Briefing

4 September 2015



The ten priorities of the Juncker Commission: State of play a year on

SUMMARY

Before his election to office in July 2014, the incoming President of the European Commission, Jean-Claude Juncker, set out ten policy priorities which would serve as the political mandate for his five-year term in office. With the stated aim of focusing on the 'big things', he outlined ten priority areas in which he wanted the EU to make a difference and deliver concrete results for citizens. The Commission Work Programme for 2015 was based on these guidelines, and on putting these priorities into practice.

Ahead of President Juncker's 'State of the Union' address, to be delivered at the EP plenary session on 9 September 2015, this briefing outlines the principal initiatives taken by the Commission since coming into office, under each of the ten policy areas:

- 1. A new boost for jobs, growth and investment
- 2. A connected digital single market
- 3. A resilient Energy Union with a forward-looking climate change policy
- 4. A deeper and fairer internal market with a strengthened industrial base
- 5. A deeper and fairer Economic and Monetary Union (EMU)
- 6. A reasonable and balanced free trade agreement with the United States
- 7. An area of Justice and Fundamental Rights based on mutual trust
- 8. Towards a new policy on migration
- 9. Europe as a stronger global actor
- 10. A Union of democratic change.

Among major developments are the adoption of a Regulation on the European Fund for Strategic Investment, which is a key component of the Investment Plan for Europe, and the presentation by the Commission of framework strategies in several major policy fields (for example, Digital Single Market, energy, internal security, migration). The Commission has also made proposals in the area of better regulation, covering the entire policy cycle, aiming to improve the transparency and quality of EU law-making.

While key initiatives of the Work Programme remain to be presented in the second half of the year (notably an action plan on Capital Markets Union, and a labour-market mobility package), the Commission has also been confronted with other major developments influencing the political agenda. On EMU, while progress was made with the adoption of the 'Five Presidents' Report', the agenda has been dominated by the Greek debt situation, while in the field of migration, the EU is currently confronted with an escalating crisis, which has prompted calls for a stronger and more concerted European response.

PE 565.912

Juncker Commission: new structure and new modus operandi?

The new European Commission took office on 1 November 2014. Its <u>political priorities</u> were sketched out by President Juncker in the run-up to his election by Parliament in July 2014, and then during the subsequent parliamentary hearings of the Commissioners-designate. The annual <u>Commission Work Programme</u> adopted last December mirrored these ten priorities. The setting of the EU political and legislative agenda for the current political cycle was therefore embedded into a wider political process, which started with the elections to the European Parliament with the participation of lead candidates nominated by political groups. This brought a deeper political link between Parliament and the EU executive, in a bid to respond to calls for more political decision-making by the European Commission instead of a technocratic approach.

The striving for a more 'political' Commission is also said to be at the origin of a new structure based on thematic clusters for which seven Vice-Presidents, including the High Representative for Foreign Affairs and Security Policy, are responsible. Until now, the Commission has had a rather horizontal decision-making structure with each Commissioner developing proposals within their directorate-general and then proposing them to the College. In contrast, under the new clusters structure, the Vice-Presidents are entrusted with 'priority projects', with seven 'project teams' currently – some of them rather large (like that on the Digital Single Market, led by Vice-President Andrus Ansip and involving 13 Commissioners). The Vice-Presidents are supported by the rest of the Commissioners in submitting proposals to the College, which then takes the decision, according to the principle of collegiality, by consensus, or in some occasions by a simple majority vote. To secure greater coherence with the overall political guidelines set by the President, Vice-Presidents are said to have been given the power to block proposals from individual Commissioners, which could be seen as critical in terms of the principle of collegiality albeit fostering efficiency.

Indeed, the increased presidentialisation of the Commission in the past decade with the goal of greater effectiveness and political accountability is now counter-balanced by a strong role for the seven Vice-Presidents, and in particular the First Vice-President, Frans Timmermans. He is in charge of a large cross-cutting area including, inter alia, Better Regulation and watching over subsidiarity. Also with a strong role is Vice-President, Kristalina Georgieva, who is responsible for scrutinising all proposals to ensure that they fit current budgetary parameters. The current more vertical approach within the thematic clusters should ensure a greater coherence and coordination in a large Commission of 28 Members.

