DGx proposed priorities

Contents

AGRI

SUSTAINABLE FARM AND FOOD POLICY (GREEN PAPER)

What's at stake?

Europe's farmers and fishermen, supported by common agricultural, fisheries, food safety and health policies, have been successful in assuring plentiful and affordable food for over 500 million consumers. However, current production methods are not without environmental costs. There is a growing policy need to intervene in the way **food is produced, processed, distributed and consumed.** Indeed, citizens' demands increasingly move beyond food security and food safety to issues such as animal welfare, use of pesticides and antibiotics, greenhouse gas emissions associated in particular to livestock production, food waste, biodiversity loss, health and lifestyle.

European public policies have an important part to play to support healthier and more sustainable diets by making available healthy food produced in a sustainable way. The ongoing reform of the common agricultural policy enhances the sustainability of the EU farming model, in line with new emerging societal demands.

To step up action on these issues it is necessary to launch a **sustainable food policy**. This policy will tackle agricultural, environmental, climate and societal issues. A sustainable food policy may imply additional costs for farmers. It is crucial to support solutions that improve the viability of farming (for example, new breeding techniques could make more resistant varieties available much more rapidly) to enable a sustainable transition towards a more integrated food policy

Where to go?

In the long-run (2050), the EU food system must be **fully sustainable**. This long-term ambition as well as precise contours of a European sustainable food policy should be developed. Ambitious and concrete targets for such a policy could be

1. Promoting organic food in schools and its use in school canteens in the EU
2. [25%] reduction of use of antibiotics in livestock production by 2030
3. [25%] reduction of use of synthetic pesticides and a decrease [25%] of the Harmonised Risk indicator by 2030
4. [80% of EU citizens consume 400 grams of fruit and vegetables daily by 2030]
5. Net zero GHG emissions from agricultural and forestry in 2050

How to get there?

- **At the start (first 100 days)**: launch a broad **public consultation** to explore citizens' and consumer views as regards the tensions and synergies in the sustainable food debate, as well as possible solutions for the farming sector and the food chain.
- **Commission paper** setting out a long-term EU sustainable food policy and presenting an agenda of (legislative) change. This would be accompanied by actions such as mock European Parliament debates for school students on new breeding techniques.
- Common initiative of **AGRI, SANTE, ENV, CLIMA, TRADE, MARE, GROW**

Expected outcome

increased coherence between EU policies related to food, contributing to the Union's sustainability objectives.

Food and Farming 4.0 (Action Plan)

What's at stake?

World food and farming systems are in the midst of a major technological revolution. Based, among others, on benefits stemming from EU innovation (e.g., the Copernicus satellite system), Farming 4.0 technology mitigates one of the major weaknesses of the "green revolution" by allowing the economic efficiency of food production to increase in tandem with its environmental and climate efficiency.

The EU already supports the development of digital technology in agriculture and rural areas in several ways. Its earth observation system provides information monitor land-based activity, identify environmental challenges. Its research policy develops ready-to-use knowledge and innovation and invests in knowledge sharing within the sector. Its common agricultural policy, which already invests in knowledge development, exchange and pilot projects, is shifting towards performance, thus providing direct and indirect incentives for spreading digital and other technological advances in both public administration and the rural economy.

In the Digital Day 2019 declaration on 'a smart and sustainable digital future for European agriculture and rural areas', Member States underlined that more public and coordinated action is needed in this area. Initiatives are necessary to make sure that the entire sector and countryside benefit from the promise of digital technology, and especially to address existing gaps in knowledge, applications and perceptions, and above all to address the digital divide stemming from weaknesses in rural infrastructure and skills.

Where to go?

1. All MS use the Copernicus earth observation system for farm management and agricultural policy management by 2025
2. 100% fast internet access in rural areas by 2025
3. 25% of farms use artificial intelligence (including precision farming) by 2030
4. 10 new unicorns (start-ups with turnover > € 1 billion) offering agri-machinery/software solutions by 2030

How to get there?

- Presentation of a Commission action plan, developed with all relevant services, setting out how to boost digital development and rollout, by making use of Horizon Europe, the common agricultural policy, structural and investment funds and other tools.
- Developing exchange projects of IT students and start-ups to rural areas, award prize(s) for best upscaling start-up(s) in AGRI technology, etc.
- Initiative of AGRI, CNECT, REGIO, RTD, JRC, EAC

Expected outcome

A much more digitally advanced agricultural sector and well connected rural areas in the European Union, allowing all farmers to meet environmental and climate objectives in an economically sustainable way.

Vision for rural areas

What's at stake?

Despite the vibrant socio-economic developments in some parts of Europe, many **rural areas face challenges** related to relatively low income, depopulation, declining economic activity, poverty risk, youth drain and limited access to basic services (broadband, mobility, schools, health care, etc). This contributes to a negative spiral, with a perception among parts of the rural population of being left behind.

Several policies (EU level, national and regional) have very significant direct or indirect effects in rural areas. Different programmes under the proposed multiannual financial framework 2021-2027, including the **ongoing reform of the common agricultural policy**, aim to addresses the above issues. The proposed agricultural and rural development policy aims to promote employment, growth, social inclusion and local development in rural areas as well as to attract young farmers and facilitate business development in rural areas. Other funds also make very significant investments and contributions.

To bring about the necessary change in rural areas and take advantage of the new emerging opportunities, there is a need to maximise the capacity for rural regeneration of the different sectorial policies and EU funds. The implications for rural areas must be taken into account ("rural proofing") in all EU policies. **Rural issues must get the attention they need and deserve**.

Where to go?

A wide range of actions is necessary to provide socio-economic perspective and opportunity for rural areas. EU structural and investment funds and the common agricultural policy must continue to invest in these areas, in particular to ensure access to basic services and infrastructure (schools, doctors, etc.). Entrepreneurial activities and digital technology create important multiplier effects, therefore the following three flagship targets can be identified:

1. **100% fast internet access in rural areas by 2025**,
2. **Smart village strategies** in all NUTS 2 regions of the EU by 2025,
3. [500 000] new businesses in rural areas by 2025.

How to get there?

- **Commission Communication** presenting a vision for inclusive rural areas, setting out the state of affairs of rural areas and policies and proposing concrete targets and actions that the Union aims to reach. This would link up to the ongoing corporate communication campaign for rural areas and include such initiatives as a European Year for Rural Europe with targeted actions
- Common initiative of **AGRI, REGIO, EMPL and other DGs**

Expected outcome

By means of this initiative, the European Union will underline is strong commitment to rural areas, illustrated by targets for revitalisation through digital innovation.

BUDG

A partnership with Member States for EU budget: delivering results quicker

The EU budget provides the means to achieve the Union's political goals. The Commission retains the overall political responsibility, while Member States implement around 80% of EU budget.

In recent years, the public focus on the implementation of the EU budget and its results has increased, from media attention to the conflict of interest cases, to the concerns by the other European institutions over the growing level of the EU outstanding payments, mostly driven by the implementation of the cohesion policy funds. As this policy is implemented at national and regional level, the pace of implementation is largely dependent on the Member States themselves.

Structural and cohesion funds play a critical role in public investment in the EU. In 11 Member States, they constituted at least 40% of total investment for the period 2015-2017, and the impact of cohesion programmes for the current MFF is estimated to total 0.5% of GDP in the EU-28. Ensuring a stable and sustained level of public investment will be important throughout the next MFF cycle.

An agreement on the next Multiannual Financial Framework will be reached in a context of tight financial constraints. This has repercussions on the level of payments ceilings and the available means for pre-financing rates in order to eliminate any abnormal high levels of outstanding commitments and to kick-start implementation of the new programmes.

The implementation of the next Multiannual Financial Framework will take place in the **context of heightened public and political scrutiny**. The EU budget becomes increasingly also **a tool to enforce compliance with other EU policies** through a range of conditionalities.

This calls for a strategic initiative in order to strengthen the partnership with Member States in implementing the EU budget. This proposal builds on existing practices and instruments and on the Commission's proposal for the legislative framework for cohesion policy 2021-2027, which foresees a number of elements to ensure faster and more impactful implementation. It focuses on strengthening the governance on horizontal financial management issues, in articulation with ongoing efforts. The Commission will work even more closely with Member States in order to continue to:

(i) ensure the robustness of financial management systems on the ground, including the prevention of conflict of interest, and the fight against irregularities and fraud,

(ii) boost public investment by fostering timely implementation of programmes on the ground, in order to bring down the level of outstanding commitments (RAL) and avoid the build-up of abnormal RAL in the future,

(iii) ensure that the public investment implemented delivers value to the citizens in line with clear budgetary performance targets, and

(iv) encourage a wider take up of simplified cost options and payments linked to results achievement

A new mechanism for such cooperation could be set up, which would provide for a structured dialogue with Member States, establishing a "European Semester for financial management", based on an annual rendezvous, involving recommendations when necessary. Closer cooperation, based on cross-DGs country teams, would allow for both comprehensiveness and prioritisation. A similar mechanism as regards expenditure is foreseen in the legal proposal for future CAP Strategic Plans. This proposal would primarily focus on the horizontal conditionalities cutting across policy areas, such as rule of law and conflict of interest, and on their articulation with expenditure policies. A two-step process could be proposed, first mapping the countries and regions with recurring problems, and later establishing a cooperation with Member States with systemic issues.

Appropriate fora for such structured dialogue with Member States should be developed, building on the existing networks (e.g. Public Internal Control network, ESF Thematic Network on Simplification), in order to foster stronger collaboration with the national authorities in the execution of the EU budget. New tools can be developed at the Commission level to ensure a comprehensive overview of the implementation of EU-funded projects. Such better governance in implementation of EU budget could be prepared from the beginning of the incoming Commission, and rolled out in line with the beginning of the new MFF

Action Plan for a Fair Green Transition

Fighting climate change and environmental degradation is one of the most pressing global issues. The EU is at the forefront of policy development and concrete actions taken, with the "Clean Planet for All", the "Clean Energy for All Europeans" and the Clean Mobility Package. While these strategies will provide new business opportunities, triggering investments and bringing jobs, no region and no citizen should be left behind in the transition. A carbon neutral of Europe by 2050 is within our reach, but it requires comprehensive strategies addressing energy generation, industry, transport, housing and agriculture. Any chance of success will require a buy-in from large parts of the population.

Comprehensive strategies for the clean energy transition and to fight climate change require policy choices with significant distributional effects. While fighting climate change and environmental degradation benefits all, the costs of this transition are unevenly distributed, immediate and visible. For example, 240 000 workers in 41 EU regions in 12 Member States are engaged in coal-related activities, while 15 million citizens living in the EU's 1000 islands face unique challenges in terms of clean energy supply. The slow uptake of climate-friendly policies by some Member States is also due to the scale of social effects of ambitious climate policies in certain regions. This creates **a danger of a two-speed climate Europe**, with yet another split along the lines of rich/poor, urban/rural and East/South vs West/North.

The social aspects of the green transition have been largely absent from *European* policies so far. Ambitious climate policies generate jobs and growth – however, often in regions and for workers that are different from those directly affected by e.g. closure of a lignite-fired power plant. The Commission has started addressing the social aspects of the green transition, for instance in the enabling framework accompanying the Clean energy for all legislative proposals and by launching the Platform for coal and carbon-intensive regions in transition. It now needs to build upon and expand these efforts.

We need to bring all Member States, regions and cities onto the trajectory of ambitious climate change policies and help them develop concrete policies and actions. We also need to convince citizens that climate change policies are not a luxury of the rich but something that is in everybody's interest. We will not succeed in doing so unless those affected are offered a clear transition path with flanking measures.

More and more private capital is flowing into green technologies and investments. Renewables technologies (wind and solar) are reaching the stage where their risks are becoming largely bankable. **Today we can afford to re-direct part of the European funds to actively addressing social aspects of the ecological transition, in order to increase its pace, ambition and reach**. Further actions could be envisaged for rural regions, for instance, exploiting synergies between clean energy and agriculture.

To this effect, the Commission could adopt, within 100 days of taking up office, a communication "**Action Plan for a Fair Green Transition**", setting a framework for a coordinated action built around:

(1) Financial support, with possible measures including a larger share of the Cohesion Policy envelope in the new MFF to be devoted to "transition measures", allowing al investments in reconversion of areas affected by unemployment following the closure

of polluting plants, including coal regions in transition, b) re-training of workers and c) other measures. This could be done through a variety of alternative means.

- (i) by a new "green transition fund", on top of the proposed cohesion allocation (partly funded by EU budget and partly by contributions from MS) for funding reconversion of regions including investments in regions outside assisted areas,
- (ii) ensuring an appropriate thematic concentration for the ESF+ (e.g. "re-skilling of workers affected by green industrial change") and (iii) adding a specific objective "fair transition" within the "green" policy objective, counting towards thematic "green" concentration within the ERDF.
- (iv) strengthening the "Coal and carbon-intensive regions in transition" and "Clean energy for EU islands" initiatives and launching a "Fair rural transition" initiative; support would come from co-financing through the new green transition fund, the ERDF, the ESF+ and the Cohesion Fund.
- (v) maximizing the leverage effect of the EU budget in deployment of new solutions, in particular via the already proposed priority for low-carbon Europe under Cohesion policy;

(2) Regulatory facilities, with possible measures including
- revision of the State aid Guidelines where necessary in order to assist conversion of regions affected by climate change or other environmental policies (e.g. because of phasing out of coal, or measures in heavy polluting industries).

(3) Economic-social policy coordination in this domain through the European Semester
- Encouraging a focus on the fair green transition through the Country-Specific Recommendations.
- Exploring green fiscal reforms to address inequality resulting from environmental degradation as experienced by different income groups.

(4) Integration of the fairness aspect and social dimension in the new governance of the National Energy and Climate Plans, to be reported as part of the process.

(5) Support for EU's regions and cities for realising the needed environmental and economic transitions on the ground, including technical assistance, capacity building and enhanced analytical tools.

The precise articulation between (3) and (4) will need to be defined.

The delivery of the measures would be within the mandate of the incoming Commission. the funds earmarked for cushioning social aspects of green transition would be part of the overall agreement on the 2021-2027 MFF, whereas the revised State aid guidelines could be adopted in 2022.

CLIMA

Proposal for the new Commission- Contribution from DG CLIMA

Adapt: protect people and prosperity

Climate change increases the frequency and intensity of extreme weather events worldwide. And it is affecting us here and now. The 2018 summer was the warmest on record, with heatwaves and droughts, wildfires and low river levels across Europe. This had impacts on our society in numerous and profound ways: from biodiversity and human health to agricultural and industrial productivity (e.g. cargo over the Rhine was severely hindered, and industrial installations had to cut production due to lack of cooling water). 2019 has started even worse - with more wildfires in the first four months (winter[1]) of 2019 than in the whole of 2018.

In the EU **economic losses** from weather and climate-related extremes are on average EUR 12 billion per year - set to increase in the future to EUR 1 trillion by end century (due to floods alone) if no action is taken. But the damage is not only economic. Flooding or heatwaves have affected millions of people in Europe through heart attacks, injuries, infections, exposure to chemical hazards and mental health consequences. Disruption in health services, supply of safe water, sanitation and transportation ways, plays a major role in vulnerability.

While adaptation challenges are often local and specific (a strong argument for local-level adaptation policy), adaptation solutions are just as often widely applicable. EU rules, guidelines and sharing of best practices can spur action by national, regional and local authorities. In addition to the cross-border dimension of many climate change impacts (e.g. river basins and Alpine areas), there are also EU-specific impacts that warrant an ambitious and more proactive EU-level intervention for adaptation (e.g. threats to the entire EU through supply chain shocks, security or migration pressures).

Significant funding will be devoted to climate action in the next Multi-Annual Financial Framework and specifically to adaptation, such as the Horizon Europe mission on "Adaptation to climate change and societal transformation". Research and innovation mission will aim to advance science, develop concrete solutions, kick-start new industries and transform society as adaptation to the new climate is a huge planetary-scale challenge.

Proposal

With a **new comprehensive adaptation strategy**, the EU can protect the interests, assets and needs of citizens and businesses faced with uncharted territory: a new climate not experienced by humans before. The following areexamples of what the new strategy could include:

- **Climate proofing guidance**: Commission acquired useful insights into climate proofing of major projects in the current MFF that will be expanded in the financing period to cover a wider range of projects and EU funds. The launch of the guidance at the start of the new Commission could be accompanied by partnerships (alliances of banks, or asset owners) to commit to their use also for non-EU funded and private investments. There is already clear demand from local authority, private investors, the banking and insurance sectors, for reliable guidance on what constitutes resilience to climate events for all sort of expenditure, from public works to infrastructure to productive investment, etc.

