The six policy priorities of the von der Leyen Commission

State of play in autumn 2021
This EPRS paper analyses progress in attaining the policy agenda set out by Ursula von der Leyen, President of the European Commission, and her College of Commissioners when they took office in December 2019. It looks in particular at the state of play in respect of delivery on the six key priorities asserted at that time.

Concretely, EPRS finds that, following the July 2021 plenary session, of the nearly 400 initiatives foreshadowed by the von der Leyen Commission on taking office or since (406), just over half have already been submitted (212). Of these, almost half have already been adopted (101), while the great majority of the remainder are either proceeding normally in the legislative process (76) or are close to adoption (10). Conversely, a certain number are proceeding very slowly or are currently blocked (25). While the Commission's first priority, the European Green Deal, ranks highest in the number of initiatives announced (90), its third priority, 'An economy that works for people', has the highest number so far actually adopted (29).

Further details of the state of play on the various EU legislative proposals tabled by the Commission, including all those mentioned in this paper, can be found in the European Parliament's 'Legislative Train Schedule' website, which has also been developed by EPRS and which is available at http://www.europarl.europa.eu/legislative-train/.

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Introduction

When the President of the European Commission, Ursula von der Leyen, takes the floor in Strasbourg before the European Parliament to deliver her 2021 State of the Union address, she will report to Members of the European Parliament and, beyond them, to European citizens, after what has been the second summer of the Covid-19 pandemic. The coronavirus is still far from being tamed, and life – from everyday routine at individual level to global trends affecting the whole world – has entered a phase of profound change. Yet, as summer 2021 comes to a close, one of the leading impressions for many Europeans is of slowly recovering one of the freedoms at the heart of European Union, the freedom of movement they had been deprived of for public health reasons.

Mass travel in Europe became possible again during summer 2021, with 70% of the adult population in Europe fully vaccinated and able to prove it thanks to the 'Covid passport' adopted by the European Union (EU) just before the summer. This legislative success reached in record time is illustrated by the cover photograph, where the presidents of the three institutions involved in its adoption (from left to right: António Costa, for the EU Council, Ursula von der Leyen, for the European Commission, and David Maria Sassoli, for the European Parliament) hold copies of the Regulation on the EU Digital Covid Certificate signed on 14 June. The certificate with a QR code is free of charge, available on paper or on a smartphone, and valid throughout the EU. For European citizens who could at last visit their loved ones, spend their summer break in another EU Member State, after many months of often highly restrictive measures, or simply get access to bars and restaurants in their home region, this initiative has shown the positive benefit of the EU, and is all the more noteworthy as it comes in a field – public health – that is not one of the core EU competences.

However, summer 2021 has left other lasting impressions that are more negative. Many are still shaken by the photographs – never mind those that experienced them directly – of mega-fires, unprecedented heatwaves, and deadly floods in various parts of the EU. Just one extreme rain episode caused a heavy toll of more than 200 deaths in Belgium and Germany, underlining once again the need to address climate change urgently. Combined with longer-term data confirming global warming and loss of biodiversity, this experience supports the priority given by the Commission to the European Green Deal. Even more, it confirms that Parliament has been right to be ambitious on climate, for example when it pushed for a higher target for the reduction of the EU’s greenhouse gas emissions by 2030 (60% for the Parliament instead of 55% in the Commission’s proposal, with the latter target later endorsed by the Council). On climate and environmental issues, including the principle of climate mainstreaming in the EU budget, the Parliament has repeatedly called for higher ambition – and often secured it, as with the 30% of the overall resources from the Multiannual Financial Framework (MFF) and the Next Generation EU recovery instrument which will go to measures contributing to the fight against climate change.

As part of the European Green Deal, the European Commission tabled a ‘Fit for 55’ package in mid-July, including legislative proposals on climate, energy, land use, transport and taxation. The number of proposals foreshadowed (90) indeed makes the European Green Deal the Commission’s first priority in terms of announcements, although not in terms of proposals tabled (two-thirds (58) are yet to be submitted), let alone legislation adopted (only one sixth (15) so far).