In this sense, the clusters structure seeks to change the Commission's modus operandi by avoiding 'silo' management with a lack of coherence between the different Commission portfolios, and contribute to greater political coordination within and strategic decision-making by the Commission as a whole. Such a change has been long demanded by many political actors and by experts. While the new structure indeed seems to be well-suited to ensuring stronger coherence of the EU's legislative planning with the political priorities, the overlap between different policy areas leads inevitably to some Commissioners having to coordinate their portfolio with two or more Vice-Presidents. This has led commentators to warn against possible conflicts putting political coherence at risk. On the other side, the collaboration between a Vice-President and a Commissioner who might often be from different political families (e.g. Vice-President Valdis Dombrovskis, EPP, and Commissioner Pierre Moscovici, PES, on matters related to the euro area) reflects the broader political majorities that need to be secured in Parliament for legislation to be passed.

Main developments in implementation of the ten Political Guidelines

Priority 1: A New Boost for Jobs, Growth and Investment

The first priority of the political guidelines was the package on 'Jobs, Growth and Investment' announced in Juncker's election campaign, and little time was lost in preparing the proposal. The Commission put forward, in November 2014, an <u>Investment Plan</u> for Europe (also known as the 'Juncker plan') which <u>focuses</u> on 'removing obstacles to investment, providing visibility and technical assistance to investment projects and making smarter use of new and existing financial resources'. In January 2015, the Commission adopted the <u>legislative proposal</u> for the European Fund for Strategic Investment (EFSI), which is a key component of the plan's strategy.

Designed to overcome current market failures by addressing market gaps and mobilising private investment, EFSI will support strategic investments. Endowed with €16 billion in guarantees from the EU budget and €5 billion from the European Investment Bank (EIB), <u>EFSI</u> will be set up within existing EIB Group structures. It will <u>stimulate</u> participation by private investors in new investment projects and, by taking on part of the risk through a first-loss liability, allow more than €300bn of additional investment to be mobilised during a three-year investment period.

In addition to EFSI, the Regulation also provides for the establishment of a European investment advisory hub (EIAH) and a European investment project portal (EIPP). The EIAH is a joint Commission and EIB initiative, whose purpose is to share good practices and real-life case studies on project finance and management, while the EIPP is designed to be the portal of viable projects for investors so that they can access reliable information on which to base their decisions.

The adoption by both the <u>EP</u> and the <u>Council</u> of the <u>Regulation</u> in June 2015 paves the way for EFSI to become fully operational in the autumn. The <u>EP</u> succeeded in pushing for improvements on the initial financing structure of the plan, as well as its governance rules, working arrangements and democratic accountability. The EP also fought to scale back cuts (proposed in order to finance the plan) in the EU's 'Horizon2020' research and innovation programme and Connecting Europe Facility by €1 billion, and obtained the right to approve the appointment of the managing director of the investment fund.

Jobs and growth

Concerning the mid-term review of the Europe 2020 strategy, in March 2015 the Commission published a <u>Communication</u> presenting the results of the <u>public consultation</u> held on the subject. These will be reflected in the review proposals, which are expected before the end of 2015. In a <u>resolution</u> of 25 November 2014 on the employment and social aspects of the Europe 2020 strategy, the EP regretted that current policies remain focused solely on economic growth without acknowledging the need for an inclusive, rights-based and sustainable approach, and that the Annual Growth Surveys and Country-Specific Recommendations (CSRs) adopted so far have not been sufficiently aligned with the Europe 2020 employment, poverty reduction and education targets.

On 9 June, the Commission held an <u>orientation debate</u> on how EU policy can tackle social and employment issues such as these, noting that certain steps had already been taken, notably the Investment Plan for Europe, and the re-launch of the Youth Employment Initiative, and improved focus on employment and social objectives in this year's <u>Country-Specific Recommendations</u>. Several new initiatives under way were also referred to, amongst which, as announced in the Commission Work Programme (CWP), were the preparation of a recommendation on the integration of the long-term unemployed – a <u>public consultation</u> was held on the subject – and a labour mobility package to be presented at the end of the year.

Priority 2: A Connected Digital Single Market

In May 2015, the Commission presented its Digital Single Market (DSM) Strategy, enshrined in two documents – a <u>Communication</u> and a <u>Staff Working Document</u>. The Strategy contains 16 initiatives or key actions, organised around three pillars, to be delivered by the Commission by the end of 2016.

The first pillar, 'Better access for consumers and businesses to online goods and services across Europe' covers, for example. measures to make cross-border e-commerce rules easier, proposals to prevent unjustified geo-blocking, and reviews of the Regulation on Consumer Protection Cooperation and the Satellite and Cable Directive, as well as European copyright law.

The second pillar, 'Creating the right conditions and a level playing field for digital networks and innovative services to flourish', embraces an overhaul of EU telecoms rules, a review of the audiovisual media framework, a comprehensive assessment of the role of online platforms, a review of the e-Privacy Directive building on the new EU data protection rules, and a partnership with the industry on cybersecurity.