- **Closing the insurance gap**: the Commission, in partnership with the private sector, could promote increased insurance coverage, penetration and the development of schemes to ensure affordability of insurance and/or compensation for the most vulnerable. This could be linked to the previous point: there is growing uncertainty as to whether insurance policies cover climate-related weather events, which could result in losses for insurers and insured alike, as well as missed opportunities for insurers.
- There is major potential for energy savings of up to 50-90% in existing and new buildings. **Building codes (along with appliance standards)** have proven to be among the most environmentally friendly and cost-effective instruments to reduce emissions and make buildings future-proof. Work is ongoing for setting resilience standards. The Commission could consider instruments for strengthening building codes. Given subsidiarity and the local nature of building codes, such instruments should take the form of non-mandatory guidance and/or voluntary standards. Here too there may be links to climate proofing of EU-(co)financed projects.
- **Vouchers for climate services** (access to impact data, projections, vulnerability assessments and tailor-made advice on mitigation and adaptation options): a quick and visible initiative would be the provision of vouchers to cities that need them. Recently, several cities (~400) have declared "climate emergencies", and could therefore be in need of such services to help prepare for weather events. This would also help the EU nascent data analytics industry to create demand for its services and ensure its lead in the future.
- **Green roofs for schools**: This initiative would aim at reaching out, by 2025, to 1000 primary and secondary schools in middle-sized cities in Europe to turn their roofs into "climate treasure islands", i.e. areas that tackle climate change by reducing schools' energy consumptions, increasing renewables' production and reinforcing schools' resilience. It would have the added benefit of showing engagement with the youth.

Conclusion

The new adaptation strategy would pull a number of work strands together to map the necessary actions and create a coordinated adaptation response at the EU level. The magnitude of damages to the EU people and economy requires steps to be taken swiftly.

Proposal for the new Commission - Contribution from DG CLIMA

100 Day Initiative: 1 million electric car charging points on European roads

Citizen interest in climate issues is increasing, and many are interested in making the right choices as consumers. Many new climate-friendly technologies are available on mass market, others require some more push. The EU has already been successful in creating lead markets for new zero- or low-carbon products and services, constituting a powerful tool of innovation and market transformation.

The automotive industry is a prime example. With the (recently much strengthened) EU CO2 standards for cars and heavy duty vehicles, the number of electric cars sold on the EU market is expected to rise substantially, from < 1% market share last year, to more than 10% in 2025. This would translate in approximately 11 million fully electric or plug-in hybrid vehicles on European roads. Manufacturers are already engaging in the low carbon transition, as illustrated by announcements on industrial investments in electro-mobility and the increase in offers of new models.

Yet the EU CO2 standards may not succeed in kick-starting a clean vehicles mass market on their own. The availability of sufficient charging stations both along EU highways (fast charging) and in urban areas remains the most important potential barrier for public acceptance and enhanced market uptake, and it needs to be addressed urgently.

Specific proposal for the first 100 days:

The new Commission could put forward within the first 100 days a concrete initiative to build 1 million charging stations on European highways and urban areas by the end of the mandate.

In 2025, those 11 million full electric and plug-in hybrid vehicles that will drive on European roads will require 1.1 million publicly accessible charging stations as compared to 120 000 today. In other words, approximately 1 million publicly accessible charging stations will need to be built between now and 2025. Taken together, the total estimated investment needs for publicly-accessible alternative fuels infrastructure in the EU amount to about EUR 5.2 billion by 2020 and additional EUR 16 billion to EUR 22 billion by 2025.

We already have the right framework under the proposed MFF, where the Connecting Europe Facility will have 42 billion € of which 30 billion € will go to transport. The proposal also says that 60% of the overall 42 billion € must be used for climate spending. In addition, other opportunities could be explored with Cohesion funds. Thus, no new legislation of budgetary allocation would be needed, which would make this initiative well-suited to the "first 100 days".

Targeted financial instruments where gaps in the network remain, notably on highways in Southern and Eastern Europe, and in general less heavily trafficked and less populated areas, could be deployed. In addition, a fund could be set up for urban recharging in cities, similar in approach to Wifi4EU.

Conclusion:

With a 100 day initiative aimed at building the charging infrastructure for electric vehicles, we can respond to citizen concerns and enable the clean transition of the road transport sector. It is clear that the EU automotive industry is now bent on catching up with its competitors in the race to deploy zero- or low-emission vehicles. This Commission has been very supportive, notably with the Battery Alliance. Charging infrastructure is the other, necessary side of the batteries coin.

Moreover, this would be a good demonstration of how a comprehensive approach of creating a lead market, supported by infrastructure rollout, could be replicated in other key areas. The 'Clean Planet for All' strategy has identified a number of energy and industrial technological pathways which require breakthrough transformation in the next decade(s), where currently such an approach could be applied. This includes industrial sectors that have emissions (e.g. steel, cement, chemicals) as well as solutions with cross sector potential such as low carbon hydrogen.

Proposal for the new Commission - Contribution from DG CLIMA

Revenues from polluters for a fair transition

The transition to climate-neutrality has to be socially fair – not leaving any EU citizen or region behind. In order to do that, the transition has to be managed pro-actively to ensure the transformation is socially balanced. This requires resources. Partly these would come from mainstreaming climate expenditure in, for instance, cohesion or social spending. However, dedicated resources, even relatively modest, would help in terms of both substance and political visibility and acceptance.

The EU Emissions Trading System (EU ETS) generates substantial revenue from auctions of ETS allowances that goes to the Member States, who should use at least 50% for climate-related purposes. MS, in the MFF discussion, have rejected the idea of a portion of such ETS revenues going to the general EU budget as an EU "own resource". However in the reform of the ETS Directive MS have strongly supported targeted use of these revenues through the Innovation Fund and the Modernisation Fund (the latter will benefit energy modernisation and transition, including social aspects, in the 10 poorer Member States). There is scope to generate more revenues from auctions under the EU ETS and targeted use should be more acceptable to MS, especially if linked to the social aspect of the climate and energy transition.

In particular, in the aviation sector covered under the EU ETS, EUR 750 million of allowances are given to airlines for free every year. Aviation crosses boundaries and it is easier for the EU to act than Member States individually. The climate damaging nature of aviation is understood and concerns about increasing aviation emissions are shared by the public, who is becoming increasingly vocal in this respect. Therefore, there is momentum for a greater effort.

Proposal:

The new Commission can propose to auction some or all of the EU ETS allowances currently given for free to airlines (NB: currently the ETS applies only to flights between EU EEA airports) and the revenues would instead be spent on an EU level initiative(s) on fair transition. At current carbon prices of EUR 25/allowance, this would annually mobilise up to EUR 750 million (or around EUR 5 billion over the 2021-27 MFF). This would affect airlines but would come at a time when emissions from aviation are increasing sharply and set to increase even more, whereas emissions from all other economic sectors are declining, albeit with differing trends. As far as the impact on airline customers is concerned, airlines could try to pass on this additional cost, but it would be harder from them to make a link with the cost of an individual flight than - say - with a tax on air tickets or even a tax on kerosene, and competition in the market would at least hamper them in doing so.

The review of the ETS Directive foreseen to begin in 2020 would be an opportunity to legislate on this proposal.

Proposal for supporting a fair transition:

There are many ideas that could be explored on how to use such revenues. The choice should be made with two major objectives in mind: **inclusion and decarbonisation.** It would also be beneficial to look for innovative ideas with a direct and easily identifiable impact on citizens and/or regions most affected by the climate and energy transition. For example, this initiative could be used to

- **Introduce measures for specific social groups** such as young people, elderly, low income self-employed, people at risk of exclusion as well as those with reduced mobility.

  This could include measures to alleviate poverty, e.g. providing sustainable and social housing, bike bonus for young people, subsidized public transport for jobseekers, low income workers, free rail passes, facilitating car sharing for people with reduced mobility.

- **Create a fund to support clean and new startups and companies** in particular focusing their activities in regions affected by the transition.

This could include support to green startups or the creation of innovation hubs in regions affected by the transition. It would be important to ensure synergies with existing initiatives.

CNECT

Digital for Planet (DG CNECT & DG ENV)

Political importance of the proposal (max. 200 words)

What are the main political goals? What is the political attractiveness of the proposal/ why should this be a priority for the Commission President?

Europe's digital policy and initiatives have to support and accelerate the transition to sustainability. Digitalisation is a key enabler for a sustainable Europe enabling transition to carbon neutral and circular economy.

ICT sector itself has to minimise its environmental/carbon footprint through improved energy efficiency, circularity of digital products and more sustainable e-commerce.

Europe needs to maximise the benefits to its citizens (quality of life, prosperity) coming from the innovations enabled by digital and green sustainable technologies. The digital transformation of European society has to be managed in such a way that it supports the Paris Agreement and the Sustainable Development Goals while fostering economic and societal well-being, and empowering citizens. This will in turn help in **gaining strategic autonomy** in these emerging (sustainable digital) market segments and create European leadership in the dynamic sector.

Setting the vision for the **EU Digital and Sustainability policies**, including their synergies and targets for socio-economic benefits are expected to be among priorities of the Council and the incoming Presidencies.

Problem statement (max. 200 words)

What is the problem we are trying to solve/gaps to be addressed? Why is intervention at EU level necessary?

Europe must intensify its effort on major societal challenges such as climate change and environment. The digitally enabled green technologies such as low power processors, AI and HPC in service of environment climate change, provide new economic opportunities and possibilities to engage with citizens, in particular young voters. In addition, **the power of data is not utilised in Europe** sufficiently to address climate environment challenge. Sectors such as transport, energy, earth observation and agriculture generate a vast amount of non-personal data that can be used for common good. *European data space* can support the environmental and climate innovation as well as policy development, monitoring and enforcement.

Measures to minimise the ICT footprint are also needed, e.g. to reduce the total energy consumption of ICT which is rising and expected to reach 14% in 2020. Moreover, only a small fraction of electronic products is repaired, re-used or refurbished, leading to rising e-waste; after that recycling rates are low despite the EU lacking most critical raw materials contained in electronic products and the high environmental impact of their extraction. Moving towards a circular economy model will help reduce this footprint and make Europe the innovative leader for ICT products and solutions that are sustainable.

Proposed act (max. 200 words)

Possible nature of the act, main elements, timing for adoption, likely support outside the Commission

Action Plan to be adopted by 2020 that will include:

- **Measures towards Green ICT sector** including legislative actions such as reviewing eco-design and eco-labelling process to electronic devices not yet covered, propose a robust and up-to-date methodology for measuring the footprint of the ICT sector, introduce mandatory transparency measures such as energy label for data centres, networks and other relevant digital services. And propose Green Public Procurement (GPP) criteria for cloud computing, blockchain and high performance computing services building on the existing GPP criteria for computers, servers and monitors.

- **Creating a common and open European data space for the environment and climate action** to allow wide collection and better access to the wide range of environmental "big" data and engagement with citizens using digital tools. On one hand, this will create tools to empower consumers to make sustainable choices (e.g. through a Green Product Passport "Factsheet") on the other hand, such data could come from and be useful for climate, circular economy, nature biodiversity, quality of life (air, water) but also to other economic sectors. The data would also support new AI and HPC based solutions and simulations. The adoption of the Implementing Regulation defining the list of high-value data sets from Environment and health related categories (including Geospatial and Earth observation data) set out in the Annex to the new Open Data and PSI Directive can be followed by a revision of the wider legal framework currently governing environmental data.

These initial actions put forward by DG CNECT and DG ENV can be complemented in cooperation with other DGs (CLIMA, ENER, GROW) and widened by developing an action plan for the coming five years committing to additional initiatives. They are also linked to linked to other policy initiative such as the circular economy action plan2.0 (developing circular supply chains through digital "product factsheets/ passports", track and tracing etc.), fostering modularity and recycling aspects of ICT products such as obligation to supply spare parts, allow for reparability and to software updates for longer time. It will build on synergies with cross cutting initiatives (e.g. engaging citizens, creating partnerships with cities) or sectoral initiatives (e.g. promoting smart transport, precision agriculture, etc.)

AI regulatory framework

Political importance of the proposal (max. 200 words)

What are the main political goals? What is the political attractiveness of the proposal/ why should this be a priority for the Commission President?

The deployment of Artificial Intelligence (AI) and autonomous systems across all sectors of the economy will have a profound impact on human society. AI carries huge promises to help solve some of the major societal challenges we face but also brings risks we should address and mitigate.

Building on the "European Initiative on AI" Communication[1] presented in April 2018 and on the "Coordinated Plan on AI" Communication[2], Europe needs an ambitious coordinated strategy that combines public and private investments with a robust regulatory framework guaranteeing that AI systems in products and services are used in full respect of fundamental rights, and in an ethical and trustworthy manner across the EU Single Market. Such an approach will provide regulatory clarity, inspire confidence and trust and create a competitive advantage for European industry.

In creating a robust regulatory framework, the EU's challenge is to ensure that fundamental rights are adequately protected, while at the same time allowing innovation in the EU to flourish. By building the foundation of trustworthy AI we will safeguard the respect for our core European values and carve out a distinctive trademark for Europe and its industry as a leader in cutting-edge trustworthy AI.

Problem statement (max. 200 words)

What is the problem we are trying to solve /gaps to be addressed? Why is intervention at EU level necessary?

AI applications can pose significant risks to fundamental rights. Unregulated AI systems may take decisions affecting citizens without explanation, possibility of recourse or even a responsible interlocutor. The challenges raised by the increased up-take of AI are not limited to those decisions taken on the basis of personal data.

The goal should therefore be to provide clear, predictable, and uniform rules in the EU for the provision of artificial intelligence systems which adequately protect individuals, while at the same time allowing innovative businesses to grow and scale-up across the Single Market.

Without an EU-level regulatory framework, non-compliant AI goods and services, raising ethical issues and potentially infringements of fundamental rights, will emerge on the European market causing direct harm for consumers and businesses alike. In addition, Member States are likely to enact national rules, creating a burdensome fragmentation and hampering innovative AI services from emerging and scaling up in the Single Market.

The work should build on the Ethics Guidelines for Trustworthy AI prepared by the High Level Expert Group on Artificial Intelligence and on their piloting phase that is to be launched at the end of June and will last until end 2019.

[1] COM(2018) 237 final

[2] COM(2018) 795 final

Proposed act (max. 200 words)

Possible nature of the act, main elements, timing for adoption, likely support outside the Commission.

A single market legal instrument providing clear and simple EU-wide rules on AI-powered goods and services. Such a legal instrument would set appropriate transparency obligations for the development and use of AI solutions and would set requirements for fundamental rights impact assessments. Building on GDPR rules, it may also provide an adequate framework for specific technologies such as face recognition or other services which bring specific risks.

Next to horizontal rules for all AI-powered systems, the instrument would allow for sector-specific and application-specific interventions, complemented as necessary by voluntary initiatives for trustworthy applications, e.g. for certifications or codes of conduct.

It would provide for an independent and appropriately resourced system for oversight and technical assistance at EU and/or national level which would ensure enforcement and guidance, as well as assistance to regulatory bodies and authorities on issues related to automated decision-making.

The framework should be adaptive and able to respond to future emerging challenges, while allowing the development of horizontal or sectorial use cases specific regulations (including standardisation). Questions of liability, robustness and safety, where not covered by existing regulations, would also be analysed as part of the impact assessment.

The regulatory intervention should set a world-standard for AI regulation.

Digital Leadership Package

Political importance of the proposal (max. 200 words)

What are the main political goals? What is the political attractiveness of the proposal/ why should this be a priority for the Commission President?

Despite strong presence in some key parts of the digital supply chain such as business software, electronics for cars and factories as well as telecom equipment and services, EU industry is currently unable to independently guarantee the supply of key digital technologies. Essential industrial and business value chains depend today on third country technology providers. For example, in advanced leading edge technologies like High Performance computing, the EU currently consumes one third of resources worldwide, but provides only around 5%. In the case of mobile devices, the EU produces less than 8% of the devices' value.

This results in a high risk of disruption or dependency with a potential to impact the economy and our standards of living, democracy, security and safety. At a time when the digital transformation is positively influencing the whole society and economy including those sectors where Europe is strong (e.g. manufacturing, mobility, energy, health, finance) Europe cannot afford to fall behind further in key digital technologies.

Successful experience in areas like microelectronics and advanced computing have shown that it is possible to achieve a step change in competiveness by pooling together the efforts made by industry, Member States and at EU-level in support of common R&I and capacity building agendas. The EU should build on the momentum generated across industry and Member States (e.g. in the IPCEI on microelectronics) and engage in similar focused actions on the key elements of the digital supply chain.

These include next generation processors and components (targeting notably low power consumption), high-end quantum computing, 5G coverage and future smart connectivity, and set-up common data spaces that are essential for the development of artificial intelligence.

A package of focused, high impact projects is being prepared and will be proposed in first semester 2020 as a key step to reinforce our industrial competitiveness and technology leadership in the digital supply chain. The package could take the form of a legislative instrument setting out a comprehensive EU approach to ensure a sufficient degree of autonomy by developing, deploying and commercialising critical digital technologies and infrastructures. It will:

- responds to the call by Member States and EP to ensure EU's strategic autonomy;, stakeholders and citizens;
- has a strong geostrategic aspect, underscoring the importance of a united EU;
- it will result in concrete actions and will show results in the next five years

Problem statement (max. 200 words)

What is the problem we are trying to solve /gaps to be addressed? Why is intervention at EU level necessary?

If current trends continue unmitigated, the EU may end up being entirely dependent on third countries for key technologies. This would leave our economy, security, and society exposed and vulnerable on an unprecedented scale. It is no longer just a question about the competitiveness of the EU tech sector. The lack of European capabilities in key technologies threatens Europe's strong position in industries across the board as digital technologies are transforming these industries as well. Importantly, it can also threaten our democracies.

