling technologies, innovative solutions, and key value chains.

Ongoing or upcoming initiatives
In the short run, measures have been taken to assist Ukrainian researchers, including by launching the ‘European Research Area for Ukraine’ portal, the MSCA4Ukraine scheme, part of the Marie Skłodowska-Curie Actions, which will support displaced researchers to continue their work in Europe and allow them to rebuild Ukraine's research and innovation capacity.

Regarding the long term EU research and innovation strategy, already in March 2021, the Commission had published the Horizon Europe strategic plan 2021-2024, which set out four key strategic orientations for investments, including in key technologies, sectors and value chains, as well as in a resilient European society. The annual work programme of the European Innovation Council (EIC) was adopted in February 2022, opening funding for breakthrough technologies and game changing innovations.

In May 2022, the Commission amended the Horizon Europe Work Programme 2021-2022, increasing the budget by nearly €562 million. It adds several new actions to support Europe's innovation potential, including for WomenTechEU to support women-led start-ups, social impact assessment of green transition policies, as well as supporting the Observatory of Public Sector Innovation.

EP Committees involved: ITRE

Thinking ahead
R&I can play a pivotal role in the green and digital transition, in the pursuit of strategic independence in key economic sectors (i.e. health, space, etc.), and in addressing the major global economic, societal and environmental challenges. Funding priorities need to be aligned with policy priorities. The ITRE committee ongoing own initiative report on the implementation of the Updated New Industrial Strategy for Europe: aligning spending to policy will enable Parliament to provide relevant recommendations.

Further reading
- Commission, DG RTD, EU R&I and the invasion of Ukraine : main channels of impact, 2022
- STOA, Harmonise EU research and regional policies, February 2021
III. Building a more robust economic base

B. Enhancing competitiveness

4. Nurturing innovative entrepreneurship

Context
In the wake of the pandemic, European SMEs were affected severely by supply chain disruptions, employee absences and temporary shutdowns. The war in Ukraine intensified the impact on SMEs, with surging energy prices, soaring inflation and worsening disruptions in the global supply chain dramatically increasing operational costs. In the Versailles Declaration of 11 March 2022, European Leaders committed to continue working to make the European economic base more resilient and competitive, in particular, by creating a simple and predictable regulatory environment, particularly for SMEs. It also mentioned the use the budget and the potential of the EIB Group to catalyse investments, including higher risk financing for entrepreneurship and innovation.

Already the March 2020 SME strategy for a sustainable and digital Europe aimed at supporting and empowering SMEs of all sizes and sectors. It is based on three pillars: capacity building and support for the transition to sustainability and digitalisation; reducing the regulatory burden and improving market access; and improving access to financing. The updated Industrial Strategy of May 2021 takes into account the impacts of the coronavirus crisis and the specific situation of SMEs.

Relevant EP positions
Parliament’s resolution of 16 December 2020 called for the adoption of an SME action plan and asked the Commission to set binding targets for the reduction of administrative burdens. It also called for an update of the SME strategy, taking into account the impact of the pandemic.

Parliament’s resolution of 19 May 2022 called for the EU to strengthen support for citizens and businesses and help Ukraine. The proposed measures include flexibility to state aid rules, an increased EU guarantee in the InvestEU programme, a new Ukraine Solidarity Fund, a temporary European social resilience package, and a Strategic Autonomy Fund financing industrial competitiveness, among others.

Ongoing or upcoming initiatives
A legislative proposal to facilitate SMEs access to capital is expected in Q3 2022 in the context of the Listing Act. The proposed Chips Act also envisages a dedicated semiconductor equity investment facility under InvestEU to support scale-ups and SMEs to ease their market expansion.

Thinking ahead
Innovation and innovative enterprises are a key driver of economic growth and international competitiveness and hence a cornerstone of Europe’s ability to thrive in a competitive global landscape. Enabling a nurturing environment for innovative entrepreneurship requires a holistic approach across multiple policy areas: access to finance and friendly regulatory environment being some of them. Fostering entrepreneurial literacy and skills and developing entrepreneurial ecosystems also have an important role to play (see more in IV.B.1. Promote skills for evolving labour market and ensure quality jobs).

With the ongoing war in Ukraine, it will be necessary to continue assisting SMEs and start-ups in building up their resilience. Further assistance will be necessary in addressing supply-chain disruptions, accelerating the switch to renewables, and in the areas of export credits, trade finance and investment guarantees.

EP Committees involved: ITRE, EMPL, IMCO

Further reading
- Policy Department A, Entrepreneurial Literacy and Skills, May 2022
- EPRS, State of the SMEs Union, June 2021
III. Building a more robust economic base

B. Enhancing competitiveness

5. EU standardisation strategy

Context
Although technical in nature, standards are a key enabler and main pillar of the Single Market, by facilitating cross border flows of goods and services. European Standards also played an important role in Europe’s efforts to tackle the COVID-19 pandemic.

In its Strategy on Standardisation of 2 February 2022, the Commission outlined a new approach to standards with the aim to strengthen the EU’s global competitiveness, enable a resilient, green and digital economy and enshrine democratic values in particular in technology applications. The Strategy proposes five key sets of actions: anticipate, prioritise and address standardisation needs in strategic areas; improve the governance and integrity of the European standardisation system; enhance European leadership in global standards; support innovation; enable the next generation of standardisation experts.

The strategy is accompanied by the 2022 annual Union work program for European standardisation, an implementation report, and a proposal for a targeted amendment of the Standardisation Regulation (EU 1025/2012), while also pointing towards an overall evaluation of this Regulation later in 2022.

The Russian invasion of Ukraine and the changed geopolitical environment has further highlighted the strategic importance of standards and intensified the need for strengthening the European Standardisation system to ensure that it can effectively support the values, interests and competitiveness of the Union.

Relevant EP positions
On a number of occasions, Parliament has pointed out the problems in the current standardisation system, in particular in its resolution of 4 July 2017. It called for urgent solutions to improve processes, remove the backlog regarding the adoption of harmonised standards and ensure the legal clarity and level playing field for European businesses.

In reaction to the 2022 strategy, the IMCO committee has again stressed the importance of standards as a key enabler of the Single Market, and the need for actions to make European standardisation fit for the purpose of supporting EU competitiveness and innovation, while also promoting the twin transitions. IMCO has highlighted the importance of a more strategic and inclusive multi-stakeholder approach for the development of standards that will meet industry and society needs, while also improving EU’s outreach in standardisation.

Ongoing or upcoming initiatives
Work is currently underway on the proposal for an amending Regulation on decisions of European standardisation organisations, which constitutes targeted revision of the Standardisation Regulation. Moreover, IMCO is launching an encompassing own-initiative report for “A standardisation strategy for the Single Market”, with the aim of outlining the Parliament’s priorities on the future European approach to standardization and providing indications to the Commission in view of the possible revision of the Standardisation Regulation.

Thinking ahead
Beyond what is proposed in the Commission Strategy, maintaining and strengthening Europe’s role as a global standard-setter would require:

- Political leadership: the political level seeks to recognise the strategic importance of standards and engage in the improvement of European Standardisation. In EP, this could be done by setting the Parliament’s priorities on the way ahead.
- Monitoring the development of the sector and the challenges to EU role as a standard setter by initiating regular exchange of views with the European standardisation organisations (ESO’s) and other relevant stakeholders.
- Moving from rule-taking to rule-making: while ESO’s are already key players in international standardisation, their influence is undermined if EU standards-making is slow and holds back innovative responses. Promoting a competitive European standardisation system with timely standards, without
compromising the unique inclusive nature of the system, is key to achieving the EU’s objectives and enhancing competitiveness and should be made a main common goal for all partners.

**EP Committees involved:** IMCO

**Further reading**

- EPC, *EU as a global standard-setter: The strategic importance of European standardisation*, October 2020
- EPRS, *Standards and the digitalisation of EU industry: Economic implications and policy developments*, March 2019
III. Building a more robust economic base

B. Enhancing competitiveness

6. Ambitious and robust trade policy

Context
With the Versailles Declaration, the Member States specifically recognised that Common Commercial Policy (EU international trade and investment policy) is a major geopolitical tool to achieve the objective of strengthening European sovereignty through a more robust economic base. While leaving no one behind, the EU aims to make this economic base more resilient, competitive, and fit for the green and digital transitions.

In the current challenging global context - including Russia’s war on Ukraine and the post-pandemic economic recovery - Member States specifically reconfirmed their engagement to continue pursuing an ambitious and robust trade policy, multilaterally as well as through trade agreements, and to promoting our standards, market access, sustainable value chains, and connectivity. The key role that trade policy plays in the EU's aim to achieve ‘open strategic autonomy' is thereby underlined.

Ongoing or upcoming initiatives

Following the modernisation of EU’s trade defence instruments (anti-dumping and anti-subsidies regulations) and, more recently, the Trade Policy Review, three primary autonomous legislative instruments specifically will soon complement the EU trade policy toolbox. They serve several aims:

1. to address distortive effects of foreign subsidies on the Single Market. Inter-institutional negotiations are underway and should conclude by end of 2022.
2. to protect from coercive measures by third countries. As this is especially relevant in the context of the weaponisation of trade, legislative work in INTA is ongoing.
3. to ensure reciprocity in opening up public procurement with trading partners. After long years of delays on the Council side, a provisional agreement was recently reached.

By calling for the process leading to trade agreements to be transparent and inclusive, the Versailles Declaration also recognises Parliament’s important role in the process of trade negotiations. This links very directly to Parliament’s continuous commitment to multilateralism and reform of the World Trade Organisation, as well as to the ongoing scrutiny and ratification of bilateral trade and investment agreements (both those whose negotiations have been recently concluded or are close to conclusion - e.g. Mercosur, Mexico, Chile, New Zealand, Australia - as well as future ones).

A strategic partnership with the USA (Trade and Technology Council, TTC) is another important example, which was, inter alia, instrumental in coordinating export controls against Russia following the launch of its war of aggression against Ukraine. More partnerships with like-minded countries will further help to diversify supply chains and their resilience, and to tackle the global digital and climate challenges. The reform of rules on sustainable trade in EU international agreements is another important part of the EU trade policy.

Thinking ahead

Sustainability and strengthening the Union’s innovative enforcement methods of international commitments are a priority.

Relevant EP positions

- In view of the 12th Ministerial Conference of the WTO;
- on the ban of products made by forced labour;
- the future of trade policy relating to regions like Africa and the Indo-Pacific, and on trade-partners like India;
- the future of EU international investment policy;
- more generally, about the impact of COVID-19 on trade and the Trade Policy review.

EP Committees involved: INTA, as well as AFET, DEVE, ECON, EMPL, ENVI, ITRE, IMCO, TRAN, AGRI

Further reading: For a more specific overview of the preferential trade measures and agreements with Ukraine and the countries most affected by the war, please see the fiches in “Engaging beyond our borders”.
IV. Fostering investments and a resilient EU economic and financial system

- Robust EU Anti-Money Laundering framework
- Economic impact of sanctions on Russia and on the EU economy
- Promote social cohesion and preserve social model
- Promote skills for evolving labour market and ensure quality jobs
- Deepening the Capital Markets Union
- Completing the Banking Union
- Crisis response and flexibility in the EU budget
- Long-term financing options on- and off-budget
- Lessons learned from the NGEU and the Recovery and Resilience Facility
- Inflation risks and price stability
- Economic and fiscal policy coordination
- Coordination of national state aid measures

Legend:
- Red: New or not advancing
- Orange: Ongoing
- Green: Completed
IV. FOSTERING INVESTMENTS and a RESILIENT EU ECONOMIC and FINANCIAL SYSTEM

VERTICAL COOPERATION in FOSTERING INVESTMENTS and a RESILIENT EU ECONOMIC and FINANCIAL SYSTEM

Note: The size of each square does not have any meaning.
IV. Fostering investments and a resilient EU economic and financial system

A. Financing and Investment

1. Crisis response and flexibility in the EU budget

Context
The crisis in Ukraine, following on the heels of the Covid-19 pandemic, has generated substantial financing needs in the immediate term, most notably in providing humanitarian aid and macro-financial assistance to Ukraine and support to frontline Member States dealing with the influx of people fleeing the conflict (see dedicated section under Chapter V). Support has been provided using a range of flexibility provisions built into the EU budget and, in the latter case, by enabling the re-purposing of Cohesion Funds to cover reception costs, possible in large part because the most affected Member States are also major beneficiaries of cohesion funding.

Flexibility can be understood in two ways: (i) as the ability to re-deploy resources towards emerging priorities and (ii) as the scope for the budget to quickly provide additional financing in a crisis. The EU budget contains both forms of flexibility to some degree. There is scope built into programme legislation to enable financial envelopes for programmes to be adjusted by up to 15% over the course of the MFF. Money can be redeployed from programme to programme via budget transfers or added to programmes from the margins or special instruments. Thematic special instruments, like the European Globalisation Adjustment Fund, also enable financing to be mobilised for specific purposes.

The inherent logic of the MFF and EU budget, based on longer-term investment and predictable financial programming, is not designed to respond to multiple crises, leaving it ill-equipped to deal with the scale of the current challenges. As the Commission made clear when presenting the 2023 Draft Budget, under EUR 450 million remains in the margins for 2023 without even factoring in Ukraine crisis spending (due in an amending letter in the autumn). In addition, highly unusually, in the 2023 Draft Budget the Commission has already proposed mobilising the Flexibility Instrument for Heading 6 (Neighbourhood and the World), in fact in response to a different, but long-standing crisis (support to Syrian refugees in Turkey).

This section provides an overview of the flexibility and crisis response mechanisms in the MFF and EU budget and examines possible ways forward.

Relevant EP positions
Parliament has frequently argued for greater flexibility in the EU budget. Most recently, in its May 2022 resolution, Parliament argued that “optimal use [must be made] of the existing funding opportunities, flexibility and other provisions set out in the MFF Regulation and the Financial Regulation”, but that “additional flexibility needs to be provided for in the EU budget, [...] to respond to unforeseen and urgent needs”. It concluded that a review and revision of the MFF is needed as soon as possible and no later than the first quarter of 2023.

Ongoing or upcoming initiatives

Commission proposal to revise the Financial Regulation (May 2022)

Thinking ahead
There are three principal risks in failing to address the lack of crisis response capacity and flexibility in the EU budgetary framework. The first is simple failure to deliver on citizens’ expectations. The second is that long-term investment will suffer if programmed funding is diverted. And the third is that off-budget work-arounds

11 CARE and CARE+ regulations.
12 Depending on the nature/size of the transfer, the budgetary authority’s approval may be required - see Articles 30 and 31 of the Financial Regulation.
13 This is done via amending budgets or transfers (depending on the exact nature of the movement). Both require the budgetary authority’s approval.
IV. Fostering investments and a resilient EU economic and financial system

will be sought, for example using Article 122 TFEU or Trust Funds under Article 234 of the Financial Regulation, thereby limiting Parliament’s role and democratic accountability.

The primary vehicle for addressing the current shortcomings is a revision of the current MFF, as called for by Parliament. This revision could in turn prepare the ground for a more far-reaching overhaul of the MFF (or of the EU budgetary framework) from 2027 onwards.

There are various elements that could enhance flexibility:

- Increase resources available under the Flexibility Instrument and the Single Margin Instrument (MFF Regulation);
- Increase resources available under the Solidarity and Emergency Aid Reserve and re-examine the scope of actions and the provisions on ring-fencing (MFF regulation);
- Make the re-use of de-committed funds in research automatic and expand the principle to other programmes (Financial Regulation);
- Introduce crisis response mechanisms and reserves into relevant programmes (e.g. AMIF) based on the CAP model (basic acts governing programmes);

To maximise the ability of the EU budget to respond to crises, another possibility would be to establish an EU crisis reserve, fed, for example, through de-committed funds from the year N-2 or from lapsed amounts under thematic special instruments. It could sit, as a special instrument, within the MFF but outside the MFF ceilings, and would therefore be mobilised through a transfer authorised by the budgetary authority, thus safeguarding Parliament’s role. Parliament previously advocated such a reserve in its position on the 2014-2020 mid-term MFF revision, which the Commission took up in its proposal for a mid-term revision, but which was rejected by Council.

Beyond improvements to the EU budget’s flexibility and crisis response mechanisms, consideration could simultaneously be given to strengthening Parliament’s role in relation to off-budget instruments through the ongoing revision of the Financial Regulation.

**EP Committees involved:** BUDG
IV. Fostering investments and a resilient EU economic and financial system

A. Financing and Investment

2. Long-term financing options on- and off-budget

Context
While the Versailles Declaration and subsequent European Council Conclusions have highlighted the need for substantial investment across policy fields, most prominently energy and defence, there has been little clarity as to how those investments are to be funded. Parliament has gone further, calling for a Strategic Autonomy Fund for Europe. For its part, the Commission has made clear that the reconstruction and recovery needs of Ukraine “are well beyond the means available in the current multiannual financial framework” and that “new financing resources will be needed”. Strategically, the Recovery and Resilience Facility (RRF) and the European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE) showed the importance of having EU budget-backed issuance on capital markets. In particular, the RRF - by linking the financing to the pursuit of EU common goals and agendas - brought to the forefront the single market (i.e. the unity among EU Member States) as the “collateral” for such market issuances. This section looks briefly at the implications of different financing options, building on the experience of existing instruments, and the extent to which they ensure parliamentary accountability.

Relevant EP positions
In its May 2022 resolution, Parliament underscored that neither Next Generation EU (NGEU)/RRF nor the Multiannual Financial Framework (MFF) are sufficient to deal with the financing needs stemming from the war in Ukraine and that an MFF review and revision are needed as soon as possible and at the latest by the end of the first quarter of 2023. Parliament has also repeatedly called for greater EU budget resilience by diversifying its revenue side through the introduction of new own resources. In the context of the RRF discussions and resolutions, Members of Parliament have asked for a permanent RRF-like financing instrument. The Parliament has also asked to integrate the European Stability Mechanism (ESM) as an EU institution (notably in the discussions around a European Monetary Fund) thus pushing back against intergovernmental instruments.

Ongoing or upcoming initiatives
To finance Ukraine, the Commission proposes a ‘RebuildUkraine’ Facility. Proposed financing for defence remains unclear. Financing for energy (RePowerEU) was recently put forward.

Thinking ahead
Whilst EU annual budgets, framed by the MFF, provide EU investment where pooled spending delivers clear value added, the EU budget is insufficient to cater for the upcoming (common) investment needs. A beefed-up MFF and EU budgets requires new, reliable own sources of revenue. This poses a dual unanimity challenge in the Council and a ratification requirement in the Member States. However, it is also only through the annual budget procedure that full parliamentary control and accountability is ensured.

The RRF is built around forward-looking investment to drive recovery. Despite EP involvement in the Facility, the NGEU-generated funds are entered into the budget as external assigned revenue, i.e. are not subject to the annual budgetary procedure. The recent proposal to revise the Financial Regulation enhances visibility of external assigned revenue, but does not change the fundamentals.

---

14 Financing through grants from contributions to the Facility and existing EU programmes as external assigned revenue or a targeted MFF revision. Loans could be provided by raising funds backed by EU or national guarantees.

15 Financing is likely to involve principally redeployment of existing MFF funds, with possibly an increase for the Defense Fund in the MFF mid-term revision.

16 It combines re-purposing of EUR 225 billion in unused RRF loans with the auctioning of EUR 20 billion in ETS allowances and the possibility for Member States to transfer up to 12.5% of their cohesion and rural development fund allocations to the RRF for RePowerEU.

17 Parliament is notably co-legislator, monitors implementation through the Recovery and Resilience Dialogues with the Commission, and exercises control as discharge authority.
The challenge of overhauling financing of EU policies and needs has previously led to predominantly intergovernmental solutions, notably in the wake of the 2008 financial crisis (see annex), or to hybrid vehicles like EU Trust Funds in the field of external relations, both with limited democratic accountability. Recent experience has shown the value of large-scale, EU budget-backed joint borrowing on capital markets (SURE and NGEU/RRF). The more united the Union is, and more robust its budget, the more confident capital markets are that EU debt will be repaid and the easier it is to issue bonds at favourable interest rates. The EU has built up creditworthiness and credibility through the massive issuance for NGEU and moved away from back-to-back issuance to a more robust, diversified funding strategy.

If, rather than overhaul the MFF and Own Resources system, the Commission were to propose renewed joint borrowing with EU-budget-backed guarantees to finance upcoming needs such as those identified above, the following aspects would have to be considered:

- risks to the EU budget and the ‘headroom’ available (i.e. the fiscal space between the Own Resources ceiling and the MFF payments ceiling);
- ensuring a robust EU legal base and avoiding intergovernmental solutions: both SURE and the RRF rest on EU Treaty legal bases, which could be explored, in combination with other options, to establish a permanent financing instrument. However, Article 122 TFEU (used for SURE/EURI) locks Parliament out of decision-making, thus failing to bring about effective democratic control;
- parliamentary accountability: the NGEU/RRF model and the most recent Inter-institutional Agreement on budgetary matters should constitute the bare minimum design of a governance and control framework, though future governance structures should ensure a greater role for Parliament, notably as regards ex ante and ex post control of milestones and targets, the allocation of external assigned revenue within the budget and borrowing and lending operations.

**EP Committees involved:** BUDG/ECON

---

18 These funds pool resources primarily from the EU budget, but also from Member States, third countries or private donors. Trust Funds sit outside the EU budget and therefore beyond the purview of the budgetary authority and their creation in emergency or post-emergency contexts is subject only to consultation of the Parliament (Article 234 of the Financial Regulation). It is interesting that the Commission did not interpret the European Council’s call for a Ukraine Solidarity Trust Fund as a request to establish this kind of off-budget Trust Fund.

19 Parliament’s November 2021 resolution on the upcoming revision of the Financial Regulation proposes that the rules be revised to ensure Parliament can scrutinise and authorise the Commission’s use and management of external assigned revenue and borrowing and lending operations.
## Annex

<table>
<thead>
<tr>
<th>Annex</th>
<th>Market-financed financing instruments (MFF-based instruments and EIB lending excluded)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All EU Members States</td>
</tr>
<tr>
<td>Main instruments/tools</td>
<td>Recovery and Resilience Facility</td>
</tr>
<tr>
<td>Name of executive body</td>
<td>Council / Commission</td>
</tr>
<tr>
<td>Objective</td>
<td>Promotion of economic, social and territorial cohesion by improving the resilience and adjustment capacity of the Member States, mitigating the social and economic impact of the COVID crisis, and supporting the green and digital transitions.</td>
</tr>
<tr>
<td>In/off EU budget</td>
<td>Linked to EU budget</td>
</tr>
<tr>
<td>Permanent or temporary</td>
<td>Temporary</td>
</tr>
<tr>
<td>Loans and/or grants</td>
<td>Loans and grants</td>
</tr>
<tr>
<td>Current lending/support capacity</td>
<td>EUR 672 bn (2018 prices)</td>
</tr>
</tbody>
</table>
### IV. Fostering investments and a resilient EU economic and financial system

<table>
<thead>
<tr>
<th>Funding/Capital/Guarantee/Resources</th>
<th>Borrowings by Commission guaranteed by the EU budget</th>
<th>Borrowings by Commission guaranteed by the EU budget and Member States</th>
<th>Borrowings by Commission guaranteed by the EU budget (the margin of budget)</th>
<th>Borrowings by Commission guaranteed by the EU budget</th>
<th>Borrowings in international capital markets guaranteed by ESM capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision-making/Implementation</td>
<td>Council</td>
<td>Council</td>
<td>Council</td>
<td>Council</td>
<td>ESM Board of Governors</td>
</tr>
<tr>
<td>Eligibility/Conditionality</td>
<td>Alignment with EU priorities; possibility of suspending payments in case of non-compliance with sound economic governance requirements. Disbursement pending on the achievement of milestones and targets</td>
<td>Amounts available are to be used to cover increases in health related expenses due to COVID-19 crisis</td>
<td>Strict economic macro-conditionality enshrined in an economic and financial adjustment programme</td>
<td>Strict economic macro-conditionality enshrined in an economic and financial adjustment programme</td>
<td>Depending on the financial assistance instrument</td>
</tr>
</tbody>
</table>
A. Financing and Investment

3. Lessons learned from NGEU and the Recovery and Resilience Facility

Context

Next Generation EU (NGEU) combines borrowing and spending, both underpinned by a number of legal texts\(^{20}\) (collectively referred to as the “NGEU framework”). This framework makes clear which specific (EU) common priorities (the spending) are supported by the borrowing. Furthermore, the bulk of NGEU funds flow into the Recovery and Resilience Facility (RRF), which adopts a new, performance-based approach to financing linked to proven attainment of pre-agreed milestones and targets. Whilst the implementation of NGEU and RRF are only at an early stage, certain aspects of these instruments deserve particular scrutiny in the implementation phase in order to learn lessons for similar instruments in the future.

Relevant EP positions

Parliament has adopted several resolution covering various dimensions of the RRF, notably (a) the Resolution of 20 May 2021 on the right of information of the Parliament regarding the ongoing assessment of the national recovery and resilience plans; (b) the Resolution of 10 June 2021 on the views of Parliament on the ongoing assessment by the Commission and the Council of the national recovery and resilience plans.

Ongoing or upcoming initiatives

The main initiatives are (a) the EP INI report on the RRF implementation (adoption in plenary June II); (b) the EP INI report on the implementation of the NGEU borrowing strategy (adoption in plenary autumn 2022) and (c) the COM legislative proposals for a “New Generation of own resources” in December 2021.

Thinking ahead

The RRF (and SURE) experience may be used as a stepping-stone for the design of future EU financing instruments (see section A. 2. Long-term financing options on- and off-budget). The following should be looked at:

- The RRF and SURE demonstrate that the current Treaty can accommodate significant financing instruments. They provide solid evidence that the EU framework can be used safely to channel grant funding for investment and serve as a “collateral” in the financial markets, underpinning guarantees, borrowing and lending operations at a macro-economically significant scale;
- Inter-institutional agreements, such as the IIA negotiated as part of the MFF package, can provide the legal underpinning to reinforce institutions’ commitments as regards information-sharing, governance frameworks etc.\(^{21}\);
- Available EU financing can contribute to implementing commonly agreed EU policies (be it through country-specific recommendations or EU policy agendas); in the same vein, combining reforms and investments with incentives seems to improve implementation of these EU policies. A performance-based instrument relying on milestones and targets agreed in advance and subject to EU control also seems an important design feature to keep;
- Clarity on which EU policies to finance through EU funds enhances coordination across instruments. Ensuring consistency and value added has proven difficult given that the timelines of the instruments are not fully aligned. Further efforts on clarity and better timing when designing instruments could be useful;

\(^{20}\) In this context, the most relevant are the RRF Regulation, the EURI regulation, the Inter-institutional agreement on the budget.

\(^{21}\) On NGEU, for example, Parliament obtained novel rights with a dedicated inter-institutional dialogue on NGEU, regular reporting on NGEU borrowing, a scrutiny procedure for Article 122 initiatives (of which NGEU is an example) and new transparency obligations for the annual budget.
IV. Fostering investments and a resilient EU economic and financial system

- Common EU policies should be defined through the “community method”, ensuring Parliament is fully involved\(^{22}\);
- Maintaining national ownership of reforms/investments (through RRPs) can foster implementation. By the same token, a clear framework for involvement of national stakeholders (national parliaments, regional and local authorities, social partners) should facilitate implementation and reinforce national ownership\(^{23}\);
- Milestones and targets agreed at EU level set the benchmarks for assessing implementation. Output-based indicators appear to be more effective to verify actual results on the ground. This needs careful monitoring in the implementation phase to make informed decisions in relation to future initiatives;
- The RRF fails to provide enough transparency, at EU level, of national implementation. EU funds, once disbursed, are part of national budgets and the RRF Regulation does not require transparency as regards their effective use. This renders RRF implementation more difficult to scrutinise and thus limits democratic control;
- Although scrutiny and governance arrangements have been established for NGEU via the IIA, more work is required within Parliament to maximise their effectiveness. Moreover, Parliament should be able to scrutinise and authorise the Commission’s use and management of external assigned revenue allocated to the budget through NGEU and the borrowing and lending operations that underpin it\(^{24}\).

**EP Committees involved:** BUDG/ECON

**Further reading**

- EGOV, a number of papers covering the RRF and the RRPs (available [here](#)).
- Three external papers commissioned at the request of the ECON Committee (see a Thematic Digest [here](#)).
- Additional papers covering the six pillars of the RRF are pending (expected for mid-October 2022).
- EPRS [blog](#).
- Upcoming: DG IPOL RRF web hub and EPRS modular website.

---

\(^{22}\) The RRF places Parliament at a disadvantage vis-à-vis the Council since Parliament has no role in the adoption of national plans or assessment of payment requests. Like Council, it also does not enjoy the same powers as under the annual budgetary procedure (owing to the performance-based structure of the instrument). These aspects need careful assessment in the implementation phase to ascertain whether the scrutiny tools provided for by the RRF regulation and the discharge procedure are sufficient to ensure democratic oversight;

\(^{23}\) The EP advocated involving stakeholders in designing and implementing the RRPs; this feature could nevertheless be reinforced in the future through a clearer framework for stakeholders’ involvement.

\(^{24}\) See [Parliament resolution on the revision of the Financial Regulation in view of the entry into force of the 2021-2027 MFF](#).
IV. Fostering investments and a resilient EU economic and financial system

A. Financing and Investment

4. Inflation risks and price stability

Context
Keeping inflation under control is the primary objective of the European Central Bank (ECB). Inflation in the euro area started increasing in spring 2021, and reached historically record levels in recent months (estimated 8.1% in May compared to the same month last year).

Along with the lingering effects of the pandemic, the war in Ukraine is causing both a supply and demand shock. Monetary policy does not directly aim to address the impact of supply shocks (supply chain bottlenecks, energy and commodity price increases). It rather deals, if necessary, with secondary effects (wage increases and revisions of inflation expectations). These, however, take time to materialise and this is more likely when inflation is high for a prolonged period. At the same time, the ECB must be cautious to avoid triggering a recession or financial instability with its monetary policy actions. Normalising monetary policy after years of unprecedented accommodation to achieve such a “soft landing” will be difficult in the current context.