The third pillar 'Maximising the growth potential of our European Digital Economy' covers, inter alia, a European 'free flow of data' initiative, a European Cloud initiative, the definition of priorities for standards and operability in areas such as e-health, transport planning and energy, research and innovation to boost industrial competiveness, as well as better public services (a new e-government action plan), inclusiveness and skills.

Initiated by the previous Commission, the proposal on new data protection rules is an important element of the DSM. In <u>March</u> 2014, the European Parliament supported the Commission's proposal to reform data protection. A general approach was reached in the Justice Council in <u>June</u> 2015, and trilogue negotiations started with a view to reaching a final agreement in 2015. Also, European legislators found an <u>agreement</u> on 30 June 2015 on the ending of roaming charges in June 2017 and on the first EU-wide rules to safeguard open internet access, also known as net neutrality. Fitting within pillar II of the Strategy, in May the Commission launched an antitrust competition <u>inquiry</u> into the e-commerce sector in the EU.

Priority 3: A Resilient Energy Union with a Forward-Looking Climate Change Policy

Building on the 2030 policy framework for climate change and energy — which laid down a target of at least 40% cuts in greenhouse gas emissions in the EU by 2030 compared to 1990, as well as a target of at least 27% market share for renewable energy and 27% for improving energy efficiency — and on the Commission's energy security strategy of May 2014, the Energy Union package was adopted by the Commission on 25 February 2015. The Framework Strategy for the Energy Union has five inter-related parts:

- Energy security, solidarity and trust;
- A fully integrated European energy market;
- Energy efficiency contributing to moderation of demand;
- Decarbonising the economy;
- Research, Innovation and Competitiveness.

The package consists of a <u>Communication</u> accompanied by a roadmap detailing 15 different initiatives to be adopted; an <u>Interconnection</u> Communication describing the measures needed to reach the target of 10% electricity interconnection by 2020, and a <u>Communication</u> on 'the road to Paris', setting out the EU's vision of achieving a binding climate agreement in 2015.

To give just a few examples, in the field of **Energy Security** the Commission will propose a resilience and diversification package for gas in 2015-16, revising the existing Security of Gas Supply Regulation, and propose in 2016 a revision of the Decision on Intergovernmental Agreements. In order to promote a fully integrated **European energy market**, it will propose legislation on security of supply for electricity in 2016, with a new European electricity market

design in 2015 to be followed by legislative proposals in 2016. To reach the target of at least 27% energy efficiency improvements by 2030, the Commission will, in 2015 and 2016, review all relevant energy efficiency legislation and propose revisions, where needed, to underpin the 2030 target. It will also propose legislation to achieve the greenhouse gas reduction target agreed at the October 2014 European Council both in the Emissions Trading System and in the sectors outside the Emissions Trading System, and propose a new Renewable Energy Package in 2016-17.

On 15 July, the Commission presented a first set of proposals to deliver a new deal for energy consumers, to launch a redesign of the European electricity market, to update energy efficiency labelling and to revise the EU Emissions Trading System in line with the 2030 greenhouse gas reduction target.

On climate change policy and the COP21 Conference in Paris later this year, the EP is currently preparing a strategic <u>report</u> which should be voted in plenary in the autumn. It is also working on a <u>report</u> on electricity interconnection as well as on a <u>report</u> on Energy Union. The EP will also discuss in the autumn the Commission's first <u>State</u> of the Energy Union report.

Priority 4: A Deeper and Fairer Internal Market with a Strengthened Industrial Base

Businesses in the EU remain heavily dependent on banks, but less so on capital markets. According to the <u>Commission</u>, a Capital Markets Union would therefore be a means to ensure greater diversification in the funding of the economy and reduce the cost of raising capital, particularly for SMEs. Stronger integration of capital markets would also enhance the shockabsorption capacity of the European economy and enhance the flow of capital from investors to European investment projects.

The Commission has therefore committed to putting in place the building blocks of an integrated Capital Markets Union by 2019, in order to maximise the benefits of capital markets and non-bank financial institutions for the wider economy.

On 18 February, it published a <u>Green Paper</u> on 'Building a Capital Markets Union' on the possible measures needed to set up a true single market for capital. The Green Paper also looks at other issues, such as how to further develop venture capital and private equity and the treatment of covered bonds. The Commission launched consultations, one on 'high-quality' <u>securitisation</u> and one on the <u>Prospectus</u> Directive. Furthermore, a <u>public hearing</u> on the Capital Markets Union was held in June 2015.