Given the scale of the investments required and the concentration of digital markets around a few non-European companies which benefit from large home markets and strategic public policy, Member States or individual companies cannot cope with this challenge alone.

There is a need for coordination and strategic vision so that funding programmes (Horizon Europe, Digital Europe Programme, etc.) are used in a strategic, targeted and coordinated manner across strategic value chains to maximise their impacts in the identified priority areas d for EU level, joined up and comprehensive action.

Proposed package (max. 200 words)

Possible nature of the act, main elements, timing for adoption, likely support outside the Commission

A Digital Leadership Package which would:

A) **Identify and fix common investment priorities in areas of strategic importance** for the EU such as high-performance computing, quantum or microelectronics

B) **Propose an instrument to pool resources** in order to be able to bring EU-level and MS investments together

C) Propose a set of **implementing measures**:

   a. Revision of EuroHPC Regulation

   b. Regulation to establish ECSEL 2

   c. Etc

D) Create an overarching **governance and monitoring mechanism**

This would be one of the first initiatives of the next Commission. Political endorsement of the objectives of this initiative could be sought from the European Council (in the second half of this year). We can expect support in particular from Member States calling for a new European industrial policy. The EP is also likely to support the proposal given the strong emphasis it has put on strategic autonomy in the ongoing MFF negotiations.

High-priority areas for significant coordinated technology investments

In particular, significant coordinated investments by the EU, Member States and the industry are required to develop a set of priority initiatives:

- ***World-leading computing and data processing capacities***, covering the entire computing continuum from HPC and quantum computing to edge through cloud infrastructures and services. The objective is to rebuild a competitive European HPC and cloud supply that dynamically responds to multiple public and private sectorial needs.
- ***European Low power microprocessor initiative*** to ensure the design and production in Europe of processor technology essential for all data and computing capacities (from HPC to Internet of Things and edge computing) and for the wide deployment of Artificial Intelligence and ensure mastery of key digital technologies.
- ***A Smart Networks and Services initiative*** to ensure technology leadership, a secure supply chain and ambitious infrastructure deployment enabling Next-Generation-Internet services and the digital transformation of vertical sectors. The partnership involves an ambitious R&I roadmap for technologies beyond 5G and later 6G as well as cloud and Internet-of-Things.
- ***EU wide common Data spaces and world reference testing and experimentation facilities for AI applications in areas such as*** health, manufacturing, transport, as well as climate and management of natural resources.
- ***European Cybersecurity Shield based on Quantum communication infrastructure (EuroQCI)*** for secure interconnection and data storage based on quantum technologies, linking critical public communication assets all over the EU.
- ***The European Blockchain Services Infrastructure*** to procure infrastructure to support the deployment of new cross-border digital public services.

Digital Services Act

We propose a **revision of the rules regulating *Online Platforms* in the EU** (such as social media or search engines, video gaming platforms, or market places), and other digital services more broadly. The goals of this revision would be to **provide clear, updated, and binding rules** to tackle problems such as illegal hate speech online, or opaque political advertising. A revised rulebook for digital services **would provide greater safety, trust, and empowerment for users** online using global platforms, while giving innovative EU businesses regulatory clarity to scale, grow, and compete globally and safeguarding the overarching right of freedom of expression as well as European and democratic values. This would include a revision of the E-Commerce Directive, dating back to 2000, and would further build on the recently revised Audiovisual Media Services Directive, Copyright in the Digital Single Market Directive or the Terrorist Content proposals. They would in essence revise the overarching framework for digital services online, and set global standards which could be promoted at international level. Such EU-wide rules should be **backed by a European regulatory oversight structure** to help effectively enforce and protect the interest of all European citizens across the Single Market.

Many of the **cornerstone rules for digital services have not been adapted since 2000**, and sometime do not adequately reflect the technical, social and economic reality of today's services. They are **outdated and do not adequately address new risks that have come with new technologies.**
Further, a lack of legal clarity in the existing rules entails a regulatory disincentive for platforms and other intermediaries to tackle illegal content, or to address harmful content online. Some voluntary codes of conduct are only partially addressing the issue. Clear rules for cooperation with public authorities are also currently lacking.
In addition, a **patchwork of national rules** is emerging, e.g. differing laws on online hate speech in Germany, and France, or emerging rules to tackle disinformation with potential risks on fundamental rights and freedom of expression. Such a fragmented market is difficult to contest for newcomers, and reinforces the dominance of the mega-platforms who can put dedicated teams into each country. Legitimate new global or pan-European concerns around Online Platforms and digital services in general should be addressed at the European level.
Finally, **public oversight as a form of cooperation and supervision is lacking**. Currently platforms are overseen by specialised regulators, such as Data Protection, Consumer Protection or Audio-visual ones, that might not have the full remit or resources to deal comprehensively with issues such as content moderation or advertising. This weakness in the Single Market reduces trust as regards users, as well as between Member States.

We propose a comprehensive regulation for the 2nd half of 2020. This proposal would encompass an update and a revision of the e-Commerce Directive, contain binding rules for specific services as a form of "duty of care", consistent with rules in the new copyright directive and other instruments adopted in this legislature. Transparency obligations in areas such as content moderation, or political advertising online, plus rules for recent services such as collaborative economy platforms would also be part of the new rules. An enhanced regulatory structure would ensure oversight, enforcement, and cooperation especially in areas such as illegal or harmful content, including protection of minors. The proposal will take into account and build on the experience already gathered by audio-visual regulators under the rules in the AVMSD for video-sharing platforms.

FR and DE would welcome such a reform. Industry has become more open, see Facebook's recent call for more regulation. Smaller companies, or infrastructure intermediaries, are

concerned about legal uncertainty and heavy, ill-conceived rules. Civil Society and some international organisations are generally concerned about measures that negatively affect users' rights online, in particular about the impact of a privatisation of decision-making on freedom of expression and media pluralism, and the lack of public oversight.

"Enhancing European Union Ownership" / A major engagement initiative in the first three months of the new Commission[1]

Concept

- An EU-wide campaign of engagement with citizens in order to present the political priorities on the ground, coinciding with the first 100 days of the Commission.
- Implementing the institutional obligations in Article 11.2 TEU 'open, transparent and regular dialogue with representative associations and civil society' and Article 11.3 TEU 'broad consultations with parties concerned in order to ensure the Union's actions are coherent and transparent.
- Commissioners would inaugurate a multilevel cycle of consultations on the ground, on the basis of a joint narrative that should be agreed at the first College seminar
- Representations acting as an anchor point for cooperation with Member States (Heads of Representation should be mandated by the President to do so)

Format:

- Launch in the European Parliament, as a complementary approach nourishing – and in no way substituting for – European representative democracy, followed immediately on the ground by Commissioners. ALL Commissioners to be engaged – participating in citizens' dialogues, media opportunities, social media. The new president could invite Members of the European Parliament, the Committee of the Regions and the European Economic and Social Committee to be associated.
- ALL Commissioners to speak to the national parliaments to present the priorities (the Commission President should start a tour of capitals to address plenaries during this period too)
- Backed up with a large-scale "back to school" operation to be carried out in cooperation with national regional authorities in the first 100 days
- Accompanied by a major communication effort across all the Commission's existing tools/ platforms (including TED talk-style video products and a podcast series with journalists from across the EU)
- Online consultations and Eurobarometer surveys would be carried out in parallel
- All these strands would feed into the policy process ahead of the presentation of actual legislative proposals in the months year after the first 100 days.

Process:

- The new President could announce in his her political opening statement before the European Parliament in July that the Commission will develop for the whole legislative period, building upon the experience of the Member States and citizens' dialogues, a strategy on citizens dialogues as a priority for each Commissioner and senior EC managers. This commitment would be included in the mission letters to each Commissioner
- It would need to be backed up by a partnership with Member States for implementing it in the best manner country by country. Traction at the highest level should come from the European Council, for example by having a regular point at European Council meetings on the joint responsibility of EU institutions and Member States when it comes to explaining policies and decisions as well as debating Europe's challenges – "EU communication and citizens engagement"
- This could be accompanied by a reinforcement of the Representations' statute on the ground (according to Article 335 of the Treaty on the Functioning of the European Union, the Commission is legally representing the Union in each of the Member States). This should include an enhanced role *vis-à-vis* networks on the ground and in the definition of corporate communication campaigns.

Logistics:

- The organisation of the engagement initiative would have to be built into the planning of the political follow-up to the new Commission taking office (assuming a start date of 1 November 2019).
- The planning would build on the experience of the existing citizens' dialogues, adapting the format to the particular outreach and communication objective.
- The Representations in the Member States and the Europe Direct Information Centres would be mobilised in support.
- In order for the initiative to be implemented in a relatively short time frame, it would be carried out essentially using the existing budgetary and human resources and contracts.

[1] In "Enhancing Ownership" we are implementing the institutional obligation established in article 11.2 of the TEU – "The Institutions shall maintain an open, transparent and regular dialogue with representative associations and civil society". Furthermore the EC has special responsibility in fulfilling this participative democracy principle as stated in Article 11.3 "The EC shall carry out broad consultations with parties concerned in order to ensure the Union's actions are coherent and transparent"

2 A major citizens' engagement campaign, focussed on a modern, digital, open and connected society in Europe

ALL ASPECTS Similar to option 1 above, but more focussed on a crucial, cross-cutting issue

Concept

- For example, using the digital transformation of Europe as a backdrop to launch an ambitious debate on what it means to be a "connected, inclusive and democratic society".
- Using an ambitious initiative (such as a White Paper) in the digital field to attract public attention (e.g. a European 5G or human-centric artificial intelligence or industrial initiative), the Commission could launch a wide transnational debate on how Europe can as a whole transform itself into a modern, open society that is able to seize the opportunities arising from the ongoing digital transformation. While focussing on the headline initiative, it would allow us to collect citizens' views on the broader issues at stake, such as

- Democracy and transparency (including the fight against disinformation)
- Industrial policy
- Education and digital skills
- Social rights and labour markets in the digital age
- Taxation

Why launch this debate now? What should be the focus?

- Europe needs a positive, easily understandable narrative, in which citizens and businesses can recognise themselves and their interests, and which makes clear how the European Union's policy action is making a difference.
- While concerns such as migration, climate change and security remain crucial, they should not be presented as perennial challenges or crises, but should be utilised to create a unifying, positive narrative. The appropriate formulation of the parameters can help to mobilise interest and build common ownership of solutions.
- The experience of the existing corporate communication campaigns (#InvestEU, #EU Protects and #EUandME) can be built upon to generate a better understanding of where the EU can and should act and of the added value of Member States and EU institutions working closely together on shared, common objectives.
- The initiative could be combined with basic information on what the EU does and how it works and could also address mythbusting.

Logistics

- The current DG Communication budget and resources would be used to produce the materials for the initiative in-house.
- In 2019, DG Communication has a budget of €2 000 000 for citizens' dialogues, coming from the Representations' budget line and from corporate funds. Of this, €400 000 is already committed. In 2020, the planned budget for citizens' dialogues is €1 500 000, also from the Representations' budget line and from corporate funds

- Corporate communication budget: possible synergies with the ongoing campaigns should be envisaged, although the lengthy lead-in times for new corporate campaigns should be taken into account (procurement procedures).
- The existing operational budget at DG Communication headquarters would be used, together with existing contracts. Some additional mission budget may be needed, in both DG Communication and in the other participating DGs.
- DG Communication could create a temporary "project team" to ensure the most efficient use of human resources during the exercise, including the preparatory phase over the summer.
- The flow of officials participating would need to be intelligently piloted from Commission headquarters and the Representations.
- Online consultations and Eurobarometer surveys could be carried out in parallel with the engagement exercise. These could help to frame the debates and base them on facts and statistical evidence. The organisation of these would require additional resources.

Timing

- In July 2019, the Representations would immediately receive a mandate to discuss at national level possible synergies with national authorities and members of the European Economic and Social Committee and the Committee of the Regions. In parallel, contacts would be developed with the European Parliament (and at local level with the European Parliament Liaison Offices) to discuss participation and event organisation. The Representations, together with the Europe Direct Information Centres, could identify regions where general promotion and debate could take place and could prepare the ground (September-October) for a well informed debate with the dissemination of materials.
- Traction should come at the highest level from the European Council, so that member States agree to participate whenever possible in the engagement exercise. The Council could also agree to have a regular point on the agenda of European Council meetings to discuss the exercise of joint responsibility in communication.
- Once the new College is approved and takes office, the engagement exercise would be formally launched the following month (November).
- The result of the engagement exercise would feed into the policy process ahead of the presentation of subsequent legislative proposals.

3 Create a disinformation hub

- Given the wish to increase significantly the Commission's responsiveness to disinformation (as per President Juncker's recent interview in Bild Zeitung), there is a need for more streamlining of the Commission's activities, bringing together policies, actors and content on the basis of existing structures and networks. Currently, there is no clear 'ownership' of work on disinformation across the Commission, although a number of services are involved. The objective is to optimise what is already being done and develop it further (cf. forthcoming communication report from the Commission on disinformation in advance of the June 2019 European Council).
- A new DG Communication Task Force (Hub) on disinformation should be established, provided that the necessary resources, including additional human resources, can be ensured (possible redeployment required). This Task Force could possibly evolve into a future unit (or part of a future strategy unit).
- DG Communication should take the lead on content, working closely with the line DGs who possess the technical knowledge in particular policy areas. DGs should ensure that their communications units have capacity to work on disinformation, for example in the form of a disinformation correspondent.
- The corporate communication framework (the Corporate Communication Steering Committee and the interservice Communication Network) should be used to provide the necessary steer and follow-up, respectively. The activities of the network on disinformation should be organised accordingly.
- Given the scale and reach of the Europa website (more than 200 million unique visitors in 2018), it should host a new website to be set up as a digital focal point on disinformation, where examples and positive messages can be identified for the EU on every policy. The work of the hub would also manage input from the Representations.
- Upscaling EC Representations activities (X% of the budget for social media anti-disinformation actions and events), reinforcing the role of Europe Direct Information Centres in identifying and fighting disinformation.
- Cooperation agreements and joint actions with Member States, local authorities on disinformation, including education and digital skills campaigns, training of sources and fact-checkers.
- Special citizens' dialogues and 'back to school', 'back to university' packages (in all languages).
- Pan-European and national competitions for teenagers, and audio-visual learning kits for schools (in all languages).
- Internal communication: promote professionalisation and use of SMARP to debunk EU myths and make it really multilingual.

COMP

Review of the Commission's Block Exemption Regulations and Commission guidance for Article 101 of the Treaty

Three of the four current Block Exemption Regulations ("BERs") for categories of vertical and horizontal agreements which can be regarded as normally satisfying the conditions of Article 101(3) of the Treaty will expire in the course of 2022. This concerns the Vertical BER,[4] the Horizontal BER for research & development agreements[5] as well as the BER for specialisation agreements.[6] In addition, the Motor Vehicle BER[7] that applies to vertical agreements in the motor vehicle sector will expire in 2023. Guidance on the application of these BERs and on the assessment of agreements not covered by them under Article 101 of the Treaty is provided in the Vertical Guidelines[8] and the Horizontal Guidelines.[9] These guidelines are not subject to any expiry date, but necessarily need to reflect any changes made to the BERs.

The review of the Vertical BER (+ the Vertical Guidelines) was launched in October 2018. In line with the Commission's Better Regulation Requirements, the on-going evaluation phase is aimed at gathering information about the effectiveness, efficiency, relevance, coherence and EU added value of the current vertical rules. It will be finalised with the adoption of a Staff Working Document in Q2/2020. The evaluation roadmap was published for comments in November 2018. A public consultation of 16 weeks ended on 27 May 2019. An evaluation support study will be launched before the summer with a view to having the final report ready by February 2020. A stakeholder workshop is planned for November 2019 to allow for an in-depth discussion of a pre-selected number of issues raised by stakeholders in the public consultation. The review will take account of new market developments since the adoption of the current vertical rules in 2010, notably the increased importance of online sales and the emergence of new market players such as online platforms.

The review of the Horizontal BERs (including the Horizontal Guidelines) will be launched before the end of the current Commission mandate. The publication of the evaluation roadmap for stakeholder comments is planned for Q4/2019. The review will take account of new market developments with regard to horizontal cooperation projects, notably the perceived need of stakeholders to cooperate more closely with existing and potential competitors in order to reap the full benefits of the innovation potential resulting from the increasing digitisation across sectors. It will also look into the appropriateness of the current rules to foster pro-competitive data pooling and data sharing, in line with the suggestions

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[4] Commission Regulation (EU) No 330/2010 of 20 April 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices, OJ L 102, 23.4.2010, page 1.

[5] Commission Regulation (EU) No 1217/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of research and development agreements, OJ L 335, 18.12.2010 page 36.

[6] Commission Regulation (EU) No 1218/2010 of 14 December 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to certain categories of specialisation agreements, OJ L 335, 18.12.2010, page 44.

[7] Commission Regulation (EU) No 461/2010 of 27 May 2010 on the application of Article 101(3) of the Treaty on the Functioning of the European Union to categories of vertical agreements and concerted practices in the motor vehicle sector, OJ L 129, 28.5.2010, p. 52–57.