Another dreadful event of summer 2021 has been the situation unfolding in Afghanistan. It calls for immediate humanitarian aid measures and visa solutions, but also brings asylum and migration issues to the forefront. This comes one year after the Commission’s proposal of the long-awaited new pact on migration and asylum, initially announced for the beginning of 2020 but postponed due to the pandemic (see fifth section below). This pact was supposed to bring new momentum to negotiations stalled for years. The number of legislative proposals under this priority should not disguise the difficulties in finding compromise and adopting legislation in this area, however urgent
and dramatic the situation in Afghanistan, the Mediterranean and even on the shores facing the
United Kingdom, may be.

Alongside these headline issues, the von der Leyen Commission is expecting progress on long-term
files too: helping the EU recover from the coronavirus-crisis (see third section below), turning the EU
into a digital continent (see second section below), becoming the ‘geopolitical Commission’
President von der Leyen claimed she would run when she took office (see fourth section below), and
paving the way for the future of Europe, notably with the eponymous conference (see sixth section
below).

This paper monitors all six priorities. It combines a two-page presentation for each priority and an
infographic illustrating, in condensed form, on just one page (page 3), the degree of progress so far
made – both overall and under each of the six priorities.

Our assessment is that of the nearly 400 initiatives foreshadowed (406), just over half (52 %) have
already been submitted (212) – it is worth noting that almost one in five of the Commission's
initiatives are non-legislative in character, such as strategies, action plans and other
communications. Among these 212, almost half (48 %) have already been adopted (101), while the
great majority of the remainder are either proceeding normally in the legislative process (76, or
68 %) or are close to adoption (10, or 9 %). Conversely, a certain number are proceeding very slowly
or are currently blocked (25, or 23 %). These numbers reflect the state of play as the Commission is
approaching the middle part of the five-year EU political cycle, during which the executive is still
coming forward with new proposals, whilst simultaneously the twin branches of the legislature (the
European Parliament and the Council of the EU) are fully engaged in considering and (very often)
amending them.

With a focus on each of the six policy priorities, our assessment shows how the European
Commission is performing at the different stages of announcing and tabling proposals, and then of
the three institutions negotiating and finally adopting legislation. The European Green Deal ranks
highest in the number of initiatives planned (90) but the executive has tabled only one third, leading
to only one sixth adopted by the co-legislators so far. The third priority, 'An economy that works for
people', comes next (76), but this time with more initiatives tabled (67 %, or two-thirds) and the
highest number of initiatives adopted (29). The need to recover urgently from the economic
consequences of the pandemic explains this result and why the third priority has overtaken the lead
expected for the second ‘twin transition’, the digital one, in terms of initiatives planned, tabled and
adopted. For ‘A stronger Europe in the world’, almost three in four (72 %) initiatives have already
been tabled (see below section 4), but a fair amount of work remains to be done for the other
priorities (44 % of the proposals still to be submitted for ‘A Europe fit for the digital age’, 43 % for
‘Promoting our European way of life’ and 55 % for ‘A new push for democracy’ – see below sections
2, 5 and 6 respectively). This latter priority comes lowest in terms of number of initiatives announced
(45), as neither the Conference on the Future of Europe, which starts discussing the issues in detail
in September 2021, nor upholding EU values, especially fundamental rights and the rule of law,
however important they may be, require such proposals to proceed.

The next edition of this paper, which issues twice a year, will monitor the situation in spring 2022.
This will bring the von der Leyen Commission to the mid-point of its mandate, which highlights how
important the coming months will be for this Commission in delivering on its commitments and on
the ‘main elements guiding the preparation of the Commission Work Programme’ for 2022 which
the Commission is expected to set out in writing to the Parliament, under the 2010 Inter-institutional

For more information on how the von der Leyen Commission's agenda is proceeding, a proposal-
by-proposal assessment is available on the European Parliament's 'Legislative Train Schedule'
website, also developed by EPRS, at:
http://www.europarl.europa.eu/legislative-train/
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The von der Leyen Commission’s six priorities: Legislative delivery to 31 August 2021

Data on this page come from the Legislative Train Schedule website of the European Parliament, and represent the situation as of 31 August 2021.
1. European Green Deal

The European Green Deal, first outlined by Ursula von der Leyen in her July 2019 political guidelines, was adopted by the Commission in December 2019. It aims to make Europe the first climate-neutral continent by 2050, while boosting the competitiveness of European industry and ensuring a just transition for the regions and workers affected. Preserving Europe's natural environment and biodiversity, a 'farm-to-fork' strategy for sustainable food, and a new circular economy action plan are other key elements. The Commission President wants the EU to lead international negotiations to raise the ambition of other major emitters ahead of the COP26 climate change conference in Glasgow in November 2021. Executive Vice-President Frans Timmermans is in charge of leading and coordinating work on the European Green Deal.