The Commission is expected to publish a summary of the results of the consultations alongside an Action Plan in September 2015. The latter would include a roadmap and timeline for setting-up, by 2019, the key elements of a Capital Markets Union.

Among the other measures relevant within this context are the implementation of the European Long-term Investment Funds (<u>ELTIF</u>) Regulation, proposed by the previous Commission, which was adopted by the Council on 20 April 2015.

Tax measures

Within this priority, the Commission's <u>political guidelines</u> highlighted the need 'to **combat tax evasion and tax fraud**, so that all contribute their fair share'. In that field, in March 2015 it adopted a <u>Tax Transparency</u> package. Together with a <u>Communication</u> on tax transparency to fight tax evasion, the package included two legislative proposals: <u>one</u> on the introduction of the automatic exchange of information between EU Member States on their tax rulings (with a related <u>Staff Working Document</u>) and a <u>proposal</u> for repealing the Directive on taxation of savings income. Central to the package, the proposal on cross-border tax rulings seeks to introduce automatic exchanges of information between Member States. Transparency in that field should lead member States to improve their tax practices and actions against harmful tax practices. The proposal on tax rulings received unanimous political support from Finance Ministers at the Informal Ecofin Council in April. Consulted on the proposal on tax rulings, as

well as on the repeal of the Savings Directive, the $\overline{\text{EP}}$ is expected to give its opinion on the former towards the end of the year.

The second stepping-stone was the adoption by the Commission, on 17 June 2015, of an Action Plan for Fair and Efficient Corporate Taxation in the EU. The Plan, without harmonising tax rates within the EU, sets out a series of measures built around five key areas – 1) Re-launching the Common Consolidated Corporate Tax Base (CCCTB), 2) Ensuring fair taxation where profits are generated, 3) Creating a better business environment, 4) Increasing transparency, and 5) Improving EU coordination. Amongst the actions planned, the Commission will, in 2016, present a new proposal for a mandatory CCCTB (to be introduced through a step-by-step approach), and launched a <u>public consultation</u> on whether companies should publicly disclose certain tax information.

In February 2015, the EP voted to establish a special parliamentary committee (<u>TAXE Committee</u>) to look into EU Member States' 'tax rulings and other measures similar in nature or effect' and to make recommendations for the future. The Committee's <u>report</u> is due to be presented in plenary in November, while a <u>legislative initiative report</u> from the Committee on Economic and Monetary Affairs on 'bringing transparency, coordination and convergence to corporate tax policies in the Union' will follow.

Priority 5: A Deeper and Fairer Economic and Monetary Union

In line with the Political Guidelines and <u>following up</u> the 24 October <u>Euro Summit</u>, which called for further work to be carried out 'to develop concrete mechanisms for stronger economic policy coordination, convergence and solidarity' and 'to prepare next steps on better economic governance in the euro area', the European Commission President prepared in cooperation with the Euro Summit President, the European President, the President of the European Central Bank and the President of the European Parliament, a report on 'Completing Europe's Economic and Monetary Union'.

This report, also called the <u>Five Presidents' report</u>, provides a blueprint on how to deepen EMU and the successive stages needed to implement this, starting from July 2015. In Stage 1, entitled 'deepening by doing' (1 July 2015 – 30 June 2017), the report prescribes building on existing instruments and Treaties to boost competitiveness and structural convergence, complete the Financial Union, achieve responsible fiscal policies at national and euro-area level, and enhance democratic accountability. Stage 2, 'completing EMU' prescribes far-reaching measures to make the convergence process more binding, in particular through a set of commonly agreed benchmarks that could be given a legal nature, with the final stage to be reached at the latest by 2025.

Amongst the actions foreseen are a euro-area system of Competitiveness Authorities, a European Deposit Insurance Scheme, a strengthening of parliamentary controls as part of the European Semester, steps towards consolidated representation of the euro area in stage 1 and setting-up a euro-area treasury, accountable at European level, in stage 2. The Commission will, in consultation with the Presidents of the other EU institutions, present in spring 2017 a White Paper assessing progress made and outlining the next steps needed, including measures of a legal nature to complete EMU. The five Presidents will also follow up on the implementation of the report's recommendations.

The EP's <u>contributions</u> were based on past and ongoing positions taken by the EP, in particular those set out in the <u>resolution</u> of 24 June 2015 on 'Review of the economic governance framework: Stocktaking and challenges'. The EP placed particular <u>emphasis</u> on the democratic legitimacy and accountability of the European Semester and the proposal for a fiscal capacity within the euro area, as well as demanding that the European Stability Mechanism (ESM) and the Fiscal Compact be fully integrated into the Community framework and thus made formally accountable to Parliament.