[8] Guidelines on Vertical Restraints, OJ C 130, 19.5.2010, page 1.

[9] Guidelines on the applicability of Article 101 of the Treaty on the Functioning of the European Union to horizontal co-operation agreements, OJ C 11, 14.1.2011, page 1.

made by the Special Advisors to Commissioner Vestager in their report on *"Competition policy for the digital era"* published on 4 April 2019.[30]

[30] DG COMP, website publication, https://ec.europa.eu/competition/publications/reports/kd0419345enn.pdf

A cross-instrument sector inquiry

Sector inquiries are an essential part of the proactive enforcement work of the Commission. The Commission may initiate sector inquiries when it has reasons to believe that competition may be restricted or distorted within a particular sector of the economy or regarding a particular type of agreement or practice across various sectors. Sector inquiries allow the Commission to use strong investigative powers to examine key sectors of the economy in order to deepen its understanding of how competition works in the markets, and to publish its findings. They therefore help the Commission to identify concrete competition problems and possible infringements, to target its enforcement activities as accurately as possible.

Moreover, sector inquiries and the Commission's subsequent enforcement activities have proven to be useful in providing input to regulatory actions and advocacy initiatives within and outside the Commission. Last, but by no means least, they allow market participants to become more aware of any behaviour that has the potential to infringe the competition rules and to improve their competition compliance programmes.

Sector inquiries are part of both the antitrust and state aid toolbox.[31] Previous sector inquiries concerned retail banking, business insurance, energy markets, and in particular capacity mechanisms, pharmaceutical products, and e-commerce, for example.

Sector inquiries are a very specific, resource intensive competition instrument (including for companies in the sector that are required to provide information to the Commission). We collect information from hundreds or thousands of firms through requests for information and, occasionally, inspections. It is therefore essential to target the sectors concerned very carefully and to focus the inquiries on the behaviour of the companies concerned and the application of the EU competition rules. Within one mandate, it is usually not possible to conduct more than one or two sector inquiries.

The beginning of a mandate is the ideal timing to initiate sector inquiries. They typically take around two years to complete, therefore starting early in the mandate would also allow time to wrap up at least some of the competition cases generated by the sector inquiry.

Since the "sector inquiry" tool also exists under State aid control, one could consider conducting joint antitrust/state aid sector inquiries to underline a cross-instrument perspective.

During our ongoing market monitoring, we have already identified a few sectors (and practices across several sectors) where there may be competition problems that could be investigated through sector inquiries. These are all sectors or cross-sectoral issues where developments are also influenced by the ongoing digitalisation and increased environmental concerns, such as future mobility, Internet of Things, data and artificial intelligence, etc. The most suitable candidate for a sector inquiry could be chosen depending on the priorities of the next Commission.

The launch of sector inquiry is a good opportunity for the public to see how specific priorities are translated into concrete actions.

[31] Article 17 of Regulation 1/2003 (antitrust) or Article 20a of Regulation 659/1999 (state aid)

Review of State aid rules

The review of the State aid rules includes several parallel work-streams in different stages of execution. The general goal is to evaluate and, where necessary, adapt the existing State aid rules in view of the new developments (of market, technologies, regulatory frameworks etc.) and the experience gathered with their application over the last years. The different work-streams include:

1) Targeted General Block Exemption Regulation (GBER) revision related to MFF

To ensure that spending under the new MFF is as effective as possible, the Commission aims at modifying State aid rules in a targeted manner to ensure that national funding – for example from ESI Funds managed at national level – and centrally-managed EU funds can be combined seamlessly while ensuring that the principles of EU State aid are applied more efficiently. The revision will improve the interplay between EU funding programs and State aid rules by extending the GBER to simplify the treatment of any aid involved. The adoption of the amendment is planned for the first half of 2020.

2) Fitness check and subsequent review of the State aid modernisation package

The Commission has launched at the end of 2018 an evaluation (in the form of a fitness check) of the State aid modernisation package to check whether the rules have actually worked in the way intended and are fit for purpose. The fitness check concerns the following instruments: GBER, De minimis Regulation, Regional aid Guidelines, RDI Framework, IPCEI Communication, Risk finance Guidelines, Airport and aviation Guidelines, Energy and Environmental Aid Guidelines (EEAG), Rescue and restructuring aid Guidelines, Railways Guidelines and Short term export credit Communication. Based on the results of the fitness check to be published in the first half of 2020, the Commission will revise those rules where changes will have proven necessary so that any new rules are in place before end 2022.

3) Revision of the Emissions trading scheme (ETS) State aid Guidelines

The current ETS State aid Guidelines date from 2012 and will expire at the end 2020. They therefore have to be revised for the next period starting on 01.01.2021. The legislative framework of the EU ETS has also been recently revised for its next trading period 2021-2030 with the adoption of the new ETS Directive. The Commission is currently conducting an evaluation of the ETS Guidelines combined with an impact assessment of proposed new policy options. Adoption of the revised ETS Guidelines is planned for the third quarter 2020.

4) Evaluation of the rules applicable to Social services and health SGEIs

The rules applicable to health and social services SGEIs have been in place since 2012. Compensation measures in this area, to the extent they fulfil the conditions, are exempted from the notification requirement, whatever their amount. Some Member States and stakeholders reported conceptual and methodological challenges when applying them. The results of the consultation to be launched in July 2019 will be summarized in a Commission Staff working document to be published in March 2021.

5) Banking Communication review

The existing State aid rules for banking date back to 2013 and pre-date the rules on the Banking Union. A possible revision of these rules is therefore considered internally, but without any clear timetable at this stage.

6) Broadband Guidelines

Mid-2020 a policy decision need to be taken on whether to revise or not the Broadband Guidelines. This policy decision will be underpinned by the results of a study DG COMP is currently undertaking in order to collect information and evidence (good practices and problems) regarding the implementation of subsidised investments approved by the Commission. The current rules are flexible enough to allow the achievement of the Gigabit objectives of the EU and the deployment of very high capacity networks as defined by the Gigabit Communication (i.e. 100 Mbps download upgradeable to 1 GB).

A new Global Partnership between Europe and Civil Society

The EU has an **enabling civic space**, which enhances **pluralistic and inclusive democracies** in the EU and partner countries. Although the **EU is the world's main political and financial civil society supporter**, this has not always produced **full political awareness** and recognition. Too often, EU initiatives are seen as directed to governments, leaving civil society aside. This is factually wrong (**roughly EUR 2 billion per year (14% of total)**, are directly implemented by civil society) and must be clarified, to better connect EU and its citizens. It is no longer enough to say Europe is a staunch defender; we **must** present innovative actions to involve civil society at large in **political, economic, social and sustainability dialogues and actions**. In the middle of **global** technological, climate, migratory and inequality challenges, the **much needed transformation into sustainable development** cannot happen if societies have not participated in generating their national choices.

Since the adoption of the 2030 Agenda on Sustainable Development in 2015, civil society is increasingly recognised as an **agent for change and sustainable development** in partner countries. Civil society must be a voice for local populations, advocating citizens' concerns and ensuring that citizens have the ownership of the transformation embedded in the 2030 Agenda. Civil society organisations must be an actor translating **global standards and rules to local needs and realities**, and defending multilateralism. The EU and civil society need to be strong partners for a better world, more sustainable and more inclusive. Civil society must also be an actor delivering this change and transformation.

Since the 2012 Communication on civil society, the key challenges of the **increasingly shrinking civic space** in certain countries and regions, together with the transformation needed to **adapt and implement to the 2030 Agenda framework** warrant a new EU initiative on civil society in the world. The initiative could propose **a new Global Partnership with Civil Society**.

- **Closely associate** civil society in Europe and elsewhere in the world to the **design and implementation of EU policies and programmes**, with a view to connect citizens to the global conversations, to reach to people and implement global solutions nationally.
- Enhance the creation and participation of civil society at large in **multi-stakeholder platforms at country level** in policy dialogues to monitor the implementation of the 2030 Agenda, holding governments and other stakeholders to account and promoting a rights-based approach, political stability, good governance and respect for the rule of law.
- Enshrine the **whole of society approach**, engaging with non-governmental organisations and others, including political parties, professional associations, cooperatives, trade unions and employers' organisations, foundations and diaspora organisations.
- Step up efforts to facilitate the **enabling environment** for civil society **specifically** in those countries regions where this is a major issue.
- Identify appropriate means to partner with civil societies to implement programmes of all kind, going **well beyond the traditional financing schemes of dedicated calls for proposals**.

A New Deal for Nature and People

Climate change and environmental degradation, including an unprecedented biodiversity loss, is the most important challenge to be tackled at the international level under the European Global Agenda. Europe should lead and further accelerate action at the multilateral level. A **New Deal for Nature and People** should be promoted in view of the UN Biodiversity Conference (COP15) in China in 2020. COP15 will be an opportunity for the EU to consolidate and widen its alliances (e.g. with Small Island Development States or the African, Caribbean and Pacific group) and to partner with China.

The EU is already a global and responsible leader on circular and green economy including on plastic, waste, forests and through the Switch2Green programmes. It can influence and support partners at the policy level and through international cooperation based on the 2030 Agenda on Sustainable Development and the Sustainable Development Goals. The EU can also leverage its trade agreements. It is time to harvest the economic and social benefits of a green transition. This is about EU interests, long-term prosperity and stability.

Actionable initiatives:

1. **A political proposal: the New Deal for Nature and People**
   - **Build** a coalition with key partners around concrete and measurable objectives involving civil society, governments, the private sector, foundations, and citizens.
   - **Campaign** and partner with civil societies worldwide to change production and consumption patterns.
2. **Operational proposals**
   - **Set up a European Platform for green investments** within the Neighbourhood, International Cooperation and Development Instrument (NDICI) / European Fund for Sustainable Development+ (EFSD+) guarantee. The Platform should gather EU Member States, the European Investment Bank, the European Reconstruction and Development Bank, and international financial institutions.
   - Launch **programming dialogues** with all EU partner countries to support and facilitate **policy and regulatory reforms** and the **implementation of Nationally Determined Contributions (NDCs)**.
   - Support and improve research, **knowledge- and know-how-creating skills for new jobs through vocational training** and capacity building exchanges (Erasmus for green skills, **twinning city to city**).
   - **Rapid reaction mechanism for ecological crises.**
   - Provide regular and targeted **monitoring** through EU satellite systems (**Copernicus**)

A RENEWED MULTILATERAL DEVELOPMENT PARTNERSHIP FOR SUSTAINABILITY, *(Re)Defining and Deploying EU Development Interest in Multilateralism (COMMISSION COMMUNICATION)*

The multilateral world order is increasingly questioned. Some create a false dichotomy between national sovereignty and multilateralism. While the US is at present questioning its commitment to multilateralism, others, such as China are trying to fill a void. On the one hand declaring attachment to a global order and rules, but at the same time seeking to politicise and inject it with a narrative that promotes their interests (e.g. One Belt One Road), and in many ways changes multilateralism's DNA.

The EU and its Member States remain the single largest financial contributor to the UN system: 30% of the regular UN budget and more than 31% of the UN peacekeeping budget, a quarter of all the voluntary contributions to UN funds and programmes. The European Commission contributed close to €3 billion to support UN external assistance programmes and projects in 2018 alone. Similarly, the Commission is the third largest contributor to World Bank Trust Funds with close to €600 million/year. The Commission is also a key partner in all nine IMF Regional Technical Assistance Centres and IMF topical and country trust funds.

Does our investment generate a proportionate policy impact and influence? The question for the EU is how to maintain a multilateralism that serves a sustainability agenda, and makes the most out of its political and financial investment.

The last Communication setting the EU's vision and approach to multilateral institutions in development dates from the early 2000s[12]. A new Communication would be timely for the **first 100 days of the new Commission**. It can serve to frame work and practical field deployment of the on-going UN Development System reform. The *year* **2020 will also mark** the *75th* **anniversary of the** *United Nations*. The Bretton Woods institutions will also be just a bit older and undergoing important processes such as the International Development Association review and a process of reform of the 200+ World Bank Trust Funds. This would allow spelling out the EU commitment to multilateralism but through a critically focused reality check.

This is not about mobilising more resources but about setting an approach and a plan for action allowing the EU to fully play its political role and to prioritise financial contributions and partnerships accordingly. The EU's participation in the UN system should be more visibly linked to EU objectives and should produce visible results for EU stakeholders, notably to implement the SDGs Agenda 2030. A recent example where we are doing this is the Spotlight Initiative on violence against women and girls[13].

The frameworks exist, but we are falling behind on policy setting, concrete financing and practicalities (including visibility). The EU can anchor more strategically its interaction and mobilisation of multilateral institutions for sustainability and use the latter to achieve this through innovative alliances and ways of working for impact in partner countries.

A new Communication would notably:

- **Anchor our partnership with multilaterals (UN, IFIs) into**: (i) a dedicated high-level political dialogue setting each year common priorities, (ii) external action country programming which will start in 2020.

[12] Building an effective partnership with the UN in the fields of development and humanitarian affairs – COM(2001)231; The European Union and the United Nations: the choice of multilateralism – COM(2003)526

[13] Global initiative with EUR 500 million budget driven by UN Deputy SG Amina Mohamed, the HRVP and Commissioner Mimica and [illegible] implemented worldwide

- **Set that policy comes first in the interaction with UN Multilaterals. Results are joint actions, which is not equal to the EU financing UN actions.**
- **Test and fully enforce the deployment of the Financial Framework Agreements (FAFAs) that are being finalised with most multilateral partners**
- **Define how the EU can better get its act together vis-a-vis multilaterals in a logic of impact: institutional and field/country level coordination.**
- **Explore innovative formulae of governance for EU-UN/multilaterals' joint actions (e.g. Global Fund for HIV, Tuberculosis and Malaria, Global Partnership for Education, Spotlight Initiative)**

DG I

Only slides

DIGIT

The delivery of the EU Digital Single Market goes hand in hand with the digital transformation of public administrations. The digital dimension is intrinsic to cross-border and cross-sectoral activities. More than 19 million EU citizens live and work in another Member State. More than 150 million EU citizens live in EU border regions. Over 20 million small and medium enterprises operate across Member States borders. Public and private service ecosystems that span national borders have become indispensable for the Single Market to work. Their success and their economic impact relies to a large extent on cross-border, digital European public administrations.

The Commission can support this change for public administrations in Europe through national transformation plans for digital government. To achieve this goal, we would need a new public administration framework with Member States. This framework would take the existing cooperation to the next level and would set the basis for a new European government service platform based on re-designed smart services, supported by advanced technologies like artificial intelligence and data-powered solutions.

DIGIT proposes to ***build the foundation elements for digital public administrations in Europe: create the platform and tools to facilitate the secure exchange of EU-wide data and set the basis for integrated public service delivery at European level, across borders and domains (European Governmental Interoperability Platform).***

A European Governmental Interoperability Platform would be an interwoven set of concrete resources, practices and rules for exchanging data, comprised by:

- **European policies and regulation**
- **Cooperative governance**
- **Tools, guides and reference architectures**

- **European infrastructures, reusable components and solutions**
- **Standards**

A European Interoperability Platform would build on existing European regulations, policies and programmes, e.g. the Digital Single Market, the Tallinn-declaration, the Connecting Europe Facility (CEF) and the Interoperability solutions for public administrations, businesses and citizens (ISA2) programmes. Since many bits and pieces already exist, a basic version can be made available on a short term while it develops more features and capabilities in the upcoming Digital Europe Programme.

Governance by both the EU and the Member States is key to ensure commitment and delivery. To build the new public administration framework with Member States, a **Commission High Level Expert Group on Interoperability** could be set up, seeded from the current informal setup of the Member States CIO Network.

The goal is to address concrete cases (e.g. implementation of technical solutions for the set-up of the Single Digital Gateway) instead of defining large theoretical generic frameworks. This approach will progressively improve cross-border interoperability, simplify the exchange of data between Member States and EU institutions and give citizens better and more efficient public services.

More policy accountability towards citizens: Data-Driven Commission

Data is of paramount importance to transform the Commission into a digital organisation that delivers efficiently on its political priorities and reacts quickly and appropriately to new challenges. The Commission has to become a data driven organization that delivers smarter policies through informed decisions, within a data enabled European Union.

DIGIT proposes to:

- create a high-performing Commission internal self-service data platform and augment it with data collected from external sources, to support automated smart administrative and policy processes;
- provide the tools and expertise for an evidence-based policy approach in all policy areas, to ensure sound policy design and accountability in measuring the impact of EU actions.

The self-service data platform will support smart administrative and policy processes and evidence-based policy making: simulation tools to build, run and monitor European policies. It will allow the Commission to assess the implementation of European policies via a performance framework and subsequently to fine-tune European initiatives to achieve the policy targets.

DIGIT will implement the self-service data platform in collaboration with the Directorates-General (JRC, ESTAT, OP to start with), as a combination of digital services to support the discovery, management and dissemination of data, pas part of the Data Strategy@EC initiative.This undertaking will be achieved via:

- *Data catalogue*: build an inventory of Commission data assets to detect the data inside the ecosystem and compile a catalogue for the Commission data platform. This catalogue will be used by internal users and outside stakeholders: institutions, public and private sector, civil society.