Moreover, the Russian invasion of Ukraine has prompted the EU to prioritise policies to reduce its energy dependency and accelerate the green transition (see Versailles declaration and REPowerEU Plan). In the long run, these policies will contribute to price stability. In the short run, the transition will put upward pressure on prices, along with the existing legacy costs of dependence on fossil fuels and the unpredictable impact of climate change itself. The ECB will need to adapt its monetary policy to this reality.

Furthermore, public trust in central banks is important. In a virtuous circle, the ECB achieves its mandate and increases public trust, which, in turn, helps maintain price stability. The latest Eurobarometer survey, however, reveals two worrying developments: i) inflation has become the most important issue for respondents and, ii) trust in the ECB deteriorated markedly, especially in some countries. In the current context, the ECB’s accountability as an independent institution and the scrutiny role of the European Parliament become even more critical.

Ongoing or upcoming initiatives
The ECON Committee holds regular scrutiny sessions with the ECB President (Monetary Dialogue). Negotiations are currently ongoing between the ECON Committee and the ECB on a future Inter-Institutional Agreement (IIA) with the ECB, based on a mandate from the CoP. Moreover, the ECON Committee is about to start its work on the ECB annual report for 2022.

Thinking ahead
In the last 15 years, the conduct of monetary policy in the euro area has been transformed by perpetual crises. The current “poly-crisis” context, defined as multiple and overlapping crises, including the COVID-19 pandemic, war in Ukraine and climate change, should act as a trigger to enhance the ECB’s accountability. Through the ongoing negotiations on an IIA with the ECB, Parliament could seek important and lasting improvements, without encroaching on the ECB’s Treaty-defined independence, by focusing on three areas: enhanced self-evaluation, independent evaluation and a non-public information access regime for MEPs.

Another suggestion is to use the preparation of the resolution on the ECB annual report to make an extensive inquiry into the economic impact of the war and the ECB’s conduct of monetary policy.

EP Committees involved: ECON

Further reading
- Policy Department A, briefing paper on “Monetary policy issues in the context of the War in Ukraine”, May 2022
- Policy Department A, Monetary Dialogue papers on the “War in Ukraine: implications for the ECB”, June 2022
IV. Fostering investments and a resilient EU economic and financial system

## A. Financing and Investment

### 5. Economic and fiscal policy coordination

**Context**

The extent of the economic and social effects of the war in Ukraine will only unfold over time pending external and internal developments in the EU. This most recent external shock hit the world economy at a time when the effects of the pandemic shock were still filtering through. Hence, there is a lot of uncertainty in assessing all the effects. EU and international actions are needed on many fronts to dampen the economic and social effects, safeguard financial stability, and minimise economic fragmentation.

**Relevant EP positions**

On 8 July 2021, Parliament adopted a [resolution](#) on the review of the macro-economic legislative framework for a better impact on Europe’s real economy and improved transparency of decision-making and democratic accountability. It is inter alia based on meetings with experts during autumn 2020 on different relevant topics.

**Ongoing or upcoming initiatives**

On 28 March 2022, the Commission published a [report](#) summarising the results of the online public survey on the future of the EU’s economic governance framework. The survey is an important element of the wider debate on the EU’s economic governance framework that was relaunched in October 2021. The Commission will provide orientations on possible changes to the economic governance framework with the objective of achieving a broad-based consensus on the way forward after the summer break and well in time for 2023. For an overview of various aspects relating to the review debate on the EU fiscal rules, please see the annex to this section.

As far as the coordination of fiscal policies in the short term, the Commission stresses that fiscal policy should be prudent, while standing ready to the evolving economic situation, taking in particular into account the specific nature of the macroeconomic shock imparted by Russia’s invasion of Ukraine, as well as its long-term implications for the EU’s energy security needs. Moreover, Member States’ fiscal plans for next year should be anchored by prudent medium-term adjustment paths reflecting fiscal sustainability challenges associated with high debt-to GDP levels.

The competent committees of the EP are constantly scrutinizing the application of the current economic governance framework, including the RRF. For these purposes, Economic Dialogues and Recovery and Resilience Dialogues are regularly held (see [here](#) and [here](#)).

**Thinking ahead**

The economic shock of the war in Ukraine, following the earlier shock of the pandemic, is forcing Europe to make difficult policy choices. Reflections on the policy mix in a context of constraints linked to inflation for monetary policy and to the sustainability of public finances for fiscal policy, the simplification of economic governance rules and their enforcement, the dialectic between centralised and decentralised economic coordination, notably in the context of the implementation of RRF, will be at the heart of the debates on the reform of economic governance.

**EP Committees involved:** ECON, BUDG, EMPL, REGI, ENVI among others

**Further reading**

EGOV, [The European Semester for economic policy coordination: A reflection paper](#), October 2019
### IV. Fostering investments and a resilient EU economic and financial system

#### ANNEX: Review of the EU fiscal governance framework: Some pieces of the puzzle

|-------------------------|-----------------------------|---------------------------------|----------------------------------|----------------------------------------|
| • Avoid unsustainable budgetary policies  
• Avoid pro-cyclical fiscal policies  
• Promote fiscal stabilisation  
• Promote good public investments (e.g. "twin transition")  
• Promote the quality of public finances (e.g. "spending reviews")  
• Promote strategic/critical investments/spending | • Simplicity  
• Enforceability  
• Flexibility provisions (e.g. "escape clauses")  
• Division between supranational and/or national level arrangements | • Transparency in application  
• Level of discretion/automaticity in application  
• Accountability arrangements  
• Division between supranational and/or national level arrangements | • Interpretative communication  
• EU secondary law (e.g. 6-pack and 2-pack)  
• EU primary law (e.g. EU Treaties and Protocols)  
• International agreement (e.g. "Fiscal Compact")  
• National legislation (e.g. "balanced budget rules") | • Enhanced supranational fiscal capacity and public goods, including progress on "EU own resources"  
• Enhanced national fiscal capacity (e.g. "rainy day funds")  
• Make progress on Banking Union and Capital Markets Union  
• Make progress on EU tax policies |

Source: EGOV
A. Financing and Investment

6. Coordination of national state aid measures

Context
With increasing pressures on the internal market and the need for Member States to implement support measures to buttress their economies, the EU State aid Framework aims to support the level playing field and to avoid possible increasing fragmentation of the internal market. Recognising the situation and to provide legal certainty, the European Commission adopted the Temporary Crisis Framework for State aid measures to support the economy following the aggression against Ukraine by Russia on 23 March 2022 and limited until 31 December 2022. The framework enables Member States to use the flexibility foreseen under State aid rules to facilitate and to absorb the economic consequences in the context of Russia’s invasion of Ukraine. It is the third emergency framework by the Commission following the financial crisis in 2008 (later leading to the Banking Communication) and the COVID-19 outbreak. Both were adapted to changing conditions.

The Temporary Crisis Framework (Ukraine) provides for the following types of aid:

- **Limited amounts of aid, in any form**, of up to EUR 35,000 for companies affected by the crisis active in the agriculture, fisheries and aquaculture sectors and of up to EUR 400,000 per company affected by the crisis active in all other sectors;
- **Liquidity support** in form of State guarantees and subsidised loans; and
- **Aid to compensate for high energy prices**. The aid, which can be granted in any form, will partially compensate companies, in particular intensive energy users, for additional costs due to exceptional gas and electricity price increases. The overall aid per beneficiary cannot exceed 30% of the eligible costs, up to a maximum of EUR 2 million at any given point in time. When the company incurs operating losses, further aid may be necessary to ensure the continuation of an economic activity. Therefore, for energy-intensive users, the aid intensities are higher and Member States may grant aid exceeding these ceilings, up to EUR 25 million, and for companies active in particularly affected sectors and sub-sectors up to EUR 50 million.

Relevant EP positions
In its resolution on the Competition policy annual report 2021, the Parliament called on the Commission to use the flexibility of the EU’s State aid framework to enable Member States to provide support to companies and sectors most severely affected by the Russian aggression. This call was reinforced in the Parliament’s resolution of 19 May 2022 by a request to include environmental and social conditions and to benefit employees when granting support.

Ongoing or upcoming initiatives
The implications of the Russian aggression on the markets, data on aid granted and a preliminary assessment of the effectiveness of the Temporary Framework will continue to play a role in ECON’s upcoming Competition policy annual report 2022.

Thinking ahead
By the end of 2022 at the latest, the Commission will have to decide whether the temporary framework should be extended and, if necessary, amended. ECON will accompany this process by the activities of its Working Group on Competition Policy and when holding structured dialogues with the Commissioner in charge of competition policy as part of the Parliament’s scrutiny task.

EP Committees involved: ECON

Further reading:
- EPRS, [Russia’s war on Ukraine: Support for the fishing, aquaculture and fish-processing sectors](https://www.europarl.europa.eu/), April 2022
- EPRS, [Russia’s war on Ukraine: Impact on food security and EU response](https://www.europarl.europa.eu/), April 2022
IV. Fostering investments and a resilient EU economic and financial system
IV. Fostering investments and a resilient EU economic and financial system

A. Financing and Investment

7. Completing the Banking Union

Context
The Banking Union (BU) has so far two established pillars, the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM). “Completion of the Banking Union” refers to a third pillar that is not yet established, namely the euro area-wide integrated deposit insurance scheme (EDIS) that the Commission initially proposed in November 2015.

As a direct consequence of the war in Ukraine, two subsidiaries of Russian banks in the euro area have already collapsed, as the reputational impact of being connected to Russian shareholders led to significant deposit outflows. Both the Sberbank Europe banking group in Austria and the Amsterdam Trade Bank in the Netherlands, part of Russia’s Alfa Bank, were declared insolvent. Both these banks were comparatively small and therefore supervised at national level, not by the ECB. In both cases the situation required national deposit guarantee schemes to step in; the collapse of Sberbank Europe, a banking group that operated further legally separate entities in the EU and third countries, even required three different national deposit guarantee schemes to take action (in Austria, the Czech Republic, and Hungary). Even though the banks that collapsed were small, the national deposit guarantee schemes had to shoulder significant payments in relation to the funding available. A pooling of resources can overall strengthen the robustness of deposit guarantee schemes.

Relevant EP positions
While the legal file is on hold, the ECON committee repeatedly underlined that EDIS remains a priority, most recently in the BU INI report adopted in November 2021. ECON also closely monitors the actions undertaken by the SSM and SRM, notably via regular public hearings (see here and here).

Ongoing or upcoming initiatives
Following earlier calls, European Leaders tasked the Eurogroup (EG) at the Euro Summit in December 2020 with preparing, on a consensual basis, a stepwise and time-bound work plan on all outstanding elements to complete the BU. In May 2022, the President of the EG presented his proposal for a respective work plan.

The Chair of the Supervisory Board of the ECB likewise argued in a speech held in May 2022 that progress towards completing the BU is paramount, as a further postponement would perpetuate the current segmentation of the European banking market, hinder the necessary reorganisation of the business model of many banks, and would preserve structural inefficiencies.

Thinking ahead
Completing the BU will increase the efficiency of the European banking sector. However, the financing needed to fund the transition to a greener economy and to make Europe overall more independent from third countries cannot only be based on bank funding but has to be complemented by a more ambitious Capital Markets Union, the agenda of which is so far unfinished (see section A.8. Deepening the Capital Markets Union).

EP Committees involved: ECON

Further reading
- Eurogroup statement on the future of the Banking Union, 16 June 2022
- On the wider implications of the Sberbank case, see EGOV briefing
- On completing the BU, in particular funding levels of deposit guarantee schemes, see for example Huertas (2019) SAFE White Paper No. 63
A. Financing and Investment

8. Deepening the Capital Markets Union

Context
The Capital Markets Union (CMU) aims to create a truly single market for capital across the EU. It is destined to channel investments and savings flowing across the European Union to the benefit of investors and companies, wherever they are located, and ultimately of consumers. CMU has been ongoing project for many years, with the first CMU action plan of 2015, reviewed and amended in the CMU Mid-Term Review of 2017. The new CMU action plan, launched in 2020 was meant also to support the EU’s recovery from the COVID-19 crisis. The 2020 action plan proposes 16 legislative and non-legislative actions with three key objectives: (1) support a green, digital, inclusive and resilient economic recovery by making financing more accessible to European companies; (2) make the EU an even safer place for individuals to save and invest long-term; (3) integrate national capital markets into a genuine single market.

The Russian aggression of Ukraine, as well as the side effects of the related sanctions (see more in section C.1. Economic impact of sanctions on Russia and the EU economy), have exacerbated economic and social pressure at the heels of a still fragile recovery from the Covid-19 crisis. At the same time, governments’ fiscal space is reduced due to high debt and competing spending priorities. This situation makes the completion of the CMU even more pressing. The opportunities offered by the CMU to mobilise private finance and increase investment across the EU is of great importance. This includes channelling private funds into investments in green and digital transitions, into energy supplies and into the improvement of defence capabilities and infrastructures.

Relevant EP positions
In its resolution of 8 October 2020, Parliament insisted on the need to complete the CMU in order to contribute to the economic and social recovery after the COVID-19 pandemic. It called on the Commission for a stronger commitment to achieving real progress on a large range of issues, identified by Parliament as still representing major obstacles to the true integration of EU capital markets. In its resolution of 19 May 2022, the Parliament recalled the need to make progress on CMU.

Ongoing or upcoming initiatives
The CMU package of November 2021 includes a large number of the planned CMU initiatives: to improve access to information for investors (European Single Access Point), to increase market transparency (MIFIR review creating the European consolidated tape), and to improve opportunities for funding, also over the long-term (ELTIF review and AIFMD review). Furthermore, the Commission adopted the Financial Education framework for adults in cooperation with the OECD in January 2022. Other proposals followed (i.e. the review of the Central Securities Depositories Regulation, to increase the safety and efficiency of market infrastructure, the Debt Equity Bias Reduction Allowance (DEBRA) initiative, to mitigate the tax induced debt-equity bias in corporate investment decisions). In 2022, further action further actions are envisaged, such as the listing review, corporate insolvency laws, and retail investment strategy.

EP Committees involved: ECON

Thinking ahead
The current economic turmoil has added to the urgency to deliver on CMU. The successful outcome would depend on the combined effect of the various different initiatives. In a medium term, it would be useful to carry out a stock taking exercise, identify any remaining gaps and evaluate the need for further action.

Further reading
- Policy Department A, How can Covid-19-influenced CMU initiatives help diversify SME access to finance while promoting a greener economy?, May 2022
B. Social Aspects

1. Promote skills for evolving labour market and ensure quality jobs

Context
Ukrainians fleeing the war have been granted immediate access to EU labour markets. To ensure successful and fair labour market inclusion, and avoid unemployment and over-qualification, it is important for the EU to provide training, conduct skill assessment, and make provision for recognition of qualifications. Integrating these workers into the EU labour market also fits within a broader, forward-looking policy of attracting skilled nationals from outside the EU. Such additional labour force can help fill existing labour shortages and address skills gaps, at the same time as rejuvenating the ageing EU workforce. Moreover, the EU’s transition towards a green and digital economy requires general re- and upskilling of the workforce, especially in digital skills, skills required for the green economy and even entrepreneurial skills.

Relevant EP positions
Over the years, MEPs have called for new EU rules on legal labour migration to respond to Europe’s demographic challenges and to match immigrants’ skills with labour market needs. In its 2021 resolution on new avenues for legal labour migration and a legislative initiative report on legal migration policy and law, the Parliament recommended setting up an EU talent pool and a platform to match applicants’ profiles to the needs of EU-based employers. With respect to people fleeing the war in Ukraine, in its resolution of 7 April 2022, Parliament called on Member states “to boost investment in sustainable and quality jobs and social support for young people and parents, and to implement targeted employment policies that ensure a decent standard of living, fair wages and working conditions.” Parliament also stressed the need to recognise diplomas, qualification and learning periods.

Ongoing or upcoming initiatives
On 27 April 2022, the Commission proposed the Skills and Talent Package, which includes revision of the Single Permit Directive and the Long-term Residents Directive, and the creation by mid-2023 of an EU Talent Pool, a web portal on which people from outside the EU with sought-after skills can be matched with EU employers. An EU Talent pilot project for Ukrainian beneficiaries of temporary protection will be running by July 2022. The Commission also published a recommendation on the recognition of academic and professional qualifications for people fleeing Ukraine and launched other initiatives to facilitate this process.

Thinking ahead
The Ukraine EU Talent Pool pilot could be used to identify or point to further actions that may be needed to facilitate intra EU-matching, including re- and upskilling initiatives to enable migrants to contribute to the green and digital transitions. A follow-up on some of the initiatives planned under the Skills Agenda could be considered, in particular in relation to vocational training as a tool for empowering employees and building a resilient work force.

EP Committees involved: EMPL, LIBE

Further reading
- EPRS, Legal migration policy and law, September 2021
- CEDEFOP, Championing the skills revolution, January 2022
- Policy Department A, Skills and Jobs for future labour markets: European policies and Skills Agendas 2010 - 2020, October 2020
IV. Fostering investments and a resilient EU economic and financial system

B. Social Aspects

2. Promote social cohesion and preserve social model

Context

The invasion of Ukraine by Russia put further great pressure on the social policy capacities of the EU and its Member States, following the crisis caused by the COVID-19 pandemic and brought more than 7,271 million refugees\(^\text{25}\), majority of them being women, elderly and children. The humanitarian aid to and the integration of the refugees require significant efforts by the hosting countries. The economic and social consequences affect more or less all European citizens, namely: increasing inflation, loss of purchase power, rapid rise in food and energy prices affecting particularly the most vulnerable, further increasing inequality, aggravated poverty and energy poverty, and worsening living conditions. This is putting at risk human and social rights such as access to food, housing, medical care, clothing and education, decent working conditions, protection against unemployment. Consequently, social protection systems are under severe pressure to mitigate the social impact of the crisis, to give support to refugees and to ensure decent living conditions for all, as well as access to quality essential services such as health, education and housing.

Relevant EP positions

Since the outbreak of the war, Parliament held regular plenary debates and adopted a series of resolutions, addressing the social consequences of the Russian aggression, promoting social cohesion and safeguarding the social model. It applauded the activation of the Temporary Protection Directive, ensuring access to employment, accommodation and social welfare to the refugees from Ukraine. In its capacity of co-legislator, Parliament adopted in urgent procedure the CARE and updated REACT-EU regulations, providing flexibility in cohesion policy funding to support Member States hosting refugees.

Ongoing or upcoming initiatives

A number of legislative initiatives are currently ongoing, which address various social aspects and Parliament can have a real impact. Parliament is committed to set up the Social Climate Fund, which will assist people in vulnerable situation in coping with the rising energy prices. With the provisional political agreement on the Minimum wages directive, Parliament’s long-lasting request for adequate minimum wages has been achieved, ensuring decent living standards for workers and reducing wage inequalities and in-work poverty. Inter-institutional negotiations are ongoing on the proposal for a Pay Transparency Directive and Parliament is currently developing its position on the Commission proposal on Directive on platform work.

In addition, Parliament has called continuously for strengthening the implementation of the European Child Guarantee and ensuring access to free quality services for children fleeing Ukraine on an equal footing. Moreover, the EMPL committee is working on an own initiative report to address issues related to Mental Health in the Digital World of Work. Work is underway on a legislative own initiative report to request Revision of the European Works Council Directive.

Thinking ahead

Parliament’s resolution of 19 May 2022 on the social and economic consequences for the EU of the Russian war in Ukraine provides several recommendations for long term action. This includes the setting up of a temporary European social resilience package coordinating a set of measures to strengthen social welfare and social protection systems in the EU, including the continuation and refinancing of SURE and a Social Rescue Facility with increased public support for existing instruments aimed at the poorest in the society. It further stresses the need to make optimal use of the existing funding opportunities and flexibility set out in the MFF and the Financial Regulation and to introduce additional flexibility, including the full use of de-commitments, as well as to identify additional unallocated resources (see more in section A.1. Crisis response and flexibility in the EU budget). The resolution underlines the importance of financial aid to the Member States for the reception and social and labour market integration of refugees (see more in a dedicated section under Chapter V). Finally, not least, in the framework of the COFEU, discussions are taking place on the strengthening of EU

\(^\text{25}\) Data by 7 June according to UNHCR data
competences in social policies to harmonise and establish minimum rules. In this context, Parliament highlighted in its resolution of 17 December 2020 on a strong social Europe for Just Transitions the need of the integration of the European Pillar of Social Rights and a social progress protocol in the Treaties, protecting social rights at the same level as economic freedoms.

**EP Committees involved:** EMPL, REGI, FEMM, ENVI, LIBE

**Further reading**
- EPRS, *Social and employment policies in Europe*, September 2020
- Commission Communication, *Welcoming those fleeing war in Ukraine: Readying Europe to meet the needs*, March 2022
C. Integrity and Resilience

1. Economic impact of sanctions on Russia and the EU economy

Context
After the outbreak of the Russian aggression against Ukraine the main instrument that the EU applies against Russia directly are sanctions. Given their tremendous economic impact, the economic sanctions on Russia and their spill-over effects on the EU economy are in the centre of the economic-political debate now.

Relevant EP positions
In its recent resolution on the social and economic consequences for the EU of the Russian war in Ukraine of 19 May 2022, the Parliament highlighted that sanctions have a negative effect not only on Russia, but also pose a serious threat to the post pandemic recovery, resilience and integrity of the single market.

Ongoing or upcoming initiatives
In its Communication of January 2021, the Commission committed to contribute, from 2021, to the assessment of the effectiveness of EU sanctions. The EU has adopted the most far-reaching and hard-hitting sanctions ever, to date in six successive packages. Economic and individual sanctions, trade embargoes and in particular the aim to phase out the Russian oil imports in the period of up to eight months adopted in the sixth package, will have a tremendous impact on economic growth and inflation in Russia and the EU. Moreover, a gas embargo in the new round of sanctions is being discussed.

In ECON’s field of competence the war in Ukraine reinforced the calls for action in a number of areas that had already been identified. The EP will be involved in the area of legislating and scrutinizing the actions proposed and implemented by the EU institutions. This concerns: adoption of the Anti-money-laundering framework (see more in section C.2.); advancing on the Capital Markets Union (see more in section A.8.); advancing on the Banking Union (see more in section A.7.); coordination of the national fiscal policies and reviewing the Stability and Growth Pact (see more in section A.5.); implementation of the investment and reform plans under the Next Generation EU; scrutinizing the implementation of the Temporary Crisis Framework (see more in section A.6.); ensuring a sufficient scrutiny framework concerning EU institutions and bodies, including the European Central Bank (see more in section A.4.).

Thinking ahead
Monitoring and assessing an economic impact of sanctions and their spill-over effects to the EU economy is of crucial importance for the policy responses at international, EU and national levels. Prioritizing and where relevant fast-tracking implementation of the relevant legislative initiatives as well as a strong scrutiny and accountability framework – are even more important now. Finally, monitoring of implementation of sanctions will be warranted in order to ensure their effectiveness and preventing potential circumventions.

EP Committees involved: ECON, AFET, among others

Further reading
- OECD, Economic Outlook, June 2022
- IMF, Global Economic Outlook, Spring 2022
- COM, Spring Forecast, May 2022
- EGOV publishes weekly digests addressing the economic repercussions of Russia’s war on Ukraine (11.03, 18.03, 25.03, 08.04, 29.04, 17.05, 03.06)
C. Integrity and Resilience

2. Robust EU Anti-Money Laundering framework

Context
Despite a series of reforms of the EU anti-money laundering (AML) regulatory framework over time, certain deficiencies persist. On the one hand, criminal behaviour keeps evolving and finds ways to exploit vulnerabilities in the system. On the other, technological developments pose newly emerging risks. Traditional money laundering (ML) uses offshore jurisdictions and complex corporate structures to conceal the true ownership (“shell” entities). Some specialised intermediaries (i.e. lawyers, accountants, etc.) help launderers set up such entities. A newer trend relates to the increasing global use of crypto-assets.

Vulnerabilities in the EU framework have come to light again in the context of Russia’s aggression against Ukraine and the related sanctions: such as, the still divergent practices and loopholes on beneficial ownership transparency and the potential use of crypto-assets to circumvent sanctions. The identified weaknesses relate not only to deficiencies in the regulatory framework, but also to divergences in the national implementation as well as inadequate enforcement. The need to stop suspicious flows of money and to ensure that public authorities have all relevant tools at their disposal, has become even more urgent.

Relevant EP positions
In its resolution of 19 May 2022 on the social and economic consequences for the EU of the Russian war in Ukraine, Parliament reiterated its call to use the ongoing review of the EU AML framework to close existing loopholes that enable beneficial ownership structures to be obscured. Parliament made a similar call already in its resolution of October 2021 on the Pandora Papers, in which it also called for legal action to be taken by the Commission against EU countries that do not properly execute existing laws.

Ongoing or upcoming initiatives
The co-legislators are currently considering the most recent AML legislative reform package adopted in July 2021, which encompasses several legislative proposals. It aims to strengthen and enhance the clarity of the EU AML rules, improve the effectiveness and consistency of AML supervision and increase the level of cooperation and exchange of information among financial intelligence units (FIUs).

Thinking ahead
The current situation should provide additional momentum to ensure that the EU AML framework is as robust as possible and prevent criminal actors from profiting from the EU economic and financial system. It is paramount to close existing loopholes and ensure effective enforcement. In anticipation of the entry in application of the revised rules, the Commission’s active stance in ensuring the correct implementation and effective application of the existing rules will be essential. Since ML is a global phenomenon, the EU should increase pressure on outside jurisdictions having deficiencies in their AML/CFT regime. Ensuring effectiveness of the overall system requires a holistic approach. A robust framework needs to be combined with effective tools and capacity for competent authorities to ensure a strong enforcement and incentivise obliged entities to apply AML rules. This needs to be complemented with an effective framework to prevent the use of “shell” entities to circumvent transparency obligations and to ensure that specialised intermediaries help entities comply with their obligations and not to avoid them.

EP Committees involved: ECON, LIBE, FISC

Further reading
- Policy Department A, The proposed Anti-Money Laundering Authority, FIU cooperation, powers and exchanges of information, (upcoming 2022)
- EPRS, Implementation appraisal of the Anti-money-laundering package 2021, March 2021
- Policy Department A, Study on Improving Anti-Money Laundering Policy, May 2020
C. Integrity and Resilience

3. Combating tax evasion and aggressive tax planning (incl. Tax havens)

Context
Russia exhibits the highest wealth inequality in Europe. According to the EU Tax Observatory, the wealthiest 1% in Russia own about half of Russian household wealth (48%). In comparison, the 1% wealthiest in France own about 27% and about 35% in the USA.

According to estimations, about half of total Russian household wealth is held abroad, notably in Europe, due to the special tax regimes that some countries introduced in order to attract wealthy individuals. Especially in the context of the Russian war on Ukraine, the question is whether this is still desirable.

The EU’s role in international tax avoidance has been brought more to light by the Panama Papers and Luxembourg Leaks in recent years, both of which implicate EU jurisdictions and their tax regimes in the avoidance of taxation by the super wealthy. Statistical data on foreign direct investment from the Central Bank of Russia indicates, where Russian money is flowing to, i.e. (in descending order) Cyprus, the Netherlands, Austria, Luxembourg, and Ireland. Furthermore, a 2021 Commission study also highlighted the impact of the special tax regimes in Malta and Estonia to attract Russian money.

Relevant EP positions
In its Resolution of 21 October 2021 on the Pandora Papers, Parliament called on the Commission to include its future proposal on the Directive on Administrative Cooperation (DAC8) the exchange of tax rulings concerning natural persons in order to ensure that the arrangements of high-net-worth individuals with a Member State’s tax authorities are shared with all Member States.

In its resolution of 7 October 2021 on reforming the EU policy on harmful tax practices, the EP supported widening the scope of the Code of Conduct Group on business taxation and recommended the inclusion of preferential personal income tax regimes to cover special citizenship schemes or measures to attract highly mobile wealthy individuals and digital nomads.

Already in 2019, the resolution of 26 March 2019 on financial crimes, tax evasion and tax avoidance deplored the fact that some Member States have created dubious tax regimes allowing individuals who become resident for tax purposes to obtain income tax benefits.

Ongoing or upcoming initiatives
In addition to its review of harmful tax practices, FISC will draw up an own-initiative report on “Lessons learnt from the Pandora Papers and other revelations”. It will notably focus on tax residency of persons and location of assets; exchange of information with jurisdictions appearing prominently in the Pandora Papers; the role of intermediaries in facilitating tax evasion; aggressive tax planning and the use of shell companies and trusts to circumvent transparency obligations.

Thinking ahead
The EP could consider calling the Commission to explore the possibility of a legislative action to put an end to harmful tax regimes aiming at attracting very wealthy individuals. Furthermore, the issue of harmful tax practices in the area of individual taxation could be taken into account in the criteria to determine whether a country should appear on the EU list of tax havens.

EP Committees involved: FISC

Further reading
- FISC Hearing, The use of special tax regimes in the EU by high net worth individuals: the case of Russian oligarchs, May 2022
V. Protecting and guaranteeing the EU project and values
V. PROTECTING and GUARANTEEING the EU PROJECT and VALUES

VERTICAL COOPERATION in EU PROJECTS and VALUES

Legend:
- Instrument available
- Instrument to adopt/improve
- Instrument to create

Note: The size of each square does not have any meaning.
V. Protecting and guaranteeing the EU project and values

A. Solidarity with refugees and people impacted by the war

1. Collecting and analysing evidence of war crimes through Eurojust

Context
On 25 April 2022 the Commission adopted a proposal to modify the Eurojust Regulation 2018/1727. The aim of this proposal was to urgently set up an automated data management and storage facility at Eurojust, available for the Member States, third States and the International Criminal Court to deal with evidence relating to genocide, crimes against humanity and war crimes, in order to ensure accountability for the atrocities committed in Ukraine.

This proposal was presented because of the war situation in Ukraine. The Prosecutor of the International Criminal Court has opened an investigation to look into the situation. The prosecution services in several Member States, as well as in Ukraine, have started investigations of core international crimes, which are supported and coordinated by Eurojust.

Eurojust, with its expertise and experience to support the investigations and prosecutions of core international crimes, is facilitating the activities of Joint Investigation Teams (JITs), such as the one set up by some Member States (Poland, Lithuania) and Ukraine in the context of the current hostilities. Eurojust also cooperates with the Prosecutor of the International Criminal Court.