The European Council of 25-26 June took <u>note</u> of the 'Five Presidents' report. However, developments regarding EMU were overshadowed by the Greek crisis. Following <u>Greece</u>'s default on an IMF loan on 30 June, and the expiry of the financial assistance programme from the European Financial Stability Facility, EU leaders were confronted with the looming prospect of Greece leaving the euro area. After tense negotiations, a preliminary agreement was finally reached on 13 July between the heads of state or government of the euro area, providing a roadmap for further discussions and a potential third bail-out programme for Greece, which was finalised by <u>mid-August</u>.

Priority 6: A Reasonable and Balanced Free Trade Agreement with the US

With negotiations on a Transatlantic Trade and Investment Partnership (TTIP) continuing, while stakeholders and civil society have increasingly raised concerns on various issues involved, the Commission has taken steps to improve transparency. It has put the EU's negotiating papers online along with other many other relevant documents and engaged in dialogue with the EP and stakeholders. In May, the EU Trade Commissioner discussed her ideas regarding a reformed investor dispute resolution mechanism in TTIP. Meetings were also held with NGOs, stakeholders and civil society (e.g. Civil society dialogue of 27 May 2015 on TTIP and Health).

The Commission also undertook to respond to concerns regarding the potential impact of TTIP on public services. In a <u>joint statement</u> of 20 March with the US chief negotiator, Trade Commissioner, Cecilia Malmström confirmed that 'US and EU trade agreements do not prevent governments, at any level, from providing or supporting services in areas such as water, education, health and social services' nor do they 'impede governments' ability to adopt or maintain regulations to ensure the high quality of services and to protect important public interest objectives'.

The EP – which must give its consent for the final agreement to be ratified – adopted a resolution on the negotiations on 8 July 2015. It highlighted the importance of upholding regulatory standards and consumer protection, and preventing social, fiscal and environmental dumping. It recommended excluding current and future Services of General Interest as well as Services of General Economic Interest from the scope of application of TTIP (including but not limited to water, health, social services, social security systems and education); to apply specific provisions to sensitive agricultural and industrial products, and not to compromise the EU's acquis on data privacy. On trade-related investor-state disputes, the EP specifically recommended replacing the ISDS system with a new system 'subject to democratic principles and scrutiny', in which cases are treated in a 'transparent manner by publicly appointed, independent professional judges', including an 'appellate mechanism', respecting the jurisdiction of courts of the EU and of the Member States, and ensuring that private interests 'cannot undermine public policy objectives'.

Priority 7: An Area of Justice and Fundamental Rights Based on Mutual Trust

On 28 April the Commission adopted its new European Agenda on Security, hinged on three priorities – preventing terrorism and countering radicalisation, fighting organised crime and fighting cybercrime.

Conceived as a shared agenda between the Union and its Member States, it should facilitate a more coordinated response at European level to dealing with cross-border threats. In particular, it covers issues such as information exchange between law enforcement authorities and EU agencies, operational police cooperation, and training and co-funding for security at EU level. Planned measures include an expansion of work on anti-radicalisation, launching of an impact assessment in 2015 with a view to updating the 2008 Framework Decision on Terrorism, in particular in order to provide a more coherent legal framework to tackle the 'foreign fighters' phenomenon, assessment of the need for legislation to counter terrorist financing and regarding confiscations of property derived from criminal activities, and a reinforcement of Europol notably through the possible creation of a European Counter-Terrorist Centre.

The agenda underlines the need to bring together all internal and external dimensions of security and to reinforce links between Justice and Home Affairs and Common Security and Defence Policy structures. It also underlines the importance of <u>finalising</u> work on two ongoing proposals – the European Passenger Name Record (PNR) and Data Protection legislation.

The EP adopted a <u>resolution</u> on 17 December 2014 on renewing the EU internal security strategy, and the Committee on Civil Liberties, Justice and Home Affairs is currently working on a <u>report</u> on the prevention of radicalisation and recruitment of European citizens by terrorist organisations.

Concerning EU accession to the European Convention on Human Rights, the Court of Justice of the EU, in an <u>opinion</u> of December 2014, concluded that the draft agreement for this accession is not compatible with EU law. The <u>Commission</u> noted that a reflection period is needed to consider the best way forward.

Priority 8: Towards a New Policy on Migration

While already seen as an area for priority action, developments in the field of migration were spurred by the unprecedented influx of migrants over recent months and the rising death toll among persons attempting to enter the EU. For the period from January to July, the <u>number</u> of migrants (asylum-seekers and irregular immigrants) reached nearly 340 000, compared to 123 500 in the same period of last year, and 280 000 in all of 2014.