- ***Data platforms and associated services:*** Provide the technical infrastructure and solutions to exploit data: analytics, artificial intelligence, business intelligence.

- ***Skills:*** a data skilled workforce for a data-driven organisation: investing in the cultural change by raising the data skills of the staff, hiring data related profiles and creating opportunities to bring data knowledge into the Commission. This, together with an enhanced staff literacy, will ensure a smooth data-driven transformation for the Commission.

- ***Governance and policies:*** suited governance and guidelines for data: define, assign and enforce at corporate and local level proper data governance, roles and responsibilities. Design and apply new collaborative organisational models to maximise innovation and experimentation.

EAC

Learning about EUROPE@SCHOOL

While Member States have - to some extent - integrated learning about the EU into their school curricula, the content is often fragmented and learning about the European Union is not designed in a progressive and inspiring manner.

To improve the knowledge of young people about the EU and help them to engage in political discussions about Europe's future, learning about the EU needs to become part of the curricula and has to be taught in an engaging and inspiring manner.

It is to go beyond the basic facts about the EU, towards a more complex understanding of European integration.

Within the first 100 days, a 'Europe@school' campaign will reach out within one week to 500 000 teachers and around 25 million pupils to boost learning about the EU at school. For this, it will use existing cooperation and exchange platforms such as eTwinning, the Erasmus+ social media channels as well as existing Erasmus+ projects.

The week will address the different aspect of European integration by devoting each day of the week to a specific topic. It will

- showcase inspiring projects to improve learning about the EU in a newly launched inventory of teaching and learning materials
- engage European cooperation projects in school education to organise events during that week
- invite pupils to report on their activities at school by producing small videos and podcasts
- invite Erasmus+ alumni as well as politicians to visit schools and debate about Europe
- invite journalists to discuss media literacy, critical thinking, fake news
- provide online chats for young people across Europe

The week will close with an online chat with the President of the European Commission with young people.

During its mandate, the Commission will support learning about EUROPE@SCHOOL by providing targeted funding in ERASMUS+, helping schools to adapt their curricula, develop learning materials and developing pedagogical approaches that engage and inspire young people.

Invest in Schools, Unleash Europe's Skills Potential

- Why?

Need to adapt physical environment in schools to the demands of new competencies and pedagogies. Education infrastructure represents on average 8% of education expenditure in EU countries and constitutes the largest share of the international and national financial institutions' support to investment in education. Nevertheless, most of the school buildings are not equipped to face the 21st century challenges. The last decades have seen a shift in the skills and competencies required by students. Pupils are expected to go beyond the basic literacy and numeracy skills and be capable of responding quickly to changing demands, collaborating and working effectively with people from different cultures and disciplines, displaying leadership and autonomy in solving problems, and showing persistence, curiosity and initiative. This requires new teaching methods and learning processes. In order to address these needs, a new trend of investments in innovative learning spaces is now emerging and should be supported.

It is crucial to ensure that the potential of these new learning spaces is used effectively. An important role will be played by the school community to contribute to creating a vision for the school and by the teachers to develop the necessary competencies to make effective use of these new environments. Teachers today are expected to guide students' discovery, to facilitate their learning and the development of new skills and competencies using collaborative teaching models, and to promote the development of their curiosity, innovation and autonomy by making use of different technologies. The learning space provided by a traditional classroom, with direct instruction occurring from the front and promoting a teacher-centred pedagogy does not seem to fit these new demands. Schools with more flexible and innovative learning configurations of space are needed.

- How?

The Commission will release a ***School Investment Communication*** that will propose the following:

- A vision for schools as all-day-long learning centres where teachers, parents and learners can collaborate and learn the competences required in the 21st century
- A strengthened collaboration with the European Investment Bank to leverage investment in innovative schools via financial instruments and advisory services
- Stronger synergies between the Structural Funds and the new financial instruments
- Green investment to contribute to climate and environmental targets
- Support to teachers for their professional development to allow them using the new learning spaces
- New investment for EUR 3 billion in the first year of the Commission's mandate

During its mandate, the final objective will be to leverage 25 billion investment in school infrastructures around the EU

Erasmus goes green

Why?

Erasmus means mobility, and as Europe leads the way towards clean and climate-friendly solutions, the future Erasmus programme, with the prospect to reach 12 million of participants by 2027, needs to reflect this.

What?

The new Erasmus, one of the most renowned programmes of the Commission, presents a unique opportunity to 'lead by example'. Traveling by environmentally-friendly means of transport, such as by train, can become the main means of transport for Erasmus exchanges

It will not only actively combat climate change but also become even more attractive to young Europeans. DiscoverEU can act as a good model for the future Erasmus programme, which has already been widely welcomed by young people

A green Erasmus can also positively empower different actors at all levels, such as participants, alumni, organisations, schools, universities, youth organisations, National Agencies, making a real impact and raising awareness.

How?

- *Programme design for mobility allowance will take place in Spring 2020, in close consultation with National Agencies in Member States.*
- *First call to be announced in October 2020, when new type of 'green mobilities' will come into effect.*
- *Provide financial incentives to green travel using train and other means of transport instead of air travel; such as, top-up allowance for those who travel by train or conditions for allowance depending on distance between learning exchange*

ECFIN

A Green New Deal for Europe
(to be launched within the first 100 days)

Rationale

Combatting climate change and protecting the environment featured as major themes during the election campaigns for the European Parliament, with politicians across the spectrum calling for a European "Green New Deal". Addressing environmental challenges has tremendous financial, economic and social implications. Given the common nature of these challenges, it makes sense for the EU to lead and coordinate Member State action in meeting these challenges. The EU can build on its current leadership in environmental policy, both as a standard setter and policy maker.

Key objectives

A comprehensive vision for the EU in 2050 with concrete objectives for 2030

The existing targets for climate and energy policy by 2030 can act as starting point, but the Green Deal approach is more than the low carbon transition - by also including biodiversity, sustainable use of natural resources and clean air and water. In addition, the approach should include a social policy dimension to promote equality and inclusion.

Moreover, a Green Deal approach is about turning challenges into opportunities for investment and innovation to promote sustainable and inclusive growth (according to Commission estimates, the additional annual investment needed to meet the energy and climate targets by 2030 alone amounts to 260 billion euro or 1.5% of GDP)

Concrete actions

The transformation to a carbon-neutral and environmentally sustainable economy will require coordinated action across a broad array of areas, from agriculture to trade, from energy to transport, *et cetera*. It calls for a holistic approach of investment, regulation, innovation and incentives. DG ECFIN would like to underline the importance of a number of specific actions in particular:

- **Green investment package:** a major investment package could be launched to support Member States achieving environmental objectives. It would combine EU funds, leveraged by private investment (conform InvestEU) and national budgetary instruments as well as other EU sources of funding such as Cohesion funds and technical assistance to develop a sound project pipeline. Additional investment needs are foreseen *inter alia* for network infrastructure, including smart grids and recharging infrastructure, and for renovating the European building stock. In this context, for example, the scaling-up of the Smart Finance for Smart Buildings facility currently being set-up by the Commission and the EIB could be envisaged. The EU fiscal framework could be reviewed to foster "green" public investment, factoring in the impact of climate change on long-term fiscal sustainability.

- **Green bonds**: a number of Member States (BE, IE, FR, NL, PL) have already issued dedicated green bonds to finance climate and energy measures. These initiatives could be further incentivised and supported both at the national level or at the EU and international level, in cooperation with national promotional banks, the EIB and other multilateral development banks.

- **A review of regulatory obstacles to green investment**: the sustained high investment rate required to meet the environmental objectives risks creating transitional bottlenecks if regulatory obstacles are not properly addressed. For example, measures may be needed to improve the entry of new businesses and competition in product markets to encourage the adoption of new technologies and more efficient use of resources.

- **Green budgeting:** the Commission can offer guidance to Member States on how to mainstream environmental considerations in fiscal policy-making, including by issuing standards for eco-budgets, guidelines for the assessment of environmental fiscal risks, and by developing indicators of environmental performance.

- **EU level tax initiatives:** harmonised minimum tax levels, for example of carbon kerosene shipping, can make an important contribution in providing the right incentives for greener production and consumption choices. The funds raised can be used to finance environmental investments and to mitigate any negative distributional impacts.

- **Strategic innovation**: the creation of a favourable framework for innovation to drive R&D investments towards green objectives.

Within the first 100 days of the new Commission, the overall strategy could be spelled out in a Commission Communication. Specific proposals could be formalised by the Commission, notably as regards the investment package or a EU-level tax initiatives.

Proposal for a harmonised European (EA) unemployment scheme

Rationale

Many economists and policymakers agree that completing EMU requires more risk sharing across borders. The Commission has been very active in this debate with DG EMPL commissioning the *CEPS mobo* study and ECFIN preparing an internal reflection on fiscal stabilisation (Carnot et al., 2017). The IMF and ECB have also made important contributions to this debate. At the policy level, the Commission has developed a proposal for a European Investment Stabilisation function (EISF) and other alternative proposals involving unemployment schemes have been floated following the Franco-German declaration.

Key objectives

A harmonised European unemployment scheme could help promote the social dimension of Europe contributing to inclusive growth with Europe not leaving 'losers' behind. It could top up the national automatic stabilizers, especially in case of large asymmetric shocks but possibly also in the case of large common shocks (complementing the action of potentially overburdened monetary policy).

In addition to reflecting the preferences of EU citizens, it is also essential that the political economy dimension is appropriately reflected in the design of the scheme to ensure political acceptability from the perspective of EU national governments. In particular, the proposed scheme should avoid permanent transfers and be robust to moral hazard via proper triggers and conditionality.

Concrete actions

The proposed scheme could take two alternative forms:

1. A genuine insurance scheme paying a benefit directly to citizen's individual accounts. This is the most daring proposal and would clearly demonstrate the EU's role in providing direct protection to EU citizens.
2. A re-insurance scheme that supports national benefit schemes via intergovernmental transfers especially for solvent Member States facing liquidity problems.

A recent survey of EU citizens' attitudes[14] (led by Frank Vandenbroucke) indicates that there is more support for cross-border risk sharing than is suggested in the political debate. However, the actual level of support crucially depends on the exact design of the scheme. In the majority of countries, a decentralised re-insurance scheme (option 2) garnered the most support. In particular, the survey results indicate a preference for schemes with the following characteristics:

i) Are more generous;
ii) Require countries to offer education and training to the unemployed;
iii) Entail no tax increases;
iv) Require individual beneficiaries to fulfil at least some conditions e.g. accept a suitable job offer.

[14] Vandenbroucke F. et al. (2018) "Risk Sharing When Unemployment Hits. How Policy Design Influences Citizen Support for European Unemployment Risk Sharing (EURS)", AISSR Policy Report 1 (December)

An EU wide consultation on the proposal for a harmonised European unemployment scheme could be launched within the first 100 days of the Commission based on a well-defined set of options.

Reforming the Stability and Growth Pact (SGP)

Rationale

The increased complexity of the current fiscal framework hampers predictability and reduces political ownership among Member States, which has resulted in imprudent fiscal positions and pro-cyclical fiscal policies. Lack of political ownership has resulted in increased mistrust between Member States and between Member States and the Commission. This mistrust has hindered the completion of the EMU architecture, including the establishment of a central fiscal capacity. This warrants a substantial simplification of the framework.

Key objectives

In light of experience to be confirmed by the findings of the 6-2 pack review, changes to the EU's fiscal framework should focus on the main issues namely: 1) simplifying the rules; 2) strengthening national ownership; 3) ensuring a more countercyclical fiscal stance in good and bad times; 4) focusing on gross policy errors.

Re-focusing fiscal surveillance at the EU level by giving more prominence to reasonable and sustainable debt reduction for the most vulnerable economies is the most promising avenue for achieving the first two goals. This would require a more medium-term orientation and less intrusive surveillance for minor policy errors. This would go hand in hand with a larger role for national fiscal rules that would enhance Member States' ownership.

Concrete actions

Improving the legal framework will allow for a re-centring of fiscal goals leading to stronger legitimacy and visibility for EU citizens. This could be achieved in several steps.

First, a review of the SGP will take place in the context of the 6-2 pack review to be completed by end-2019. The European Fiscal Board's forthcoming report assessing the current EU fiscal rules should be a valuable input to this process. The review will probably focus primarily on the stocktaking of the SGP but may also include a forward-looking element.

Second and following the review, a consultation of the main stakeholders would be a key step before launching the legislative process and should focus on outlining the main options to simplify the Pact. Consultation is particularly necessary given the high level of polarisation and mistrust between the advocates of a strict/automatic application of the rules and a more judgement-based approach. This consultation could take place during the first 100 days of the Commission. The discussion is likely to be politically charged due to the intrinsic sensitivity of the issue but also because of the possible interference with concrete SGP decisions to be taken at the time on fiscally vulnerable countries.

Lastly, a legislative proposal should be put on the table relatively early (during the first 12 months of the Commission) so that this Commission could conclude the process, which will also involve the European Parliament. Even if no agreement is reached on the legislative proposal, the groundwork done by the Commission could help clarify the current divergence in positions and help prepare any future legislative proposals related to the simplification of the fiscal framework that are likely to re-emerge.

ECHO

PDF

EMPL

PDF

ENER

Boosting energy performance of buildings in Europe

Context

- 75% of buildings are inefficient. The building sector is responsible for 40% of all energy consumption in the EU.
- Housing faces the largest financing gap for the EU to reach its 2030 goals: over 70% of additional investments (around €130bn out of €177bn) needed for decarbonising buildings.
- Four out of 10 Europeans live in a flat and 150 million live in rented dwellings. Complex governance and ownership models in multi-owner residential housing stop renovation.
- 54 million Europeans (~11% of population) face energy poverty and are unable to keep houses warm according to latest data. It affects unevenly EU Member States.
- Lifting regulatory barriers that inhibit energy efficiency investments in rented and multi-ownership buildings includes revision of condominium laws, such as unanimity rule for housing associations, or lack of legal personality, and clearly defining roles and obligations for maintenance works. The large majority of these barriers are in the subsidiarity domain, and therefore can be tackled working in partnership with the national authorities, or creating EU wide incentives for national reforms to happen (access precondition for accessing EU funds).

Proposed action

- **Building the bridge between the construction sector and architects** to deploy the newest EU based technologies, such as solar tiles serving at the same time the building insulation and on-building energy production.
- EU wide enabling **financial package** to support housing associations fully using EFSI, with:
  - Preferential loans to housing associations, with better terms,
  - Project development and technical assistance envelope for energy audits and energy performance certificates,
  - Dedicated financial support to ESCOs (Energy Service Companies), to facilitate public-private partnerships with local and regional authorities, to activate third party financing, and to roll out Energy performance contracts,
  - Testing innovative finance schemes such as on-tax finance, directly attached to the property itself and not to the person renting and the facto avoiding the split incentive issue between owner and tenants (who are not keen on investing in improving a building that is not theirs).
- **Legislative measures:**
  - EU guidelines on national rules for condominiums, and for the use of favourable taxation, building on the elements of Article 19a of the Energy Efficiency Directive (referring to split incentives) and Article 2a of the Energy Performance of Buildings Directive (on reinforced national Long Term Renovation Strategies).
  - Feasibility study for EU wide mandatory minimum standards for rented properties (phasing out worst building classes, e.g. E or F). Mandating

minimum standards for rented properties (or a specific segment of rented properties) is a powerful measure which can address the problem of widespread energy inefficiency typically associated with this sector. This can primarily protect social tenants or tenants facing efficiency-related split incentives.

- EU guidelines and other support measures for the reinforcement of energy performance certificate labels for buildings to better attract investments

Boosting e-mobility by deploying fast charging e-infrastructure in urban areas

Context:

- Uptake of electric vehicles in Europe is expected to **accelerate through the mid-2020s. In 2025, about 10% of total European new vehicle sales will consist of zero and low emission vehicles and this number is expected to increase to 25% in 2030**[15]
- **Supporting** this uptake is a key challenge for the EU, in order to **develop clean transport and fight air pollution**, in particular in **urban areas.**
- The availability of a dense, well-distributed recharging infrastructure is an important driver for endorsement of electro-mobility by vehicle users – hence the development of a **supportive and consistent policy framework for the EU**: e.g. Alternative Fuels Infrastructure Directive (AFID), Electricity Directive, Energy Performance of Buildings Directive (EPBD), Renewable Energy Directive (RED).
- There is a need to encourage **further upscaling of public and private e-mobility smart recharging infrastructures**, including fast and ultra-fast public charging – technologies which are already available, and ensuring synergies with buildings, renewable energy sources, electricity grids, electricity storage, and smart metering infrastructures in the context of demand-response and electricity flexibility markets.

Proposed action:

- **Propose to each Member State to establish** smart high-density e-mobility urban clusters and a compact set of key mobility corridors.
- **Fostering policy and regulatory support**, e.g. by:
    - **Investigating** future requirements to ensure consumers benefit from lowest energy bills and cleaner energy: for instance, **smart charging** as a minimum mandatory standard for EV charging;
    - **Supporting** the development of **whole system flexibility markets**, developing rules on operation of flexible demand assets (e.g. smart recharging) – specifically when these protect electricity networks or respond to variations in energy supply – to avoid conflict and ensure optimal system configuration.
- **Supporting public-private partnerships** for infrastructure roll-out, including through technical assistance and tailored financing schemes, in order to encourage close work with multiple actors such as local and regional authorities, grid operators, utilities, recharging infrastructure operators (in particular SMEs). Prioritise funding under Invest EU and Connecting Europe Facility.