The Commission work programme for 2021 (CWP 2021) contains numerous legislative and a few non-legislative initiatives to implement the strategic objectives of the Green Deal. The coronavirus crisis has not hindered progress on the Green Deal. On the contrary, the EU is using the instruments for crisis recovery to advance climate action, by requiring Member States to spend 37% of EU funding in the €672.5 billion Recovery and Resilience Facility on climate investment and reforms.

Making Europe the first climate-neutral continent

The adoption of the European climate law in June 2021 marked a major milestone in implementing the European Green Deal. It sets a legally binding EU target of climate-neutrality by 2050 and a binding intermediate target for 2030, and establishes a framework for achieving these targets.

The Commission adopted the legislative proposal for the climate law in March 2020 and amended it in September 2020, to increase the EU's target for 2030 from 40% reduction of greenhouse gas (GHG) emissions to 'at least 55%' reduction of net GHG emissions, compared to 1990 levels, based on an impact-assessed climate target plan. The EU submitted this 55% target for 2030 as its updated international commitment to the Paris Agreement in December 2020. In line with the Parliament's position, the European climate law establishes an independent scientific advisory board and introduces a carbon budget, which will guide the setting of the emissions reduction target for 2040.

To implement the increased ambition, on 14 July 2021 the Commission presented the 'fit for 55' package. The package contains legislative proposals to revise the entire EU 2030 climate and energy framework, including the legislation on effort-sharing, land use and forestry, renewable energy, energy efficiency, emission standards for new cars and vans, and the Energy Taxation Directive. The Commission proposes to strengthen the emissions trading system (ETS), extend it to the maritime sector, and reduce over time the free allowances allocated to airlines. A proposed new emissions trading system for road transport and buildings should start in 2025, complemented by a new social climate fund with a financial envelope of €72.2 billion to address its social impacts. New legislation is proposed on clean maritime and aviation fuels. To ensure fair pricing of GHG emissions associated with imported goods, the Commission has proposed a new carbon border adjustment mechanism.

The Commission addresses emissions in the energy system through the strategies on hydrogen and energy system integration adopted in July 2020, the strategies on methane and on offshore renewable energy sources adopted in November 2020, and forthcoming legislative proposals on energy-related methane emissions and a revised regulatory framework for the EU gas market.

The European climate pact, a non-legislative initiative launched in December 2020, aims to bring together regional and local authorities, civil society, industry and schools to agree on commitments to change behaviour, supported by a dedicated secretariat led by the Commission.

A new strategy on adaptation to climate change, adopted in February 2021, aims to mainstream climate adaptation and strengthen the international dimension. The strategy focuses primarily on the interaction with other Green Deal strategies — circular economy, biodiversity, renovation wave and farm-to-fork strategy — to increase the EU's preparedness for the impacts of climate change.
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**Becoming a world leader in the circular economy**

The European Green Deal will be aligned with the long-term strategy for Europe's industrial future adopted in March 2020 and updated in May 2021 to take into account the impacts of the coronavirus pandemic, the evolving global competitive context, and the acceleration of the twin green and digital transitions. This is complemented by a chemicals strategy for sustainability adopted in October 2020, and a proposal for a new batteries regulation adopted in December 2020.

The circular economy action plan adopted in March 2020 promotes the sustainable use of resources, especially in resource-intensive sectors with high environmental impact, such as electronics, textiles and construction. Key components of the plan are the roll-out of a sustainable product policy framework across key value chains, and initiatives to prevent waste and promote circularity. A legislative proposal on empowering consumers for the green transition, a sustainable products initiative and a communication on the New European Bauhaus are expected later this year.