On 20 April 2015, the Commission presented a <u>ten-point plan</u> for immediate action at a Joint Foreign and Home Affairs Council. This was followed by a special meeting of the European Council on 23 April 2015, at which Member States' leaders <u>agreed</u> on the urgent need to seek solutions to the escalating situation and prevent people from dying at sea, and tasked the Commission with proposing measures for immediate action, as well as policy options for the medium and longer term.

On 13 May 2015, the Commission presented a <u>European Agenda on Migration</u> covering both immediate measures to respond to the crisis in the Mediterranean and further measures for managing migration in all its aspects in the coming years. This was followed on 27 May 2015 by the <u>implementation</u> plan for the first measures.

The main measures to tackle current migration challenges set out in the plan were:

- Relocation: A Commission <u>proposal</u> to activate, for the first time, an emergency mechanism under <u>Article 78(3)</u> TFEU, to allow the most affected Member States – in the present case Italy and Greece – to benefit from provisional relocation measures.
- Resettlement: A Commission <u>Recommendation</u> asking Member States to resettle 20 000 people in clear need of international protection from third countries, over the next two years;
- An EU Action plan against migrant smuggling for 2015-20;
- <u>Guidelines</u> on Fingerprinting of migrants to ensure that Member States' obligations under the <u>Eurodac Regulation</u> are fulfilled and to facilitate systematic fingerprinting, in full respect of fundamental rights;
- A <u>public consultation</u> on the future of the <u>Blue Card Directive</u> with a view to improving the conditions for entry and residence of highly skilled people from third countries.

The Commission also announced the <u>reinforcement</u> of the capacities and assets for the Frontex joint operations, Triton and Poseidon, in 2015 and 2016 and committed to work towards a possible Common Security and Defence Policy (CSDP) operation in the Mediterranean to dismantle traffickers' networks and fight smuggling of people.

For the medium and longer term, the European Agenda on Migration includes a set of initiatives organised around four pillars: 1) Reducing the incentives for irregular migration, 2) Border management, 3) A strong common asylum policy, and 4) A new policy on legal migration.

In a number of resolutions, the EP has called for a holistic approach to migration. In a <u>resolution</u> of 17 December 2014, it reiterated 'the need for the EU to step up fair sharing of responsibility and solidarity towards Member States which receive the highest numbers of refugees and asylum-seekers'. In a <u>resolution</u> of 29 April 2015, it called on 'the Union and the Member States to ensure that search and rescue obligations are actually executed and duly financed', as well as for closer coordination of EU and Member State policies in tackling the root causes of migration and strengthened EU cooperation with partner countries in the Middle East and Africa. In his <u>speech</u> at the June European Council Meeting, EP President, Martin Schulz noted that 'voluntary or intergovernmental schemes have been tried in the past and have failed. If this is to work, it must be mandatory and every Member State must take its fair share'.

First commitments from Member States

At the June <u>European Council</u> meeting, diverging views were apparent concerning the Commission's proposal on relocation and whether consensus or qualified majority voting should apply. In the end, Heads of State or Government agreed on 'the temporary and exceptional relocation over two years from the frontline Member States Italy and Greece to other Member States of 40 000 persons in clear need of international protection', and decided that all Member States, except the UK and with possible exceptions for other Member States, would agree by consensus by the end of July on the distribution of such persons, taking into account the specific situation of each Member State. However, several Member States refused the distribution key proposed by the Commission, invoking for instance their exposure to irregular immigration as preventing them from being able to receive more asylum-seekers. Member States have <u>pledged</u> so far to relocate some 32 000 asylum-seekers from Italy and Greece. They have further committed to increasing this number to 40 000 by December 2015.

Furthermore, all Member States would participate in the resettling from third countries of 20 000 displaced persons in clear need of international protection. They also agreed on the setting up of 'hotspots', i.e. reception and first reception facilities in the frontline Member States, to ensure the swift identification and registration of migrants, as well as on the 'immediate provision of enhanced financial assistance' to the frontline Member States.

In addition, the European Council focused on two other key dimensions of migration to be tackled in parallel: the question of return/readmission/reintegration for those not qualifying for protection and the issue of cooperation with countries of origin or transit.

Over the summer, the number of migrants has soared. According to Frontex, in July 2015, the number of migrants detected at the EU's borders more than tripled compared to July 2014, with more than 100 000 migrants in a single month for the first time. Reporting on the follow-up measures taken in the wake of the European Council, the Commission described the situation as 'the worst refugee crisis since the Second World War'. In a press article, President Juncker was critical of Member States and announced that the Commission would issue a list of third countries considered safe countries of origin in September, and that the Commission would propose a permanent mechanism that could be automatically triggered in emergency situations.