[15] "Low-carbon cars in Europe: A socioeconomic assessment", by Element Energy and Cambridge Econometrics for European Climate Foundation, Final Report, Feb 2018.

Making the Traffic Signs on European Roads fit for Citizens across Europe

Context:

Today there are still significant differences between many Member States with respect to basic traffic signs. There are many examples. Directional road signs for highways are blue in France and green in Belgium. The give way sign in Poland and Greece is a yellow triangle, while it is white in the Netherlands.

Member States are also developing various and **diverging new traffic signs** not covered by Vienna Convention. This is creating traffic signs which are not comprehensible for Europeans from other Member States. A good example is the traffic sign for a 'black spot' (defined as an area with a high accident frequency).

This confusing range of traffic signs is shocking for the growing number of Europeans crossing borders. This includes truck drivers, but also ordinary citizens in particular tourists.

Most importantly, it also **increases road safety risks in all Member States, while road safety is an absolute priority for the EU in the field of mobility.**

Proposed action:

The EU should put an end to this confusion by accelerating greater harmonisation of traffic signs within the EU in order to:

- avoid safety risks linked to the **confusingly divergent range of traffic signs** between Member States.
- help optimise the interaction between traffic signs and rapidly expanding - **advanced driver assistance systems;**
- allow for the **rationalisation of new signs** which are currently not covered by the Vienna Convention.
- ensure that traffic signs correspond to the **needs of all Europeans, in particular the ageing population.**

ENV

A reward system for returning old mobile phones and chargers

1. Why?

Millions of old mobile phones and chargers are kept in the drawers of European households. They contain precious metals like gold, copper, cobalt and nickel as well as rare materials of strategic value (indium and palladium). As these old phones and chargers are not put back in the economic loop, either for re-use or recycling, Europe loses a great potential of precious resources for its economy. EU legislation already provides that, from 2019, 85% of e-waste generated, like old mobile phones and chargers, need to be collected for re-use or recycling. To help deliver on this target, there is a need to increase public awareness and provide for incentives to consumers to give back their e-waste.

2. What?

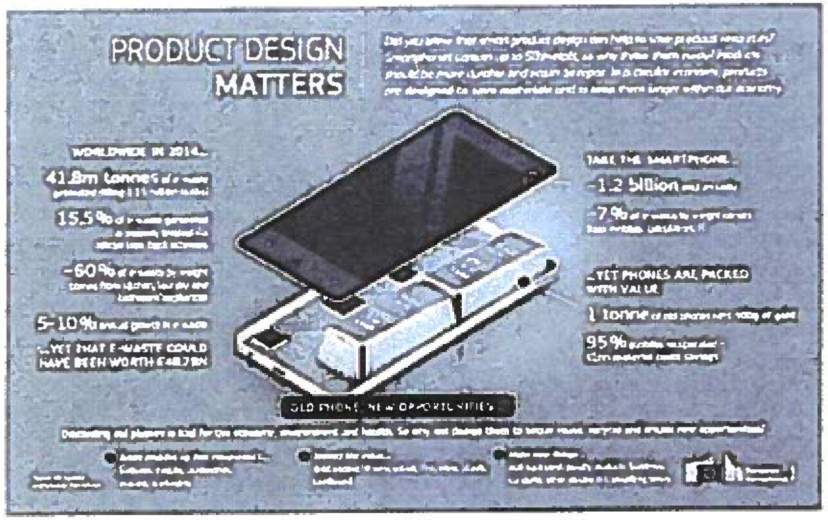
An initiative to Reward citizens for returning old mobile phones and chargers, announced in the first 100 days of the next Commission, could be a concrete deliverable of the new EU Circular economy action plan. This new initiative would consist in:

- increase the number of collection points for mobile phones and chargers;
- providing economic incentives to citizens to bring back mobile phones and chargers, which they do not use, to collection points (e.g. a refund scheme, or "green vouchers" to be used to buy green/circular goods or services),
- promoting the establishment and support of re-use and repair networks, such as those run by social economy enterprises.

The cost for rewarding citizens for returning mobile phones and chargers would be covered by the extended producer responsibility schemes that already exist in the Member States. The measure should be focused on mobile phones and their chargers because of the increasing consumption trends of these products and their potential for the recovery of valuable materials

3. What's the benefit?

This measure will promote both re- use and recycling of old mobile phones and chargers, ensure the return to the economy of precious raw materials, and thus reduce EU depended on imports of raw materials ("urban mining"). For example, gold is the prime value driver in recycling of mobile phones; from 1 tonne of mobile phones 300gr of gold can be recovered, while 1 tonne of gold ore gives only around 3gr of gold. Cobalt is a key component for batteries of electric vehicles.



A Circular Economy 2.0 – Building a fair and sustainable future

1. Why?

Transition to circular systems is inevitable and necessary for Europe. Our future competitiveness depends on playing to our comparative advantages in a world where pressures on resources (materials and energy) will continue increasing exponentially, jobs will change as new business models come to dominate, and products and the way we use them will change. Europe, as a consumer of €8 trillion per day of imported products, has the trading power to insist that any product on its market is durable, repairable recyclable and is made of recycled materials. The Sibiu Communication on the Future of Europe highlighted the circular economy as an area where European citizens have highest expectations and where EU policy-makers can deliver on a protective, competitive, fair, sustainable and influential Europe. The time has come to bring the transition to citizens in a way that protects them from economic dislocation and allows them to embrace the necessary changes in consumption behaviour in ways that are beneficial and accessible to all.

2. What?

A Circular Economy Initiative, announced in the first 100 days of the next Commission, would maintain the momentum among stakeholders, presenting new initiatives to protect and empower Europe's citizens as consumers and as workers, whilst ensuring EU's business competitiveness and protecting the environment.

The strategy would build on a combination of voluntary and mandatory initiatives, such as:

- New design requirements for products to ensure they are long-lasting, reparable and energy and resource efficient. This would exclude the worst products – that break quickly, are difficult to repair or reuse, perform inefficiently or are harmful,
- Regulating green claims, by making it mandatory for companies to substantiate environmental claims through product environmental footprint methodologies;
- Creating a 'right to re-use and repair' by improving the framework conditions for re-use and repair activities (e.g. certification of professional skills, effective consumer guarantees, general rules of access to repair information and spare parts, etc.)
- Maximising waste legislation's contribution to promotion of higher levels of the waste hierarchy (re-use, repair, recycling). Considerations in some reviews (e.g. packaging, cars) may also cover the issue of mandatory recycled content.
- A new approach to chemicals policy, tackling barriers to uptake and functioning of markets for secondary raw materials, but also "legacy substances", traceability and cost-effective recycling (*see separate proposal*);
- Promoting product tracking to enable predictive maintenance, product and building passports, with information on their use, repair and recycling;
- Contributing to a climate neutral economy by increasing material circulation, supporting new business models and encouraging sustainable lifestyles
- Addressing environmental impacts of sourcing of raw materials, increasing the circularity of bio-based materials (e.g. nutrient recycling) and promoting the integration of natural capital considerations in business models and strategies (e.g. natural capital accounting),
- Dedicated action to tackle high-visibility and resource-intensive sectors, such as the food system, fashion and textile sector. Systemic strategies could be also designed for food systems, batteries, packaging, buildings, consumer goods and mobility.

3. **<u>What are the benefits?</u>**

The strategy would be ready for adoption in the first 100 days of the new Commission, based on existing evidence and analysis. It would be "Commission-wide", involving cooperation across several services, such as GROW, JUST, SANTE, AGRI, TRADE, RTD, CNECT, FISMA,COMP, TAXUD. It would build on emerging national and regional strategies for circular economy by working with Member States. Its resonance for European citizens, particularly the young, would be based on:

- Concern and frustration at "inbuilt obsolescence" of products, and poor quality and performance.
- Empowering consumers to choose more sustainable consumption patterns by providing information at their fingertips.
- Enabling Europeans to access "products as a service" (PAAS) through leasing, sharing platforms etc.
- Increasing the quality of life for citizens through clean and safe material circulation.
- Creating jobs of all skill levels in Europe, that are also more localised contributing to territorial cohesion, for example through remanufacturing, repair, maintenance, PAAS and other innovative business models.
- Ensuring that workers throughout Europe are ready for the transformation, with the right skills to make new circular business models work.
- Enhancing European business competitiveness by reducing EU dependence on global markets of (rare and critical) raw materials, using digitalisation for the benefit of the whole chain of economic actors, pushing for competition based on quality and environmental performance rather than lowest price alone.
- Ensuring that Member States and regions are ready to make the most of employment opportunities in circular systems and material flows.

A common EU model for separate waste collection

4. **<u>Why?</u>**

Separate collection of waste is a key principle underpinning the recently modernised EU waste legislation for a circular European economy. It is the first, crucial step to turn waste into valuable resources. If waste streams such as bio-waste or plastics are not separately collected but go together in one bag for landfill or incineration, greenhouse gas emissions increase and valuable resources are lost for the economy. Even if materials are separately collected but in many different ways all over Europe, opportunities for economies of scale and for high quality recycling are lost. The EU legislation requires Member States to ensure separate collection of a number of recyclable waste streams. However, the systems of doing so are, in a number of Member States, performing sub-optimally. Moreover, citizens are often confused how they should separate waste in order to participate in the circular economy.

5. **<u>What?</u>**

An initiative to introduce a common EU model for separate waste collection underpinned by common colour and/or symbol identification system presented in the first 100 days of the next Commission is a very concrete action to make the EU economy more circular. A harmonised system would allow cost-effective pan-European sorting campaigns.

This initiative would consist in

- Determining common colours of bins/bags for recyclable waste materials and for mixed waste and/or
- Determining common icons/symbols to be placed on the bins/bags to collect waste,
- Rolling out this system of identification throughout the EU, raising citizens awareness about the benefits of separate collection, together with providing the upcoming guidance on performant separate collection systems;
- Use of the identification symbols on products, in particular on products with short life-span and on packaging.

The revised Waste Framework Directive requires the Commission to come up with guidance on separate collection by the end of 2019. This is an excellent occasion to translate the guidance also into a concrete and visible colour identification system and/or system of symbols. The concept could be first rolled out as reinforced cooperation among Member States, in preparation of more long-lasting and binding provisions.

6. **<u>What's the benefit?</u>**

Such an initiative will contribute to strengthening the sense of EU unity, support the development of a growing recycling industry, improve the performance of waste management systems in Member States and boost take up of secondary raw materials in new products. Business are likely to support such an initiative as it brings more harmonisation in the single market, e.g. also towards the different extended producers responsibility systems in the EU

Corporate Green Accounting Challenge – Supporting the Natural Capital and Circular Economy Investment Agenda

7. Why?

The lack of generally accepted methods and metrics for efficiently managing businesses' total environmental impacts (or dependencies) is a key obstacle preventing the scaling of sustainable investments beyond current niche levels. While there is no shortage of initiatives on methods or metrics, many are concerned with external reporting and disclosures rather than (internal) management accounts, their scope often covers a particular impact element (climate, water, biodiversity, circularity,), or comprising (qualitative) information or indices that are difficult to compare or lacking transparency. Few methods easily merge with management information systems. Reporting fatigue has lead companies to reconsider efforts while seeking more harmonization and cost savings.

8. What?

A corporate green accounting challenge. The challenge would be open for 100 days and seek the commitment from corporate executives from the [50] largest companies in the EU to join forces with the Commission on establishing and promoting environmental accounting.

The initiative could take the form of a charter that would be signed at CFO and Board level. It should include relevant stakeholders that have been leading the development of the environmental accounting, such as the World Business Council for Sustainable Development, accounting and auditing firms and relevant international organization. Frontrunners – those that already implemented environmental accounts and reported methods and results would publicly commit to help establishing generally accepted environment accounting principles by 2025 similarly to GAAP underpinning financial markets today. They would also commit to involve and support establishing environmental accounts within and across their sector. All signing would help greening SMEs alongside the supply chain on a business-to-business basis. The charter would set out the number of corporates and priority sectors that would be targeted by the Commission's term, possibly also including interim targets.

9. What's the benefit?

Such an initiative would help address reporting fatigue in the industry, while offering more harmonization and cost savings. Promoting best practice in corporate environmental accounting and, in parallel, extracting generally accepted environmental accounting standards can offer solutions supporting better total impact management at reduced cost (while complementing ongoing work on a taxonomy and non-financial reporting). The corporate practice offers similar opportunities for enhancing project-related total impact accounting that is particularly pressing for (large) infrastructure investments with a maturity or lifetime extending to 2050.

A new pact for a fair, resilient and sustainable Europe – The Environment response – One decade for the planet

Why? The Commission states that "*the most serious sustainability deficit and our greatest challenge is the ecological debt, which we are running up by overusing and depleting our natural resources and thereby threating our ability to meet the needs of future generations within the limits of our planet.*" In its contribution to the Sibiu Summit, the Commission recognises that "as primary resources become increasingly scarce, competition for those resource, and fresh water or food in particular, is likely to intensify and amplify security threats."

What? A comprehensive strategic environment programme delivering on the environment-related EU sustainability challenges as a contribution to a fairer, resilient and sustainable future. Serving as a common response of the EU and its Member States, it will guide EU Environment Policy under the next mandate, with the wider perspective to contribute to the implementation of the Agenda 2030, the strategic long-term vision 2050 and the Paris Agreement. It will respond to EU citizens call for decisive actions to limit climate change, halting biodiversity loss and move towards a zero-pollution Europe. This initiative would identify common objectives and propose areas for action with strategic relevance, which the Commission will follow-up with more targeted initiatives. Main deliverables could be:

- **Stepping-up the transition towards a circular and low emissions economy**, through a new Circular Economy Action Plan (to be presented at the same time- *see separate proposal*);
- **Protecting and restoring our nature and biodiversity**, increasing water resilience and carbon sequestration through stepping up integration of environment and climate policies (e.g. adaptation), in particular by defining an ambitious EU position ahead of the 2020 CoP of the Convention on Biological Diversity (to be presented in Q2 2020 – *see separate proposal*);
- **Protecting citizen's health**, aiming towards a zero-pollution Europe, by setting out an integrated strategy for tackling air and water pollution, and one for safe chemicals production and management (to be presented at the same time – *see separate proposal*);
- **Defending EU values abroad**, championing the green and inclusive economic transition, combined with a strong push for international rules, allowing the EU to set global standards and to benefit from a strong competitive advantage.

To achieve these objectives, targeted enablers should include:

- Mobilising private investments for the sustainability transition and ensure a better internalisation of environmental costs into market prices,
- A modernised toolbox on environmental governance and implementation, harvesting the opportunities of digitalisation, building further the knowledge base and fostering innovation for the benefit of our citizens, our economy and our environment.

Benefit

Such an initiative would help demonstrate the Commission's determination to take bold action in an area which is at the heart of citizens, in particular younger generations. It would also offer an opportunity to leverage synergies and explore environment and climate policies contribution to systemic sustainability challenges, following the examples of circular economy and sustainable finance (e.g. sustainable food system, transport, industry, future-proof buildings, trade). It would be an opportunity to modernise environment policy and bring it up to date with scientific evidence and technical opportunities.

Timing: The College could adopt this proposal in **March 2020**.

Addressing the ecological crisis: post-2020 global and EU biodiversity policy

10. Why?

The most comprehensive global biodiversity assessment ever undertaken confirmed in May 2019 that the decline of biodiversity is continuing at an unprecedented rate, globally and within the EU[19], whereas healthy ecosystems are indispensable to sustain life on the planet and address the climate crisis while ensuring Europe's food security, health, jobs and growth, resilience and security.

EU Heads of States declared in Sibiu that Europe would be a responsible global leader aiming to "jointly tackle global issues such as preserving our environment and fighting climate change". One crucial opportunity to put this commitment into action will be the UN Biodiversity Conference in October 2020, in Kunming, China (COP15 under the Convention for Biological Diversity - CBD) which will adopt a global biodiversity framework up to 2030 - a New Deal for Nature and People. While negotiations are just starting, the process will quickly accelerate and key global geopolitical players are likely to start soon announcing their bids and pledges. The EU needs to be ready to anticipate and respond, leading the global efforts.

11. What?

The Commission should issue a Communication in its first 100 days securing the EU's role as global leader in tackling the global biodiversity crisis, and in particular towards the 2050 vision "Living in harmony with nature". This Communication should convey, ahead of the international negotiations, the overall level of ambition the EU wishes to instil in the future global framework. It should be build on three main pillars:

1. Targets and measuring progress
   - A headline target guiding the political ambition for 2030 linked to the SDGs (the 2° equivalent for biodiversity) and specific targets for the (i) state of biodiversity (ii) key drivers of loss (land and sea use change, overexploitation of natural resources, climate change, pollution and invasive alien species)) (iii) key enablers (funding, knowledge);
   - A framework to evaluate progress to target, including a metric for measuring progress;
2. A mechanisms to deliver commitments and review process
   - Parties' commitments to deliver the above targets, and a review process for their implementation and 'ratcheting up' as needed;
3. Supporting adequate financing and capacity building
   - Resource mobilisation, including international financial flows from developed to developing countries;
   - A strategic plan for capacity building.