Relevant EP positions
Given the situation in Ukraine, the LIBE Chair was mandated by LIBE Coordinators to request that this proposal be handled by the Parliament under urgent procedure (Rule 163 of the Rules of Procedure) and that the file be placed on the agenda of the plenary session at the earliest convenience in May 2022.

The file was voted under urgent procedure in the plenary session of May II.


Ongoing or upcoming initiatives
Commission proposal to add the violation of EU restrictive measures to the list of EU crimes (COM(2022) 247)
In the context of the war in Ukraine, the Commission adopted on 25 May 2022 a proposal for a Council Decision to add the violation of EU restrictive measures to the list of EU crimes (Article 83(1) TFEU), complemented by a proposal on asset recovery and confiscation (2022/0167 (COD)). The Commission press release is available here.

Once the new Eurocrime is in place, the Commission intends to propose a Directive defining the scope and the criminal penalties for the violation of Union law on restrictive measures, to be adopted under the ordinary legislative procedure. The possible content of such a proposal for a Directive is set out in the accompanying Communication (available here).

Thinking ahead
Once Council adopts the abovementioned decision to add the violation of EU restrictive measures to the list of EU Crimes (Article 83 par.1 TFEU), Parliament will be invited to give its consent.

EP Committees involved: LIBE
V. Protecting and guaranteeing the EU project and values

A. Solidarity with refugees and people impacted by the war

2. Making the temporary protection Directive work

Context

For the first time since its adoption in 2001, the Temporary Protection Directive (2001/55/EC) (TPD) was activated in March 2022 following the Russian aggression on Ukraine and the ensuing large numbers of refugees fleeing the war. The Temporary Directive itself was, back in 2001, adopted following the large-scale movement of people fleeing the conflict in the former Yugoslavia. The decision to activate this Directive was taken unanimously by the Member States.

The Temporary Protection Directive provides protection in the EU to Ukrainian nationals residing in Ukraine and to stateless persons or nationals of third countries other than Ukraine, who benefitted from international protection or equivalent national protection in Ukraine, before 24 February 2022, and the family members of the persons in the two categories. The TPD obliges Member States to issue a residence permit for the entire duration of the protection. It also provides access to work, education, housing and social assistance. There are also provisions regarding family reunification under certain circumstances. The initial duration of the temporary protection system is one year. It may be extended automatically by six monthly periods for a maximum of an additional one year. Where reasons for temporary protection persist, it may be further extended up to one year, following a Council decision by qualified majority, on a proposal from the Commission.

According to figures from the European Commission in beginning of June over 6.5 million have arrived to the EU either directly from Ukraine or from Moldova since the war started. Over 3.7 million of those have entered Poland. Out of them, 3.2 million have registered for temporary protection. Over 2.3 million have been registered at the border to return to Ukraine. From Romania over 58 000 have entered Moldova and from Moldova over 76 000 have left for Ukraine. Although many have returned to Ukraine, there are still many staying in EU without being registered. Since the Entry/Exit System (EES) is not operational, there has been no common European system to register the entry of Ukrainians who are visa free. On 31 May 2022, the Commission launched an EU platform for the exchange of information on beneficiaries of temporary protection and adequate protection. The platform will allow EU Member States to exchange information on registered persons in real time so that individuals fleeing Ukraine can effectively benefit from their rights in all Member States, while addressing instances of double or multiple registrations and limiting possible abuse.

The Commission has also presented Guidelines on how to interpret the TPD and issued a “10-point plan - For stronger European coordination on welcoming people fleeing the war from Ukraine”. Member States, The Commission addressed the practicalities and problems occurred at the different stages of the implementation of the Temporary Protection Directive (TPD). On 21 March 2022, the Commission issued Operational guidelines for the implementation of Council implementing Decision 2022/382 establishing the existence of a mass influx of displaced persons from Ukraine within the meaning of Article 5 of Directive 2001/55/EC, and having the effect of introducing temporary protection.

These guidelines include explicit points related to the entry rights, family reunification options, access to temporary protection and to international protection of third country nationals in different situations. Included are as will return and repatriation assistance.

On 28 March 2022, the EC presented, in cooperation with the French Presidency, a 10-Point Plan on stronger European coordination on welcoming people fleeing the war against Ukraine. All of these initiatives are meant to streamline the implementation among Member States and in full compliance with the Charter.

Member States, chaired by the Commission, are meeting regularly within the Solidarity Platform, where also representatives of the Ukrainian authorities are invited to participate, to discuss the implementation of the TPD and other coordination and solidarity measures.
On 11 May 2022, the Commission presented “A new Anti-Trafficking Plan to protect people fleeing the war in Ukraine”.

As a matter of financial response to the situation following the war in Ukraine, the European Parliament adopted on 24 March 2022 a Regulation of the European Parliament and of the Council amending Regulation (EU) No 514/2014 laying down general provisions on the Asylum, Migration and Integration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management and amending Regulation (EU) No 516/2014 establishing the Asylum, Migration and Integration Fund and amending Regulation (EU) 2021/1147 establishing the Asylum, Migration and Integration Fund. This Regulation was adopted following the urgency procedure, without any amendments to the Commission proposal, neither at EP nor Council side.

**Relevant EP positions**


See in particular:

**Par. 13** “Welcomes the commitment by the Commission and the French Presidency of the Council to activate the Temporary Protection Directive in order to provide immediate access to protection to all refugees from Ukraine; urges the Member States to approve this proposal at the Justice and Home Affairs Council on 4 March 2022; urges the Council to equally divide the responsibility for the reception of the refugees who arrive at the EU’s external borders among the Member States; calls on the Commission to establish a solidarity mechanism to relocate refugees from Ukraine who have arrived in Poland, Hungary, Romania and Slovakia to other Member States and calls for an EUwide halt on return operations to Ukraine; calls on the Member States to prolong the visas of Ukrainian students and other Ukrainian visa holders;”

**Par. 14** “Welcomes the active approach of the governments of Poland, Hungary, Romania, Bulgaria, Slovakia and Moldova in keeping their borders open and providing means of evacuation, shelter, emergency assistance, medical assistance and asylum to people fleeing the war in Ukraine and prospective persecution, including both Ukrainian and non-Ukrainian nationals; calls on the Council and the Commission to provide extra funding for these countries as they are the primary points of entry of Ukrainian refugees to the EU; calls on the Council and the Commission not to suspend the visa waiver agreement with Ukraine; calls on all Member States to admit non-Ukrainian nationals fleeing the conflict and war as conscientious objectors from Russia; reminds all Member States of their responsibility to respect the fundamental rights of all asylum seekers seeking safety in the Union, irrespective of their nationalities, and to stop pushbacks; condemns the racism experienced by African and Middle Eastern students who have been prevented from boarding buses and trains in Ukraine to reach the border or stopped at the border and thus prevented from seeking safety;”.

**Ongoing or upcoming initiatives**

Since the first Exchange of views on an extended Coordinators’ meeting on 28 February 2022, the LIBE Committee has followed up the question on the implementation of the TPD and the coordination within the Solidarity Platform regularly - every two weeks.

On 4 April 2022 DEVE and LIBE Committees held a joint meeting on the implementation of the Temporary Protection Directive and humanitarian assistance to the displaced population, in particular children. On 21 April 2022, the FEMM Committee jointly with the LIBE Committee held a public hearing on the situation of women refugees from Ukraine.

A LIBE mission to internal EU borders with Ukraine is scheduled from 19 to 22 September 2022.

**Thinking ahead**

Most of the migrants are remaining in the Member States at the border to Ukraine. If the situation continues and more resources will be needed to provide for more long-term solutions for a majority of the refugees,
V. Protecting and guaranteeing the EU project and values

further incentives for persons to move to other Member States might be needed and a mechanism for a fair
distribution of responsibility between Member States could be considered.

**EP Committees involved:** LIBE, DEVE, FEMM

**Further reading**
Briefing by EPRS on the Temporary Protection Directive (PE 729.331 – March 2022,
A. Solidarity with refugees and people impacted by the war

3. Trafficking in human beings, in particular women and children

Context

The war in Ukraine has terrible consequences for women and children, including those fleeing towards a safer place inside and abroad. According to the International Organization for Migration (IOM), “more than 8 million people are internally displaced in Ukraine due to the war, and a further 6.5 million have fled to safety across international borders”. Among them, women and children represent 90 per cent (men under 60 years old are required to stay and be ready to fight) and are particularly targeted by any kind of predators and exposed to risk of trafficking, violence and exploitation all along their journey, in transit but also in the countries of destination as refugee/asylum seekers.

Ukraine has a dark history regarding human trafficking and the sexual exploitation of women and children since the fall of the Soviet Union. It is a country of origin, transit and destination for trafficked people both internally, in neighbouring countries and beyond. Many vulnerable women, teenagers and children are subjected to sexual exploitation in every profitable forms: ‘traditional’ prostitution, porn industry, surrogacy and reproduction, trade in ‘mail-order brides’, etc. Ukrainian children have long been preys and abducted for the purpose of sexual exploitation but also selling for adoption, forced begging, forced labour, smuggling and harvesting organs and human tissue.

While trafficking in Ukraine had already spiked from the global COVID-19 shutdown, the ongoing war has exacerbated these pre-existing crimes. As UN Secretary General António Guterres said: “For predators and human traffickers, the war in Ukraine is not a tragedy, it’s an opportunity – and women and children are the targets. Trafficking rings are notoriously active in Ukraine and neighbouring countries in peace time. The fog of war is perfect cover to increase business.” According to EU Commissioner for Home Affairs Ylva Johansson, there are very few formally-investigated reports of trafficking but informal reports from IOM are alarming.

Some NGOs also highlighted that unaccompanied children, undocumented people and those who might not have access to the temporary protection offered in EU countries face the greatest danger. Over 13 000 unaccompanied and separated children have been registered in the EU so far.

EU legal basis and instruments

Human trafficking is recognised as a violation of fundamental rights, explicitly prohibited by Article 5 of the EU Charter of Fundamental Rights. Article 83 of the Treaty on the Functioning of the European Union (TFEU) identifies ‘trafficking in human beings and sexual exploitation of women and children’ among serious crimes with a cross-border dimension for which there is a possibility to establish common minimum rules on the definition of criminal offences and sanctions. Article 82(2) TFEU concerning the rights of individuals in criminal procedure and the rights of victims of crime and Article 79 TFEU on immigration policy provide complementary bases for EU action in this area.

In terms of legislative tools, the EU is provided with the following:

- Beside this, Directive 2009/52/EC (the Employers’ Sanctions Directive) criminalises demand for the labour of trafficked persons. It provides for minimum standards on sanctions and measures against

---

26 According to data from the International Organization for Migration, since 1991, over 120.000 Ukrainians have become victims of human trafficking.

27 Exchange of views on the situation of women refugees from Ukraine with Ylva Johansson, EU Commissioner for Home Affairs; FEMM extraordinary meeting, European Parliament, Tuesday 29 March 2022.
employers who use the work or services of illegally staying third-country nationals knowing that they are victims of human trafficking.

- Directive 2011/93/EU (the Child Sexual Abuse Directive) defines as a criminal offence the fact of engaging in sexual activity with children in the context of child prostitution, thus contributing indirectly to combating child trafficking for sexual exploitation.

- According to EU law, victims of human trafficking have a number of rights, including the right to assistance and health care, labour rights, access to justice, legal defence and compensation. As regards protecting and assisting victims, Directive 2012/29/EU (the Victims' Rights Directive) obliges Member States to ensure that victims of crime – including victims of human trafficking, who often require special support and protection because of the high risk of secondary and repeat victimisation, intimidation and retaliation – receive appropriate information, support and protection.

- Directive 2004/81/EC defines the conditions for granting residence permits to third-country victims of human trafficking who cooperate with the competent authorities.

- The 2001 Temporary Protection Directive is being triggered for the first time to offer quick and effective assistance to people fleeing the war in Ukraine while the asylum systems of EU countries might be unable to process applications within the deadlines set, affecting the rights of persons applying for international protection. It is an exceptional measure to provide immediate and temporary protection in the event of a mass influx or imminent mass influx of displaced persons from non-EU countries who are unable to return to their country of origin. For this purpose, the Commission issued Operational guidelines.

- The Council Framework Directive on 2008/841/JHA on the fight against organised crime which includes a definition of a criminal organisation.

- The EMPACT – THB is one of the priority crime areas under the EU’s priorities for the fight against serious and organised crime for EMPACT 2022-2025, decided by the Council on 26 May 2021.

On 11 May 2022, the Commission presented “A new Anti-Trafficking Plan to protect people fleeing the war in Ukraine”. The plan builds on the EU Strategy on Combatting Trafficking in Human Beings (2021-2025). The plan sets forward five goals:

- Strengthen awareness regarding risks of trafficking in human beings and setting up dedicated helplines
- Reinforce prevention against trafficking in human beings
- Enhancing law enforcement and judicial response to trafficking in human beings
- Improving early identification, support and protection of human trafficking victims
- Addressing the risks of trafficking in human beings in non-EU countries, especially Ukraine and Moldova

Relevant EP positions

Since first addressing the problem in 1989, with a resolution on the exploitation of prostitution and the traffic in human beings, the European Parliament kept adopting reports to develop anti trafficking policies at EU level.

On 13 June 2016, the European Parliament adopted a report on the fight against trafficking in human beings in the EU’s external relations which “condemns the practice of trafficking in human beings for forced surrogacy as a violation of the woman’s rights and the rights of the child; notes that demand is driven by developed countries at the expense of vulnerable and poor people often in developing countries, and asks the Member States to consider the implications of their own restrictive reproductive policies.”

In February 2021, Parliament adopted a joint report on the implementation of Directive 2011/36/EU on preventing and combating trafficking in human beings and protecting its victims, based on an own-initiative report adopted jointly by the Committees on Civil Liberties, Justice and Home Affairs (LIBE) and Women’s Rights.

V. Protecting and guaranteeing the EU project and values

and Gender Equality (FEMM). This report addresses THB as a “gendered crime” for sexual exploitation, but also labour exploitation and other forms like forced begging, forced criminalities, the selling of babies, illegal adoption, and THB through surrogacy. It aims to assess the implementation and amend the Anti-trafficking Directive of 2011, including:

- the establishment of specific measures for the prevention and prosecution of trafficking for sexual exploitation, focusing on women and children;
- the early identification of potential victims in the context of migration flows and in the hotspots, persons being smuggled of becoming victims of all forms of trafficking, especially unaccompanied minors and women, as well as specific asylum procedures,
- measures to address the use of online technologies in both the proliferation and the prevention of THB;
- more coordinated approach in transnational aspects of identifying the crime perpetrators by following the flows of profits;
- more effort to counter impunity by bringing to justice those who exploit and abuse the victims including those who knowingly use the victims’ services.

On 5 May 2022, the European Parliament has adopted a resolution on the impact of the war against Ukraine on women (2022/2633(RSP)), at the FEMM Committee initiative, that highlights the issues women and girls fleeing Ukraine are facing, from sexual violence, threat of trafficking to the lack of access to needed services in host countries, including sexual and reproductive health services. The Committee asks from the Commission answers about any specific strategies to address this issue, the EU role in collecting evidence on committed war atrocities as well as about the EU mid-term plans on managing the situation of women refugees.

Ongoing or upcoming initiatives

- On 29 March 2022, the FEMM Committee had exchange of views with Ylva Johansson, EU Commissioner for Home Affairs on the Situation of women refugees from Ukraine. MEPs expressed concerns about the humanitarian situation and the risk of human trafficking and sexual abuse, such as the use of rape as a weapon, and called on the Member States and the EU to swiftly identify and prosecute the trafficking networks profiting from sexual exploitation of women refugees.
- On 21 April 2022, the FEMM and LIBE Committees organised a Joint Public Hearing on the “Situation of women refugees from Ukraine” with the following speakers: Lesia Radelicki, Member of Cabinet of Commissioner Dalli, Diane Schmitt, Anti trafficking coordinator, Anna Dąbrowska, President at Homo Faber, Agnieszka Kosowicz, President, Polish Migration Forum, Julia Zelvenska, European Council on Refugees and Exiles, Yevheniia Batina, Refugee in Poland, Executive Assistant to the CEO of AltexSoft, Kharkiv.
- On 10 May 2022, the FEMM Committee decided to draft an opinion on the Implementation of the common security and defence policy - annual report 2022 (SEDE/AFET), given the war in Ukraine and in light of the lack of inclusion of women in the security negotiations.
- From 23 to 25 May 2022, the FEMM Committee sent a delegation on a mission to The Hague, The Netherlands, on “preventing and combatting trafficking in human beings”. The purpose of the mission was to learn from the Dutch experience at all levels, but also from European and international perspectives, regarding the bolstering of legal measures addressing trafficking in human beings and other forms of criminal activity linked to it, such as the phenomenon of trafficking for sexual exploitation. The delegation had meetings with several local NGOs, the Minister for migration, the director of the Bureau of National Rapporteur on Trafficking in human beings and sexual violence against children, the coordinating public prosecutor for trafficking in human beings and people smuggling, the Dutch commissioner on sexually unacceptable behavior and sexual violence, Eurojust, Europol, Members of the committees of justice and security of the Dutch parliament, managers of a shelter and the International Criminal Court.
V. Protecting and guaranteeing the EU project and values

- On 15 June 2022, the LIBE and FEMM Committee will organise a joint meeting to have a presentation, by EU Anti Trafficking Coordinator, of the new Anti-Trafficking Plan to protect people fleeing the war in Ukraine (15h15-16h30).
- On 21 June 2022, FEMM-EMPL should adopt their draft Report ‘Towards a common European action on care’ (2021/2253 INI), that “highlights that the COVID-19 crisis and the arrival of refugees following the war in Ukraine may further exacerbate the situation of children at risk of poverty and social exclusion or children who need access to quality care; therefore reiterates its calls on the Member States and the Commission to increase the funding of the Child Guarantee with a dedicated budget of at least €20 billion, to combat poverty affecting children and their families and to contribute to the goal of reducing poverty by at least 15 million by 2030 - including at least 5 million children in all Member States.”
- On 12 July 2022, the FEMM Committee will organise jointly with LIBE and EMPL an Interparliamentary Committee Meeting on the rights of Ukrainian women fleeing the war.
- In October 2022, the FEMM, LIBE and BUDG Committees will participate in the CONT Public hearing with authorities of Member States on the financial support for the treatment and accompanying of Ukrainian refugees.
- In October 2022, LIBE will hold a hearing (FEMM associated) on the implementation of the Temporary Protection Directive (TPD). LIBE committee organizes regular exchanges of views with the Commission on the state of implementation of the Temporary Protection Directive.
- In November 2022, joint LIBE-FEMM hearing combating trafficking in human beings for sexual exploitation in the context of the war with Ukraine.

Thinking ahead

The Anti-Trafficking Coordinator is now working on presenting a possible revision of the Directive 2011/36/EU on preventing and combating trafficking in human beings and protecting its victims. On 15 March 2022, Eurojust already presented its own contribution to the evaluation of the Anti-Trafficking Directive that conclude on several important recommendations to help the agency in its operational tasks, with a focus on the definition of THB and the related offences (article 2), Criminal measures, investigation and prosecution (articles 4-10) and the Protection of (child) victims of THB in criminal investigations and proceedings (articles 12 and 15). It also reminded its call for “early cooperation and coordination between all countries and all actors involved, as part of the obligation to respect the rights of all victims of human trafficking” (Eurojust casework report on trafficking in human beings published in February 2021), facilitated by “enhanced cooperation with Europol and Eurojust, the setting-up of joint investigation teams”.

On 20 May 2022, a Recommendation was adopted by the Council of Europe which aims at protecting the rights of women and girls who are migrant, refugee and asylum-seeking. The text deals with transit and reception facilities adapted to women and girls, their specific health needs, the establishment of gender-sensitive asylum policies and provides guidance on the needs of women in terms of social services, jobs, education and participation so that public policies fully contribute to the integration and empowerment of these women and girls.

Besides these institutional inputs to go further, several additional suggestions/calls to the EU Member States could be considered:

- The mandate of the European public prosecutor should be revised and enlarged in order to support a strengthened police and judicial cooperation and provide a jurisdiction at EU level for arrests and legal proceedings against traffickers, intermediaries and accomplices, pimps, direct or indirect exploitation or profit from an exploitation, which includes website editors providing service or related content and banks providing online payment interfaces, etc.
- Member States where prostitution is neither prohibited nor strictly regulated should be warned on the exploitation inflicted to women and teenagers fleeing Ukraine and the need to urgently prohibit and prosecute actions of soliciting, pimping, recourse to a minor or vulnerable person and repression of the
V. Protecting and guaranteeing the EU project and values

client for buying a sexual act from a person whom he cannot ignore she/he a victim of trafficking in human being.

- An initiative should be conducted to urge Member States to suspend or, where relevant declare null and illegal on their territory any convention relating to THB-related surrogacy, trade of human organs or tissues.
- Clients and all intermediaries who have worked towards the realization of these new forms of trafficking in human beings should be prosecuted (for incitement child abandonment in case of surrogacy), sentenced to prison term and fines.
- An initiative could be taken at the EU level to urge all relevant authorities to deploy urgently all technical methods like bandwidth throttling, keyword filtering and global blocking of access to websites which provide THB-related pornographic content. In the long term, initiatives should be taken in favour of a legal harmonization regarding censoring and penalizing pornography exploiting trafficked people. Under the DSA, what is illegal offline must also be illegal online and platforms will have obligations with regard to this.
- Awareness-raising activities with regard to refugees, but also in the hospitality sector should be considered.

EP Committees involved: FEMM, LIBE

Further reading

- Russia’s was on Ukraine: The risk of trafficking of human beings, EPRS, European Parliament
- Understanding EU action against human trafficking, EPRS, European Parliament; May 2021.
- Data collection on trafficking in human beings in the EU, European Commission, October 2020.
- The challenges of countering human trafficking in the digital era, Europol, October 2020.
A. Solidarity with refugees and people impacted by the war

4. Mobilising internal funds for food, education, solidarity and health

Context

According to Frontex, from the start of Russia’s invasion of Ukraine on 24 February up to 2 June 2022, 5.3 million Ukrainians entered the EU, primarily Poland (3.5 million), but also in very significant numbers Hungary, Slovakia and Romania. On 4 March 2022, the EU activated the Temporary Protection Directive for the first time since its adoption in 2001. The Directive enables Member States to move rapidly to offer protection and rights to people in need of immediate protection. In light of the scale of the refugee influx and the decision to trigger the Temporary Protection Directive, financial support has been provided, principally to frontline Member States, through a series of targeted measures. The bulk of financing provided to date has come not from the EU’s dedicated Asylum, Migration and Integration Fund, but from cohesion policy.

This note explores briefly the financial support provided and looks ahead to possible future developments.

Relevant EP positions

From the outset, Parliament has urged EU financial support for Member States on the frontline, calling on 1 March for “extra funding” for Member States that are the “primary points of entry of Ukrainian refugees to the EU”. On 19 May 2022, the Parliament underlined that providing support to refugees was placing national social protection systems under severe strain. Parliament adopted proposals to provide additional funding for frontline Member States through targeted amendments to the 2014-2020 and 2021-2027 AMIF Regulations and to the cohesion policy framework29 via the urgency procedure.

Ongoing or upcoming initiatives

The main initiatives are:

(a) support through cohesion funds. Successive amendments to the cohesion policy framework, under the Cohesion’s Action for Refugees in Europe (CARE) initiative, provided additional liquidity for Member States. The first measure enabled Member States to reorient unused funds from the 2014-2020 cohesion policy programmes to provide support for people fleeing Ukraine (e.g. building reception centres, financing mobile hospitals, providing assistance for employment, education and social inclusion). It also extends the exceptional 100% co-financing rate applied in response to the pandemic by one year, enables the use of ERDF or ESF funds for any type of measures to support people fleeing Ukraine and makes spending on all actions to help people fleeing Ukraine eligible for EU support retroactively with effect from the date of the Russian invasion. The second CARE+ measure provides additional liquidity of EUR 3.5 billion in the form of additional pre-financing via REACT-EU, 62% of which has gone to the 9 Member States that have received refugees exceeding 1% of their population.

(b) support through AMIF/Home Affairs Funds. Targeted amendments to the 2014-2020 Home Affairs Funds (Internal Security Fund and AMIF) extended the implementation period by 1 year, enabling rapid use of remaining funds to alleviate pressure on migration, asylum and border management systems. According to the Commission, the extension will free up 420 million EUR in additional support. Member States can also adjust national programmes in light of ‘new or unforeseen circumstances’ to re-purpose unspent funds. Additionally, an amendment to the 2021-2027 AMIF Regulation enables Member States and other public and private institutions to provide additional contributions to AMIF in the form of external assigned revenue. Additionally, the Commission has proposed an additional EUR 400 million for migration and border management (reinforcement of AMIF and the BMVI) through Draft Amending Budget 3/2022, a transfer from

29 Regulation (EU) 2022/562 and Regulation (EU) 2022/613
V. Protecting and guaranteeing the EU project and values

the Solidarity and Emergency Aid Reserve and a revision of the Thematic Facility work programmes under the two instruments.

Thinking ahead

The primary challenge to EU financial support is the unpredictability and potential long-term nature of financing needs. The Commission, in the 2023 Statement of Estimates, acknowledges this uncertainty. It was possible to expand access to cohesion funds for frontline Member States primarily because they are also major beneficiaries of cohesion funds. It is therefore more of a stop-gap solution. Moreover, cohesion policy is not conceived as a crisis response instrument, but has long-term policy objectives.

At the same time, the financial envelopes for AMIF and the BMVI were set without the Ukraine crisis in mind. The scope for crisis response exists under both instruments (via emergency assistance through the respective Thematic Facilities). However, the programme design is such that increased emergency assistance would risk eroding financing for actions. It is unclear to what extent third party contributions will be made and assigned to the AMIF programme as external revenue. It should be borne in mind that the allocation of external assigned revenue is not decided by the budgetary authority in the annual budget procedure.

The scope for the EU budget to continue to provide sufficient financial support in the context of the refugee crisis depends on adequate resources being allocated to the relevant programmes (AMIF and BMVI under Heading 4) and to sufficient flexibility and crisis response within the EU budgetary framework. In that regard, Parliament has called for a review and revision of the MFF as soon as possible and no later than the end of the first quarter of 2023.

EP Committees involved: BUDG/LIBE (+REGI)

30 see dedicated section on "Crisis response and flexibility in the EU budget" in Wheel IV
A. Solidarity with refugees and people impacted by the war

5. Allegations of discrimination of refugees at borders

Context

When the war in Ukraine started, many persons were fleeing the country, abruptly taken by surprise by bombing and shelling. At the borders developed long queues, with quite considerable waiting times. At some moment, allegations of discrimination were made by Ukrainian and Moldavian authorities towards persons, wanting to flee Ukraine/Moldova and not being Ukrainian nationals. Many of the third country nationals who previously stayed in Ukraine are students, pursuing their studies there. It was referred that these persons were delayed at border crossing points or for access to transport organised from some Ukrainian cities to the border.

Relevant EP positions

European Parliament resolution of 1 March 2022 on the Russian aggression against Ukraine (2022/2564(RSP))

See in particular:

Par.13 “[...] calls on the Member States to prolong the visas of Ukrainian students and other Ukrainian visa holders; “
Par.14 “Welcomes the active approach of the governments of Poland, Hungary, Romania, Bulgaria, Slovakia and Moldova in keeping their borders open and providing means of evacuation, shelter, emergency assistance, medical assistance and asylum to people fleeing the war in Ukraine and prospective persecution, including both Ukrainian and non-Ukrainian nationals; calls on the Council and the Commission to provide extra funding for these countries as they are the primary points of entry of Ukrainian refugees to the EU; calls on the Council and the Commission not to suspend the visa waiver agreement with Ukraine; calls on all Member States to admit non-Ukrainian nationals fleeing the conflict and war as conscientious objectors from Russia; reminds all Member States of their responsibility to respect the fundamental rights of all asylum seekers seeking safety in the Union, irrespective of their nationalities, and to stop pushbacks; condemns the racism experienced by African and Middle Eastern students who have been prevented from boarding buses and trains in Ukraine to reach the border or stopped at the border and thus prevented from seeking safety;“

Ongoing or upcoming initiatives

The Commission addressed the practicalities and problems occurred at the different stages of the implementation of the Temporary Protection Directive (TPD). On 21 March 2022, the Commission issued Operational guidelines for the implementation of Council implementing Decision 2022/382 establishing the existence of a mass influx of displaced persons from Ukraine within the meaning of Article 5 of Directive 2001/55/EC, and having the effect of introducing temporary protection. These guidelines include explicit points related to the entry rights, family reunification options, access to temporary protection and to international protection of third country nationals in different situations. Included are as will return and repatriation assistance.

- On 28 March 2022, the EC presented, in cooperation with the French Presidency, a 10-Point Plan on stronger European coordination on welcoming people fleeing the war against Ukraine. All of these initiatives are meant to streamline the implementation among Member States and in full compliance with the Charter.
- An EC coordinated website was set up with information to persons fleeing Ukraine, including in Ukrainian language.
V. Protecting and guaranteeing the EU project and values

- The Fundamental Rights Agency, in its regular bulletin on Fundamental Rights implications within the EU, keeps track of any discriminatory alerts in this context.

Ongoing from before the Ukrainian War

- On 23 September 2020, European Commission presented a proposal for Regulation addressing situations of crisis and force majeure in the field of migration and asylum. This proposal is meant to replace the currently in force Temporary Protections Directive, as its Article 14 repeals the latter. On 23 November 2021, the Rapporteur presented his draft report. The negotiations for establishing an EP position are ongoing.

Thinking ahead

Considering the uncertainty of the crisis, both in time and in scope, it will be very important to continuously update the immediate response to new developments on the ground, most probably in first instance by operational measures, and with the assistance of the Agencies.
In the meanwhile, the lessons learned following the implementation of TPD, together with the lessons learned following the Syrian crisis in 2015 would be important input to the ongoing setting up of a crisis mechanism in the context of a revised CEAS.