**Eliminating pollution and protecting biodiversity**

The Commission adopted a zero-pollution action plan for air, water and soil in May 2021, and plans to adopt legislative proposals to revise the Industrial Emissions Directive and the air pollutant emissions standards for combustion-engine vehicles in the fourth quarter of 2021. A biodiversity strategy for 2030, adopted in May 2020, supports the key objective of mainstreaming biodiversity across all policy areas. Binding EU nature restoration targets to restore degraded ecosystems are expected in the fourth quarter of 2021. The Commission adopted a new EU forest strategy on 16 July 2021, and plans to propose legislation aimed at minimising the risk of deforestation and forest degradation associated with products placed on the EU market. Internationally, President von der Leyen would like Europe to lead the world at the next Conference of the Parties to the Convention on Biological Diversity, scheduled for October 2021 and April/May 2022 in China.

Further key initiatives of the European Green Deal include the 'farm-to-fork' strategy for sustainable food adopted in May 2020, a renovation wave for the building sector, a proposal for a new environment action programme adopted in October 2020, a sustainable and smart mobility strategy adopted in December 2020, and an action plan for organic food production adopted in March 2021.

**Financing the European Green Deal**

According to von der Leyen's political guidelines, record amounts of public funds will be invested in advanced research and innovation, complemented by a strategy for green financing. EU funding for the European Green Deal is provided through the EU budget (MFF) and the Next Generation EU instrument, with 30% of expenditure dedicated to climate objectives. In addition, the European Investment Bank (EIB) has aligned its investment activities with climate objectives, as set out in the EIB climate bank roadmap. In January 2020, the Commission adopted a communication on the sustainable Europe investment plan (often referred to as the European Green Deal investment plan). It aims to increase funding for the transition by mobilising €1 trillion for sustainable investment over the next decade through the EU budget and associated instruments such as InvestEU, and create an enabling framework for sustainable investment. In April 2021, the Commission presented its proposal for a corporate sustainability reporting directive, revising and strengthening the existing rules, introduced by the Non-Financial Reporting Directive, on companies’ disclosure of social and environmental performance and impacts. A renewed sustainable finance strategy, originally planned for the second quarter of 2021, is expected later this year.

The Just Transition Fund, adopted in June 2021, has a budget of €17.5 billion to support the people and regions most affected by the transition towards climate neutrality. It is part of a just transition mechanism that cuts across different funds and financing instruments and should mobilise at least €100 billion in public and private investment. The LIFE programme, adopted in April 2021, is the only EU fund entirely dedicated to environmental and climate objectives, with a budget of €5.4 billion in current prices for the 2021-2027 period.
2. A Europe fit for the digital age

Shaping the digital future of Europe

In February 2020, the Commission outlined its overarching approach to shaping Europe’s digital future, based on three key objectives: technology that works for people; a fair and competitive economy; and an open, democratic and sustainable society. In parallel, the Commission presented a European strategy for data, aimed at setting up a single market in which data flow between countries and sectors, and are available to use in full respect of European values and rules, with clear rules for data access and use. The Commission adopted its first legislative initiative under this strategy in November 2020, a proposal for a regulation on European data governance ('data governance act'). It aims at improving voluntary data-sharing within and across common European data spaces, by enhancing trust in ‘data intermediaries’ that could organise data spaces as trusted third parties, and by supporting the development of standards relating to data exchange.

On 15 December 2020, the Commission adopted two proposals for regulations to upgrade the rules governing digital services in the EU ('the digital services act package'). On the one hand, the proposal concerning a single market for digital services (the digital services act or DSA) primarily addresses the societal risks of digital markets, and more specifically of very large platforms, and the need for more accountability for the content that these providers make available on their platforms. On the other hand, the proposal on contestable and fair markets in the digital sector (the digital markets act or DMA) addresses risks to contestability and fairness in digital markets.

Furthermore, in its communication on the European way for the digital decade adopted on 9 March 2021, the Commission put forward a set of digital targets for 2030, grouped in four ‘cardinal points’: skills, digital infrastructure, digital transformation of businesses, and digitalisation of public services. The communication announced a forthcoming legislative proposal on a ‘digital compass’ (a policy programme including the targets, a governance framework and a monitoring system).