The Communicaton should set out envisaged commitments at EU and Member State level.

[19] Global Assessment Report on biodiversity and ecosystem services from the Intergovernmental Panel Science Policy Forum on Biodiversity and Ecosystem Services (IPBES), May 2019

12. What's the benefit?

An ambitious framework will be essential to achieve the SDGs across the world. Safeguarding life on earth matters because of the intrinsic value of nature, intergenerational fairness, as well its economic value. For instance, up to EUR 15 billion of the EU's annual agricultural output is directly attributed to pollinators

Making a strong stance, early in the mandate with a Communication that tackles one of the biggest challenges of our times and one of the closest to people's heart will allow the Commission to meet citizens' expectations for an inclusive and protective Union. It will strengthen the positive impact of EU environmental policy in generating the needed transformational change to ensure sustainability for people, the economy and the planet. It will also contribute to common EU foreign policy and joint external action, not least vis-à-vis China, who will host the CBD COP15. Finally, a successful CBD COP15 will reinforce rule-based global governance based on multilateralism.

Towards a Zero-Pollution Europe – Addressing air, chemicals and water

13. Why?

In its contribution to the Sibiu Summit, the Commission emphasised the need to '*modernise our economy to embrace sustainable consumption and production patterns*' and that '*an ambitious zero-pollution strategy would spur innovation in cleaner alternatives and substitutes, delivering clean air, soil and oceans for present and future generation*'.

Citizens are increasingly aware of and concerned about the effects of air pollution, chemicals, pesticides and toxic substances on their health and the environment. Increasing recognition of the need to live within planetary boundaries means that our economic system needs to be urgently adapted to avoid major and irreversible disruption. It will require new types of production processes and practices. A sound management of chemicals is not only good for citizens' health, but also paramount to achieve a circular economy, to avoid substances which could hamper recycling as well as the uptake of and the trust in recycled materials

14. What?

A "Strategy towards a Zero-Pollution Europe", setting out environmental threats and opportunities related to the transition of EU's economy, and fully exploiting digitalisation and artificial intelligence for access to information and better communication to consumers, and leading to resource savings. The strategy would have three pillars:

- A new strategy for an EU Chemicals Policy 2030.
- Provide an action plan to steer the transition towards zero pollution, including legislative and non-legislative measures needed to steer the transition towards zero pollution in the area of water and air quality. This will build on the fitness checks and evaluations on air, water, and industrial emissions legislation
- Launching a global initiative for setting environmental benchmarks for industrial activities building on OECD work on performance of best available techniques.

As a contribution towards achieving a zero-pollution Europe, **a comprehensive strategy for a EU Chemicals Policy 2030** would include a number of long term objectives:

- **A rationalisation and simplification of the legislative framework** moving towards a "One process, one body" approach.
- **Shifting towards sustainable production and safety-by-design**
- Improve the protection of vulnerable groups;
- Develop an integrated policy on the safe use of chemicals in products;
- Addressing policy gaps such as combination effects of chemicals, endocrine disruptors, nanomaterials and very persistent substances.
- **Lead the next stage of global management of chemicals, including strengthening the global processes for governance of chemicals and waste.**

In the short term, the following initiatives could lead the way:

- **A Pact with the chemicals industry** to launch a "EU Roadmap to sustainable production and use of chemicals.
- **An EU citizen science initiative** (*My chemical burden*) to allow citizens to measure their chemicals body burden as well as the toxicity of their surrounding;
- **An annual EU safe chemicals prize** for the development of solutions to reduce carcinogenic substances and their use;
- **An EU investment fund for Chemicals Leasing start-ups**, to help increase the efficient use of chemicals, reduce their risks, and improve the economic and environmental performance of companies
- **A "EU chemicals safety goes global"** programme as part of the Circular Economy Missions.

15 What's the benefit?

Progress towards a zero-pollution Europe will improve the health and life expectancy of EU citizens and deliver a cleaner environment. It would address citizens' concerns in terms of safety of chemical substances and products on the market. It would also address inequalities by strengthening and increasing consistency in the protection of vulnerable groups (incl. children, elderly, exposed workers, low socioeconomic status groups etc.), who are usually the most impacted. It would help reduce the number of premature deaths due to poor air quality in the EU, will help Member States comply with their obligations to ensure good status of EU's surface water bodies. It will contribute into addressing the urgency of the climate and biodiversity challenges. By ensuring synergies between climate, energy and environmental policies, the Strategy will reduce the overall cost of the transition for EU citizens and economic operators. Finally, stable and predictable regulatory environment is key for the competitiveness of the EU industry and its ability to innovate. The EU being a frontrunner, EU economic operators will benefit from a first mover's advantage.

EPSC

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Revise the selection policy model.

State of play

Whilst on one hand the IT strategy of the Office is facing important changes, a number of elements and issues also call for a parallel overhaul of the selection policy strategy, in particular:

- **the need to better support fast selection and recruitment channels in a competitive labour market**, hindered for the EU institutions by the current complexity and length of the selection processes;
- **the issue of attractiveness of EU Careers and its impact on geographical balance of the talent pools provided to the institutions**, in a global context of return to economic growth, new generations of workers with different expectations and increased competition among employers seeking to attract highly trained, multilingual and geographically mobile professionals;
- **the reliable assessment of all competencies and skills required for the workforce of the EU institutions as employers**, in a sensitive political context of growing populism and questioning of the EU core values and the European project across various Member States. This challenge also entails the full integration of the evolution of skills that will be required in a near future for different and new types of jobs,
- **the legal constraints and current uncertainties around the linguistic regime applicable for selection processes**.

The need to address all these challenges certainly calls for an in-depth reflection in 2019 on the possible evolutions of the selection model and policy of the EU Institutions, taking into account all these elements in a holistic and integrated way rather than seeking separate solutions which may ultimately appear to suit some objectives but conflict with others

Action plan

All Institutions have agreed to launch a Special Working Group on the matter in April 2019, chaired by the EP and with representatives of all Institutions and of EPSO to issue recommendations for such new model in the coming months and to be presented to the EPSO Management Board.

The implementation should be gradually put in place in 2020, via pilot projects or taking into account the outcome of the previous experimentation launched in 2018

The approach should be multi-facet with the proposal for new skills sought (new competency model to be developped), new testing methods (video recorded interviews, internet based testing, artificial intelligence techniques to scan the applications), new tests (roleplay, written tests in the fields, specific knowledge tests), new organisation methods (revised planning, reduced Selection Boards), new communication model (Employer Value Proposition, employer branding, attractiveness strategy, new IT tools etc

The approach should be coordinated amongst all services of the Institutions, and at inter-institutional level in order to have a consistent methodology for all candidates.

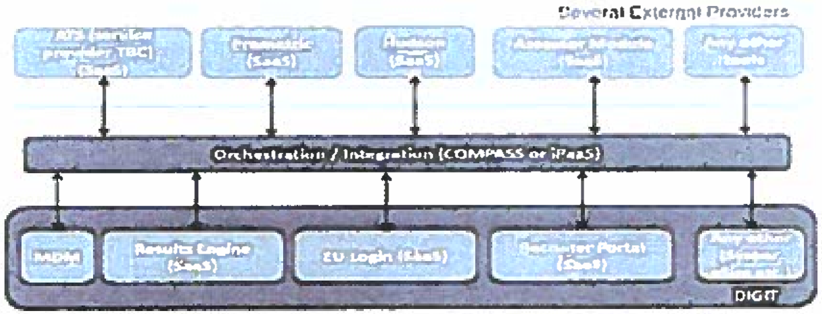
New modernised and flexible IT suite.

State of play

The EU Institutions' selection policy has to be supported by the most modern tools and tests in order for EPSO to remain one of the world's best actor in the field. This is particularly true concerning the IT tools: the current ones are **outdated, less and less user friendly, and very heavy to support**. Last but not least, the IT language used for these tools will no longer be supported by the Commission as of 2021.

This **technical debt** has become an increasing preoccupation over the past years and lead to the need to have new IT tools that are scalable, modern, adaptable, cost efficient, integrated with the other IT tools of the HR family of the EU Institutions, and user friendly for all stakeholders (candidates, jury, recruiters etc.).

Following a joint EPSO-DIGIT study in 2018 to help identify the optimal IT delivery model, a new vision has been articulated around a hybrid approach combining in house built for some key features of the future IT tools and outsourcing of the elements, where technology available on the market clearly outpaces the internal development capability.



Shared vision of the future IT suite

This approach also aims at paving the way for a full integration and inter-connection of different IT tools within the HR family and legacy (eg. Traineeship), thereby maximising synergies and coherence of available data within the Institutions.

Action plan

EPSO and DIGIT launched in 2018 a joint study to find the best delivery model for a new IT suite, which led to the recommendation to follow an hybrid approach with most of the suite being bought on the market, while developping internally the parts that are not covered by private companies and or that represent a particularly strategic interest for the Institutions.

EPSO has completed a market survey in early 2019 and drafted a comprehensive Business Case describing this solution. It was approved by the Management Board of EPSO, and presented to the ITC Board of the Commission in May 2019. This project is currently ongoing with an estimated delivery for Q1 2020 and a full roll-out by end 2020.

Digital transformation

State of play

It is commonly said that the next sector to be hit by the digital transformation will be the public sector. Digitalisation is not about transforming a paper work into an electronic work, but is about revising completely the way work is organised and done. Many jobs will disappear, or change beyond recognition, be it within translation, finance, audit, project management, or other sectors.

EU staff will have to learn new skills within the same job, some of those skills will be IT skills, but by no means all: the digital transformation will make it necessary to develop skills in areas like collaboration, communication, innovation, citizen engagement etc. The skill set necessary for managers will also change in the same direction, as they will have to manage cross-functional teams, engage with stakeholders in every direction, manage the transformation in their service, and lead in a changing and increasingly complex environment.

The Institutions have not yet discussed a common approach to face the coming changes, and the new competencies need to be better reflected in the current competency frameworks for recruitment, development or assessment of staff. Similarly, the question of the digital transformation is not reflected in the EPSO competency framework (which dates from 2009) and digital skills should definitely be part of the set of competencies of the future EU civil service.

Action plan

As this issue is commonly shared amongst all Institutions, EPSO and EUSA propose a joint approach at inter-institutional level around digitalization of the Institutions' work.

First of all, the Commission and the Institutions should agree on the approach regarding the IT evolution. See for example the recent works from the JRC or the work from the European Political Strategy Centre on artificial intelligence.

Second, the HR from all Institutions must agree on the necessary skills for EU 2030's taskforce, taking into account the volatile, uncertain and changing world. They should conduct an impact analysis of the current evolution of AI for example and identify which sectors of activity will be most hit.

Third, EPSO should test the digital skills for all candidates in order to have a new workforce in line with these challenges and able to anticipate the work evolution. It should change its ways of testing and adapt to the future of each function policy: eg in translators competition, machine translation methods should be taken into account instead of classic translations tests.

Third bis, in parallel EUSA should accompany the existing staff willing to anticipate the evolution of their work and to acquire new digital skills.

Fourth, managers should be made aware, trained and used to the new working methods created by the massive development of digitalisation: working from outside office, split teams, cross projects approach, massive flexibility and transformation within their service ...

FISMA

Cross-sectoral cyber resilience Act in financial services: Making EU financial sector safer

1. Description of the problem

The financial sector makes the largest use of technology in our economy, accounting for a fifth of all Information and Communication Technologies (ICT) expenditure and is three times more at risk of cyber-attacks than any other sector. Strong ICT security and resilience form the basis for market confidence in the financial sector and are essential preconditions for its security, performance, reliability and stability.

Although there is a horizontal cyber security strategy at EU level, cyber security and cyber resilience in the area of financial services have so far only been partially addressed at EU-level. The regulatory framework is accordingly fragmented in terms of scope, granularity and specificity of cyber security requirements. There is broad agreement that the high interconnectedness in the EU financial sector warrant **advanced, specific and better integrated actions at European scale** to address exponentially increasing cyber risks. If no such action is taken, national initiatives may undermine the single rulebook. An EU-wide approach is accordingly paramount to ensure the integrity, security and stability of the ICT assets of our financial sector.

2. Description of the initiative

The main objective of the initiative is to strengthen the cyber security and resilience of financial market participants and infrastructures across the EU. This requires a cross-sectoral EU legislative framework. This would be principle based and take into account the specificities of international, EU and national frameworks in this area, building on at least four main pillars: (1) requirements on ICT security and risk management, (2) sectoral cyber incident reporting requirements, (3) direct oversight/supervision of third party providers, and (4) cyber resilience testing framework. This approach would fill the gaps in the financial services legal landscape and enable a coherent approach to addressing cyber risks in the financial sector.

3. Political context

There is broad political agreement to address cyber risks in the financial sector. Cyber and operational resilience are priorities for financial supervisors and regulators across the globe, as well as for work streams of international fora (G7, FSB, BCBS, CPMI-IOSCO). Furthermore, at EU level, the European Supervisory Authorities (ESAs) and Member States call for a **co-ordinated EU level initiative** to bring cyber security and resilience on par with the threats our financial sector faces. Notwithstanding this broad support on the need for action, the shape of such action will of course trigger debate. Key areas where policy choices may be contentious include e.g. the direct oversight/supervision of critical third party service providers, the harmonisation of cyber incident reporting schemes and the diversity of cyber resilience testing frameworks for financial actors operating on a cross-border basis.

4. Next steps

DG FISMA's cybersecurity project team is currently developing the contours of a cross-sectoral legislative initiative, building on the Fintech Action Plan, the technical advice received from the ESAs and international standards. It would be highly recommendable to carry out an impact assessment and a public consultation in order to engage with Member States, the European parliament and other stakeholders about the potential contours of a future proposal. Accordingly, this project could be adopted in the first year of the mandate.

Basel 3 – The final chapter

In the wake of the financial crisis, the EU pursued an ambitious reform of the financial regulatory framework to restore financial stability and market confidence. In that context, the prudential regulation of banks has been significantly overhauled over the last 10 years. However, further work is required to complete the reform of the banking sector and ensure that bank regulation remains fit for purpose in an ever-changing global environment.

Firstly, the **post-crisis reform agenda should be completed to ensure that a resilient and stable banking sector can support the real economy**. A broad set of measures agreed upon at international level – referred to as the "Basel III framework" – was largely implemented in the EU. This allowed to enhance the capital of EU banks and strengthen their liquidity. As a result, EU banks are today safer and more resilient. However, work at the international level continued and the Basel Committee finalised its reforms only recently, adopting revisions to the prudential standards to improve the balance between simplicity, comparability and risk-sensitivity of the framework. Implementing these final set of post-crisis reforms in the EU would tackle outstanding problematic aspects of the prudential framework in the measurement of risks and the calculation of banks' capital requirements to cover them. More concretely, a respective initiative would include the following key elements:

- revisions to the so-called standardised approaches for credit, operational, market and credit valuation adjustment (CVA) risk to improve the robustness and risk-sensitivity of the framework;
- revisions to the so-called internally modelled approaches for credit and market risk to strengthen the conditions under which banks can use their own estimations to calculate capital requirements;
- introduction of an aggregate output floor to further reduce excessive variability of banks' capital requirements and to enhance the comparability of their capital ratios, ensuring that the capital requirements of institutions using internal models do not fall below a certain percentage of capital requirements derived under standardised approaches, and
- accompanying adjustments to related risk management and disclosure requirements to ensure consistency and coherence of the prudential framework and foster a level playing field also from a transparency perspective.

The members of the Basel Committee agreed to full, timely and consistent implementation of the final reform package by 1 January 2022. The Commission should remain committed to this agreement which features high in the international regulatory cooperation. In order to adhere to the agreed implementation timeline, preparatory work on a legislative proposal has already started with an exploratory public consultation in spring 2018 followed by the submission of a call for technical advice to the European Banking Authority.

Secondly, based on the practical experience gained through the implementation and application of relevant EU legislation since the financial crisis, including in the context of the Single Supervisory Mechanism, a number of revisions and clarifications seem necessary to **better operationalise the Single Rulebook** to ensure convergent and consistent supervisory practices across the Union. This is the case, for instance, as regards the assessment of the suitability of board members and key function holders of banks ("fit and proper requirements), corporate governance principles dealing with causes and consequences of misconduct, outsourcing and the mitigation and management of cyber risks. Truly common and at the same time proportionate rules and procedures are the foundation for a level playing field in the single market for banking and the proper functioning of the Banking Union.

Finally, this initiative can be an opportunity to enhance the prudential framework beyond the implementation of the final Basel III reforms and improvements to the Single Rulebook, promoting, for instance, financial autonomy through a more consistent third-country regime.

Regarding the timeline, the current planning is to have the proposal ready for adoption by the college in June 2020.