EP Committees involved: LIBE, AFET, FEMM

Further reading

Briefing by EPRS on crisis and force majeure regulation (PE 659.448 – January 2021)
The European Commission’s legislative proposals in the New Pact on Migration and Asylum, Policy Department for Citizens’ Rights and Constitutional Affairs Directorate-General for Internal Policies (PE 697.130 - July 2021)
B. Treaty changes

1. Extending and strengthening the EU competences to ensure effective response in crisis situations

Context

For the first time since its adoption in 2001, the Temporary Protection Directive (2001/55/EC) was activated in March 2022 following Russian aggression on Ukraine and the ensuing large numbers of refugees fleeing the war. The Temporary Directive itself was, back in 2001, adopted following the large-scale movement of people fleeing the conflict in the former Yugoslavia. Europe was, for the first time since the second world war, directly affected by forced movements of people incomparable to previous waves of refugees in either quantitative or qualitative terms. Following the Syrian war and the number of migrants arriving in Europe during the 2015 refugee crisis, voices were raised to trigger the Directive. European Parliament also did so in its resolutions in 29 April 2015 and in 12 April 2016.

In September 2020, the Commission presented a Regulation addressing situations of crisis and force majeure in the field of migration and asylum, as a complement to the legislative framework on migration and asylum, to address exceptional situations of crisis in an effective manner and to avoid ad hoc responses. The crisis instrument covers exceptional situations of mass influx of third-country nationals or stateless persons arriving irregularly in a Member State. Situations where there is a risk of such arrivals are also covered. The proposed Regulation also addresses situations of force majeure in the field of asylum and migration management within the Union. It provides the necessary adaptation to the EU rules on the asylum and return procedures as well as to the solidarity mechanisms set out in the Regulation on Migration and Asylum Management.

As a matter of financial response to the crisis following the war in Ukraine, the European Parliament adopted on 24 March 2022 a Regulation of the European Parliament and of the Council amending Regulation (EU) No 514/2014 laying down general provisions on the Asylum, Migration and Integration Fund and on the instrument for financial support for police cooperation, preventing and combating crime, and crisis management and amending Regulation (EU) No 516/2014 establishing the Asylum, Migration and Integration Fund and amending Regulation (EU) 2021/1147 establishing the Asylum, Migration and Integration Fund. This Regulation was adopted following the urgency procedure, without any amendments to the Commission proposal, neither at EP nor Council side.

In this context, it is clear that the EU, when it comes to a crisis, needs to be able to act swiftly, as the crises have a European, or even global dimension. National responses only will not serve an adequate response.

Relevant EP positions

See in particular:

Par. 13 “Welcomes the commitment by the Commission and the French Presidency of the Council to activate the Temporary Protection Directive in order to provide immediate access to protection to all refugees from Ukraine; urges the Member States to approve this proposal at the Justice and Home Affairs Council on 4 March 2022; urges the Council to equally divide the responsibility for the reception of the refugees who arrive at the EU’s external borders among the Member States; calls on the Commission to establish a solidarity mechanism to relocate refugees from Ukraine who have arrived in Poland, Hungary, Romania and Slovakia to other Member States and calls for an EUwide halt on return operations to Ukraine; calls on the Member States to prolong the visas of Ukrainian students and other Ukrainian visa holders;”

Par. 14 “Welcomes the active approach of the governments of Poland, Hungary, Romania, Bulgaria, Slovakia and Moldova in keeping their borders open and providing means of evacuation, shelter, emergency assistance, medical assistance and asylum to people fleeing the war in Ukraine and prospective persecution, including both Ukrainian and non-Ukrainian nationals; calls on the Council and the Commission to provide extra funding for these countries as they are the primary points of entry of Ukrainian refugees to the EU; calls on the Council and
the Commission not to suspend the visa waiver agreement with Ukraine; calls on all Member States to admit non-Ukrainian nationals fleeing the conflict and war as conscientious objectors from Russia; reminds all Member States of their responsibility to respect the fundamental rights of all asylum seekers seeking safety in the Union, irrespective of their nationalities, and to stop pushbacks; condemns the racism experienced by African and Middle Eastern students who have been prevented from boarding buses and trains in Ukraine to reach the border or stopped at the border and thus prevented from seeking safety;”

European Parliament resolution of 1 March 2022 on the Russian aggression against Ukraine (2022/2564(RSP))

Ongoing or upcoming initiatives

On 23 September 2020, the European Commission presented a proposal for Regulation addressing situations of crisis and force majeure in the field of migration and asylum. This proposal is meant to replace the currently in force Temporary Protections Directive, as its Article 14 repeals the latter. On 23 November 2021, the Rapporteur presented his draft report. The negotiations for establishing an EP position are ongoing.

Thinking ahead

Considering the uncertainty of crisis situations both in time and in scope, there is no way of knowing at this time if the conflict might spread also to other countries, there might be a need to further consider even more flexibility ahead when it comes to the financial instruments.

The crisis has shown again that the EU is in need of an efficient, reliable and resilient asylum and migration system. Therefore the revision of the CEAS, again, is a priority in view of making the system resistant and ready for future developments.

Most of the migrants are remaining in the Member States at the border to Ukraine. If the situation continues and more resources will be needed to provide for more long-term solutions for a majority of the refugees, further incentives for persons to move to other Member States might be needed and a mechanism for a fair distribution of responsibility between Member States could be considered.

Once the conflict is over, it could be expected that large numbers of migrants may wish to return back to Ukraine. Further EU support should be foreseen for people returning to Ukraine after the war.

EP Committees involved: LIBE, AFET, FEMM

Further reading

Briefing by EPRS on crisis and force majeure regulation (PE 659.448 – January 2021)

Horizontal substitute impact assessment by EPRS on the The European Commission’s New Pact on Migration and Asylum (PE 694.210 - August 2021)

Study by the Policy Department for Citizens’ Rights and Constitutional Affairs Directorate-General for Internal Policies on the The European Commission’s legislative proposals in the New Pact on Migration and Asylum (PE 697.130 - July 2021)
V. Protecting and guaranteeing the EU project and values

B. Treaty changes

2. Permanent mechanism for participative democracy

Context

The issue of a permanent mechanism for participation of citizens is to be mainly discussed in the follow-up of the Conference on the Future of Europe. It had no direct connection to the war in Ukraine, but the conflict had an impact on the concluding debates in the COFE, in particular on the outcome of the Panel 4 (EU in the world/migration) and led to recommendations in particular with regard to the decision-making in foreign affairs, including the sanctioning of breaches of fundamental rights and agreements outside the EU.

The EP has pleaded for a permanent mechanism ensuring citizens’ involvement in the EU decision-making process. The Commission is to present the proposals on the follow-up of the COFE in mid-June. Consultation on the position of the EU with regard to the Russian aggression in Ukraine and on EU support to Ukraine could be one of the issues which attracted the attention of the COFE participants and is likely to generate substantive involvement of citizens. Some suggested that the multilingual platform of the COFE should become a privileged tool for future citizens’ consultation. Nevertheless, the participation / consultation of citizens regarding non-legislative activities, in this case on CFSP issues, with number of competences reserved to Member States would probably need to be extensively re-thought to make a step beyond a mere “barometer effect”, in particular with regard to the process and follow-up given the deadlock of unaniimity.

Relevant EP positions

European Parliament resolution of 7 July 2021 on Citizens’ dialogues and Citizens’ participation in the EU decision-making (2020/2201(INI)):

The resolution does not deal with CFSP matters specifically.

In the European Parliament resolution of 16 February 2017 on possible evolutions of and adjustments to the current institutional set-up of the European Union (2014/2248(INI)), Parliament stressed that ‘citizens should be endowed with more instruments of participatory democracy at Union level:

Thinking ahead

EP will need to define its position on the Commission’s proposal on the follow-up of the COFE regarding the consultation mechanism and the issues on which it should solicit citizens’ involvement.

EP Committees involved: AFCO, PETI

Further reading

Digital democracy - Is the future of civic engagement online?

The practice of democracy, A selection of civic engagement initiatives

Strengthening citizens' participation: How the European Parliament is responding to citizens' expectations:

Protecting EU shared values: How the European Parliament is responding to citizens' expectations:
B. Treaty changes

3. Overcoming the deadlock of unanimity voting

Context
The issue of overcoming the deadlock of unanimity is not new, but was made even more relevant in the context of the response of the EU to Russian aggression against Ukraine, as the general rule in CFSP, with very few and limited exceptions, is the decision by unanimity, with the EP being normally only consulted if not only informed. Many observers consider that decision by QMV would have facilitated and speeded up the adoption of sanctions against Russia and other measures important for the support to Ukraine. As applicable, point at the necessity of an EU action or momentum to accelerate already planned actions. For long EP has been pleading to extend QMV also to the area of CFSP. The issue was also taken up in the conclusions of the CoFE (Working Group no 4 - EU in the World; Proposal 21; Measure 1: Improve EU’s capacity to take effective decisions. In particular, in area of CFSP, issues that are currently decided by way of unanimity should be decided by way of qualified majority). This is possible under the current Treaties by the activation of the passerelle clause in 31(3) TEU. Initiative in that sense has already been taken in the past by the Commission (proposition of the Commission Juncker) for targeted use of bridging clauses.\(^{31}\) In addition, the current president of the Commission has encouraged the HRVP in the mission letter to seek to “use the clauses in the Treaties that allow for certain decisions on CFSP to be adopted by qualified majority”. Another way to overcome the deadlock of unanimity is the use of constructive or qualified abstention (Article 31(1)(2) TEU). Russian aggression in Ukraine could therefore provide for incentive to revive the deployment of such clauses, politically blocked in the Council.

Relevant EP positions


- European Parliament resolution of 16 February 2017 on possible evolutions of and adjustments to the current institutional set-up of the European Union (2014/2248(INI)):

- European Parliament resolution of 13 February 2019 on the state of the debate on the future of Europe (2018/2094(INI)):


- OPINION OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS (27.11.2019) for the Committee on Foreign Affairs on the implementation of the common security and defence policy – annual report 2018 (2019/2135(INI)):

- OPINION OF THE COMMITTEE ON CONSTITUTIONAL AFFAIRS (11.11.2021) for the Committee on Foreign Affairs on the implementation of the common foreign and security policy – annual report 2021 (2021/2182(INI)):

---

V. Protecting and guaranteeing the EU project and values


Ongoing or upcoming initiatives

An issue tackled in the position taken by EP concerning the follow-up of the Conference on the Future of Europe and the triggering of Art. 48 (ordinary treaty revision): EP resolution on the call for a Convention for the revision of the Treaties (adopted on 9 June 2022) and a follow-up AFCO report. Refer to be ongoing EP work alongside the roles of the relevant committees such as strategic agenda setting:

- Implementation of the common foreign and security policy - annual report 2022 - 2022/2048(INI) AFET
- Implementation of the common security and defence policy - annual report 2022 - 2022/2050(INI) AFET

Thinking ahead

In case a Convention is convened by the European Council, following the request by the European Parliament made by means of the EP resolution on the call for a Convention for the revision of the Treaties adopted on 9 June 2022 and to be followed be an AFCO report, the mandate of the Convention might include treaty changes aiming at enhancing the Union’s capacity to act by reforming voting procedures, including changing unanimity decision to qualified majority voting in relevant areas including CFSP.

EP Committees involved: AFCO, AFET, SEDE

Further reading

B. Treaty changes

4. Parliament’s Right of Legislative Initiative

Context

In the European Union, the right to initiate legislation lies almost entirely with the European Commission (Article 17(2) TFEU). While in Member States, national parliaments are empowered to propose legislation, alongside governments, at EU level, the European Parliament has an indirect right of initiative: it can request the Commission to come forward with a legislative proposal and the Commission needs to justify if it refuses to do so (Art 225 TFEU).

Only in the following cases, do the Treaties grant Parliament direct rights of legislative initiative: the election of its Members and their Statute (Article 223 TFEU), the Statute of the European Ombudsman (Article 228(4) TFEU) and Parliament’s right of inquiry (Article 226 TFEU). Parliament also enjoys special initiative rights when it comes to: the initiation of procedures related to respect for the rule of law (Article 7 TEU), Parliament’s own composition (Article 14 TEU) and the revision of the Treaties (48(2) TEU).

Against this background, President of the European Commission, Ursula von der Leyen, pledged in her inaugural address in July 2019 and in her Political Guidelines, to strengthen the partnership with the European Parliament, inter alia, by responding with a proposal for a legislative act whenever Parliament, acting by a majority of its members, adopts a resolution requesting that the Commission submit legislative proposals, in full respect of the principles of proportionality, subsidiarity and better law-making.

Parliament’s right of initiative becomes even more relevant in the current political environment where following the Russian aggression against Ukraine a fundamental challenge to the values that underlie the international order after World War II has been witnessed. Against this background, a genuine and direct right of initiative for the European Parliament would lead to strengthened democratic legitimacy and increased effectiveness and timeliness of EU efforts to support Ukraine and respond to this humanitarian crisis while at the same time limiting disproportionate dependencies, expanding supply chains, and shielding the EU from external pressure.

Relevant EP positions

EP will adopt its position on Parliament’s right of initiative on 9 June 2022 on the basis of the relevant AFCO report (A9-0142/2022 - https://www.europarl.europa.eu/doceo/document/A-9-2022-0142_EN.html). The aim of the AFCO report was to analyse the way Parliament has exerted the different rights of initiative conferred on it by the Treaties as well as the ways it could strengthen these rights, including through Treaty revision, the only way to change the institutional architecture of the EU and provide a full and comprehensive solution for a general direct right of initiative of the EP.

More specifically, as far as Parliament’s special legislative rights are concerned, EP’s resolution points to the limited cases of successful conclusion of the relevant procedures due to the lack of agreement by the Commission and the Council. Along these lines, the resolution underlines that the Council has to date refused to negotiate with Parliament on its right of inquiry, although this contradicts Article 226 of the TFEU and the principle of sincere cooperation, leaving a provision of the Treaty unimplemented despite a duty to do so. Additionally, the resolution criticises the de facto right of initiative of the European Council in the area of economic and monetary policy and in the adoption of the multiannual operational programmes in the area of freedom, security and justice as well as Council’s concurrent right of initiative with the Commission on administrative law and police and judicial cooperation in criminal matters. It thus argues that these examples are indicative of an increasing imbalance between the Council, the European Council and the Commission in decision-making power across all policy fields, to varying degrees.

Coming to Parliament’s indirect right of initiative, the resolution underlines among others, the modalities for the follow-up on Parliament requests by the Commission contained in the 2010 Framework Agreement, while
V. Protecting and guaranteeing the EU project and values

asking for a more ambitious political will through the consideration of a review of the 2010 Framework Agreement with the goal of ensuring stronger rights of initiative for Parliament. Against this background, EP’s resolution also requests that the Treaties be revised for Parliament to be granted a general and direct right to initiate legislation at least in those policy fields in which Parliament is empowered to enact legislation as co-legislator.


Ongoing or upcoming initiatives

In the aftermath of the conclusion of the Conference on the Future of Europe, AFCO decided to draft a report with proposals of the European Parliament for the amendment of the Treaties, triggering Article 48 TEU. To this aim, a political resolution to signal Parliament’s request to the European Council to launch the revision procedure of the Treaties is currently under preparation by political groups on the basis of Rule 132 RoP, which will be followed by an AFCO report on the basis of Rule 85 RoP (already authorised by the Conference of Presidents). The issue of a general direct right of initiative for Parliament could then be addressed in full in the context of this report.

Thinking ahead

Based on the EP resolutions above, further actions that may be needed are the following:

- a joint assessment of the functioning of the 2010 Framework Agreement and of the need for a targeted revision to ensure that its provisions and timeframes related to Parliament’s indirect right of initiative can be effectively upheld;
- a joint assessment of the need for a revision of the Interinstitutional Agreement on Better Law-Making with the purpose of eliminating possible barriers to Parliament’s powers to propose legislative initiatives;
- a new interinstitutional agreement between the three institutions on the different special legislative procedures applicable to Parliament’s direct rights of initiatives such as in the case of regulations relating to its own composition, the election of its Members and their Statute, the Statute of the European Ombudsman as well as Parliament’s right of inquiry in order to contemplate measures to avoid files being institutionally blocked;
- initiation of the procedure under Article 48 TEU for Treaty change.

EP Committees involved: AFCO (Lead), JURI, LIBE (Opinion)

Further reading

V. Protecting and guaranteeing the EU project and values

- European Commission follow-up to European Parliament requests 2019-2021
- European Commission follow-up to European Parliament requests 2017-2019
- Contribution of the European Parliament to multilevel governance Building on a potential for a fuller right of legislative initiative for the European Parliament
- Unlocking the potential of the EU Treaties An article-by-article analysis of the scope for action
C. Safeguarding values

1. Strengthening a European Sense of Belonging

Context

Undoubtedly, existing re-nationalisation tendencies and a discernible alienation from the European Project, of which Brexit has been only one concrete expression, and especially Russia’s aggression against Ukraine make the questions “what is Europe?” and “where is it going?” appear most timely, and have forcefully put the issue of a European identity back on the political agenda. Processes of identification fulfill a central function in legitimising and therefore stabilising any community: be it a real or just an imagined community; be it a family, a local community, a nation (state), or a European community. For the EU, fostering a sense of belonging is thus nothing less than a *sine qua non* if the Union is to endure as a political entity requiring corresponding legitimacy and public support. Inevitably, any European layer of (political) identification requires positioning towards and arrangement with entrenched national identities. With a view to minimising potential conflicts between those identities and a novel “post-national” type of allegiance, basing the EU’s legitimacy exclusively on the output of its political system is an appealing perspective. However, while “output legitimacy” and ways to effectively communicate achievements of the EU merit more attention to be paid than is currently the case given the scarcity of structural prerequisites for “input legitimacy” alone (e.g., the lack of a common language or a European *demos*), other sources of identification with the EU are indispensable. This is not just because the EU’s means to pursue “good policies” for which it can claim ownership are limited, but also because relying merely on output or the generation of (economic) value to strengthen allegiance puts any body politic on shaky ground. Rather, for a resilient European sense of belonging to emerge, it is indispensable to supplement output performance with policies that promote, in parallel, both the idea of Europe as a cultural community of shared values and that of Europe as a political community of shared democratic practices, and put citizens-driven and bottom-up initiatives centre stage.

The failure of the ambitious “Constitution for Europe” – epitomised by the rejection of the draft text in France and the Netherlands in 2005 and interpreted as an expression of growing public disenchantment with European (Union) “high politics” – served as a deafening wake-up call. Since then, there has been increasing awareness that a functioning single market and economic progress alone might not create sufficient legitimacy for the EU, and that more of a common cultural and political identity might be required. This has resulted in various initiatives ranging from establishing a dedicated Europe for Citizens programme in 2006 (which since 2021 is perpetuated as integral part of the Citizens, Equality, Rights and Values programme) and various initiatives to foster a European historical memory, such as the establishment of a European Day of Remembrance for Victims of Stalinism and Nazism, to the Versailles Declaration of March 2022. The war in Ukraine, which is widely understood as a war of Europe’s old daemons of jingoism, intolerance and dictatorship against Western values, has demonstrated the fragility of the European post-Second-World-War order inasmuch as it has underlined the urgent need for a common EU-opean nucleus to emerge. Yet as devastating and frightening the Russian aggression undoubtedly is, it may at the same time serve as a catalyst for a stronger European sense of belonging to emerge, provided corresponding policies are put in place – if only because never since its foundation has it been clearer what the EU model is dissociating itself from and an alternative to.

Relevant EP positions

In line with its supranational and pan-European self-understanding, the EP has been at the forefront of strengthening European identity and complementing the “European economic project” with a cultural-historical as well as political dimension. Accordingly, Parliament’s support has been strong for initiatives raising awareness for Europe’s rich heritage (such as the European Year of Cultural Heritage 2018), fostering allegiance to the EU and its democratic model (such as the above-mentioned Europe for Citizens programme and the new
V. Protecting and guaranteeing the EU project and values

CERV programme or promoting mobility, intercultural exchange and trans-European solidarity (such as the Erasmus+ or the European Solidarity Corps programmes). Mainly due to the EP’s political determination, many of these initiatives have become institutionalised and have seen their scope and budget grow considerably over time. Similarly, Parliament’s unequivocal backing of the Conference on the Future of Europe, but also of creating a “European Education Area” by 2025 as a central means to complement the existing common market, can be quoted in this regard.

Ongoing or upcoming initiatives

A wide range of both ongoing and upcoming initiatives are aimed at supporting the emergence of a European sense of belonging, be it directly or indirectly. These include, but are not limited to:

- the ongoing AFCO INL “Proposals of the European Parliament for the amendment of the Treaties”, aimed at transforming the recommendations of the Conference on the Future of Europe – many of which are aimed at fostering allegiance with the EU – into tangible treaty changes;
- the EP’s efforts to foster a European public sphere, including by shaping the European Media Freedom Act, supporting European media outlets, and fighting against disinformation and fake news;
- Parliament’s carefully scrutinising the implementation of the 2021-2027 MFF programmes, including Erasmus+ and the European Solidarity Corps, in order for them to deliver the envisaged European added value;
- a forthcoming CULT own-initiative report on “European Historical Consciousness”, considering that a key role for the genesis of any European identity is history and a critical remembrance culture, in order to thwart attempts at present to instrumentalise the past politically.

Additionally, the EP’s longstanding aim to ensure a strong and modern EU budget that is closer to the needs and concerns of citizens and is more future-oriented should be highlighted in this context.

Thinking ahead

Considering the multiple crises – both internal and external – that the EU is currently facing, strengthening citizens’ bonds with the Union and the European Project more generally is a matter of self-assertion, if not an existential question, and it seems necessary to step-up political efforts in this regard. Many different means to achieve this objective are conceivable. They range from clearer communication of what EU-ropenean values stand for and their unambiguous enforcement if required (e.g., when the rule of law is infringed upon), to furthering “work on history” at European level, acknowledging that settling the past is fundamental for laying the foundations for a common modelling of the future at present. Ultimately, all efforts should be directed at establishing a vibrant civic political culture finding expression in a sense of shared possession of and responsibility for the common good the EU represents, with citizens actively participating therein politically as well as socially.

EP Committees involved: CULT, LIBE, AFCO

Further reading


C. Safeguarding values

2. Primacy of EU law and solidarity

Context

EU defending its core values and applying the solidarity principle

The Union is founded on values, namely the respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights, which are common to its Member States. Its aim is to promote peace, its values and the well-being of its peoples.

The war in Ukraine created a situation that has a potential to jeopardise the EU values and project, and its unity. The Russian aggression of Ukraine has resulted in a flow of refugees and the sanctions against Russia have generated economic and social challenges in the EU and its Member States. The consequences of the war, revealing the downsides of interdependence, could put at risk the unity of the EU. In this new reality, Parliament expresses the view that the EU must protect its citizens, its values, democracy, and the European model. As President Metsola said: “it is right and sensible to show our citizens in the Baltics and neighbouring States that our values matter. That we are prepared to pay a price for them if necessary.”

In fact, the Russian war in Ukraine has shown the EU’s determination, unity and strength in defending democratic values. The Union and its Member States have demonstrated solidarity with Ukraine, by providing access to protection, humanitarian, medical and financial support to refugees and the countries hosting them and financial support to fund military assistance to Ukraine. Solidarity among Member States materialised from a military/defence point of view in the EU’s mutual assistance and solidarity between Member States reflected in Article 42(7) TEU. The solidarity mechanism to relocate refugees from Ukraine who have arrived in Poland, Hungary, Romania and Slovakia to other Member States and the EU funding allowing EU countries and regions to provide emergency support are also part of the debate. Parliament expressed the need to further strengthen the Union’s solidarity capacities in times of crisis with the EU solidarity mechanism to deal with the economic and social consequences of Russia’s war against Ukraine and of the imposed sanctions.

It is important that the war in Ukraine and its consequences do not become a justification to tolerate any backsliding of the principles and values fundamental to the EU, such as the rule of law, and that the effort to tackle the war-related crisis by the individual Member States and the support that may be necessary on the EU side towards that effort do not take precedence over the fundaments on which the EU stands.

The question of the EU enlargement strategy: guaranteeing EU values in neighbouring countries

A number of countries have applied for accession to the EU and the process is pending with regards to each of them. Status of candidate countries is held by Albania, Republic of North Macedonia, Montenegro, Serbia and Turkey. Bosnia and Herzegovina and Kosovo are potential candidates.

Discussions concerning prospects of future enlargement - which aims at fostering peace and stability in regions close to the EU’s borders and at building a community of shared values and support for growth, prosperity, and democracy - has been given a new impulse after Ukraine’s application for EU membership submitted on 28 February 2022, followed by Georgia and Moldova.

However, general scepticism towards accession of new members to the EU has been expressed since many years. At the same time the progress towards accession of countries which application is pending has been limited, challenging and at times frustrating. In a geopolitical context, while the prospect of membership

\[32\] Aggression is confrontation with Europe: speech of President Metsola on Ukraine. Press Releases 24-02-2022 - 21:05

The President of the European Parliament delivered the following statement at the European Council on Thursday.
remains a powerful stimulus for democratic and economic reforms in countries that want to join the EU, its frustration has the potential to turn some of the countries to Russia or China’s rather than EU orbit.

The principle of primacy: a cornerstone of the EU constitutional and legal order

The principle of primacy is essential for the functioning of the Union since it ensures a uniform and efficient application of EU law. It has developed over decades through the interpretation of the Treaties by the Court of Justice of the European Union (CJEU). Since the Lisbon Treaty, it is laid down in Declaration no 17 annexed to the Treaty. In this Declaration, the Conference recalls that, in accordance with well-settled case law of the CJEU, the Treaties and the law adopted by the Union on the basis of the Treaties have primacy over the law of Member States, under the conditions laid down by the said case law. This means that in case of conflict between EU and national law, EU law takes precedence over national law including national constitutions.

In recent years, however, the principle of primacy has been challenged by certain national constitutional courts, such as by the German constitutional court with its judgement of 5 May 2020 and by the Polish constitutional court with its judgement of 7 October 2021. These judgements have also raised concerns with regard to the binding force of the rulings of the CJEU.

Relevant EP positions

- European Parliament resolution of 9 June 2022 on the rule of law and the potential approval of the Polish national Recovery Plan (RRF) [the link to the text is not yet available]
- **European Parliament resolution of 5 May 2022 on the impact of the war against Ukraine** on women (2022/2633(RSP))
- **European Parliament resolution of 19 May 2022 on the social and economic consequences for the EU of the Russian war in Ukraine – reinforcing the EU’s capacity to act** (2022/2653(RSP))
- European Parliament **resolution** of 21 October 2021 on the rule of law crisis in Poland and the primacy of EU law (2021/2935(RSP))

In this resolution, Parliament deeply deplores the decision of the illegitimate ‘Constitutional Tribunal’ of 7 October 2021 as an attack on the European community of values and laws as a whole, undermining the primacy of EU law as one of its cornerstone principles in accordance with well-established case-law of the CJEU. It fears that ruling K 3/21 will have a strong chilling effect on Polish judges, discouraging them from using their prerogatives on the application of EU law. It reiterates its full support for Polish judges who still apply the primacy of EU law and refer cases to the CJEU for preliminary ruling.

Furthermore, it recalls that the EU Treaties cannot be modified by a ruling of a national court and that the Polish Constitution in its Article 91 recalls that a ratified international agreement constitutes part of the domestic legal order, that it must be applied directly and that its laws have precedence in the event of a conflict of law.

Moreover, it calls for the Commission and the Council to take urgent and coordinated action by, among others, launching infringement procedures, triggering the procedure provided for in Article 6(1) of the Rule of Law Conditionality Regulation, refraining from approving the draft recovery and resilience plan of Poland until the Government of Poland implements the judgments of the CJEU and international courts fully and properly, adopting unambiguous recommendations to address breaches of the rule of law by Poland and declaring that there is a clear risk of a serious breach of the rule of law by Poland, in accordance with the procedure laid down in Article 7(1) TEU.

- European Parliament **resolution** of 5 May 2022 on ongoing hearings under Article 7(1) TEU regarding Poland and Hungary (2022/2647(RSP))

In this resolution, Parliament calls on all Member States to respect the primacy of EU law and recommends that the Council discusses threats to the primacy of EU law in the various ongoing Article 7(1) procedures. It finds it particularly unacceptable that Poland and Hungary are continuously failing to implement a significant number of the judgments issued by the Court of Justice of the EU and the European Court of Human Rights. It urges the
Council to take this fact into account when assessing a clear risk of a serious breach of the values set out in Article 2 TEU.

- European Parliament resolution of 16 September 2021 on media freedom and further deterioration of the rule of law in Poland (2021/2880(RSP))

In this resolution, Parliament is deeply concerned by the fact that the Polish authorities recently have deliberately and systematically violated rule of law-related judgments and orders of the CJEU. It reiterates the fundamental nature of primacy of EU law as a cornerstone principle of EU law in accordance with well-established case-law of the CJEU. It recalls that all Member States agreed to attach a declaration concerning primacy to the Treaty of Lisbon. It also recalls that the effects of this principle are binding on all the bodies of a Member State, without provisions of domestic law, including constitutional provisions, being able to prevent that. It finally denounces any attempt to undermine this principle. It calls on the Polish Prime Minister not to question the primacy of EU law over national legislation and to withdraw his motion, pending before the illegitimate ‘Constitutional Tribunal’, to review the constitutionality of certain parts of the EU Treaties.


In this resolution, Parliament decries the political pressure applied in Hungary and Poland to prevent national courts from initiating preliminary ruling proceedings before the CJEU under Article 267 TFEU, which is intended to prevent national judges from asking the CJEU questions in relation to EU requirements on judicial independence. It considers this practice to be in contravention of the Treaties and the CJEU’s established interpretation of the relevant provisions. It is appalled by the growing and deliberate lack of compliance with CJEU rulings and believes that these unlawful developments pose a systemic threat to the unity and consistency of EU law and to the very functioning of the Union.

It further invites the Commission to include in its future reports detailed data on Member States’ compliance with CJEU rulings and considers, therefore, that forthcoming annual reports should consider the failure to respect CJEU rulings as serious violations in the assessment. It also urges the Commission to ensure immediate and adequate legal responses to refusals to implement and respect CJEU rulings, such as court actions under Article 260 TFEU. It calls on the Commission to closely monitor the rulings of national courts regarding the primacy of EU law over national constitutional norms and to initiate infringement proceedings against Member States that consistently breach this principle. It deplores, moreover, the request made by the Prime Minister of Poland to the Constitutional Tribunal to rule on the primacy of national constitutional norms over EU law.