Priority 9: A Stronger Global Actor

In March 2015, the High Representative for Foreign Affairs and Security Policy/Vice-President of the Commission, together with the Commissioner for European Neighbourhood Policy and Enlargement Negotiations, launched a <u>joint consultation</u> on the future of the European Neighbourhood Policy (ENP). This will feed into a Communication, scheduled for 2015, that will include proposals for the future of the ENP.

In this context, the EP adopted a <u>resolution</u> in July in which it asked for a more flexible and reactive ENP and reaffirmed both the necessity to keep the ENP as a single policy while making sure it is a part of the broader EU foreign policy. The EP also called for the review of the ENP to take into account the need for differentiation between partners as well as to stay strong on the promotion of Human Rights.

On **development**, the Commission adopted a <u>Communication</u> on 5 February on 'Global Partnership for Poverty Eradication and Sustainable Development after 2015' which was to 'inform EU positions in preparation for the Third Financing for Development Conference in Addis Ababa in July 2015 and the UN Summit on the Post-2015 development agenda in New York in September 2015.

In a <u>resolution</u> of 19 May 2015, the EP welcomed the Communication but regretted a certain lack of commitment concerning the timeline for future financial targets. It urged the EU 'to affirm its political leadership throughout the preparatory process towards the definition of a sustainable development framework, a renewed agreement on financing for development and other means of implementation, along the commitments and values stated in its founding Treaties', and pointed out that provision of EU development aid should not be conditioned by other partner donors. It also insisted 'that the EU and its Member States should maintain their position as major donors of development aid while pushing for shared responsibility'. The Council adopted <u>conclusions</u> on a New Global Partnership for Poverty Eradication and Sustainable Development after 2015 on 26 May 2015.

An agreement was reached at the UN Conference in <u>Addis Ababa</u> in July, providing a basis for implementing the global sustainable development agenda which world leaders are expected to adopt in September.

In <u>May</u> 2015, the Commission published a Progress Report outlining developments regarding the implementation of its Communication on Defence. In the area of **security and defence**, the European Council <u>Conclusions</u> of 25 and 26 June highlighted that the High Representative would continue to work towards the preparation of an EU global strategy on foreign and security policy, to be submitted to the European Council by June 2016, as well as on a more effective, visible and result-orientated CSDP, the further development of both civilian and military capabilities and the strengthening of Europe's defence industry.

The EP supports the development of a strong CSDP and defence cooperation among Member States. However in three recent resolutions, adopted on 21 May 2015, it expressed regret at the slow progress in enhancing the EU's operational, industrial and capability resources to manage crises and ensure its strategic autonomy, and urged Member States to use CSDP tools and resources more effectively and coherently in order to better cope with new security challenges.

Priority 10: A Union of Democratic Change

On 19 May 2015 the European Commission presented a comprehensive <u>Better Regulation</u> <u>Package</u> consisting of initiatives covering the entire policy cycle. Among its key elements are a more comprehensive stakeholder involvement, strengthened Impact Assessment, a more independent Regulatory Scrutiny Board, stronger commitment to review and evaluation, and a proposal for a new Interinstitutional Agreement on Better Regulation.

The Better Regulation package creates new opportunities for **stakeholder input** throughout the policy cycle. For example, stakeholders will now be able to comment on initial 'roadmaps' and 'inception impact assessments' from the very start of a new initiative and may provide further feedback after the adoption of a Commission proposal. Draft delegated and implementing acts will also be published for consultation. Besides the formal stakeholder consultations, the 'Lighten the load – Have your say!' platform establishes a direct channel for stakeholders to express their views about (burdensome) EU legislation.

Impact assessments (IA), aimed at informing political decision-making, should for the first time also be carried out on delegated and implementing acts with likely significant impacts. The quality of IAs is to be assessed by a **Regulatory Scrutiny Board** (RSB), which replaces the Impact Assessment Board – the Commission's internal body scrutinising IA work. Unlike its predecessor, the new RSB consists of a chair plus six members who, for the first time, will work full time on

tasks arising from their membership of the board; three of these members are recruited from outside the EU institutions.

The new package further strengthens initiatives aimed at **monitoring** and **evaluation** of the existing stock of EU legislation and contains a more comprehensive set of guidelines regarding the methodology of an ex-post evaluation. It expands the <u>Regulatory Fitness and Review Programme</u> (REFIT) which is to become a 'fundamental part' of the Commission's Annual Work Programme, and establishes a **REFIT platform** consisting of high-level experts to bring forward suggestions on regulatory burden reduction. The quality of major fitness checks⁶ and evaluations now also falls within the remit of the RSB.