EU level Anti-Money Laundering (AML) supervision

Under the EU AML framework, the EU has exclusive competence to regulate AML matters. The AML framework consists of several pillars. This fiche addresses the possibility of a more centralised EU AML supervision. Its scope could be limited to financial services or cover AML at large, to be further assessed.[17]

Problems: Money laundering scandals at EU banks have exposed fundamental weaknesses in the EU's AML architecture:

- **There is divergent application of AML rules as different authorities with different tasks, powers, resources and expertise are involved.**
- **AML supervision is done by national authorities under the current EU legal framework.**
- **The perceptions of risk, and actions required to address those risks, may be misaligned between the national and European level.**
- **Deficiencies have been observed in the exchange of information and coordination** among AML authorities and with prudential authorities, including the European Central Bank (ECB) Single Supervisory Mechanism (SSM).
- **The absence of a single point of entry for coordination with third countries on AML** aspects is problematic when it comes to third country cooperation.

The legal framework has recently been substantially enhanced and addresses some of the identified problems. The review of the European Supervisory Authorities (ESAs) strengthens the European Banking Authority (EBA)'s ability to intervene when national authorities fail to comply with Union law, obliges national authorities to exchange certain AML-related information via the EBA and gives EBA a facilitating role in contacts with third country authorities. The banking package strengthens the sharing of information and cooperation between prudential authorities, AML authorities and Financial Intelligence Units (FIUs). The fifth AML Directive will also enter into application in January 2020 and it will address issues of cooperation between AML and prudential supervisors, including the ECB/SSM. Moreover, Member States are increasingly making serious efforts to strengthen national AML supervision, in particular for the financial sector.

The combined effect of these changes is difficult to gauge at this stage. The December 2018 ECOFIN Council conclusions[18] invited the Commission to undertake a broader reflection and a thorough assessment of any remaining gaps and possible longer-term actions to remedy them, and, to start with, to undertake by mid-2019 an analysis of recent events involving European banks ("post-mortem" report). This exercise is currently ongoing together with the ESAs and in cooperation with the SSM and Member States.

Description of the initiative: An EU AML supervisor would represent a bold step to address money laundering in the EU. Establishing it could be done in stages and take different forms taking into account the specificity of AML supervision and related international obligations. This may also take inspiration from prudential supervision in the Eurozone and introduce a system composed of a central EU AML authority and a network of national AML authorities.

[17] This fiche has been produced jointly by FISMA and JUST (other AML-related work continues by JUST and HOME)
[18] See the December 2018 ECOFIN Council Conclusions and Action Plan on AML

possibly supported by strengthened harmonisation of AML rules, thereby providing a balance between central coordination and proximity to the supervised subjects.

Feasibility: The idea of an EU-level AML supervisor has support from some corners, in particular as far as the financial sector is concerned. The Parliament has encouraged a serious discussion on the topic. The SSM has publicly called for the creation of an EU AML authority (but does not want to have this role itself). However, for many Member States, transferring supervisory powers to the EU level is a delicate topic, as the ESA review and the negotiations on the 5th AML Directive have shown. In addition, it is unlikely that Member States would want the Commission to rush into proposing an EU level supervisor as they requested the Commission to first undertake a thorough assessment. The post mortem exercise is ongoing and even though the analysis so far seems to support the problems identified, it still remains to be seen what impact the recently adopted legislation will have on the problems identified.

Any proposal for EU level AML supervision should therefore be done with proper assessment, consultation and preparation with Member States. If done too quickly, we will likely also get criticised for trying to change the AML framework before the recent legislative changes have taken effect. However, a Communication Action Plan could be adopted within the 100 first days of the new College. Such a Communication could also address other relevant pillars of the EU AML framework as set out in the 5th AML Directive that are dealt with by DG JUST in due coordination with other services concerned.

FPI

Best of Europe / Europas Beste / Le meilleur de l'Europe / Najlepsze w Europie / Het beste van Europa: branding EU successes for a shared identity

Project Description:

For Europe to thrive, it must be built with the active and sustained engagement of its citizens. Europe has plenty of successes to celebrate that can form the basis for a shared European identity. To build such an identity, there is a need to clearly communicate Europe's strengths. Often, European brands, cultural, athletic and scientific achievements and successes are branded by their national identity alone. Creating a common Best of Europe brand that would complement existing branding, would contribute to creating a joint European identity.

There is a need for consistent EU branding, first and foremost within the EU itself. Wherever possible, EU branding should focus on drawing links among citizens, also in areas beyond the classical EU competences, with the objective to make Europeans proud of being European at the same time as being nationals of their respective countries.

Externally, such an EU branding would serve as a powerful public diplomacy tool, complementing existing activities in the sphere of trade promotion, cultural work or sports. Potential aspects for this "Best of Europe" campaign include:

- EU athletes competing at international sports championships could be encouraged to wear the "Best of Europe" logo next to national flags and rankings should include the EU;
- Internationally recognised awards in the field of science (e.g. the Nobel Prize), culture (e.g. the Oscar ceremony), food, architecture, etc;
- Label world class EU design, industry, literature, music, art, gastronomy, cultural heritage;
- EU-supported competitions, networks and prizes, such as European Capital of Culture, Innovation, Smart Tourism, all could be branded "Best of Europe".
- The list of possibilities for using such a brand is endless.

European added value:

Building a shared identity through success stories will improve the EU's cohesion and functioning. The Commission should work in a complementary way with national and regional branding.

Timeframe:

The campaign should start within the first 100 days, the logo should be well-known by the time of the 2020 Summer Olympic Games in Japan.

Legal basis:

No new legislation necessary, but close cooperation between the Directorate-General for Communication, internal policy Directorates-General and Services, the Service for Foreign

Policy Instruments (public diplomacy) as well as European Commission Representations and EU Delegations across the globe

Cost estimation:

€5 million for marketing campaign

Voices of Europe: United in Diversity

Project Description:

Many pupils and students across the EU have benefitted from opportunities to learn foreign languages and this has contributed greatly to Europeans better understanding each other. However, all EU citizens regardless of age and background would benefit from a lifelong opportunity to learn foreign languages. The aim of this project is to make learning EU languages simpler and more widely and easily accessible. Two strands of activity will help to achieve this.

1. Set up an EU Fund to help ensure that films shown in European cinemas are available in a sub-titled version, allowing audiences to hear the original language of the film. Wherever possible, extend this practice to private television and to services like Netflix.
2. In partnership with learning institutions in EU countries, create an internet platform offering attractive, high-quality language courses for all EU languages, including sign languages. Courses should allow learners to attain at least intermediate level and to obtain official certification of the level they achieve. The course fee should be highly attractive for all parts of society.

European added value:

Countries in the EU where cinemas and TV stations usually screen movies and series in their original language have a higher level of proficiency in foreign languages[illegible]. Regular exposure to a foreign language not only helps to learn but also to maintain language proficiency throughout life. Many EU countries offer subsidised language-learning options for adults. Typically, these classes are limited to very few EU languages and require regular classroom attendance. A bundling of such options and a more easily accessible learning platform would significantly increase the number of those who could invest in learning a new language and would potentially make it possible to choose among all EU languages.

Timeframe:

To be launched within the first 365 days of the new Commission, if building on existing programmes, such as Creative Europe and Erasmus+.

Legal basis:

Union action in the field of education, training, youth and sport is enshrined in Articles 165 and 166 TFEU. Union action shall aim at "developing the European dimension in education, particularly through the teaching and dissemination of the languages of the Member States." Article 165 (2) TFEU. The European Commission is already funding programmes that, to a certain extent, deal with the two strands of activities mentioned above. The new Commission could modify the MEDIA Sub-programme of Creative Europe designed to support European film and other audio-visual industries to cater for strand 1. Erasmus+ has an online language platform currently only open to Erasmus+ participants and may serve as a basis for strand 2.

[illegible] Almeida, Patricia & Costa, Patricia. (2014). Foreign Language Acquisition: The Role of Subtitling. Procedia - Social and Behavioral Sciences. 141. 1234-1238. 10.1016/j.sbspro.2014.05.212

The timeframe will then depend on the political will and the opportunity to undertake the amendments.

Cost estimation:

Pilot: €5 million: €20 000/film * 100 = €2 million; €300 000/language * 10 = €3 million

Europe cares: Beehives and biodiversity boxes

Project Description:

In recent years, public attention has focused increasingly on the plight of honeybee and other insect populations, which have seen losses in the EU and around the world. Bees are critically important for the environment and to the economy. They and other insects are being decimated at an alarming rate. If the European Commission choses to act clearly in their defence it would send a clear signal regarding the insects' fate EU-wide and take a concrete and pragmatic step towards their protection. To this end, the Commission could launch a campaign for beehives and biodiversity boxes to be installed at public buildings and schools across the EU. Installing beehives could also be co-financed by the EU, for instance via the EU's agricultural funds.

European added value:

"Fridays for Future", the gains of Green Parties in the recent European Elections, successful referenda in favour of bee protection – all this is a clear indication that public opinion, in particular among the younger generation, is clearly shifting in favour of climate protection and protection of the environment. The European Commission should align itself firmly with these objectives for the sake of the Europe of tomorrow and for the sake of future generations of Europeans. Beehives and biodiversity boxes for public buildings would come at a low cost, but may provide a clear signal that the EU cares, takes the concerns of (young) citizens seriously and acts swiftly if needed.

Timeframe:

To be launched within the first 365 days of the new Commission, if building on existing programmes, such as the EU's agricultural funds.

Legal basis:

- Till 31/12/2020: Article 8 (Innovative actions in the area of sustainable urban development) of Regulation (EU) n° 1301/2013 on the European Regional Fund and on specific provisions concerning the investment for growth and jobs goal (Ref. OJ L 347, 20.12.2013, p. 289)
- After 31/12/2020: Article 10.2 b (Support of innovative actions) of the Proposal for a Regulation of the European Parliament and of the Council on the European Regional Fund and on the Cohesion Fund (Ref. COM(2018)372 final of 29.5.2018)

Supported as necessary by:

- Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (Ref. OJ L 206, 22.7.1992, p. 7)
- Communication from the Commission to the European Parliament, the Council, the European and Social Committee and the Committee of the Regions – EU Pollinators Initiative (Ref. COM(2018)395 final of 1.6.2018).

Cost estimation:

Pilot: €1 million for campaign + co-funding from agricultural funds.

GROW

A bottom up Single Market – Focus on SMEs in border regions

1. The issue

There are still many barriers - to a true single EU market, fragmenting it into regional blocks and along national borders. This implies important costs to SMEs relative to their turnover and revenue and prevents economies of scale, preventing SMEs' competitiveness compared to companies from continent-sized economies such as the US and China. Service providers going cross-border incur administrative costs, which can go up to EUR 10,000, not considering legal uncertainty[20]. Also in the field of taxation, complying with different national tax laws (e.g. corporate income tax, VAT) imposes a multiplicity of obligations that SMEs find difficult to cope with: an enterprise in the EU spends on average 2.5% of its turnover on tax compliance, a cost largely driven by cross border activity.[21]

2. The idea

To improve the Single Market and reduce its fragmentation, the Commission should focus on sectors and regions where these efforts have a strong social and economic impact. A bottom up Single Market is based on needs expressed by SMEs. Regional authorities would play a central role, bringing in feedback from SMEs, liaising with authorities in collaborating regions, and working with national authorities if/where necessary. The Single Market could be promoted via a "sandbox approach" by regulatory simplification and reciprocal mutual recognition of, e.g., standards, diplomas, authorisations, services and products[22], based on proposals by SMEs to facilitate cross-border trade.

The approach will be first tested with a pilot project promoting bottom-up and needs-driven implementation of the Single Market, fostering connectivity between regional ecosystems, and creating ownership and backing from participants who would become advocates of stronger integration.

- A selection of interested cross-border regions (and possibly, sectors within these regions), based on interest in and potential for cross-border activity and ongoing regional integration efforts (e.g. INTERREG, existing cross-border clusters).
- Identification of areas in which a deepening of the Single Market could take place. Proposals should come from SMEs in the selected regions developed in collaboration with regional and, where necessary, national authorities, and could include simplification measures in areas such free movement posting of workers and free movement of services, mutual recognition of non-harmonised products or cooperation in the area of public procurement.
- Choice and implementation of practical tools to promote the Single Market in the framework of the pilot project, involving regulatory simplification (e.g. exonerations, exemptions), administrative arrangements, facilitation of cross-border and joint procurement (including for below EU thresholds) among border regions in particular, and mutual recognition based on proposals by SMEs.

[20] 2017 EU Publication "Administrative formalities and costs involved in accessing markets cross-border for provisions of accountancy, engineering and architecture services."
[21] 2018 EU Publication "Study on tax compliance costs for SMEs"
[22] In the area of mutual recognition of non-harmonised products, regional national authorities could decide to recognise that if a particular product is considered compliant in that country region it can also be declared compliant in the neighbouring region country.

Expanding Erasmus for Young Entrepreneurs (EYE)

1. The issue

Many companies (in particular SMEs, start-ups and scale-ups) find it difficult to recruit employees with the right skills, especially when it comes to digital knowledge or doing business across borders. Yet we are not using the full potential of our youth as well as of our senior people.

- European youth is among the most educated in the world. Millennials and 'Gen Z' are 'born digital' and 'socially connected'. Many might have already an idea for a digital business but not necessarily the knowledge of how to make it a reality or develop it across borders. At the same time, many established businesses would benefit from our youth's skills of all the more so, given the growing impact of digitalisation and new technologies.

- Many senior retired people have valuable experience to share, have a rich network, and still the interest in being active on the work place. Some continue to share their experience with consulting activities, and a number of them support SMEs/start-ups on a voluntary basis. But these are in a minority.

2. The idea

A European exchange system exists: the Erasmus for Young Entrepreneurs (EYE) programme. It offers aspiring or newly established entrepreneurs the opportunity to go within Europe to develop their entrepreneurial competences with an experienced entrepreneur. However, the programme should be expanded to respond to new developments of the labour market, the global economy needs, and to create a sense of belonging to a European business community.

The programme could encompass the following new aspects:

- **EYE on the job of the future:** enabling young entrepreneurs with innovative ideas to learn and share their projects with established businesses. The programme will build on existing initiatives to make sure that the right needs and dimensions are addressed: matching offer and demand, building on skills forecast, and having access to one or more business (companies or business districts - clusters).

- **EYE on the Globe:** helping entrepreneurs to access global markets and having experience also outside of Europe (this approach is being tested in a pilot project being implemented in Singapore, Israel, New York). These programmes could be tailored on specific needs.

- **EYE[23] on Senior Mentors:** allowing senior mentors to support companies needing advice to access European market and or other foreign markets.

Within the first 100 days, a platform matching entrepreneurs and recipient businesses could be developed including a virtual tool offering options to candidates. The EYEs new programmes could be scoped and pilots could be designed along the three priorities above.

[23] The name of the programme (EYE) to be confirmed. A name change under the next MMF may be performed as per request from other EC services in order to avoid confusion with ERASMUS+ student's exchange scheme.

Space Traffic Management (STM)

1. The issue

Space is congested, competitive and contested among global powers.

The reliance on space-based data and services, including those provided by the EU programmes Copernicus, Galileo and EGNOS, for our society, economy, security and defence has been rapidly increasing. The emergence of new type of actors and business models (e.g. mega-constellations) will increase the number of satellites and debris in orbit. Even very small debris can permanently damage a satellite. This situation puts at risk the sustainability and safety of space infrastructures and operations.

Today, there are no clear rules nor tools to manage space traffic. The US is the first to act to remedy this situation with the 2018 Space Policy Directive 3

If the Union does not act, there is a risk that the US will unilaterally set the rules and standards for us to use. We did not let that happen for air transport management, for our own benefit, we should follow the same approach for space. The European space industry is the second in size, we cannot let other nations decide for us.

2. The idea

Space Traffic Management (STM) consists of i) safe access into space, ii) prevention of collisions in space, and iii) safe re-entry from space

The Union is currently putting in place some premises for STM

- The **Space Surveillance and Tracking (SST)** framework provides, at Union's level, some tools necessary for STM, such as risk assessment of uncontrolled re-entry or collision avoidance information
- The European Parliament approved a **pilot project** on STM in November 2018. The project aims to provide a comprehensive picture of the existing and emerging frameworks and a preliminary identification of needs
- A coordination and support action (CSA) under H2020 is assessing technologies and capabilities needed for STM. The CSA is also evaluating regulatory frameworks and market developments.

This is not sufficient to fully protect our assets, ensure continuous service provision to our citizens and businesses and safeguard the safety of our citizens, as well as autonomous access to space

The Commission should develop **a comprehensive European approach on STM**, covering all phases of the spacecraft from design, launch and operations to end-of-life and the regulatory frameworks. In a short and medium term, it would require launching extensive discussions with Member States and capitalizing on both pilot project and CSA. The outcome would feed an ambitious strategy preparing ground for specific legislative framework in a long term. This legislative framework could for instance include setting up rules for flights, launchers and space vehicles and or developing standards for spacecraft

The Council and European Parliament agreed in February 2019 on a 'Common Understanding' on the **Space Programme Regulation** including a direct reference to STM in the context of the mid-term review of the programme. The conclusions of the Joint EU-ESA Space Council also highlight the importance to work on STM. This gives the Commission a basis to address the issue of STM, notwithstanding hesitation from some MS