It considers that the Conference on the Future of Europe should further consolidate in Treaty provisions the well-established legal principle on the primacy of EU law. It also invites the Conference on the Future of Europe to consider strengthening the role of the CJEU in protecting the Union’s founding values.


In this resolution, Parliament refers to an open violation of the primacy of Union law and in particular of Article 19(1) TEU as interpreted by the Court of Justice. It calls on the Polish government to swiftly and fully implement the rulings of the Court of Justice and to respect the primacy of Union law.

**Ongoing or upcoming initiatives**

AFCO has requested the authorisation to draft an implementation report, according to Rule 54 of the Rules of Procedure, on “The implementation of the principle of primacy of EU law from a constitutional perspective”. In this implementation report, AFCO intends to assess the recent developments, which compromise the implementation of the principle of primacy, and look at ways to enhance the respect for this constitutional principle of the EU. JURI has asked for an authorisation of this own-initiative report under the joint committee
V. Protecting and guaranteeing the EU project and values

procedure pursuant to Rule 58 of the Rules of Procedure, with a slight modification of the title into the following: “The implementation of the principle of primacy of EU law”.

Thinking ahead

There is a need to reassert the EU core principles, such as the Primacy of EU law. In some authors’ view, a future revision of the Treaties could be the opportunity to codify the principle of primacy in a more accurate way than what is currently done with Declaration 17.

EP Committees involved: JURI, AFCO

Further reading

- Studies commissioned by EP committees:

  La primauté du droit de l’Union européenne, 24.5.2022
  Jacques Ziller, Professeur de droit, Université de Paris-1 Panthéon Sorbonne et Università di Pavia (JURI)

  Primacy’s Twilight? On the Legal Consequences of the Ruling of the Federal Constitutional Court of 5 May 2020 for the Primacy of EU Law, 27.4.2021
  Niels PETERSEN and Konstantin CHATZIATHANASIOU, Institute for International and Comparative Public Law, University of Münster (AFCO)

  The Commission’s Rule of Law Report and the EU Monitoring and Enforcement of Article 2 TEU Values, 21.2.2022
  Laurent PECH, Professor of European Law and Head of the Law & Politics Department, Middlesex University London; Senior Research Fellow, CEU Democracy Institute;
  Petra BÁRD, Associate professor, Eötvös Loránd University, Faculty of Law; Researcher, CEU Department of Legal Studies and CEU Democracy Institute; Fernand Braudel Fellow, European University Institute (LIBE and AFCO)

- EPRS briefing:

  Protecting EU shared values How the European Parliament is responding to citizens’ expectations, 27.4.2022
  Maria Díaz Crego and Rafał Mańko
V. Protecting and guaranteeing the EU project and values

C. Safeguarding values

3. Strengthening the Rule of Law, Democracy and Fundamental Rights

Context

Disinformation

In its resolution of 9 March 2022 on foreign interference in all democratic processes in the European Union, including disinformation, Parliament stated that “foreign interference constitutes a serious violation of the universal values and principles on which the Union is founded, such as human dignity, freedom, equality, solidarity, respect for human rights and fundamental freedoms, democracy and the rule of law». It stated moreover that, in the context of the war in Ukraine, “Russia has been engaging in disinformation of an unparalleled malice and magnitude across both traditional media outlets and social media platforms, in order to deceive its citizens at home and the international community on the eve of and during its war of aggression against Ukraine, proving that even information can be weaponised ».

Member States under Article 7(1) TEU procedures

Two Member states currently subject to triggering of the procedure for breach of EU values (Article 7 (1) TEU) – Poland and Hungary, have also been giving their support to an unprecedented influx of refugees from Ukraine. This has led to an informal connection between the Union’s efforts to uphold the rule of law in relation to those countries, and the Union’s aim to support EU Member States hosting most refugees from Ukraine. Parliament has regretted that the Commission is applying a strict application of the conditionality mechanism under Regulation (EU) 2020/2092 in relation to Poland, where it “notes with concern that the Commission has not started such proceedings with regard to Poland, and calls for further assessment and action from the Commission under the regulation; regrets, moreover, that the Commission applies the narrowest interpretation of the regulation when assessing breaches of the principles of the rule of law in a Member State, by effectively excluding a serious risk affecting the financial management of the Union and its financial interests as a condition under which the conditionality mechanism should be activated; reiterates that the regulation clearly establishes that endangering the independence of the judiciary constitutes a breach of the principles of the rule of law”;» (EP resolution of 5 May 2022)

Furthermore, the Commission has recently given up on the postponement of the approval of Poland’s recovery and resilience plan under the RRF, which it had earlier made conditional upon tangible steps by the Polish Government to reverse the undermining of the independence of the judiciary in Poland (possible resolution to be adopted on 9 May 2022).

Additional concern might arise about the protection of the rights of migrants coming from Ukraine; – breach of those rights has been one of the consistent concerns in the Article 7(1) TEU procedure triggered in 2018 by the Parliament against Hungary, but also in the context of the crisis at the Polish border with Belarus.

In Hungary, the war in Ukraine has lead also to the declaration of a new state of emergency on 24 May, granting additional powers to the executive to rule by decree in order to respond to the threat of war. In the past years, the state of danger declared as a result of the COVID-19 pandemic has set a dangerous precedent in particular with regard to limited parliamentary and judicial scrutiny of government actions, the absence of sunset clauses in the extraordinary measures adopted and the adoption of politically sensitive measures unrelated to the crisis itself.

Relevant EP positions

• In the context of the opinion to the LIBE interim report on the triggering of the Article 7 (1) TEU procedure towards Hungary, the AFCO committee has adopted a position calling the attention to the impact of the war in Ukraine and calling on the Commission to “ensure that the circumstances do not lead to a relaxing or
V. Protecting and guaranteeing the EU project and values

delaying of the effective application of instruments for upholding the rule of law in the Union, such as Article 7 TEU and the Rule of Law Conditionality Regulation”.

- European Parliament resolution of 9 March 2022 on foreign interference in all democratic processes in the European Union, including disinformation (2020/2268(INI)):

- European Parliament resolution of 5 May 2022 on ongoing hearings under Article 7(1) TEU regarding Poland and Hungary (2022/2647(RSP))

Ongoing or upcoming initiatives

The LIBE Committee is preparing an interim report under the ongoing Article 7(1) TEU procedure in relation to Hungary.

EP Committees involved: LIBE, AFCO
C. Safeguarding values

4. Strengthening the protection of minorities and anti-discrimination measures

Context

EU Member States are welcoming and supporting unprecedented numbers of people fleeing the war in Ukraine, with, in some cases, serious implications for fundamental rights within the EU, including the rights of minorities and the protection against discrimination, enshrined in the Treaties and the Charter of Fundamental Rights. According to the Fundamental Rights Agency (FRA), there are serious concerns of discrimination against non-Ukrainian nationals, LGBTI people, Roma and other marginalised groups trying to flee the war, as reported by civil society and international organisations. Some Member States do not offer the same level of protection to non-Ukrainians fleeing the war, facing difficulties crossing the borders and finding support. Roma also face challenges finding accommodation, as very few people are willing to rent to them. These challenges must be addressed thoroughly, especially in the wake of the COVID-19 pandemic, which has accentuated the fundamental rights challenges that certain vulnerable groups already faced, hence further increasing inequalities and discrimination in the EU. Furthermore, looking forward, the budgetary implications of the war will affect all sectors.

Legal basis and relevant EU instruments

- Equality and non-discrimination are part of the **founding values** of the European Union, as expressed in Article 2 of the Treaty on European Union. The right to equal treatment and non-discrimination is also a fundamental right enshrined in the Charter of Fundamental Rights.
- Elimination of inequality between women and men and gender mainstreaming is established in Article 8 of the TFUE: "In all its activities, the Union shall aim to eliminate inequalities, and to promote equality, between men and women."
- **Article 21 of the Charter of Fundamental Rights** establishes a general prohibition of discrimination on any grounds such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation. Discrimination on grounds of nationality is also prohibited, within the scope of the Treaties.
- **Article 19 of the Treaty on the Functioning of the European Union** provides the legal basis to take action to combat discrimination on specific protected grounds (gender, racial or ethnic origin, religion or belief, disability, age and sexual orientation). **Article 10 TFEU** states that in defining and implementing its policies and activities, the Union shall aim to combat discrimination based on these grounds.
- The Treaty provisions have allowed the EU to introduce non-discrimination law for specific protected grounds. However, at present, there are gaps in EU anti-discrimination legislation, creating an artificial ‘hierarchy of grounds’. In particular, some grounds are still only covered in the area of employment and occupation.
- The EU has developed extensive legislation on equality between women and men, primarily in the field of employment, covering equal pay, social security, employment, working conditions and harassment (Directive 2006/54/EC); self-employment (Directive 2010/41/EU), and guaranteed rights to maternity and parental leave (Directives 92/85/EEC and 2010/18/EU). The EU framework also includes legislation on equal access to goods and services (Directive 2004/113/EC) and in matters of social security (Directive 79/7/EEC). EU law prohibits direct and indirect discrimination, victimisation and harassment and allows for affirmative action. It is seen to have given crucial impetus to gender discrimination law in the Member States and has created legally enforceable rights for individuals.

---

33 FRA’s first Bulletin on “The war in Ukraine - Fundamental rights implications within the EU”
34 FRA Fundamental Rights Report 2021
V. Protecting and guaranteeing the EU project and values


- Other relevant instruments include the Racial Equality Directive\(^{36}\), the Framework Decision on Racism and Xenophobia\(^{37}\) and the Equal Treatment in Employment Directive\(^{38}\).

- On 8 March Commission published the 2022 Report on gender equality in the EU.


- As part of the Union of Equality, the Commission adopted a number of policy instruments: the Gender Equality Strategy, the EU anti-racism Action Plan, the new EU Roma Strategic Framework for Equality, Inclusion and Participation, the LGBTI Equality Strategy, the Strategy for the Rights of Persons with Disabilities, and the EU Strategy on combating antisemitism and fostering Jewish life.

Relevant EP positions

- Since the adoption of its legislative resolution of 2 April 2009 on equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation, the Parliament has repeatedly called, in numerous resolutions, for the adoption of the Horizontal Anti-Discrimination Directive that has been blocked in Council since 2008, with a view to harmonise the scope and the reach of the anti-discrimination instruments.

- In its resolution of 7 February 2018 on protection and non-discrimination with regard to minorities in the EU Member States (2017/2937(RSP)), Parliament called for the revision of the Racial Equality Directive and the Equal Treatment in Employment Directive, and called on the Commission and the Council to relaunch the negotiations for the adoption of the Equal Treatment Directive.

- In its resolution of 8 February 2019 on the rights of intersex people (2018/2878(RSP)), Parliament deplored “the lack of recognition of sex characteristics as a ground of discrimination across the EU”, and highlighted “the importance of this criterion in order to ensure access to justice for intersex people”.

- In its resolution of 26 March 2019 on fundamental rights of people of African descent in Europe (2018/2899(RSP)), Parliament insisted “that Member States implement and properly enforce the Council Framework Decision on combating certain forms and expressions of racism and xenophobia by means of criminal law, in particular the inclusion of bias motivations for crimes based on race, national or ethnic origin as an aggravating factor to ensure that hate crimes against people of African descent are recorded, investigated, prosecuted and sanctioned”.

- In its resolution of 26 November 2020 on the situation of Fundamental Rights in the European Union - Annual Report for the years 2018 - 2019 (2019/2199(INI)), the Parliament condemned “hate crime and hate speech, as well as discrimination based on any grounds such as race, colour, ethnic or social origin, language, religion or belief, political opinion, minority status, disability, sexual orientation, gender identity, gender expression or sexual characteristics” and emphasised “the need to encourage and facilitate victims to report hate crimes or discrimination, and to give them full protection and support”. It further called for the “quick adoption of the proposed 2008 Equal Treatment Directive, which is still awaiting approval by the Council, in order to close the current protection gap in the EU legal framework concerning non-discrimination on the

---


\(^{37}\) Council Framework Decision 2008/913/JHA of 28 November 2008 on combating certain forms and expressions of racism and xenophobia by means of criminal law

V. Protecting and guaranteeing the EU project and values

grounds of age, disability, religion or belief, or sexual orientation in key areas of life, such as social protection, education and access to goods and services”.

- In its resolution of 17 September 2020 on the implementation of National Roma Integration Strategies: combating negative attitudes towards people with Romani background in Europe (2020/2011(INI))\(^{39}\), the Parliament called on “the Commission and the Member States to tackle antigypsyism across the key areas of the post-2020 proposal towards Romani people” and demanded “effective European and national legislative and policy measures to tackle this phenomenon both in Member States and enlargement countries”; it further considers that the fight against antigypsyism is a horizontal issue and that it should be taken into account in all areas of Union policy.

- In its resolution of 14 September 2021 on LGBTIQ rights in the EU (2021/2679(RSP)), the Parliament condemned “in the strongest possible terms the fact that the proposal for a Council directive on implementing the principle of equal treatment between persons irrespective of religion or belief, disability, age or sexual orientation, launched on 2 July 2008, has not yet been adopted” and underlined “that this blockage sends the wrong message from the EU institutions, namely that they turn a blind eye to – and allow the persistence of – serious discrimination taking place in EU Member States”.

- In its resolution of 8 March 2022 on the shrinking space for civil society in Europe (2021/2103(INI)), the Parliament expressed “deep concern about the increased violence and hatred targeting organisations and activists working with religious minorities or on anti-racism, feminism and LGBTIQ+ rights”, and called on “Member States to be particularly cautious of initiatives that attempt to roll back on acquired rights which were designed to prevent and protect persons from discrimination and to promote equality”.

- The resolution of 5 May 2022 on the impact of the war against Ukraine on women (2022/2633(RSP)) gives due attention to the situation of women refugees experiencing intersecting discrimination.

- In its resolution of 11 February 2021 on “Challenges ahead for women’s rights: more than 25 years after the Beijing Declaration and Platform for Action”, Parliament assessed the progress made in women’s rights and the challenges ahead. Parliament called on the European Commission to ensure that women’s rights are taken into account in all its proposals, to develop concrete plans to improve women’s poverty rates and to strengthen efforts to close the gender pay gap.

- The joint LIBE/FEMM hearing “Situation of women refugees from Ukraine”, held on 21 April 2022, heard from experts on the ground and a Ukrainian refugee regarding the issues faced.

- As a monitoring tool, the FEMM committee draws up a regular report on equality between women and men in the European Union. The latest was adopted as European Parliament resolution of 15 December 2021 on equality between women and men in the European Union in 2018-2020 (2021/2020(INI)).

- On 30 November 2021, LIBE held a Public Hearing on the “Implementation of the European Union anti-racism agenda with a focus on the implementation of the EU Anti-Racism Action Plan 2020-2025”.

Ongoing or upcoming initiatives

- LIBE is currently working on an own-initiative report on racial justice, non-discrimination and anti-racism in the EU (2022/2005(INI)), to be adopted in Committee in September 2022. The draft report highlights “the need for a monitoring and accountability mechanism to ensure the effective application of EU anti-racism legislation and policy”, and calls for the systematic integration of issues related to anti-racism, discrimination and intersectionality into the Parliament’s annual reports on fundamental rights and the rule of law. It further “urges the EU institutions to address intersectional forms of discrimination in EU anti-discrimination legislation and policies and to promote an EU framework on intersectional discrimination”.

- Intersectional discrimination in the European Union: the socio-economic situation of women of African, Middle-Eastern, Latin-American and Asian descent, (2021/2243(INI)), to be voted in committee on 16 June 2022, urges Member States to take “swift, effective and coordinated action to protect the human rights and address the sexual and reproductive health needs of women and girls and marginalized populations affected by the conflict in Ukraine”.

\(^{39}\) OJ C 385, 22.9.2021, p. 104.
V. Protecting and guaranteeing the EU project and values

- The EU Budgetary procedure 2023 - the FEMM opinion may be expected to address the impact of the war, as evidenced by the FEMM opinion on Guidelines for the 2023 Budget – Section III (2021/2226(BUI)), where FEMM called for increased budget allocation “to civil society organisations that promote women’s rights in Europe and beyond, including those working in the area of sexual and reproductive health and rights, such as those that facilitate cross-border cooperation between organisations providing safe and legal abortion’.
- The FEMM opinion to “A long-term Vision for the EU’s Rural Areas - Towards stronger, connected, resilient and prosperous rural areas by 2040” (2021/2254(INI)) noted that “the number of migrant women moving into rural areas will highly increase in the next months due to the Ukraine’s invasion by Russia”.
- The FEMM opinion to “Human rights and democracy in the world and the European Union's policy on the matter – annual report 2021” (2021/2181(INI)) noted the effect of, inter alia, armed conflicts on women and girls, such as targeted and sexual violence.
- LIBE is preparing an own-initiative report on ‘Towards equal rights for people with disabilities’(2022/2026(INI)), to be adopted in Committee in October 2022.
- The PETI Committee will hold a Public Hearing on Discrimination on the grounds of sexual orientation in December 2022, in association with LIBE and JURI.
- The proposed corporate sustainability reporting directive (2021/0104(COD)) shall address the lack of reporting requirements concerning issues such as diversity, social inclusion, gender equality or protection of minority and vulnerable groups.
- Commission is expected to present later this year a legislative proposal on strengthening the role and independence of equality bodies.

Thinking ahead

- **Call again** on the Commission and the Council to relaunch the **relevant negotiations on the** Proposal for a **Directive on implementing the principle of equal treatment** between persons irrespective of religion or belief, disability, age or sexual orientation.
- International Women’s Day on 8 March - events will be held.
- In January 2022, MEPs renewed their demand for the establishment of a new Council format where ministers and secretaries of state in charge of gender equality would meet. MEPs hope that such a new Council configuration would help advance important gender equality initiatives, such as the ratification of the Istanbul convention on combating violence against women.

EP Committees involved

The **LIBE Committee** is responsible for the protection of fundamental rights within the EU, including the protection and minorities, as well as for the measures needed to combat all forms of discrimination other than those based on sex and or those occurring at the workplace and in the labour market.

The **FEMM Committee** is responsible for gender equality and women’s rights.

Further reading

- **The Cost of Non-Europe in the area of Equality and the Fight against Racism and Xenophobia**, EPRS Study, March 2018
- “**The traumas endured by refugee women and their consequences for integration and participation in the EU host country**”, EPRS Study, April 2021
- “**The rights of LGBTI people in the European Union**”, EPRS Study, May 2021
- “**Russia's war on Ukraine: The situation of Roma people fleeing Ukraine**”, EPRS briefing
V. Protecting and guaranteeing the EU project and values
C. Safeguarding values

5. Conditionality principle

Context

Parliament has long been expressing serious concerns as regards the rule of law situation in certain Member States, notably Hungary and Poland. In this context, besides the ongoing Article 7(1) TEU procedure, Parliament has supported withholding the approval of Poland’s draft plan under Regulation (EU) 2021/241 establishing the Recovery and Resilience Facility (‘RRF’) in relation to issues of judicial independence in the country.

In addition, the Parliament has repeatedly called for the application of Regulation (EU, Euratom) 2020/2092 on a general regime of conditionality for the protection of the Union budget (‘conditionality regulation’) in order to protect the Union budget against breaches of the rule of law that affect or risk affecting it. Parliament has in the wake of the aggression against Ukraine and the subsequent inflow of refugees, notably into Poland, the Commission activated the conditionality regulation on 22 May 2022 against Hungary only, and on 1 June 2022 gave a positive assessment of Poland’s recovery and resilience plan.

Relevant EP positions

As a follow up of the Commission reasoned opinion triggering the Article 7(1) TEU procedure in relation to Poland on 20 December 2017 and its annual rule of law reports, Parliament expressed concerns regarding the rule of law situation in Poland in several resolutions, more recently on 17 September 2020 and 16 September 2021. During a fact-finding mission to Warsaw carried out jointly by the LIBE and AFCO committee on 21-23 February 2022, Members engaged with several relevant stakeholders including judges, prosecutors and lawyers associations. One of the concerns expressed during the mission was that the three recent legislative proposals initiated by the Polish Government and the ruling parties to address the problems with the Disciplinary Chamber of the Polish Supreme Court are ineffective and insufficient.

Most recently in its resolution of 5 May 2022, Parliament: called on the Commission to make full use of all tools available to address breaches by Poland and Hungary of the values set out in Article 2 TEU, on which the Union is founded, in particular expedited infringement procedures and applications for interim measures before the Court of Justice of the EU, as well as the conditionality regulation; called on the Commission and the Council to refrain from approving the national plans of Poland and Hungary under the RRF until they have fully complied with all recommendations in the field of the rule of law and implemented all the relevant judgments of the ECJ and the ECHR; noting with concern that the Commission has started proceedings under the conditionality regulation against Hungary but not Poland, Parliament called for further assessment and action and recalled that endangering the independence of the judiciary constitutes a relevant breach of the principles of the rule of law.

These positions were again clearly stated in the resolution of 9 June 2022, where Parliament expressed grave concerns about the Commission’s positive assessment, on 1 June 2022, of Poland’s recovery and resilience plan, pending compliance with the criteria consistently recalled by the House as regard the rule of law.

Ongoing or upcoming initiatives

The CONT committee is planning a mission to Poland in July that has among its objectives the monitoring of the situation as regards potential breaches of the principles of the rule of law that may affect or risk affecting the Union budget.

Thinking ahead

In the exchanges held in Parliament’s committees as well as in correspondence with the Commission it was noted that while Poland deserves all the support it needs in the undertaking of hosting millions of refugees

V. Protecting and guaranteeing the EU project and values

from the war in Ukraine and in dealing with security threats at its borders, in the context of a conflict between democracy and authoritarianism in neighboring Ukraine, it is more important than ever to be clear about EU commitment to our founding values: democracy, the rule of law, human rights and fundamental freedoms. Parliament could step up its scrutiny and political pressure to ensure that the rule of law situation in all Member States, including Poland, is thoroughly assessed and the Union takes action by implementing all existing mechanisms in case of breaches of the principles of the rule of law.

**EP Committees involved:** BUDG, CONT, LIBE
VI. Engaging beyond our borders

- Coordinating international efforts for reconstruction in Ukraine
- Preparing the ground for future accession
- Supporting global food security
- Meeting humanitarian needs
- Ensuring EU funding for global needs
- Amplifying the role of parliaments across the globe
- Enhancing democracy support
- Deepening political association with key partners
- Boosting economies through preferential trade
- Agreeing on and implementing sanctions
- Fighting impunity, punishing aggression & other crimes
VI. ENGAGING BEYOND our BORDERS

VERTICAL COOPERATION BEYOND OUR BORDERS

Legend
- Instrument available
- Instrument to adopt/improve
- Instrument to create

Note: The size of each square does not have any meaning.
VI. Engaging beyond our borders

A. Reinforcing links

1. Enhancing democracy support

Context

With the establishment of the Democracy Support and Election Coordination Group (DEG) in 2012, the European Parliament has become the frontrunner parliamentary institution in Europe with a specific infrastructure for democracy support. Thanks to this innovation, the European Parliament is now at the forefront in the battle for parliamentary democracy worldwide.

In a time of new ideological confrontation between democracy and autocracy, the concept of parliamentary democracy support has become even more crucial.

The structural conditions of democracy in the world have changed compared to 2012. Ten years ago, the world, and in particular the EU neighbourhood, was confronted with a powerful wave of democratisation. The Arab spring was undermining longstanding authoritarian regimes in many countries of the Southern Neighbourhood, while pro-democratic grass-roots mobilisations were taking place in Pre-Enlargement countries – including Turkey and the Western Balkans. Ukraine was on the verge of the Maidan uprising.

Since 2012, the tide has turned. Signs of democratic erosion have been visible in many countries. Non-democratic regimes are on the rise in the world, and many established democracies are in danger of backsliding. Moreover, the European Union’s own political systems are not immune to anti-democratic movements, which have grown in the last few years.

The events in Afghanistan have also shown the fragility of democracy support. Russia’s unprovoked aggression against Ukraine has only heightened the sense of urgency to defend democracy against autocracy. The Verkhovna Rada (parliament) of Ukraine continued functioning, while its need for adaptation and its request for support from the European Parliament in order to continue its democratic functioning only highlights the importance of the work that the European Parliament has been doing in the field of democracy support. The case also demonstrates the need to reflect on how to strengthen this work further given the ongoing threats to parliamentary democracy.

The current context and the tenth anniversary of the European Parliament’s democracy support action represents a unique chance to give visibility to the Parliament’s achievements in this field, to take stock of the lessons learned, to review its work and set a path for future activities. This review should be both conceptual and operational.

In this vein, it is time to update the Comprehensive Democracy Support Approach to this new political environment and develop a new concept of parliamentary democracy support – a “European Parliament democracy support strategy”.

Relevant EP positions

European Parliament resolution of 7 July 2011 on EU external policies in favour of democratisation (2011/2032(INI))
European Parliament resolution of 12 March 2019 on building EU capacity on conflict prevention and mediation (2018/2159(INI))

Ongoing or upcoming initiatives

In the context of the tenth anniversary of the European Parliament’s democracy support action, different events to mark the anniversary are being planned, as is a reflection on how to strengthen the concept and the tools that the Parliament has at its disposal. The new concept should be enshrined in an updated document by the DEG, to be endorsed by the Parliament’s Conference of Presidents.
VI. Engaging beyond our borders

Thinking ahead

Developing and adopting an *ad hoc* strategy to make the European Parliament the main hub for democracy support for EU national parliaments, as well as the international stakeholders engaged in this domain.

The European Parliament is enhancing its tools on democracy support. In the near future, innovative pilot projects will be implemented, including by building up a pool of parliamentarian mediators as well as by bringing together third country journalists and civil society members with Members of the European Parliament to counter disinformation. Additionally, the European Parliament is developing innovative democracy support tools – including citizens’ deliberative democracy panels – for partner parliaments.

**EP bodies involved:** AFET, DROI and Democracy Support and Election Coordination Group (DEG)

**Further reading**

Directorate-General for External Policies, Policy Department, 2021, *Promoting gender equality through parliamentary diplomacy*

Directorate-General for External Policies, Policy Department, 2019, *EP Democracy Support Activities and their follow up- and prospects for the future*

Directorate-General for External Policies, Policy Department, 2022, *Values on the retreat? The role of values in the EU’s external policies*


Directorate-General for European Parliament Research Service, 2019, Briefing, *The European Parliament’s evolving soft power – From back-door diplomacy to agenda-setting: Democracy support and mediation*

EPRS, 2017, Briefing, *Understanding capacity-building/ capacity-development: A core concept of development policy*


Varieties of Democracies, *Democracy for All?” – The V-Dem Annual Democracy Report 2018*
VI. Engaging beyond our borders

A. Reinforcing links

2. Deepening political association with key partners

Context

Russia’s unprovoked and unjustified military aggression against Ukraine is arguably the hardest test for European and global security and stability since the end of World War II. It triggered an unprecedented reaction and caused a paradigm shift in the EU’s policymaking and ability to respond to external crises. As stated in the March 2022 Versailles Declaration, the EU now has to show that it can live up to its responsibilities in this new reality, protecting its citizens, values, democracies, and the European model. In this challenging context, it is crucial to deepen political relations with neighbouring countries and like-minded partners. The European Union has to switch from a responsive to an anticipatory approach, and should team up with like-minded EU strategic partners, in particular NATO and emerging countries, in order to defend the global rule-based order that is founded on international and humanitarian law and multilateral treaties.

Association agreements are an important tool for deepening political association with key partners. They cover many policy areas, foremost of which is that of economic cooperation. For a more specific and complementary overview of the trade part of association agreements and on the preferential trade measures and agreements with Ukraine and the countries most affected by the war, please see the fiches in ‘VI.A.3. Boosting economies through preferential trade’ and ‘A.6. Ambitious and robust trade policy’.

Deepening and broadening of the cooperation with Eastern Partnership (EaP) countries

The European Parliament has long called for a deepening and broadening of the cooperation with Eastern Partnership (EaP) countries, first and foremost those having an association agreement with the EU – Ukraine, Moldova and Georgia. In particular, it advocated offering EaP countries an ambitious EU integration policy developing the EU’s strategic responsibility and geopolitical leadership capacities. Moreover, it stressed that the EU should acknowledge that it bears a strategic responsibility for stability and development in its neighbourhood. Thus, it called on the EU to propose a new clear strategy for long-term engagement to the EaP countries with the aim of strengthening the resilience of the institutions, economies and societies of those countries and deepening their political association and economic integration with the EU.

The applications for EU membership of Ukraine, Moldova and Georgia, submitted end of February/early March 2022 following the Russian aggression against Ukraine, have opened a new chapter in their European integration, which should be characterised by reinforced efforts to implement the relevant Association Agreements/DCFTA’s and a more strategic EU approach to supporting these countries. The three countries find themselves in different circumstances, as Ukraine is fighting against a brutal and devastating attack by Russia; Moldova is facing a difficult socio-economic situation due to an energy crisis triggered by Russia, trade disruptions and an unprecedented influx of refugees from Ukraine due to the war; and Georgia continues to cause concern because of democratic backsliding and lack of progress on key reforms, notably concerning the judiciary. Nevertheless, all three applications are reinforced by the strong support of the Ukrainian, Moldovan and Georgian people for the European integration of their countries.

On 8 June 2022, the Speaker of the Ukrainian Verkhovna Rada (parliament) Ruslan Stefanchuk urged the EU institutions to grant Ukraine EU candidate status as a clear political sign of solidarity with its people. Moreover, on 9 June 2022, the EP’s Conference of Presidents adopted a Joint Statement of the Political Groups’ Leaders addressed to the Heads of State and Government of the EU meeting on 23-24 June 2022 and strongly appealing them to grant EU candidate status to Ukraine and the Republic of Moldova, in line with Article 49 TEU and as the start to a merit-based process, and to work towards granting the same
status to Georgia, fulfilling the legitimate aspirations of the Georgian people. In the meantime, Parliament also urged the EU to continue to work towards the integration of associated EaP countries into the EU single market, including by giving them access to EU common policies, EU financial resources and EU jurisdiction. On 17 June, the Commission issued its opinion on the application of Ukraine, Moldova and Georgia, recommending that Ukraine and Moldova be granted candidate status, and that Georgia be granted that status only after a number of priorities had been addressed.