Regarding artificial intelligence (AI), following a white paper presented in February 2020, the Commission adopted an ‘AI package’ on 21 April 2021, to promote the development of human-centric, secure, trustworthy, sustainable, inclusive and ethical AI in Europe. It includes a proposal for a regulation setting a horizontal regulatory approach to AI, covering the development, placement on the market and use of AI systems. The proposed regulation follows a risk-based approach: the higher the risk that a specific use of AI may cause, the stricter the requirements. AI systems posing unacceptable risks would be banned and those considered as high-risk would be subject to strict obligations before they can be placed on the market. The AI package also includes a proposal for a new regulation on machinery products, aimed at tackling a number of issues identified in the EU framework and at addressing new risks linked to the development of digital technologies, such as AI, the internet of things and robotics. Furthermore, the AI package includes a communication on fostering a European approach to AI. It contains a coordinated plan that outlines the policy changes and investment needed at Member State level to strengthen Europe’s leading position in the development of AI, using funds made available under Digital Europe, Horizon Europe, cohesion policy and the Recovery and Resilience Facility.

On 3 June 2021, the Commission put forward a proposal for a regulation establishing a framework for a European digital identity (eID), amending the eIDAS Regulation. The proposal sets out harmonised conditions for the establishment of a framework for ‘European digital identity wallets’, allowing its users to have secure and easy access to public and private services, under their full control. The wallets would link national digital identities with other credentials (e.g. a driving licence or diploma). They would be issued by Member States, based on common technical standards. Furthermore, on the same day, the Commission adopted a recommendation inviting Member States to already start work on the technical specifications of the future eID framework, with the Commission and other parties, to ensure speedy implementation of the future regulation.
As far as cybersecurity is concerned, the Commission and the High Representative for Foreign Affairs and Security Policy presented on 16 December 2020 a cybersecurity strategy for the digital decade focusing on resilience, technological sovereignty and leadership, operational capacity to prevent, deter and respond, and a global and open cyberspace. At the same time, the Commission put forward a proposal for a directive on measures for a high common level of cybersecurity across the Union (‘revised NIS Directive’ or ‘NIS 2’), modernising the existing framework, and a proposal for a new directive on the resilience of critical entities providing services essential for the maintenance of vital societal functions or economic activities, e.g. in the energy, transport, health and digital sectors. On 23 June 2021, the Commission adopted a recommendation on building a Joint Cyber Unit (JCU) aimed at coordinating efforts by Member States and EU institutions, bodies and agencies to tackle large-scale cyber-attacks. The JCU is expected to be fully established by 30 June 2023.

Regarding taxation in an increasingly digital economy, the Commission announced in July 2021 that it would postpone its proposal on a digital levy, although the interinstitutional agreement of 16 December 2020 provides that this initiative would be put forward by June 2021.

Supporting industry and small and medium-sized enterprises

A communication updating the March 2020 new industrial strategy was adopted by the Commission on 5 May 2021, putting forward a number of additional actions aimed at tackling new challenges linked to the impacts of the coronavirus crisis, the changing global competitive context, and the acceleration of the green and digital transitions. It points to the need to strengthen the resistance of the single market to disruption and to ensure continuity in the free movement of persons, goods, services, and capital. In particular, a legislative proposal on a new single market emergency instrument, aimed at ensuring the free movement of persons, goods and services in future crises, has been announced for the beginning of 2022. Furthermore, the Commission would implement a range of actions to reduce and prevent strategic dependencies, for instance the further development of industrial alliances. Moreover, transition pathways for industrial ecosystems would be designed in partnership with industry, public authorities, social partners and other stakeholders. The update is accompanied by three reports: the first annual single market report, analysing the impact of the Covid-19 pandemic on the single market economy and presenting the state of play of implementation of the March 2020 industrial policy package; a report analysing the EU’s current and possible future strategic dependencies and capacities in the areas of products and key technologies, and discussing possible policy measures to address these dependencies; and a report analysing the challenges facing the EU steel industry, pointing to the policies and tools that are available or in the pipeline to help the sector achieve the twin transitions and improve its resilience.

Improving the functioning of the single market

The white paper on levelling the playing field as regards foreign subsidies, adopted by the Commission in June 2020, was followed on 5 May 2021 by a Commission proposal for a regulation laying down rules for investigating foreign subsidies that distort the internal market, and for redressing such distortions. This regulation would aim to address foreign subsidies granted to an undertaking engaging in an economic activity in the internal market, e.g. acquiring or merging with an undertaking or participating in a public procurement procedure. The updated industrial strategy identifies this proposal as key in strengthening the EU’s open strategic autonomy.
3. An economy that works for people

In her political guidelines, Ursula von der Leyen promised a fair transition for all towards a green social market economy. She committed to fostering an ‘economy that works for people’, enhancing the distinctive features of the social market economy called for in Article 3(3) TEU. The European Commission announced new initiatives implementing this priority in its 2021 work programme and took additional measures to address the negative economic impact of the coronavirus pandemic.