Another key element of the package was a proposal for a new Interinstitutional Agreement (IIA) on Better Regulation, containing provisions on, inter alia, coordinated planning and calls for commitment to REFIT, evaluation and more transparency of trilogue negotiations. It also calls for stronger commitment of the legislating institutions to IA throughout the legislative process, and calls upon the EP and the Council to carry out IAs before making 'substantial amendments' to a Commission proposal. The proposal further invites the Member States to communicate clearly about the origin of rules whenever they add additional requirements when implementing EU legislation ('gold-plating'). Another novelty of the package is the Commission's intention to draft 'implementation plans' to assist Member States in their implementation work.

Negotiations on the new IIA were launched by the three institutions on 25 June 2015. According to EP President Martin Schulz, the role of impact assessment is likely to become a crucial issue in the negotiations. He also stressed the importance of reducing unnecessary burdens without, however, compromising on social, environmental, health or safety standards.

On **transparency**, on 25 November 2014, shortly after taking office, the Commission adopted two <u>decisions</u> requiring Commissioners and their cabinets, as well as Directors-General to make public information concerning meetings held by them with interest representatives. In February 2015, the Commission published a <u>Roadmap</u> on the proposal on the establishment of a mandatory **Transparency Register**, on which stakeholders may provide comments. The EP has several times <u>called</u> for a mandatory transparency register; the actual proposal is yet to come.

On 22 April, as had been flagged in the Political Guidelines, the Commission <u>presented</u> a <u>Communication</u> reviewing the decision-making process on genetically modified organisms and a <u>proposal</u> for a Regulation allowing Member States to restrict or prohibit the use of GMOs for food or feed purposes in their territory.

Withdrawals – state of play

The 2015 CWP included in its annex 2 a list of 80 pending proposals to be withdrawn or modified. The College confirmed on 25 February the withdrawal of 73 pending legislative proposals.

Of these 80 proposals, three were planned to be withdrawn if no agreement could be reached within 6 months. As there was no prospect of agreement on the proposed Maternity Leave Directive and the proposed Earth Observation Satellite Data Directive, the Commission decided in July 2015 to withdraw them and to replace them with new initiatives in the 2016 Work Programme. Considering the significant progress achieved on the third one – proposed Regulation on organic production and labelling of organic products – the Commission has decided to maintain it.

The withdrawal of the 2014 proposal on waste, to be replaced by a new proposal to promote the circular economy, raised particular concerns. In a <u>resolution</u> of 9 July 2015 on resource efficiency, Parliament called on the Commission to propose an ambitious proposal on a circular economy by the end of 2015.

Main references

<u>Setting EU priorities 2014-19</u> – The ten points of Jean-Claude Juncker's political guidelines, European Parliamentary Research Service, 2014.

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Mapping the Cost of Non-Europe, 2014–19, Third edition (April 2015), European Parliamentary Research Service, 2015.

Endnotes

- ¹ K. Lannoo, <u>The Juncker Commission: A laudable attempt at reform</u>, CEPS 2014.
- ² Y. Bertoncini, <u>The Juncker Commission and new institutional and legitimacy set up. What main issues and challenges?</u>, written for EP Directorate-General for Internal Policies, Policy Department Citizens' Rights and Constitutional Affairs on request by the Committee on Constitutional Affairs, 2015, pp. 13 et seq.
- ³ Commissioner Carlos Moedas for instance, in charge of Research, Science and Innovation, needs to coordinate his portfolio both with Vice-President Jyrki Katainen (Jobs, Growth, Investment and Competitiveness) and with Vice-President Kristalina Georgieva (Budget and Human Resources).
- ⁴ A 'Roadmap' is a brief document published at an early stage of the decision-making process and informing stakeholders about planned consultation work, impact assessments, evaluations and fitness checks. An 'inception impact assessment' is an initial, 'early' version of an impact assessment containing some preliminary assessment of different policy options, Better Regulation Guidelines, SWD (2015) 111 final, p. 90.
- ⁵ In this regard, certain exceptions apply, for example, in cases of urgency or when financial management is concerned, Better Regulation Guidelines, SWD(2015) 111 final, p. 67.
- ⁶ 'Fitness check' is an evaluation of the effectiveness, efficiency, coherence, relevance and EU added-value of several related EU interventions which are grouped together, Better Regulation Guidelines, SWD (2015) 111 final, p. 89.

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