**A way forward for the Western Balkans**

The Russian invasion against Ukraine reinforced the link between the enlargement and neighbourhood policies. The applications of Eastern Partnership countries for a candidate status also raise questions about the future of the enlargement process and its effectiveness so far, especially in the Western Balkans. With the region having been engaged in the accession process for many years, there is a growing sense of frustration in some countries. It is therefore important not to neglect the Western Balkans, and instead put more efforts into issues such as reconciliation and the rule of law.

The Western Balkan countries find themselves at different stages of the enlargement process. Albania, North Macedonia, Montenegro, and Serbia are candidate countries, while Bosnia and Herzegovina and Kosovo are potential candidates. The differences in advancement are visible even among the same category. Montenegro has often been referred to as the ‘frontrunner’ of the process; however, it has not closed any chapters since 2017. Negotiations with Albania and North Macedonia, which have fulfilled the necessary conditions, are stalled due to an ongoing bilateral cultural-historical dispute between North Macedonia and Bulgaria. Serbia remains unaligned with the EU’s foreign policy on sanctions in light of Russia’s war of aggression against Ukraine.

**Relevant EP positions**

- European Parliament resolution of 7 April 2022 on the conclusions of the European Council meeting of 24-25 March 2022, including the latest developments of the war against Ukraine and the EU sanctions against Russia and their implementation
- European Parliament resolution of 1 March 2022 on the Russian aggression against Ukraine
- European Parliament resolution of 16 December 2021 on the situation at the Ukrainian border and in Russian-occupied territories of Ukraine
- European Parliament recommendation of 16 September 2021 to the Council, the Commission and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy on the direction of EU-Russia political relations
- EP groups’ leaders’ statement of 9 June 2022 in view of 23-24 June European Council
- European Parliament recommendation of 8 June 2022 to the Council and the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy on the EU’s Foreign, Security and Defence Policy after the Russian war of aggression against Ukraine
- Annual European Parliament resolutions on enlargement countries

The European Parliament has mobilised all its channels at all levels to condemn the aggression, support Ukraine and address the consequences of this aggression within the EU and at global level. Parliament is in particular:

- closely monitoring both the situation on the ground, the EU response and the implications of the Russian war of aggression for EU citizens. The Conference of Presidents pre-authorised a debate on Ukraine to be held at every plenary session since the inception of the war. Similarly, AFET is having an agenda point on Ukraine at every ordinary Committee meeting;
VI. Engaging beyond our borders

- maintaining a regular contact and political dialogue with Ukrainian authorities, lastly with the visits of Speaker of the Verkhovna Rada of Ukraine R. Stepanchuk (and Ministry of Defence O. Reznikov (15.06), and in the context of the formal EU-Ukraine Parliamentary Association Committee (most recent meeting held in Strasbourg on 8-9.06);
- adopting legislation to step up financial support to Ukraine and Moldova (macro-financial assistance) and to ensure protection and support to the Ukrainian refugees in the EU (Cohesion’s Action for the Refugees in Europe (CARE), REACT-EU);
- follow-up to Commission initiatives, such as the ‘Solidarity Lanes’ for agricultural produce and the 12-month tariff and quota free commercial access to the EU market and the need for further trade facilitation measures; as well as the ‘Freeze and Seize Task Force’ on enforcing EU sanctions and measures to counter disinformation and cyber-attacks;
- taking initiatives on the fight against impunity, notably supporting the establishment of an ad hoc tribunal on the crimes of aggression;
- responding to calls for political support and technical assistance by the Verkhovna Rada of Ukraine, notably in the fields of IT, communication, legal assistance and translation;
- leveraging its parliamentary diplomacy to reach out to parliamentary counterparts across the world;
- hosting a website called ‘Stand with Ukraine’ in English and Ukrainian;
- taking concrete actions to reach out to and support Ukrainian civil society, including the opening of the Ukrainian civil society hub in the ‘Station Europe’ building.

Thinking ahead

Upholding the European aspirations of the EU’s neighbours

The EU should take a strategic and multi-faceted approach to cooperation with the EaP countries. It must continue to uphold the EaP countries’ independence, sovereignty and territorial integrity within their internationally recognised borders and condemn Russia’s direct and indirect involvement in armed conflicts and military build-ups inside the borders of or on its borders with the EaP region.
The EU must uphold the European aspirations of its neighbouring countries both in the Eastern Partnership and in the Western Balkans and reject Russia’s policy of spheres of influence.
The EU’s solidarity with the EaP countries should be aimed at strengthening trust in the EU as a reliable partner on security issues. To this end, the EU should make sure that the security dimension of the EaP countries is also properly reflected in the EU Strategic Compass. The EU should also strengthen cooperation with friendly EaP countries through the European Defence Agency and in areas such as informational and cyber-resilience and intelligence-sharing.
The EU should continue to support the fulfilment by Ukraine, Georgia, Moldova, Armenia, Azerbaijan and Belarus of the political, democratic, social and legal principles and criteria enshrined in the EU Treaties and the Charter of Fundamental Rights of the European Union.
The evaluation of the applications of Ukraine, Moldova and Georgia for membership by the European Commission and the respective decision of the European Council will shape the relations of the EU with the three countries for years to come. The EU should uphold a realistic perspective towards their EU membership, thus keeping their motivation to carry out further reforms and maximising the EU’s ‘gravitational pull’. Strengthening the EU’s own strategy for pushing for an effective and transformative reform agenda, notably on resilient institutions, the rule of law and anti-corruption is indispensable and should be linked to EU support under the Rebuild Ukraine Platform and funds, as already announced in the European Council Conclusions. These will provide for a further set of powerful incentives though their inherent conditionality.
VI. Engaging beyond our borders

The EU will also have to invest in maintaining popular support among its citizens for a more ambitious EU enlargement strategy that will require significantly more resources, notably coupled with Ukraine’s post-war reconstruction. The EU should continue supporting Western Balkan countries to strengthen key reforms in the fields of rule of law and the judiciary, as well as to promote the freedom of expression, freedom in the media and the fight against disinformation. The EU should improve the use of positive and negative conditionality to address lack of political will in this regard. It is also important that the EU start delivering on some of the key components of the enlargement process. The EU-facilitated dialogue on normalising relations between Kosovo and Serbia has to bring about tangible results. The intergovernmental conferences with Albania and North Macedonia should be launched as soon as possible and visa-liberalisation should be granted to Kosovo without further delay. With Serbia remaining as the only Western Balkan country that has not aligned with the EU’s sanctions against Russia, the EU should demand Serbia to show a real commitment to EU values. More political pressure on political leaders in Bosnia and Herzegovina to unblock political deadlock and advance on EU-related reforms is needed. Finally, the EU should continue encouraging Montenegro to seize the momentum to advance on key reforms needed to progress towards the closing of negotiation chapters. Furthermore, in light of the new geopolitical context, granting candidate status to the two Western Balkan potential candidate countries should also be considered.

Building strong and reliable alliances, partnerships and multilateral arrangements globally

The EU should be able to decide and act autonomously and independently if needed and in line with its own interests, principles and values as laid down in Article 21 TEU, notably by establishing itself as an effective global actor, and in full respect of international laws. The EU must continue to act as a staunch and key defender of multilateralism in the world and avoid actions that undermine it. Priority should be given to building strong and reliable alliances, partnerships and multilateral arrangements and to building strategic solidarity with like-minded countries. This approach should further reinforce cooperation with partners, in particular within the framework of NATO.

The EU should effectively deploy the new agenda for the Mediterranean\textsuperscript{41} in the Southern Neighbourhood to promote good governance and the rule of law in the region. Moreover, the EU should seek to remain the main anchor for Southern Neighbourhood countries in terms of their democratic reforms. Developments in recent years in the region prove that even countries having benefited from substantial EU support during their processes of political transition are extremely vulnerable and politically unstable. This calls for an honest reassessment of EU policy towards the Southern Neighbourhood. It is imperative that the new partnership needs to place an additional focus on areas such as energy cooperation and Green Deal, migration, conflict prevention and peacebuilding as well as maritime security.

The EU should seek further cooperation with like-minded partners such as the US, Canada, Japan, Australia, New Zealand, in order to continue supporting its neighbouring countries in their aspirations for democracy, the rule of law and human rights. It should also be taken into account the nuanced international response to the war in Ukraine, especially among Indo-pacific countries, where on the one hand side Indonesia or Japan, which took a firm stance condemning Russia’s aggression, while China or India adopted a position of pro-Russian neutrality.

\textsuperscript{41} The Joint Communication to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled ‘Renewed Partnership with the Southern Neighbourhood, a new agenda for the Mediterranean (JOIN(2021)0002).
VI. Engaging beyond our borders

The ongoing conflict in Ukraine severely impacts the food security of Africa both in the short and medium terms, as around 90% of the wheat in some countries is imported from the Russian Federation and Ukraine. Food, fuel and commodity prices have reached unprecedented levels. However, the EU should not underestimate Russia’s disinformation campaign, making the EU for its sanction regime against Russia responsible for the food problems in Africa.

While most Latin American countries have been extremely firm and clear in condemning Russia’s aggression there is a potential for increased division among LAC countries as the conflict continues. LAC countries will most likely try to avoid being dragged into a new Cold War scenario and are very mindful of the economic impact of the war and the EU’s sanctions. LAC countries tend to avoid having to choose sides, trying to maintain equidistance between the US, EU, China and Russia.

As underlined in the Joint Communication to the European Parliament and the Council ‘A strategic partnership with the Gulf’ released on 18 May, there is a common interest in engaging more strategically, especially when it comes to energy security. The increasing exports of Liquefied Natural Gas (LNG), as an alternative to pipeline gas, will contribute to the reduction of the volatility of the gas markets.

Therefore, there is a momentum for the Gulf region and the EU to work together on energy security related issues, as also outlined in the new International Energy Strategy, released on 18 May (in the framework of REPowerEU actions) for a ‘continued cooperation with major producers in the Gulf, including Qatar, as well as with Australia’. In addition, the EU Energy diplomacy should lead to the development of tools and partnerships that are consistent with the objectives of the European Green Deal, like encouraging the use of renewable energy by all our partners.

**EP committees involved:** AFET, SEDE, INTA, DEVE, BUDG

**Further reading**

EPRS Briefing, [EU-Ukraine relations and the security situation in the country](#), 2022
EPRS Briefing, [War in Ukraine](#), 2022
EPRS Briefing, [the latest on Russia’s war on Ukraine](#), 2022
DG EXPO’s [Rolling Briefing on the war in Ukraine and EU response](#)
EPRS in-depth analysis on [Eastern Partnership post-2020 agenda](#)
VI. Engaging beyond our borders

A. Reinforcing links

3. Boosting economies through preferential trade

Context

With the Versailles Declaration, the EU Member States have specifically recognised that EU trade policy is a major tool to achieving a more robust economic base. EU trade policy aims at progressive abolition of restrictions on trade and investment and the lowering of customs and other barriers. This is a policy area of an exclusive EU competence, where the Parliament acts on an equal footing with the Member States. ‘Preferential trade’ means lower tariffs, improved market access and less red tape. EU preferential trade is regulated through:

- **trade agreements** (mutual trade commitments/concessions in trade and/or investment agreements and trade parts of Association Agreements with bilateral and regional partners, as well as at the multilateral level – in the World Trade Organisation);
- special arrangements in support of developing countries (legislation on ‘Generalised Scheme of Preferences’, including ‘GSP+’ and ‘Everything But Arms’, which provide preferences to developing and less developed countries, as well as the Economic Partnership Agreements between EU and African, Caribbean and Pacific countries countries) and other trade arrangements (e.g. the Economic Area Agreement, the Customs Union with Turkey, etc.); and
- autonomous trade measures (e.g. the temporary measures supporting Ukraine).

Ongoing or upcoming initiatives

Within its trade and economic cooperation remit, the Parliament is (through the INTA committee) actively involved in the legislative files and scrutiny of both trade negotiations and the implementation of relevant regulations and concluded agreements.

Taking the Eastern Neighbourhood as a concrete example, the Association Agreements (AAs) are the main tool for bringing Ukraine, Georgia, and Moldova closer to the EU: they promote deeper political ties, stronger economic links and the respect for common values. The Deep and Comprehensive Free Trade Agreements (DCFTAs) are an integral part of the AAs that EU has signed with those three countries in 2016. DCFTAs allow partners to benefit from reduced or eliminated tariffs for goods, an increased services market and better investment conditions. They also increase the efficiency of customs procedures, and facilitate trade further by the gradual approximation of Ukrainian, Georgian and Moldovan legislation, rules, and procedures to those of the EU.

In addition, for three years (October 2017 – September 2020), the EU also granted Ukraine temporary autonomous trade measures (ATMs), which topped up the concessions included in the AA/DCFTA for several industrial goods and agricultural products. As a result, in 2021, bilateral EU-Ukraine trade had reached its highest level since the entry into force of the DCFTA (more than EUR 52 billion – double the value since the entry into force of the agreement).

With Russia’s war of aggression against Ukraine, the Ukrainian economy has been seriously damaged, and Ukraine’s capacity to trade has suffered tremendously. The EU has undertaken several measures to support Ukraine. Sanctions on Russia and macro-financial assistance (MFA) of up to EUR 1.2 billion for to Ukraine were complemented by a proposal of autonomous trade measures: the suspension for one year of EU import duties on all Ukrainian exports. The proposal was very rapidly adopted by INTA (on 16 May 2022), plenary (19 May) and Council. Following Parliament’s calls, the Commission has recently adopted similar autonomous measures for Moldova. This codecision procedure has just started in INTA.

With these unprecedented trade liberalisation measures, the EU is committed to helping Ukraine (in particular) maintain its economy and trade position with the rest of the world.
VI. Engaging beyond our borders

Thinking ahead
Especially in the current geopolitical context, effective partnerships and trade relations remain very relevant, as well as deeply linked to global partnerships, sustainability, the promotion of values, food security and reducing food dependencies, diversifying supply value-chains and ensuring access to critical raw materials, diversifying energy supplies, attracting investments, etc.

Relevant EP positions
EP report of 17 May 2022 adopting amendments to the revised GSP Regulation

EP committees involved: INTA, AGRI, DEVE

Further reading
For a more general overview of the trade policy toolbox, please see the fiche on ‘Ambitious and robust trade policy’ in ‘Building a more robust economic base’.
VI. Engaging beyond our borders

B. Dissuading & punishing

1. Agreeing on and implementing sanctions

Context

Sanctions are an increasingly central element of the EU’s Common Foreign and Security Policy (CFSP). The EU’s sanctions’ policy has as its objective to uphold the international security order as well as defending human rights and democracy standards, by encouraging targeted countries to change their behaviour. At present, the EU has more than forty different sanctions regimes in place, both geographical and thematic, making it the world’s second-most active user of restrictive measures, after the US. Some are mandated by the UN Security Council, whereas others are adopted autonomously by the EU.

The Versailles declaration underlines the determination of the EU to continue increasing pressure on Russia and Belarus. The EU has to date adopted six packages of sanctions in response to Russia’s unprecedented and unprovoked military attack against Ukraine. The measures taken include individual and economic sanctions, restrictions on media and diplomatic measures, and are designed to weaken the Kremlin’s ability to finance the war and to impose clear economic and political costs on Russia’s political elite responsible for the invasion. The EU has also imposed sanctions against Belarus in response to its involvement in the invasion of Ukraine.

Relevant EP positions

In line with its general position on EU restrictive measures, Parliament has supported consistent and internationally coordinated implementation of sanctions against the Russian Federation and Belarus. It has requested that restrictive measures adopted by the EU are effective, proportionate and dissuasive and that the Member States fully comply with them. Parliament has also called for a legal instrument allowing for frozen and seized Russian assets and funds to be confiscated, so that they could be used as reparations and for the reconstruction of Ukraine.

Parliament has been a staunch advocate for a ‘Magnitsky-type’ sanctions regime, allowing the EU to target persons and entities responsible for grave human rights violations, wherever these abuses take place. It therefore very much welcomed the launch of the EU Global Human Rights Sanctions Regime (EU GHRSR) in December 2021. It has requested that the instrument be extended to include explicitly acts of corruption and for the creation of a complementary regime in case acts of corruption are not included in the revision of the current regime (similarly to the United States, Canada and the United Kingdom, where separate anti-corruption sanctions regimes exist). It has called for parliamentary oversight of the EU GHRSR, including an enhanced role for the European Parliament in proposing cases of serious human rights violations and the establishment of a dedicated Parliamentary Working Group to scrutinise the implementation of the sanctions regime.

Ongoing or upcoming initiatives

While the legislative process to adopt sanctions takes place in the Council with no involvement of the European Parliament, Parliament’s Committee on Foreign Affairs (AFET) discusses sanctions on a regular basis, since they are relevant for the EU’s relations with third countries. On 21 April 2022, AFET held an exchange of views on the effectiveness of the sanction packages adopted against Russia, with the participation of the ECON and ITRE and the relevant Commission services (DG ENER, MOVE, JUST and FISMA). AFET is also in contact with ECON in order to continue monitoring the impact of financial sanctions on the Russian economy and a further joint exchange of views could be organised in the future.

AFET has requested an external in-depth analysis on ‘Implementation and monitoring of the EU sanctions regimes, including recommendations to reinforce EU’s capacities to implement and monitor sanctions’ to be contracted this year.
VI. Engaging beyond our borders

Parliament was strongly in favour of the establishment of the EU Global Human Rights Sanctions Regime (GHRSR). AFET and DROI have consequently followed its adoption and implementation closely, through several exchanges of views, including with the VP/HR, and by adopting a resolution on the instrument, and by further developing its position on the instrument’s scope in its 2022 recommendation on corruption and human rights. In close cooperation with the Genocide Network of the Eurojust, DROI has been following up the issue of the prosecution of sanctions in the Member States, which remains very uneven. A Eurojust expert report, recently presented to DROI members, concluded that although legislation of all EU Member States included administrative or criminal penalties, very few individuals or legal persons were in practice held accountable. Investigating and prosecuting violations of sanctions could prove critical in the overall fight against impunity for core international crimes, including genocide, crimes against humanity and war crimes, in particular where corporate actors are involved.

On administrative level, a process of mapping the best practices in the global human rights sanctions regimes has been launched, with a view to providing high-quality, well-informed and coordinated service to MEPs in this area.

Thinking ahead

Parliament’s longstanding request is that the European Union needs to make the decision-making relating to the adoption of sanctions more efficient, in particular by switching from unanimity to qualified majority voting, a possibility that is provided for in the Treaties. Another important gap remains in the implementation of sanctions by Member States – these must be quickly implemented and enforced and investigation and prosecution of sanctions violations in Member States should be improved.

EP committees involved: AFET, DROI

Further reading

Russel, M., Western sanctions and Russia: What are they? Do they work?, European Parliamentary Research Service, February 2022
Portela, C., Targeted sanctions against individuals on grounds of grave human rights violations – impact, trends and prospects at EU level, Policy Department of the DG on External Relations, April 2018
Russel M., EU sanctions: A key foreign and security policy instrument, European Parliamentary Research Service, May 2018
Eurojust Expert Report Prosecution of sanctions (restrictive measures) violations in national jurisdictions: a comparative analysis, November 2021
VI. Engaging beyond our borders

B. Dissuading & punishing

2. Fighting impunity, punishing aggression & other crimes

Context

We are witnessing a global trend of increasing abuse and violations of international human rights and humanitarian law, and growing attacks against the rules-based global order. President Putin’s decision to launch a war of aggression against Ukraine poses the gravest challenge to the post Second World War international order. International criminal justice has made important achievements in addressing genocide, crimes against humanity and war crimes (core international crimes), in particular through the work of the International Criminal Court (ICC), but also the setting up of international investigative mechanisms. An increasing number of European courts have started cases under universal jurisdiction concerning international crimes, providing an important tool for accountability when other avenues for justice are closed. In response to atrocities reported from Ukraine, unprecedented additional resources have been mobilised, including by the EU and EU Member States, to support the ICC as well as Ukraine’s judicial institutions and civil society. New forms of cooperation such as Joint Investigative Teams (JIT) including the ICC are being employed. Thirteen Member States have opened national investigations into war crimes on the basis of universal or personal jurisdiction. The International Group of Friends of Accountability following the Aggression against Ukraine is mapping the different initiatives. The European Union, the United States, and the United Kingdom created the Atrocity Crimes Advisory Group (ACA). However, the ICC has no jurisdiction to investigate the crime of aggression—or crime against peace, as it was labelled during the Nuremberg Tribunal—in relation the ongoing war. Political momentum is gathering to establish a Special Tribunal that would have a specific jurisdiction over the Crime of Aggression against Ukraine.

Relevant EP positions

The EP has been a staunch supporter of strong and complementary accountability mechanisms, including the ICC, national and regional courts and new investigative mechanisms, such as the IIIM for Syria. With regard to Ukraine, the EP adopted on 19 May a resolution on the fight against impunity, which supports the ICC track for punishing war crimes and the setting up of a Special International Tribunal for the punishment of the crime of aggression committed by the political leaders and military commanders of the Russian Federation and its allies. Parliament also voted on 19 May to mandate Eurojust to analyse, store and preserve evidence related to war crimes and crimes against humanity (see fiche V.1).

Ongoing or upcoming initiatives

DROI works intensively on the issue of accountability for war crimes and other international crimes committed in Ukraine in the context of its wider work on achieving accountability for atrocities committed in conflict zones and the fight against impunity. It continues engaging with world’s leading political and legal experts on how the principle of universal jurisdiction can play a role in a wider accountability strategy, as well as the idea of an international tribunal on the crime of aggression, to close remaining accountability gaps. (DROI has decided to request external expertise on the crime of aggression to be commissioned in 2022.) EU27 national parliaments are key partners in advancing relevant national legislation and in promoting the principle of universal jurisdiction worldwide. (DROI will hold an inter-parliamentary committee meeting with JURI on universal jurisdiction on 12 July 2022.) For Belarus, the EP set up a platform for facilitating exchange between relevant international and non-state actors addressing impunity for grave human rights abuses committed in the country. Already in 2020, the EP initiated the establishment of an EU observatory on impunity, which is now under preparation in the Commission and will support knowledge exchange and capacity building, and advise EU institutions on political strategies.
VI. Engaging beyond our borders

Thinking ahead

The EP has pointed out the need of coordinating different accountability mechanisms to bring justice swiftly. (On 14 July, a ministerial conference on war crimes committed in Ukraine, organised by the Netherlands, European Commission and the ICC Prosecutor aims at fostering a coordinated and strategic international approach). Access to remedy for victims of war crimes and other international crimes in Ukraine will be a challenge. As Russia is announcing to set up tribunals to prosecute Ukrainian soldiers, the international community will have to defend the rules of international criminal law against manipulation and abuse. The role of the EU in setting up a possible tribunal on aggression will have to be closely monitored.

EP committees involved: DROI, AFET, LIBE, JURI

Further reading

DROI subject file on mechanism for the fight against impunity for war crimes in Ukraine
DROI subject file on European Parliament platform on the fight against impunity in Belarus
DROI Workshop on Envisioning International Justice: What role for the ICC?
Independent Study on an Observatory in Support of the Global Fight Against Impunity
EPRS Briefing on Russia’s War on Ukraine: Investigating and Prosecuting International Crimes
C. Responding to needs

1. Ensuring EU funding for global needs

Context
With an overall allocation of EUR 79.5 billion at current prices, the Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe covers EU cooperation with all third countries, thereby allowing the EU to effectively uphold and promote its values and interests worldwide while supporting global multilateral efforts. The instrument is organised around three key pillars:

Geographic
The geographic component promotes dialogue and cooperation with partner countries in the following regions: the European Neighbourhood, Sub-Saharan Africa, Asia and the Pacific, and the Americas and the Caribbean.

Geographic cooperation addresses through a new integrated architecture several crosscutting goals including good governance, inclusive growth, climate and environment objectives, poverty eradication, the fight against inequalities, resilience, conflict prevention and human development. In addition, European Neighbourhood countries benefit from enhanced political cooperation and support for the purposes of improving regional cooperation and promoting integration into the EU’s internal market.

Thematic
The thematic programmes complement activities in the geographic component by funding actions linked to the Sustainable Development Goals at global level. Thematic programmes focus therefore on human rights and democracy, civil society, stability and peace, as well as on global challenges such as health, education and training, women and children, work, social protection, culture, migration and climate change.

Rapid Response
The rapid response component allows financing of rapid and effective interventions in crisis management, conflict prevention and peace building. Actions financed under this component aim at strengthening resilience of crisis affected countries, linking humanitarian and development actions and addressing foreign policy needs and priorities.

At the same time, as NDICI – Global Europe was designed to be a more flexible instrument able to address new emerging priorities and challenges in a flexible manner in a fast-changing world, EUR 9.53 billion of unallocated funds (‘cushion’) were earmarked for unexpected events, such as crisis and post-crisis situations or migratory pressure, new needs or emerging challenges.

Global Europe breakdown

<table>
<thead>
<tr>
<th>NDICI 2021-2027 million EUR (current prices)</th>
<th>Global Europe budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geographic programmes</td>
<td>60 388</td>
</tr>
<tr>
<td>• Neighbourhood</td>
<td>19 323</td>
</tr>
<tr>
<td>• Sub-Saharan Africa</td>
<td>29 181</td>
</tr>
<tr>
<td>• Asia and the Pacific</td>
<td>8 489</td>
</tr>
<tr>
<td>• Americas and the Caribbean</td>
<td>3 395</td>
</tr>
<tr>
<td>Thematic programmes</td>
<td>6 358</td>
</tr>
</tbody>
</table>

79 462
VI. Engaging beyond our borders

- Human Rights and Democracy 1 362
- Civil Society Organisations 1 362
- Stability and Peace 908
- Global Challenges 2 726

**Rapid response actions** 3 182

**Emerging challenges and priorities cushion** 9 534

Ukraine’s indicative funding for 2021-2024 amounts to EUR 640 million (under country programme for 2021-2027). Parliament thinks this will have to be revised upwards. If it does not come from additional funding, funding for other pillars will have to be reduced or alternative sources need to be found. The Commission laid out the plans for immediate financial assistance, as well as long-term reconstruction in its Communication ‘Ukraine Relief and Reconstruction’, of 18 May 2022.

In addition, enlargement countries can benefit from support under the Instrument for Pre-Accession Assistance (IPA III), worth EUR 14.2 billion for 2021-2027. The funding supports EU accession-related reforms, including democratic and economic transformation, post-pandemic recovery and adaptation to negative aftershocks of the Russian war in Ukraine. The IPA beneficiaries include the six Western Balkan countries and Turkey.

**Relevant EP positions**

Parliament believes that NDICI – Global Europe should be used to its full potential, but that we are not yet there. In particular, the first programming exercise under this instrument should have been more comprehensive and covered all anticipated financing needs. Resort to the NDICI – Global Europe cushion should, in line with Article 17 of the regulation, be limited to new initiatives or priorities, new needs or emerging challenges, or circumstances that could not be foreseen when the regulation entered into force. This was not the case for a number of initiatives funded through the cushion, such as the funding intended for refugees in the EU’s Neighbourhood. This cushion should be reserved for genuine new emergencies. The Russian aggression and war on Ukraine qualifies as such.

**Ongoing or upcoming initiatives**

- BUDG INI report on ‘Upscaling the 2021-2027 MFF: a resilient EU budget fit for new challenges’ (ongoing, expected adoption before the end of the year)
- EPRS In-Depth Analysis on Global Europe – first steps of implementation (on-going, expected before the end of the year)

**Thinking ahead**

From the very first year of the new MFF, the available margins under Heading 6 are very limited, and are shrinking further. In order to ensure that the Union has the genuine means to act on its ambitions – which should not be limited to rebranding and repackaging of planned initiatives – we need to make sure that we have the capacity to match greater needs in the MFF 2021-2027 with greater funding. This means that at the time of the midterm review of the MFF, which will now have to be brought forward; there is a need to increase the NDICI – Global Europe envelope. However, the Commission openly mentions the probability of an early revision of the MFF already now, ahead of the MFF mid-term review. In a complementary fashion, there is a need to strengthen the relevant NDICI – Global Europe budget lines through bilateral contributions in the form of external assigned revenue from the Member States – on the
VI. Engaging beyond our borders

condition that Parliament is fully involved in the decision-making process and can properly exercise scrutiny.

In order to make the wording of Recital 71 of the NDICI – Global Europe regulation, and the declaration on a geopolitical dialogue, fully meaningful, Parliament believes, following this year’s experience, that there is a need for a robust working mechanism through which it will be properly involved, in a timely manner, in the mobilisation of the cushion.

Parliament needs to use to the maximum effect its political, legislative, budgetary, and scrutiny powers with regard to the assistance to Ukraine, including the reconstruction funding (new legislation, EU budget, Member States and third countries external contributions, private funds, etc.).

EP committees involved: AFET, DEVE, BUDG and others

Further reading


A new neighbourhood, development and international cooperation instrument – Global Europe, EPRS, July 2021

Financing EU external action in the new MFF, 2021-2027 Heading 6 'Neighbourhood and the World', EPRS, November 2019

European Commission – International Partnerships

Catching up with Global Europe: 15 questions on the EU’s new financial instrument answered, by Katja Sergejeff, Ennato Domingo and Alexei Jones, ECDPM, February 2022

Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions Ukraine Relief and Reconstruction, 18 May 2022.
C. Responding to needs

2. Meeting humanitarian needs

Context

Humanitarian aid is a key pillar of the EU’s external action to respond to the needs of people during natural disasters, armed conflicts, and other emergencies (Article 214 TFEU). Humanitarian aid is provided in line with humanitarian principles and solely based on needs.

Global humanitarian needs have been growing at an alarming rate in recent years, due to conflicts, climate and environmental degradation and the effects of the COVID-19 pandemic, among others. The Russian aggression against Ukraine has gravely exacerbated this, given the millions of Ukrainian people needing assistance and the wider impact of the war on vulnerable countries (increased energy prices and food insecurity, among others). At the start of 2022, 274 million people were in need of humanitarian assistance (a significant increase from 2021’s already historic record of 235 million). The UN estimated that USD 41 billion were needed for humanitarian response plans assisting 183 million of these people.