Supporting small and medium-sized enterprises' investment and financing

The 2019 political guidelines acknowledged that small and medium-sized enterprises (SMEs) are the backbone of the EU economy and committed to adopt an SME-dedicated strategy to reduce red tape and facilitate access to diversified sources of funding. In this vein, in March and April 2021, the Commission called for feedback from stakeholders on the merits and feasibility of setting up a referral scheme to require banks (and other providers of funding) to inform SMEs whose credit application they have denied about alternative sources of funding. The Commission is expected to proceed further with this topic by the end of 2021.

In May 2021, the technical expert stakeholder group on SMEs (TESG), set up in October 2020, published its final report tabling 12 recommendations to deliver proportionate listing requirements for SMEs, encourage Member States to introduce accommodative tax policies, increase investor access, and improve the visibility of SMEs. The recommendations touch on a number of issues, ranging from harmonising SME definitions, to using pre-listing sandboxes and transitional periods, as well as facilitating data collection in the European single access point (ESAP) and improving corporate governance disclosure. The Commission will evaluate these recommendations and explore possibilities to simplify SME listing rules, in order to facilitate and diversify small and innovative companies' access to funding, as announced in action 2 of the new capital markets union (CMU) action plan. In June 2021, the Commission published a list of indicators to help monitor capital markets' developments and measure progress towards the CMU objectives.

The new CMU action plan includes a feasibility assessment on the development of an EU financial competence framework. In a report tabled in April 2021, the Commission's Directorate-General for Financial Stability, Financial Services and Capital Markets Union (DG FISMA) presented the results of this assessment and concluded that the most appropriate way forward is to work with the OECD on joint EU/OECD competencies frameworks on financial literacy for adults and youth respectively.

Deepening economic and monetary union

To achieve a more growth-friendly fiscal stance in the euro area, the Commission initially announced its intention to further deepen economic and monetary union (EMU). Following up on this commitment, in February 2020, the Commission presented a communication to review the current framework for economic and fiscal surveillance, especially the six-pack and two-pack reforms. The purpose of the communication was to start a public debate on the effectiveness of existing surveillance tools in achieving their key objectives. The consultation was extended due to the coronavirus pandemic and the Commission has yet to publish timelines for the next steps. The coronavirus pandemic has, however, led to the need for a more drastic approach, resulting, in the first place, in the decision to suspend the stability and growth pact (SGP) temporarily, by activating the ‘general escape clause’.

The crisis caused by the pandemic has also revived supranational debt instruments as a solution for avoiding a symmetrical exogenous shock producing asymmetrical effects between Member States. In this setting, the European Commission is expected to borrow from the capital markets up to around €800 billion between mid-2021 and end-2026 to finance Next Generation EU (NGEU), the
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new temporary recovery instrument established in December 2020. The first €20 billion bond under NGEU has a 10-year maturity and was issued on 15 June 2021. This issuance was the largest-ever institutional bond issuance in Europe, the largest-ever single-tranche institutional transaction and the largest amount the EU has raised in a single transaction. The Commission was able to start borrowing in June and making funds available under the Recovery and Resilience Facility (RRF), which is the central part of NGEU, as the Council had received by 31 May 2021 the formal notifications of ratification of the new Own Resources Decision from all 27 Member States.

The completion of banking union (BU) has remained a key priority. At the 25 June 2021 Euro Summit, leaders reiterated their full commitment to the completion of the BU and invited the Eurogroup in inclusive format to 'agree without delay on a stepwise and time-bound work plan'. According to its initial 2020 work programme, the Commission intended to adopt proposals to review the prudential framework for banks in the second quarter of 2020, to implement the final Basel III standards. However, given the economic shock stemming from the pandemic, these proposals have been postponed. In a speech on the occasion of the 22nd Deutsche Bankentag, in April 2021, President von der Leyen confirmed the Commission's intention to implement Basel III in the EU and to present relevant legislative proposals 'by autumn at the latest'.