Yet, financial needs are not being met. In 2021 only 46% of the global humanitarian funding requirements were covered, continuing the declining trend of recent years (so called global funding gap). Furthermore, humanitarian financing comes from a narrow pool of contributors: the world’s top 10 donors provide 80% of the existing humanitarian funding. Efforts are needed to expand the resource base for humanitarian funding. The distribution of humanitarian funding within the EU is also uneven, with just four Member States and the European Commission accounting for approximately 90% of the EU’s humanitarian financing.

Following the invasion of Ukraine, the UN appealed for USD 4.1 billion to cover the needs of vulnerable people inside Ukraine (USD 2.25 billion) and for refugees (USD 1.85 billion) until end of August. The important international solidarity with Ukraine meant that, as of early June 2022, 72.5% of the Ukraine appeal was funded. This is a much higher level than for other crises or than the global average, and raises the critical question of whether donors’ contributions to the Ukraine crisis would not lead to a diversion of humanitarian funds from other crises. This could be a challenge to principled humanitarian aid, and the Commissioner for Crisis Management has reassured the European Parliament that humanitarian funds for Ukraine will not be obtained by diverting it from other crises.

However, if funds are not diverted, this requires seeking additional humanitarian funds for Ukraine (and for the increased needs around the world caused by the war) either through the EU budget’s limited flexibility mechanisms, through transfers from other (non-humanitarian) budget lines, or by increasing the annual humanitarian budget. Both flexibility and budget transfers are regularly used through the year to increase the EU’s humanitarian budget – for instance, in 2021 the EU’s initial humanitarian budget was EUR 1.4 billion, while its final amount reached EUR 2 billion. These instruments, therefore, will not be sufficient to cope with the additional needs caused by the Ukraine war. The only solution for a substantial increase in humanitarian assistance within the EU budget is a revision of the Multiannual Financial Framework (MFF) 2021-2027, which originally allocated EUR 11.6 billion to the humanitarian aid instrument.

Relevant EP positions

- European Parliament resolution of 15 December 2021 on new orientations for the EU’s humanitarian action:
  
  2. (...) calls for the Commission to provide a robust annual budget for EU humanitarian aid to guarantee timely, predictable and flexible funding for humanitarian aid from the start of each financial year (...) calls for the EU to advocate for greater international responsibility-sharing and an increase in humanitarian funding; urges the Member States to lead by example and contribute a fixed share of
VI. Engaging beyond our borders

their gross national incomes to humanitarian aid; calls on the Commission to report annually on the amount of humanitarian funding disbursed from the EU in the global context;

3. Calls on the Commission and the European External Action Service to devise a strategy for long-term collaboration with third countries, in particular emerging donors, by leveraging the EU’s bilateral, regional and multilateral diplomacy to expand the range of donor countries which contribute to humanitarian aid on a voluntary basis;

Ongoing or upcoming initiatives

BUDG INI report on ‘Upscaling the 2021-2027 MFF: a resilient EU budget fit for new challenges’ (expected to be adopted before the end of 2022)

Thinking ahead

- The European Parliament should call on Member States (notably those ‘punching below their weight’) to increase their own contributions to humanitarian aid, including by agreeing a fixed share of GNI for humanitarian aid, as called for in the EP resolution, as well as calling for a reinforcement of the humanitarian aid line in a revised MFF.
- The European Parliament could also explore – with the Commission – the potential of pilot projects for greater contributions by the private sector for humanitarian aid.
- Parliament can also explore further avenues to expand the donor base by appealing to non-traditional donors in Parliamentary contacts (Gulf, Asian countries).

EP committees involved: DEVE, BUDG

Further reading

The future of humanitarian aid in a new context full of challenges, Policy Department for External Relations, European Parliament, October 2021
UN OCHA Ukraine Flash Appeal 2022
UN OCHA Global Humanitarian Overview, 2022
European Humanitarian Forum, 2022
War in Ukraine Is Adding to Humanitarian Needs Elsewhere. Diverting Aid to Ukraine Will Make That Worse by Mark Lowcock, Ian Mitchell, Sam Hughes and Samuel Pleet – CGDEV, 7 April 2022
C. Responding to needs

3. Supporting global food security

Context

Even before the Russian aggression hunger, levels were alarmingly high. In 2021, they surpassed all previous records with close to 193 million people across 53 countries/territories were acutely food insecure and in need of urgent assistance, caused predominantly by ‘4 Cs’: conflict, climate crises, COVID and rising costs. The current crisis has four main elements: food, finance, energy, affordability.

Global agricultural markets saw an unprecedented rise in prices already before the Ukraine war. In addition to high food prices, purchasing power has been eroded by high fuel prices, high inflation and job losses. About 60% of low-income countries are in debt distress or at high risk of debt distress; this is double the number of countries in this position in 2015.

The increase in energy prices drives up prices of agricultural inputs (notably fertilizers), transport and ultimately food. The same factors negatively affect the global capacity for humanitarian assistance, notably by the World Food Program (WFP).

These price hikes are further worsening the macro-economic outlook in many countries and straining their public finances. All of this is exacerbated by grain hoarding (export restrictions) and commodity speculation on international food markets. The most vulnerable countries are the least developed and low-income countries, mainly in Africa, Asia and the Middle East. Households are facing rapidly rising prices of basic foodstuffs. As seen with uprisings in the past decades, a (food) price shock often sets off instability and conflict.

Overall, EU global food security response is comprised of four strands of action, in line with the Commission communication of 23 March and the Versailles declaration:

- (i) solidarity through emergency relief and support for affordability of food;
- (ii) boosting production and resilience;
- (iii) facilitating trade by helping Ukraine export agricultural goods and by promoting open global trade in food and fertilisers;
- (iv) effective multilateralism complemented by joint efforts to counter Russian disinformation.

Relevant EP positions

On 24 March 2022, Parliament adopted a Resolution on the need for an urgent EU action plan to ensure food security inside and outside the EU in light of the Russian invasion of Ukraine (2022/2593(RSP)). With this resolution, Parliament urged the EU to safeguard the rights of developing countries to food security, as a means of achieving nutritional security, poverty reduction and inclusive, sustainable and fair global supply chains. The resolutions calls for the support to local regional markets, devoting particular attention to family farming, with the aim of securing the supply of affordable and accessible food. The Parliament also called for:

- **Increasing support**: supporting Ukraine’s agricultural production and providing an immediate and coordinated humanitarian response;
- **Increasing EU production**: a temporary step up of EU production for the 2022 harvesting season;
- **Reducing the EUs dependency**: reducing the EU’s dependence on imports fertilisers, while significantly reducing energy dependence (Russian gas, oil and coal);

---

42 2022 Global Report on Food Crises (GRFC)
VI. Engaging beyond our borders

- **Emergency measures**: increasing contributions to the WFP by using the Solidarity and Emergency Aid Reserve provided in the MFF.

**Ongoing or upcoming initiatives**

- The DEVE Committee is finalising work on an INI on ‘Addressing food security in developing countries’, 2021/2208(INI), which will be voted in Plenary in July or in September 2022.
- The Commission envisages frontloading assistance to vulnerable countries (especially in Africa). Prioritised programmes will aim to scale up support for agro-ecological approaches and local food production and processing, notably through investments – based on innovative financing where possible.
- There are a number of regional initiatives based on a Team Europe approach to respond to food security crises (specifically in the Sahel and Lake Chad regions, the Horn of Africa and the Southern Neighbourhood). For the Sahel and Lake Chad regions, the EU and MS mobilised more than EUR 1 billion, EUR 633 million for the Horn of Africa, and EUR 225 million for the Food and Resilience Facility in the southern neighbourhood.
- Global initiatives include the G7 Global Alliance for Food Security, the Food and Agriculture Resilience Mission (FARM), the UN Global Crisis Response Group (GCRG), the World Bank’s USD 30 billion crisis response financing package, and the IFAD Crisis Response Initiative.

**Thinking ahead**

Immediate responses include:

- provide adequate humanitarian assistance to vulnerable groups;
- keep trade flowing and minimise disruptions to supply chains;
- avoid ad hoc policy reactions, export restrictions and import subsidies;
- exempt humanitarian assistance from export bans, extraordinary taxes and duties.

Beyond immediate (humanitarian) responses, the current crisis should be an impetus to advance on the systemic and profound reform of food systems in order to:

- support food importing countries, including through debt relief (accelerating the implementation of the G20-Paris Club Common Framework for Debt Treatment);
- tackle commodity speculation and enhance market transparency;
- reduce reliance on fertilizers and fossil energy in food production;
- accelerate the development of regional grain reserves and food security response systems;
- diversify food production and restructure trade flows, including by supporting Intra-African trade.

In parallel, it is fundamental to focus on the coordination of actions to maximise available resources and to ensure coherence including in the G7 framework and the UNSG Global Crisis Group.

Last but not least, joint communication efforts must be intensified to counter Russian coordinated and state-funded disinformation campaigns that attempt to blame the sanctions for the deteriorating global food security situation. These sanctions are targeted at the Russian government, the financial sector and economic elites, but not at Russian exports of food to global markets.

**EP committees involved**: AFET, AGRI, DEVE
VI. Engaging beyond our borders

Further reading

2022 Global Report on Food Crises
EPRS At A Glance: Russia’s war on Ukraine: Impact on food security and EU response
EPRS At A Glance: Russia’s war on Ukraine: EU-Ukraine trade in agri-food products
EPRS At A Glance: Russia’s war on Ukraine: EU food policy implications
International Panel of Experts on Sustainable Food Systems: IPES Special report ‘Another perfect storm’
FAO Note on the impact of the war on food security in Ukraine – 25 March 2022
FAO Information Note on the importance of Ukraine and the Russian Federation for global agricultural markets and the risks associated with the current conflict
FAO Food Price Index
VI. Engaging beyond our borders

D. Looking ahead

1. Preparing the ground for future accession

Context
Following Ukraine’s plea to join the European Union as the country battles Russia’s invasion, Georgia and Moldova submitted their own EU membership applications. This fiche will cover Georgia’s and Moldova’s quest for EU accession. Ukraine is addressed in the fiche on ‘Coordinating international efforts for reconstruction of Ukraine’; the situation of the Western Balkans is described in the fiche on ‘Deepening political association with key partners’.

The Georgian authorities returned the answers to the first part of the questionnaire on EU application (covering politics and economics) on 2 May 2022, and the second, sectoral part on 10 May 2022. The Moldovan authorities did so on 22 April 2022 and 12 May 2022, respectively. While a process has thereby been set in motion, decisions on future steps are in the hands of EU Member States.

Relevant EP positions

**Georgia:**
- EP resolution of 16 September 2020 on the implementation of the Association Agreement between the EU and Georgia
- EP urgency resolution of 8 June 2022 on ‘Violations of media freedom and safety of journalists in Georgia’

**Moldova**
- EP resolution of 19 May 2022 on the implementation of the EU Association Agreement with the Republic of Moldova
- EP resolution of 5 May 2022 on the state of play of the EU-Moldova cooperation

Ongoing or upcoming initiatives

**Georgia:**
The extreme polarisation of Georgia’s political and media landscapes hinders the country’s democratic development and European ambitions. The launch of a European Parliament’s mediation process, known Jean Monnet Dialogue (JMD) was already foreseen in the 19 April 2021 agreement brokered by European Council President Charles Michel. This would represent a valuable opportunity for the parliament of Georgia to develop a genuine inter-party dialogue and build a culture of parliamentary democracy. The EP’s Democracy Support and Election Coordination Group (DEG) stands ready to implement a variety of democracy support activities, including the JMD.

That said, for these initiatives to materialise, and for the JMD to be implemented in a constructive way, the EP needs to build on Georgian political actors’ enduring and dependable commitment and engagement.

**Moldova:**
Following the signature of a Memorandum of Understanding (MoU) on a Joint Framework for democracy support activities with the European Parliament on 29 November 2021, a Roadmap on Democracy Support Activities has been shared with the Moldovan Parliament and will become a formal part of the MoU.

A Jean Monnet Dialogue programme has been included in the Roadmap. In May 2022, Moldovan parliamentary factions expressed their willingness to engage in such a mediated process to enhance democratic parliamentary culture, cross-party dialogue and trust.

In addition, a ‘Triangle for Democracy’ programme on the topic of countering disinformation will be launched by mid-2022. Through this programme, the EP will act as a facilitator of genuine cooperation...
VI. Engaging beyond our borders

between parliamentarians, civil society and media professionals to boost Moldovan society’s resilience to manipulated information.

Further activities on capacity development included in the Roadmap, a series of trainings on different clusters and chapters of the EU *acquis*, will be organised in the months to come.

**Thinking ahead**

**Georgia**

Tangible signs of democratic backsliding have been increasingly visible in Georgia, notably when it comes to the rule of law, the independence of the judiciary and media freedom. These values lay at the core of the EU-Georgia Association Agreement. Therefore, these challenges should be tackled by the EU-Georgia Parliamentary Association Committee (PAC), which is tasked with the parliamentary scrutiny of the implementation of the Association Agreement. The 11th PAC meeting is scheduled for September 2022, in Tbilisi.

Any closer partnership between the EU and Georgia will demand ambitious reforms in these areas.

**Moldova**

Coupled with the omnipresence of Russian and pro-Russian media and increased disinformation, it will be more difficult for Moldova’s government to promote EU membership and its benefits to an impoverished population. The EU and the EP should continue supporting Moldova on all fronts — including socio-economic, humanitarian, energy, communication (to battle) disinformation, opening EU markets to Moldovan exports (ongoing talks) – if they wish to win hearts and minds in the country.

**EP committees involved:** AFET, DROI

**Further reading**

DG EPRS study on ‘*Association agreement between the EU and Georgia — European Implementation Assessment*’
D. Looking ahead

2. Coordinating international efforts for reconstruction in Ukraine

Context

Since the start of the invasion, the EU condemns in the strongest possible terms Russia's unprovoked military aggression against Ukraine and takes action to support Ukraine, to increase the costs for Russia through sanctions, and to prevent and fight against its negative global repercussions.

Since the Russian aggression started, the EU has mobilised around EUR 4.1 billion to support Ukraine’s overall economic, social and financial resilience in the form of macro-financial assistance, budget support, emergency assistance, crisis response and humanitarian aid. Military assistance measures have also been provided under the European Peace Facility, amounting to EUR 2 billion, that will be used to reimburse Member States for their in-kind military support to Ukraine.

On 18 May 2022, the European Commission published a Communication on ‘Ukraine Relief and Reconstruction’, outlining more operational details related to EU short-term support and reconstruction agenda. Among the key points put forward, the Commission announced the setting up of an international coordination platform, the ‘Ukraine reconstruction platform’, co-led by the Commission and by the Ukrainian government, with the Ukrainian and the European Parliaments participating as observers. The Commission also proposes the setting up of a ‘RebuildUkraine’ Facility as the main legal instrument for the EU support through a mix of grants and loans, embedded in the EU budget but with its own specific governance structure ensuring full ownership by Ukraine; this will require identifying new financing sources beyond the current MFF.

The conclusions of the European Council of 30-31 May endorsed the Ukraine reconstruction platform. It should bring together the Ukrainian government, the European Union and its Member States, the European Investment Bank as well as international partners, financing institutions, organisations, experts and interested parties. EU support for reconstruction will be linked to the implementation of reforms and anti-corruption measures consistent with Ukraine’s European path. The European Council invited the Commission to make proposals on this basis.

In the Versailles declaration of 10-11 March 2022, the EU Heads of state and government ‘acknowledged the European aspirations and the European choice of Ukraine, as stated in the Association Agreement. On 28 February 2022, exercising the right of Ukraine to choose its own destiny, the President of Ukraine submitted the application of Ukraine to become a member of the European Union. Heads of State and government are set to take a decision on Ukraine’s candidacy at the European Council of 23-24 June 2022.

Relevant EP positions

The EP has always been the strongest supporter of Ukraine on its European path and has been clear on the sanctions towards Russia and necessary assistance and support to Ukraine at this time of war.

The EP had adopted several resolutions in the course of 2021 on the Russian military build-up at the border (a resolution in April and December 2021) and sent an AFET/SEDE ad hoc mission to Ukraine, including Mariupol, end of January 2022.

Following the start of the Russian war of aggression against Ukraine on 24 February 2022, Parliament held an extraordinary plenary session on 1 March 2022 and adopted a resolution outlining its main position on the Russian aggression and the need to step up EU’s response. EP adopted several additional resolutions since then, in particular a resolution adopted on 7 April on the conclusions of the European Council meeting of 24-25 March 2022, including the latest developments of the war against Ukraine and the EU sanctions against Russia and their implementation.
VI. Engaging beyond our borders

On 8 June 2022, Parliament reiterated the call to grant EU candidate status to Ukraine in the Recommendation to the Council on the EU’s Foreign, Security and Defence Policy after the Russian war of aggression against Ukraine.

EP political group leaders (Conference of Presidents) also adopted a statement on 9 June in view of the 23-24 June European Council, strongly appealing to the European Council to grant EU candidate status to Ukraine and the Republic of Moldova, in line with Article 49 of the Treaty on European Union and as the start to a merit-based process, and to work towards granting the same status to Georgia, fulfilling the legitimate aspirations of the Georgian people.

The EP has furthermore committed to adopting yearly resolutions on the implementation of the Association Agreement. The latest resolution dates of 11 February 2021.

Since the start of the war, EP bodies have already discussed in a regular basis support provided to Ukraine, notably in the AFET and DEVE (scrutiny of Heading 6, High Level Political Dialogues) and BUDG Committees.

Ongoing or upcoming initiatives

Since the start of the war, the European Parliament has mobilised all its channels at all levels to condemn the aggression, support Ukraine and address the consequences of this aggression within the EU and at global level. Parliament is in particular:

- closely monitoring both the situation on the ground, the EU response and the implications of the Russian war of aggression for EU citizens. The EP’s Conference of Presidents pre-authorised a debate on Ukraine to be held at every plenary session since the inception of the war. Similarly, AFET is having an agenda point on Ukraine at every ordinary Committee meeting;
- maintaining a regular contact and political dialogue with Ukrainian authorities, lastly with the visits of Speaker of the Verkhovna Rada (parliament) of Ukraine R. Stepanchuk (15.06), and in the context of the formal EU-Ukraine Parliamentary Association Committee (most recent meeting held in Strasbourg on 8-9.06);
- adopting legislation to step up financial support to Ukraine and Moldova (macro-financial assistance) and to ensure protection and support to the Ukrainian refugees in the EU (Cohesion’s Action for the Refugees in Europe (CARE), REACT-EU);
- follow-up to Commission initiatives, such as the ‘Solidarity Lanes’ for agricultural produce and the 12-month tariff and quota free commercial access to the EU market and the need for further trade facilitation measures; as well as the ‘Freeze and Seize Task Force’ on enforcing EU sanctions and measures to counter disinformation and cyber-attacks;
- taking initiatives on the fight against impunity, notably supporting the establishment of an ad hoc tribunal on the crimes of aggression;
- responding to calls for political support and technical assistance by the Verkhovna Rada of Ukraine, notably in the fields of IT, communication, legal assistance and translation;
- leveraging its parliamentary diplomacy to reach out to parliamentary counterparts across the world;
- hosting a website called ‘Stand with Ukraine’ in English and Ukrainian;
- taking concrete actions to reach out to and support Ukrainian civil society, including the opening of the Ukrainian civil society hub in the ‘Station Europe’ building.

Thinking ahead

As a long-standing partner of Ukrainian institutions and in particular of the Verkhovna Rada, the European Parliament will have a key role to play in the reconstruction phase, which will coincide with Ukraine’s path towards EU accession. EP Committees and the EP delegation to the EU-Ukraine Parliamentary Association
Committee will be instrumental to maintain a **high level of political dialogue**, including on the post-war and European reform agenda of Ukraine, and to support Ukrainian authorities in the democratic consolidation of the country and the fight against impunity.

Regarding the **financial side of reconstruction**, many parts of the Communication on ‘Ukraine Relief and Reconstruction’ will be translated into concrete budgetary or legislative proposals, e.g. on macro-financial and even possibly a targeted revision of the MFF 2021-2027, meaning with a legally binding role for the EP. Furthermore, the EP needs to ensure an appropriate role in the coordination platform and the programming and implementation Rebuild Ukraine facility, in order to provide political steering to the choice of priorities and allocations, and to control the proper use of the funding.

The EP is furthermore very active in **democracy support** and capacity building in Ukraine, and provides both technical and logistic assistance to the Ukrainian parliament. Possible activities for the next months and the post-war period include further support to the modernisation of the Verkhovna Rada’s functioning as well as targeted support to its legislative activities, in particular expertise on approximation to the EU legislation as well as possible model for the institutional structures of the EU integration. It can also provide assistance to the Verkhovna Rada regarding oversight over the spending in the reconstruction process (decision-making on the use of funds according to political priorities and budgetary control).

In this sphere, it would be advisable to liaise and coordinate with the Commission/EEAS, other international organisations, in particular UN, Council of Europe and OSCE.

It is also advisable to increase the in-party **mediation** efforts in Ukraine and start working towards post-conflict reconstruction. This would also include number of EU actors and international organisations.

**EP bodies involved:** All EP bodies

**Further reading**

- Russia's war on Ukraine: The EU's financing of military assistance to Ukraine (20/05/2022)
- Russia's war on Ukraine: Bilateral delivery of weapons and military aid to Ukraine (20/05/2002)
- Russia’s war on Ukraine in international law and human rights bodies: Bringing institutions back in (8/04/2022)

Directorate-General for European Parliament Research Service, Briefing, **Support for democracy through EU external policy: New tools for growing challenges** (2021)
VI. Engaging beyond our borders

D. Looking ahead

3. Amplifying the role of parliaments across the globe

Context

Russia’s war of aggression against Ukraine has challenged the rules-based international order and has highlighted the importance – now more than ever – of parliamentary cooperation as a foundation of democracy worldwide.

In a context of shifting global alliances, where the EU has taken a strong and clear stance in support of Ukraine, the outreach to all partner parliaments across the globe has become key to convey the EU position and build support for Ukraine in all bilateral and multilateral fora.

The EP, as the biggest supranational elected assembly in the world, occupies a unique position, allowing it to solidify and expand its extraordinary network of parliamentary partners around the globe, based on the enhanced coordinated action of its committees and standing delegations, multilateral parliamentary assemblies, Democracy Support and Election Coordination Group (DEG) and external liaison offices.

In 2021, the Parliament’s President launched a reflection on ‘Rethinking Parliamentary Democracy’. Among the recommendations that emerged from the process, a number are aimed at enhancing the EP’s global role as a diplomatic actor.

Relevant EP positions

- EP President’s reflection on Rethinking Parliamentary Democracy, Conclusions of Focus Group III on enhancing parliamentary diplomacy.
- European Parliament resolution of 17 February 2022 on the implementation of the common foreign and security policy – annual report 2021

Ongoing or upcoming initiatives

Following the call made by Ruslan Stefanchuk, Speaker of the Verkhovna Rada (parliament) of Ukraine to EP President Roberta Metsola, the EP’s Conference of Delegation Chairs (CDC) decided, at its meeting of 9 March 2022, to launch an outreach campaign to partner parliaments around the world.

The campaign is ongoing, with the chairs of EP delegations reaching out to their counterparts. To date, 59 letters have been sent, and more than 40 meetings have been held (both digital and in-person, including those of standing delegations, joint parliamentary assemblies, inter-parliamentary meetings and association committees), sharing the EP resolution of 1 March on Ukraine and proposing concerted action and messages to condemn Russia’s aggression and support Ukraine. (See the statement and video message of the Chair of the CDC.)

Delegations are also a key hub for reaching out to civil society at a time when official diplomacy is not operating. For example, the EP Delegations for Relations with Russia and with Belarus have been exchanging continuously with civil society activists and opponents, both in Russia and in exile, supporting their work and helping spur change from within authoritarian societies, keeping people-to-people bridges open while institutional diplomacy is not functional.

Parliamentary diplomacy also proved to be a key tool for exchanging with like-minded legislators in the US Congress, at a time when the executive diplomacy channels between EU and the US were at a record low. These exchanges contributed to the conditions leading to the current enhanced transatlantic parliamentary dialogue.

EP democracy-support activities, which are led by the Democracy Support and Election Coordination Group (DEG), constitute another important pillar of the EP’s action to strengthen the role and functioning of democratic parliaments worldwide.
Thinking ahead

The wide outreach by EP delegations on Ukraine is an example of how standing delegations should be increasingly developed as both a hub and ‘conveyer belt’ to make EU policies and positions known by our counterparts and partners. Delegations help forge strategic alliances with like-minded partners (but not only) on key EU legislation and trade agreements, while developing the parliamentary dimension of EU regional strategies (e.g. in the Indo-Pacific, Africa, and Southern Neighbourhood).

In this respect, building on the reflection about parliamentary diplomacy, digital Parliamentary diplomacy is proving key to frequent and timely exchanges with partners. The EP can explore ways to embed and further develop digital diplomacy into the post-COVID working methods as a complementary tool that would increase the frequency of online meetings and events with partners. This would also provide EP bodies – including, notably, standing delegations – with a powerful additional tool to bolster the work of Parliament’s official bodies in their relations with third countries. Finally, this would make the European Parliament more visible and relevant globally, as an institutional actor engaged in parliamentary diplomacy.

EP bodies involved

EP standing delegations operate under the political oversight of AFET, as well as the coordination of AFET and DEVE (Rules of Procedure, Annex VI). The delegations contribute to the work of – and systematically provide material for – discussion in parliamentary committees, as described in the delegations’ official implementing provisions.

Further reading

VII. Getting closer to an EU health competence
VII. GETTING CLOSER to a EU HEALTH UNION

VERTICAL COOPERATION in GETTING CLOSER to a EU HEALTH UNION

Diagram showing EU complementary executive capacity, EU primary action, EU-Member States joint action and cooperation, and primary action of Member States. The diagram includes various regulatory instruments and initiatives such as the European Health Emergency Preparedness and Response Authority (HERA), the European Centre for Disease Prevention and Control (ECDC), and the Horizon Europe research and innovation framework programme (2021-2027).

Note: The size of each square does not have any meaning.
### VII. Getting closer to an EU health competence

#### A. Health education and prevention

##### 1. Health promotion and disease prevention

**Scene setter / Context / Overview**

Health prevention and disease prevention qualify as one of the general objectives of Regulation (EU) 2021/522 establishing the programme for the Union’s action in the field of health (EU4Health programme).

Launched in 2021, the 'EU4Health' programme is designed on the lessons learned from both the coronavirus crisis and previous health programmes. EU4Health is expected to boost the EU's preparedness for major cross-border health threats and improve health systems' resilience. This should enable the EU to face not only future epidemics, but also long-term challenges such as an ageing population and inequalities in health.

In 2022, EU4HEALTH [work programme](#) is set to invest at least €158 million directly to health promotion and disease prevention. The focus will be put on actions on i) health determinants for cancer and other non-communicable diseases, ii) prevention of cardiovascular diseases and diabetes, iii) strengthening the implementation of innovative approaches to prostate, lung and gastric cancer screening at Union level.

**Relevant EP positions**

With its resolution of 16 February 2022, the Parliament underlines that primary healthcare providers have an important role in health promotion among population. It notably notes their capacity to adapt their health promotion actions to the needs of patients in the light of patients’ digital skills, or even if they have no digital skills at all. The Parliament also considers cancer prevention to be a first step towards a European public health education policy.

With its [resolution](#) of 10 March 2022 on the EU Gender Action Plan III, the Parliament stresses the need for Member States to adopt a public health policy that places special emphasis on health promotion and disease prevention by guaranteeing universal and high-quality healthcare and ensuring the availability of the necessary resources to combat the main public health problems.

**Ongoing or upcoming initiatives**

In 2022, the Commission will adopt a proposal to update the 2003 Council Recommendation on cancer screening to include the latest available scientific evidence. One of the aims will be to consider the extension of cancer screening beyond breast, colorectal and cervical cancer to include prostate, lung and gastric cancer, as well as other cancers.

**Thinking ahead**

**EP Committees involved**  COVI, ENVI, INGE2, ITRE

**Further reading**

VII. Getting closer to an EU health competence


Bucher A., *Does Europe need a Health Union?*, Bruegel Institute, policy contribution, February 2022.

A. Health education and prevention

2. Action plan against disinformation including a code of practice fighting online disinformation

Scene setter / Context / Overview

The Covid-19 pandemic broke out at a time when misinformation and disinformation visibility and impact were facilitated by different trends such as digitalisation. The Covid-19 pandemic magnified the global reach and risks of this trend, to an extent that the World Health Organization adopted the concept of 'infodemic' ('An infodemic is too much information including false or misleading information in digital and physical environments during a disease outbreak').

The Union had already adopted initiatives to tackle the phenomenon. For instance, following the EU’s 2018 action plan against disinformation and the 2020 European democracy action plan, a strengthened code of practice has been signed by 34 organisations, representing a wide range of actors, including online platforms, players from the advertising ecosystem, fact-checkers, and civil society. The signatory organisations commit to taking action in several domains, such as demonetising the dissemination of disinformation; ensuring the transparency of political advertising; empowering users; enhancing cooperation with fact-checkers; and providing researchers with better access to data.

Relevant EP positions

With its resolution of Friday 13 November 2020 on the impact of Covid-19 measures on democracy, the Parliament recalls that the best way to fight disinformation is to protect and ensure the right to information and freedom of expression, providing support to ensure media pluralism and independent journalism. It therefore invites Member States to ensure transparency when adopting measures and to provide their citizens with comprehensive, up-to-date, precise and objective information and data concerning the public health situation and measures taken to control it.

With is resolution of 9 March 2022 on foreign interference in all democratic processes in the European Union, including disinformation, the Parliament underlines the need for these platforms to step up their efforts to address disinformation in smaller and less commercially profitable markets in the EU. It also takes note that the EU is funding several projects and programmes with a focus on countering disinformation at a technological, legal, psychological and informational level.

Ongoing or upcoming initiatives

In 2021, the Commission included improving the coordination and sophistication against disinformation as one of the top ten lessons learnt during the Covid-19 pandemic.

Horizon Europe, the current research and innovation framework programme (2021-2027), is expected to invest around €60 million for research on the fight against disinformation in the work programme for 2021-2022, with some specific angles on pandemic-related disinformation. For instance, Cluster 2 'Culture, creativity and inclusive society' will include relevant topics for
VII. Getting closer to an EU health competence

research on disinformation, the rising importance of a strong and independent media landscape and of the fight against fake news in the post-coronavirus context

Thinking ahead

Together with the European Regulators Group for Audiovisual Media Services (ERGA) and the European Digital Media Observatory (EDMO), the Commission will regularly assess the progress made in the implementation of the Code, based on the granular qualitative and quantitative reporting expected from signatories.