As part of Europe's systemic change, the EU economic and financial system is a key driver of the green transition. In this respect, on 6 July 2021 the Commission adopted a new strategy for financing the transition to a sustainable economy, including the establishment of an EU green bond standard.

Implementing the social pillar and promoting equality

Following the commitment made in the political guidelines, and reiterated in the January 2020 communication on a strong social Europe for just transitions, the Commission adopted an action plan for the implementation of the principles of the European Pillar of Social Rights, in March 2021. The action plan sets three headline targets for the EU, to be reached by 2030, on employment, skills, and social protection, in line with the United Nations sustainable development goals (SDGs). At the Porto Social Summit held on 7-8 May 2021, the action plan was one of the major inputs into discussions on the social aspects of medium- to long-term recovery from the coronavirus crisis, including unemployment, education and training, social protection and poverty. The Heads of State or Government meeting in the Euro Summit of 25 June 2021 welcomed the EU headline targets of the European Pillar of Social Rights action plan, in line with the Porto declaration. As a concrete action under the Social Pillar, the Commission presented a recommendation on an effective active support to employment, following the Covid-19 crisis.

Pending the establishment of a European Unemployment Reinsurance Scheme, which was originally announced for the end of 2020 in the 2020 Commission work programme, an instrument for temporary support to mitigate unemployment risks in an emergency (SURE) was created to tackle the negative impact of the pandemic on the labour market. In addition, the Commission adopted a new occupational safety and health strategy on 28 June 2021, to be followed by a comprehensive action plan for the social economy, scheduled for the end of 2021.

In March 2021, the Commission tabled a proposal for a Council recommendation on establishing a European child guarantee, as a key element of the comprehensive EU strategy on the rights of the child. The Council adopted the recommendation on 14 June.

Fair taxation

On 18 May 2021, the Commission adopted a communication on business taxation for the 21st century to promote a robust, efficient and fair business tax system in the EU. It lays down both a long-term and short-term vision to support Europe's recovery from the Covid-19 pandemic and to ensure adequate public revenues over the coming years. The communication takes account of the progress made in the G20/OECD discussions on global tax reform.
4. A stronger Europe in the world

In November 2019, the incoming President of the European Commission, Ursula von der Leyen, stated her intention to head a ‘geopolitical Commission’. The Covid-19 pandemic refocused the call for reforms. In particular, the EU’s main foreign policy priority has become to enhance the EU’s resilience to structural risks through support of its neighbours and engagement with global partners. One year after her 2020 State of the Union address, this section assesses the Commission President’s announcements that 2021 would be rich in advancing the common security and defence policy (CSDP) agenda and that the Commission would publish a series of new instruments and strategies to support global stability, trade, economic development, and human rights on the path to post-pandemic recovery.

Responding to the Covid-19 pandemic

To mitigate the socioeconomic impact of the pandemic, the Commission adopted the Team Europe facility (€40.5 billion) in April 2020. The investment plan for the Western Balkans (€9 billion) and for the Southern Neighbourhood (€7 billion) were, together with the Neighbourhood and the World budget of €98.4 billion within the 2021-2027 Multiannual Financial Framework (MFF), an expression of solidarity and long term commitment for peace and democracy. As announced in its 2021 work programme, the Commission presented a strategy for the EU’s humanitarian action in the context of Covid-19 and beyond. EU Member States committed to donate at least 100 million doses of Covid-19 vaccines to countries in need before the end of 2021 through the COVAX programme. Additional regional initiatives, such as support for the Western Balkan countries’ vaccination efforts, have also been agreed in cooperation with some EU Member States. A number of developing countries have proposed to waive parts of the World Trade Organization Trade-related Intellectual Property Rights (TRIPS) agreement, to boost vaccine production in the context of the pandemic. However, the EU position on the waiver remains divided, and in June 2021, the EU made an alternative proposal of urgent trade policy responses to the Covid-19 crisis through IPR measures such as compulsory licensing.