The European Parliament’s anti-disinformation team monitors and analyses disinformation, cooperates with other institutions and civil society, and organises training and awareness raising activities (unit SPOX) The Parliament also has a webpage on ‘How to fight disinformation’ and shares in-house research as well as information on media literacy and reliable sources through its social media channels.

EP Committees involved  COVI, ENVI, INGE2, ITRE

Further reading


Bucher A., Does Europe need a Health Union?, Bruegel Institute, policy contribution, February 2022.


Trump’s disinformation ‘magaphone’: Consequences, first lessons and outlook, Briefing, European Parliamentary Research Service (EPRS), February 2021
B. Establishing a health union

1. Regulation on serious cross-border threats to health

Scene setter / Context / Overview

It is up to the EU Member States to define their health policies and to manage public health crises, with the EU playing a supporting role. However, serious cross-border threats have, by their nature, a transnational dimension, and no country can tackle them on its own.

On 11 November 2020, the European Commission put forward a proposal for a regulation on serious cross-border threats to health. Building on lessons learned from the coronavirus crisis, it aims to strengthen existing structures and mechanisms for better protection, prevention, preparedness and response against all health hazards at EU level, by revising and repealing Decision No 1082/2013/EU (the 'Cross-Border Health Threats Decision').

The proposal was presented as part of a package of associated measures, namely:

- a proposal to strengthen the European Centre for Disease Prevention and Control (ECDC)- based on Article 168(5) TFEU;
- a proposal on a reinforced role for the European Medicines Agency (EMA) in crisis preparedness and management for medicinal products and medical devices -based on Articles 114 and 168(4)(c) TFEU;
- a communication setting out key lessons learned from the coronavirus pandemic, and proposing a stronger and more comprehensive health security framework for the EU, and outlining the main elements of an EU 'health emergency preparedness and response authority' (HERA).

On 16 September 2021, the Commission adopted a complementary proposal for a Council regulation, on a framework of measures for ensuring the supply of crisis-relevant medical countermeasures in the event of a public health emergency at Union level - based on Article 122 TFEU.

Relevant EP positions

Parliament has consistently promoted the establishment of a coherent EU public health policy. In its April 2020 resolution on EU coordinated action to combat the pandemic and its consequences, Parliament called for the competences, budget and staff of the ECDC and the EMA to be strengthened substantially, to enable them to coordinate medical responses in times of crisis. Parliament also called for the creation of a European health response mechanism, to improve preparation and respond in a common and coordinated way to any type of health or sanitary crisis that emerges at EU level. It argued that such a mechanism should function as both an information hub and an emergency response team 'able to deliver vital supplies, medical equipment and medical staff to regions experiencing a sudden surge in infections'.

In its July 2020 resolution on the EU’s public health strategy post-Covid-19, Parliament called for the European institutions and the Member States 'to draw the right lessons from the Covid-19 crisis and engage in far stronger cooperation in the area of health', calling for a number of measures to set up a European health union. More specifically, it called on the Commission to propose a new regulation on cross-border health threats to replace the Cross-Border Health
Threats Decision, not least to make EU joint procurement faster and more effective in health crises, to guarantee the efficiency and transparency of the process, and to ensure equal and affordable access to new treatments. Parliament reiterated its call for a revised mandate for the ECDC, which would enable the ECDC, inter alia, to draw up mandatory guidance for Member States, as well as for a stronger role for the EMA as regards avoiding medicine shortages and coordinating the design and approval of EU clinical trials in times of crisis. The resolution also called for a European health response mechanism to be created, to tackle health crises effectively through better coordination at EU level and the proper functioning of the strategic reserve of medicines and medical equipment.

**Ongoing or upcoming initiatives**

Inter institutional negotiations are ongoing. The first meeting took place on 18 November 2021. The last meeting took place on 18 March 2022. The main outstanding issues are related to the health security committee (article 4), the Union’s preparedness and response plan (article 5), and the joint procurement of medical countermeasures (article 12).

**Thinking ahead**

In a European Policy Centre (EPC) brief, Simona Gagliardo points out that the first building blocks of a revamped and strengthened EU health agenda are in place. To 'build back better', Europe now has to lay the foundations for more resilient national health systems, while embarking on a serious reflection on the EU's role in health. According to the brief, a reflection on the feasibility and desirability of transferring some health competences to the EU level can no longer be ignored, and the Conference on the Future of Europe should serve as a platform to start the debate on levelling up the EU's role in health policy.

**EP Committees involved**  ENVI

**Further reading**

Towards a more resilient Europe post-coronavirus. Options to enhance the EU's resilience to structural risks, Study, EPRS with the Directorates-General for Internal Policies (IPOL) and External Policies (EXPO), European Parliament, April 2021
VII. Getting closer to an EU health competence

B. Establishing a health union

2. Regulation on a reinforced role for the European Medicines Agency (EMA)

Scene setter / Context / Overview

The Commission proposal on the extension of the mandate of the European Medicines Agency (EMA) forms part of the European Health Union package, which includes a communication, a proposal for a reinforced mandate for the European Centre for Disease Prevention and Control, and a proposal for a new regulation on serious cross-border threats to health. This was complemented by a decision for the establishment of a Health Emergency Preparedness and Response Authority (HERA), put forward by the Commission on 16 September 2021. Set up in 1995, the EMA is now located in Amsterdam.

Relevant EP positions

Parliament has consistently promoted the establishment of a coherent EU public health policy. In its April 2020 resolution on EU coordinated action to combat the pandemic and its consequences, Parliament called for the competences, budget and staff of the ECDC and the EMA to be strengthened substantially, to enable them to coordinate medical responses in times of crisis. Parliament also called for the creation of a European health response mechanism, to improve preparation and respond in a common and coordinated way to any type of health or sanitary crisis that emerges at EU level. It argued that such a mechanism should function as both an information hub and an emergency response team 'able to deliver vital supplies, medical equipment and medical staff to regions experiencing a sudden surge in infections'.

In its July 2020 resolution on the EU's public health strategy post-Covid-19, Parliament called for the European institutions and the Member States 'to draw the right lessons from the Covid-19 crisis and engage in far stronger cooperation in the area of health', calling for a number of measures to set up a European health union. More specifically, it called on the Commission to propose a new regulation on cross-border health treats to replace the Cross-Border Health Threats Decision, not least to make EU joint procurement faster and more effective in health crises, to guarantee the efficiency and transparency of the process, and to ensure equal and affordable access to new treatments. Parliament reiterated its call for a revised mandate for the ECDC, which would enable the ECDC, inter alia, to draw up mandatory guidance for Member States, as well as for a stronger role for the EMA as regards avoiding medicine shortages and coordinating the design and approval of EU clinical trials in times of crisis. The resolution also called for a European health response mechanism to be created, to tackle health crises effectively through better coordination at EU level and the proper functioning of the strategic reserve of medicines and medical equipment.

Ongoing or upcoming initiatives

Regulation (EU) 2022/123 has been in force since 1 March 2022. The EMA is now responsible for monitoring medicine shortages that might lead to a crisis situation, as well as reporting shortages of critical medicines during a crisis. The Agency will also coordinate responses of EU / EEA countries to shortages of critical medical devices and in-vitro diagnostics in crisis situations, after an initial transition period up to 2 February 2023.
The newly established medicines shortages steering group held its first meeting on 11 May. It has been put in place to mitigate and respond to medicine supply issues caused by major events or public health emergencies. The Emergency Task Force (ETF), which was originally convened in March 2020 to specifically address the Covid-19 pandemic, started operating under the new rules in mid-April 2022. The Board adopted the rules of procedure via written procedure of both entities in April 2022.

Thinking ahead

The rising incidence of non-communicable diseases (NCDs) poses a major burden on European healthcare systems, costing €700 billion in treatment each year. The development of the EU’s capabilities for health monitoring, research, and data analysis through the European Health Union could contribute to better understanding and coordination to combat NCDs. For example, cancer is the second leading cause of mortality in the EU (after cardiovascular diseases), with 2.7 diagnoses and 1.3 million deaths in 2020. To address this, a main pillar of the European Health Union is Europe’s Beating Cancer Plan, which will have a budget of €4 billion to improve early detection, ensure equal access to diagnosis and treatment, and improve quality of life of patients and survivors. MEPs of the Special Committee on Beating Cancer (BECA) consider this plan ‘a first step towards a real European Health Union’. In its final meeting, BECA Members voted overwhelming in favour of the rapporteur’s report, which contains over 1 500 amendments to strengthen the plan, arranged across ten proposals.

Other NCDs such as obesity, cardiovascular diseases, and mental health disorders currently do not have dedicated EU action plans. But other proposed initiatives under the European Health Union, such as the Pharmaceutical Strategy and the European Health Data Space, will contribute to fighting these by respectively ensuring access to affordable medicines, and better cross-border access and interoperability of health data that could underpin medical research and innovation.

EP Committees involved ITRE, ENVI

Further reading

- European Parliament, EPRS, Addressing shortages of medicines, Briefing, April 2020
- European Parliament, EPRS, Building up resilience to cross-border health threats: Moving towards a European health union, Briefing, April 2021
B. Establishing a health union

3. Regulation on the European Centre for Disease Prevention and Control (ECDC).

Scene setter / Context / Overview

The ECDC is an EU agency tasked with supporting the EU in its efforts to fight infectious diseases through epidemic intelligence, scientific advice and training activities. ECDC disease programmes cover: antimicrobial resistance and healthcare-associated infections; emerging and vector-borne diseases; food- and waterborne diseases and zoonosis; HIV, sexually transmitted infections and viral hepatitis; Influenza and other respiratory viruses; tuberculosis; and vaccine-preventable diseases.

As the Commission points out, the ECDC and the European Medicines Agency (EMA) have been at the forefront of the EU’s work to address the coronavirus pandemic. However, Covid-19 has shown that both agencies need to be reinforced and equipped with stronger mandates to better protect EU citizens and address cross-border health threats. The ECDC’s mandate will be reinforced so that it may support the Commission and the Member States in the following areas:

- epidemiological surveillance via harmonised data collection and integrated systems enabling real-time surveillance;
- preparedness and response planning, reporting and auditing;
- provision of non-binding recommendations and options for risk management;
- capacity to mobilise and deploy an EU Health Task Force to assist local response in the Member States;
- building a network of EU reference laboratories and a network for substances of human origin.

Relevant EP positions

The Parliament has reflected early during the Covid-19 pandemic on how to strengthen the effectiveness of the ECDC as part of the EU’s answer to Covid-19 and future pandemics. In particular, with its resolution of 10 July 2020 on the EU’s public health strategy post-Covid-19, the Parliament set out early findings on the EU response to Covid-19. Stressing in particular the differing approaches to the collection of data relating to Covid-19 across the EU, it invited the Commission to explore a revised mandate for the ECDC, notably to increase its budgetary and human resources capacities, as well as to strengthen its capacity to curb such differing approaches, including through mandatory guidance to coordinate laboratory research across Member States. Also, the Parliament suggests extending the ECDC’s mandate to include non-communicable diseases.

With its resolution of 17 September 2020 on Covid-19: EU coordination of health assessments and risk classification and the consequences for Schengen and the single market, the Parliament substantiates further the rationale for an extended ECDC mandate. Whilst disparities in data collection and data reporting by Member States continue to hamper the overview on the spread of Covid-19 at any given time, the Parliament stresses that the common methodology and criteria adopted, and the maps developed by the ECDC, should facilitate a coordinated approach to Member States’ own decision-making processes, and ensure that any decisions taken by the Member States are consistent and well-coordinated. Based on this assumption, the Parliament
VII. Getting closer to an EU health competence

calls for a revised mandate for the ECDC, and a significant increase in its long term budget, so that it can provide world-class public health protection at all times, including during epidemics.

Ongoing or upcoming initiatives

The ECDC will coordinate the standardisation of data collection procedures, data validation, analysis and dissemination of data at EU level. It will also develop risk assessments and maintain databases for epidemiological surveillance and work towards harmonised approaches to data collection and modelling in order to produce comparable EU-wide data. In terms of cooperation at European and international levels, the Centre will cooperate with the European Commission, national authorities and relevant EU bodies and agencies to ensure their respective activities are consistent and complement each other. It will also work in close cooperation with international organisations in the field of public health, in order to avoid duplication of efforts. The Centre will also establish an EU Health Task Force of experts to assist with preparedness and response planning as well as with local response to outbreaks, in coordination with the European Union Civil Protection Mechanism and other international mechanisms. It will monitor the capacity of national health systems to detect, prevent, respond to and recover from communicable disease outbreaks, identify gaps and provide science-based recommendations. It will also ensure that experts and stakeholders, including civil society organisations, contribute to its advisory work. It will provide technical and scientific assistance to national authorities to develop their capacity to detect and sequence the genomes of infectious agents; monitor the uptake of vaccination against major communicable diseases across the EU, taking into account the specificities of national and regional vaccination schedules; and facilitate fighting against misinformation on vaccination and the causes of vaccine hesitancy.

On 29 November 2021, the Parliament and Council reached a provisional agreement on the ECDC extended mandate. ENVI endorsed the agreed text on 13 January 2022. A vote in plenary is to be scheduled in 2022.

Thinking ahead

On April 2022, Dr Ammon’s mandate as ECDC director was extended until 2024. She will notably be responsible for the new mandate’s implementation.

On May 2022, ECDC launched a new online modelling hub, the European Covid-19 Scenario Hub. It will present modelling projections on how the Covid-19 pandemic may evolve in terms of cases, hospitalisations and deaths. It will serve as a resource for Member States in their pandemic planning and inform decisions aimed at minimising the expected burden caused by Covid-19 under different scenarios.

EP Committees involved ENVI

Further reading

- European Parliament, EPRS, Building up resilience to cross-border health threats: Moving towards a European health union, Briefing, April 2021
- European Parliament, EPRS, European Centre for Disease Prevention and Control: During the pandemic and beyond, Briefing, June 2020
B. Establishing a health union

4. Decision establishing the Health Emergency Preparedness and Response Authority (HERA)

Scene setter / Context / Overview
The coronavirus pandemic has revealed structural weaknesses in the EU's preparedness and its ability to respond coherently, rapidly and appropriately to protect citizens from health crises. It has also demonstrated the need for and value of coordinated EU-level action. In this context, in November 2020, the European Commission adopted the European health union initiative to step-up the fight against the coronavirus pandemic and future health emergencies. The newly established Health Emergency Preparedness and Response Authority (HERA) aims to enable the EU and its Member States to strengthen preparedness and rapidly deploy the most advanced medical and other countermeasures in the event of a health emergency.

Endowed with €6 billion from the EU's 2021-2027 multiannual financial framework (MFF), HERA is expected to drive forward preparedness efforts across many issues, ranging from clinical research to production and distribution of medical countermeasures.

Relevant EP positions
While supporting the aims of HERA in general terms, the Parliament – in its October 2021 resolution on EU transparency in the development, purchase and distribution of Covid-19 vaccines – criticised the Commission's decision to refrain from using the ordinary legislative procedure through Article 168 TFEU in setting up HERA, thus failing to establish HERA as a fully-fledged independent agency subject to the same scrutiny requirements as other agencies, such as the EMA and the ECDC. The Parliament 'regrets the fact that the Commission's approach, which has led to Parliament being excluded from designing and overseeing the work of HERA, can be regarded as yet another shortcoming that has undermined transparency and accountability for public spending and decision-making in the area of public health'.

The Parliament has also stressed the importance of accountability, including parliamentary monitoring of HERA, for instance in its November 2021 resolution on a pharmaceutical strategy for Europe. None of the European health union proposals and initiatives has been subject to a formal impact assessment. In this context, the Parliament’s monitoring competence, such as budgetary control, will be key to assessing the effectiveness and efficiency of the European health union's implementation, including HERA's activities. However, the evaluation framework developed under the health union differs significantly from that established under the US Preparedness and All Hazards Preparedness Act mentioned above. While the US legislator ensures Congressional oversight of the evaluation by including several provisions that require the assistant secretary for preparedness and response also to report annually to the 'relevant committees of Congress', the European Parliament committees are not mentioned in connection with a review of HERA. Article 8 of the Commission decision establishing HERA only mentions an obligation for the Commission to report to the European Parliament, to the Council and to the HERA Board on a review of the implementation of HERA's operations by 2025.

In terms of HERA's mandate, the Parliament has adopted various resolutions with either direct reference to, or relevant guidance on, HERA. In its July 2021 resolution on trade-related aspects and implications of Covid-19, Parliament emphasises the key role played by public sector
resources, allowing pharmaceutical companies to de-risk the whole vaccine value chain; it also considers that a multilateral intellectual property rights (IPR) framework can provide protections and incentives that are critical for preparedness against future pandemics. In its May 2021 resolution on accelerating progress and tackling inequalities towards ending AIDS as a public health threat by 2030, Parliament encourages the Commission and the Member States to explore the decoupling of research and development spending from the price of medicines, for instance through the use of patent pools, open source research, and grants and subsidies. In its above-mentioned November 2021 resolution on a pharmaceutical strategy, the Parliament considers that HERA should initiate and support the development of innovation, establish at EU level a list of medicinal products of major therapeutic interest, facilitate their production within the EU, promote their joint purchase, and build up strategic stocks of these medicines.

In November 2021, Parliament reflected further on HERA when adopting its first-reading position on the proposal for a regulation on serious cross-border threats to health. In particular, Parliament adopted several amendments aimed at ensuring HERA's visibility in different key processes and schemes established, and at facilitating the coordination with the set of bodies to be established under the proposal for a regulation on the emergency framework of measures for ensuring the supply of crisis-relevant medical countermeasures.

**Ongoing or upcoming initiatives**

On 10 February 2022, the publication of the HERA work plan 2022 provides a total contribution of €1.3 billion from the EU budget for preparedness activities. At least €100 million is included to launch an additional crisis activity (production and deployment of medical countermeasures beyond Europe).

HERA will draw on existing structures, programmes and activities at the EU and national levels. As mentioned before, its activities will rely on an indicative budget (2022-2027) of €6 billion from the current MFF, part of which will come from the Next Generation EU top-up.

Several EU initiatives already have a scope and objectives corresponding to HERA's. The EU4Health programme allows for major support to health security preparedness; research and innovation in health is a key work stream of Horizon Europe; and the Union civil protection mechanism has considerable experience in areas such as building stockpiles. The legal instruments governing these programmes allow for expenditure of this kind, in accordance with their respective rules and implementing structures.

Other EU instruments could also contribute directly and indirectly to health emergency preparedness, both inside and outside the EU. For instance, investment to build resilient health systems through the Recovery and Resilience Facility and REACT-EU, and investments in the EU's neighbourhood countries through the Neighbourhood, Development and International Cooperation Instrument, are expected to contribute to health systems' resilience.

Moreover, HERA operations will rely on national budgets allocated to activities aimed at supporting national plans for preparedness and response to health threats. As stressed by the Commission, HERA could also benefit from the mobilisation of private funding (in the form of loans, guarantees, equity or quasi-equity), supported by budgetary guarantees under InvestEU and possibly the European Fund for Sustainable Development for external actions, in cooperation with the European Investment Bank Group and other financial actors.
In the event of a public health emergency at EU level, the Council of the EU could trigger financing through the Emergency Support Instrument (ESI) in order to ensure the necessary flexibility and rapidity in implementation; this has previously proved both flexible and fast. As envisaged by the ESI founding regulation, contributions could also come from EU Member States (and from other public or private donors as external assigned revenue) in accordance with the EU Financial Regulation.

**Thinking ahead**

An important opportunity for HERA is to ensure the EU's vaccine manufacturing preparedness by 2022 through the establishment of EU FAB, the network of 'ever-warm' production capacities for vaccines and medicines manufacturing, which will be launched to make reserve surge manufacturing capacities available. From the establishment of the Commission Task Force for Industrial Scale-up of Covid-19 vaccines, in February 2021, to mid July 2021, the EU produced over 1 billion doses of vaccines. This is the result of EU investments, in particular through MFF programmes such as Horizon 2020, but also through advance purchase agreements with pharmaceutical companies. Thanks to these agreements, the Commission secured the right to buy a specific number of vaccine doses in a given timeframe at a given price. In return, the Commission financed a part of the vaccine developers' upfront costs. With the EU FAB initiative, the EU is expected to support the formation, resilience and networking of EU ecosystems of vaccine development, production and distribution. The EU FAB initiative could also contribute to de-risk vaccine production while ensuring a better return for tax payers.

Beyond vaccine manufacturing, in 2022, HERA will have the opportunity to interact with research and innovation actors and expertise. As mentioned by several respondents to the public consultation organised in 2021, with the establishment of a Partnership for Pandemic Preparedness under Horizon Europe's 'health' cluster, HERA will have access to a pan-European network of research and innovation actors, geared around four priorities: 1) new scientific knowledge and innovation; 2) development of countermeasures; 3) improved evidence for policy-making; 4) enabling EU-wide infrastructures. Concretely, this initiative will be included in the Horizon Europe 2023-2024 work programme, to be prepared and adopted by the end of 2022. This partnership will rely on collaboration, including in transnational projects, among national research-performing organisations, funding organisations and end users. It will thus provide HERA not only with expertise, but also with the relevant researchers' and practitioners' contacts across the EU, thereby facilitating the authority's coordination and driving role.

HERA will be deployed in an international context characterised by the importance of global cooperation. During its second special session (from 29 November 2021 to 1 December 2021), the World Health Assembly agreed to launch a process to draft and negotiate an international instrument under the World Health Organization's constitution to strengthen pandemic prevention, preparedness and response.

**EP Committees involved** ENVI, ITRE

**Further reading**

VII. Getting closer to an EU health competence


Bucher A., *Does Europe need a Health Union?*, Bruegel Institute, policy contribution, February 2022.


B. Establishing a health union

5. Establishing the 'EU FAB' network of ‘ever ready’ multi technology therapeutic production in the EU

Scene setter / Context / Overview

Preparedness efforts also include forming resilient industrial capacities to ensure timely and commensurate supply of countermeasures.

To support large-scale production of medical countermeasures and maintain these facilities, HERA will build on EU FAB, a network of 'ever-ready' multi-technology production capacities for vaccine and therapeutics manufacturing in the EU. The objective is to unlock a production capacity of 700 million doses of vaccine, of which 50% within the first six months. This would be ensured by the selection of a production capacity reserve to be activated in case of crisis. In order to be operational at all times, and to be able to act promptly, the participating production sites are expected to ensure availability of qualified staff, clear operational processes, and quality controls. This objective is commensurate with relevant approaches of the EU vaccines strategy, such as the advance purchase agreements. EU FAB is also expected to contribute to the objective of reaching an annual EU production of two to three billion doses of Covid-19 vaccine.

Relevant EP positions

With its resolution of 7 July 2021 on the trade-related aspects and implications of Covid-19, the Parliament highlights the key importance of scaling up global production capacities of vaccines. It supports the establishment of structural platforms to rapidly scale up vaccine production in more countries.

In its resolution of 24 November 2021 on a pharmaceutical strategy, the Parliament recalls that the EU’s open strategic autonomy is linked to the constant and sufficient availability of medicines in all Member States. It considers also that the root causes of medicine shortages should be addressed as a priority, taking into account the links between the supply chain and production challenges.

Ongoing or upcoming initiatives

The Commission, and the European Health and Digital Executive Agency (HaDEA), have launched the EU FAB call (deadline set on 3 June 2022). With a budget of €160 million for one year, the call will ensure that sufficient and agile manufacturing capacities for different vaccine types are kept operational and can be activated quickly in case of a public health emergency.

Thinking ahead

EP Committees involved  ENVI, ITRE

Further reading

VII. Getting closer to an EU health competence


Bucher A., *Does Europe need a Health Union?*, Bruegel Institute, policy contribution, February 2022.


C. Fighting the Covid-19 pandemic

1. EU vaccine strategy, in the EU and globally

Scene setter / Context / Overview

With the communication of 17 June 2020 on the EU Strategy for covid-19 vaccines, the Commission has set three objectives: (i) providing equitable access to an affordable vaccine as early as possible, (ii) ensuring the quality, safety and efficacy of vaccines, and securing swift access to vaccines for Member States and their populations while leading the global solidarity effort.

Two main initiatives will allow achievement of these objectives. On one hand, the EU will secure the production of vaccines in the EU, and sufficient supplies for its Member States through advance purchase agreements with vaccine producers through the Emergency Support Instrument. On the other hand, the EU’s regulatory framework will be updated to address the urgency, and make use of existing regulatory flexibility to accelerate the development, authorisation and availability of vaccines while maintaining the standards for vaccine quality, safety and efficacy.

From the establishment of the Commission Task Force for Industrial Scale-up of Covid-19 vaccines, in February 2021, to mid July 2021, the EU produced over 1 billion doses of vaccines. This is the result of EU investments, in particular through MFF programmes such as Horizon 2020, but also through advance purchase agreements with pharmaceutical companies.

As of 16 June 2022, vaccination figures continue to increase, with 66.3 % of citizens worldwide already having received at least one vaccine dose, and 75.3 % in the EU.

Relevant EP positions

In the early phase of the Covid-19 pandemic, the Parliament supported the development of Covid-19 vaccines, through EU and Member State investments. With its resolution of 17 April 2020 on EU coordinated action to combat the Covid-19 pandemic and its consequences, it calls for the establishment of additional funding for a ‘Covid-19 research and innovation (R&I) fund’ to boost its efforts to finance speedy research on a vaccine. It advises to direct funds from the EU research programme, as well as to increase Member States’ support to research, development and innovation programmes aimed at developing vaccines.

With its resolution of 10 June 2021 on the meeting the Global Covid-19 challenge: effects of a waiver of the WTO TRIPS agreement on Covid-19 vaccines, treatment, equipment and increasing production and manufacturing capacity in developing countries, the Parliament stresses the key importance of prioritising the availability and affordability of Covid-19 vaccines, in the EU and globally. It underlines that global production of vaccines must be urgently expanded to meet global demand, and that investment in the production capabilities of developing countries is therefore needed. In this context, it highlights the need for effective transfer of technology and know-how, and it recognises that incentivising voluntary licensing agreements and voluntary technology and know-how transfer is an important way to achieve this.

With its resolution of 21 October 2021 on EU transparency in the development, purchase and distribution of Covid-19 vaccines, the Parliament provides its assessment of the implementation of the EU vaccine strategy. Whilst expressing its deepest regret on the lack of transparency from the Commission, the Member States and pharmaceutical companies in the development,
purchase and distribution of Covid-19 vaccines, it calls on the Commission to prepare a legislative proposal on future joint vaccine procurement. This proposal should include clear provisions on transparency and competence distribution among the actors of the EU institutional framework and the Member States.

**Ongoing or upcoming initiatives**

On 27 July 2022, the Commission is expected to adopt an initiative on a new EU instrument to guarantee functioning of single market during emergencies. It should be composed of legislative and non-legislative proposals. Two main objectives are set: crisis preparedness and crisis response. Joint procurement is mentioned among the operational objectives under crisis response.

**Thinking ahead**

On 17 June 2022, the 12th WTO ministerial conference agreed on a declaration on pandemic response and future preparedness, as well as on a waiver of certain intellectual property obligations concerning Covid-19 vaccines. The European Parliament set up a special committee on Covid-19 pandemic: lessons learned and recommendations for the future (COVI) on 10 March 2022. It is tasked with looking into how effective and coherent the European response to the pandemic was and how the lessons learned can contribute to future action in the following areas: public health; coordinated approach with respect for democracy and fundamental rights; societal and economic impact; and the EU’s role in the world.

**EP Committees involved** COVI, ENVI, IMCO, ITRE

**Further reading**

- Bucher A., *Does Europe need a Health Union?*, Bruegel Institute, policy contribution, February 2022.
C. Fighting the Covid-19 pandemic

2. 'Vacccelerate' – a pan-European network to accelerate Covid-19 trials

Scene setter / Context / Overview

The coronavirus pandemic has revealed structural weaknesses in the EU's preparedness and its ability to respond coherently, rapidly and appropriately to protect citizens from health crises. It has also demonstrated the need for and value of co-ordinated EU-level action.

Key assets put in place during the coronavirus pandemic will be utilised such as the European clinical trial network for vaccines and therapeutics, launched by the Commission communication of 17 February 2021 on a HERA incubator. This network ensures that vaccine trial sites, such as hospitals, are available across Europe to test vaccines. It cover clinical trials (mainly phase 2 and phase 3) of modified and/or novel Covid-19 vaccine candidates, including targeted trials and with a focus on candidates adjusted to new variants.

This platform should connect all stakeholders for designing and conducting trials. Its distributed organisation (multi sites) is easily adjustable to a broad range of potential threats. Overall, this initiative is expected to reduce current lead times.

Relevant EP positions

With its resolution of 7 July 2021 on the trade-related aspects and implications of Covid-19, the Parliament highlights the key importance of scaling up global production capacities of vaccines. It supports the establishment of structural platforms to rapidly scale up vaccine production in more countries.

With its resolution of 24 November 2021 on a pharmaceutical strategy for Europe, the Parliament asks for maximum transparency in the use of public research and development funding and in the findings of clinical trials.

Ongoing or upcoming initiatives

An early draft of the Horizon Europe work programme 2023-2024 contains the outline of a future call for funding, under cluster 1-health, on 'Sustaining European Clinical Trial networks for pandemic preparedness and response through well-established coordination mechanisms between EU adaptive platform trials'. The expected objectives of the call are: (i) to sustain coordination mechanisms between different EU adaptive platform trials for pandemic preparedness and response, as a foundation for the European clinical trial networks, ii) enabling common approaches across EU adaptive platform trials for maximum efficiency and optimal evidence generation, and iii) associating the European clinical networks with the European partnership on pandemic preparedness.

Thinking ahead

EP Committees involved ENVI, ITRE
Further reading


Bucher A., *Does Europe need a Health Union?*, Bruegel Institute, policy contribution, February 2022.


COVER DESIGN
IDEA Unit (Multimedia)
DG ITEC, DIRES Directorate

PRINT
Publishing Support and Visual Projects Unit
Printing Unit
DG ITEC, EDIT Directorate

LO24412