Bolstering security and stability

During the first half of 2021, the co-legislators adopted the 'Global Europe' Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe), as well as the European Instrument for International Nuclear Safety Cooperation complementing the NDICI. NDICI-Global Europe earmarks €79.46 billion for 2021-2027 and is an important innovation in financing EU external actions. The five priorities established in the Global Strategy for the Union’s foreign and security policy – security, resilience, integrated approach to conflicts, cooperative regional order, and global governance – guide this programme, representing the EU’s vision and framework for external engagement in partnership with others, and advancing its values and interests. The European Peace Facility (EPF) – the off-budget mechanism that will strengthen the military and defence capacities of non-EU states, regional, and international organisations – became operational in July 2021. The EPF’s main innovation is the ‘capacity-building’ element and the investment in third countries’ military, infrastructure, and humanitarian logistics. To complement both NDICI-Global Europe and EPF, the Commission is planning the adoption of a joint communication on a strategic approach to support the disarmament, demobilisation and reintegration of ex-combatants during the third quarter of 2021.

To enhance the political dimension of cooperation with partner countries, the EU approved a new strategy for the Sahel region. The strategy will enhance cooperation with G5 Sahel countries (Burkina Faso, Chad, Mali, Mauritania, and Niger) based on the principle of mutual accountability. It will also tackle cross-border challenges in a wider regional context. Furthermore, a new strategy for the Horn of Africa marks the region as a ‘geo-strategic priority’ and emphasises security capacity-building through the EU’s CSDP missions (EUTM Somalia, EUCAP Somalia) and a reinforced role for
the EUNAVFOR Somalia – Operation Atalanta tasked with a comprehensive maritime surveillance mission. In July 2021, a new military training mission in Mozambique (EUTM Mozambique) was launched, restoring safety and security in the Cabo Delgado province. Finally, the mandate of the naval operation EUNAVFOR IRINI off Libyan shores was extended until March 2022.

Engaging with global partners

The EU is developing open and fair relationships with its global partners based on international law and common values and interests. For Asia, a new Indo-Pacific strategy was adopted in April 2021, ahead of the EU-India summit (May 2021). The EU-China comprehensive agreement on investment was agreed 'in principle' in December 2020, but ratification remains on hold as the European Parliament refuses to ratify it, keeping the deal 'frozen' whilst sanctions on EU entities and Members of the European Parliament and Member States' parliaments remain in place.

The 15 June 2021 EU-US Summit marked a new chapter in bilateral relations with the United States (US), following the election of Joe Biden as US President in November 2020. Both partners agreed to support the post-pandemic recovery and green growth, and to strengthen trade and investment. As suggested by the new EU-US agenda for global change, technological cooperation was reinforced by creation of the EU-US Trade and Technology Council. Furthermore, the EU and US agreed to cooperate on a series of international issues, including the Western Balkans and political dialogue between Belgrade and Pristina and the eastern Mediterranean crisis involving Turkey.

Concerning Turkey, the Commission initiated a technical evaluation of the possible modernisation of the EU-Turkey customs union. Any steps forward must contain strong human rights conditionality, as required by the European Parliament. In July 2021, Turkey took steps to become part of the EU Green Deal. Turkey and EU continue to implement the March 2016 EU-Turkey Statement on migration. On the mid-term evaluation of the Facility for Refugees in Turkey on 7 July 2021, Commission assessed it has mobilised €6 billion in assistance to refugees in Turkey. An additional €3 billion over the 2021-2023 period would provide support to Turkey, which is already hosting 4.8 million foreign nationals, 3.7 million of whom are seeking international protection. International protection-seekers from Afghanistan represented 72% of all present in Turkey, making Afghan migrants the first nationality of apprehended or rescued migrants, according to the International Organization for Migration.

The EU-UK Trade and Cooperation Agreement entered into force on 1 May 2021. In July, the Commission rejected a call from the British government to overhaul the Northern Ireland Protocol, a key tenet of the agreement that saw the UK leave the EU in 2020. On 21 July 2021, the UK set out a ‘command paper’, Northern Ireland Protocol: The way forward, urging European leaders to renegotiate the protocol on the basis that it has turned out to be unworkable in practice. However, Commission Vice-President Maroš Šefčovič said that the Protocol 'must be implemented'.

Defending rule of law, human rights, and fundamental freedoms

Following the adoption of the global human rights sanctions regime in December 2020, the EU enacted, in March 2021, 'restrictive measures' aimed at four Chinese officials and one entity believed to be involved in the alleged human rights violations of the Uyghur Muslim minority; and in June 2021, a third round of sanctions against the Myanmar military involved in the coup and a fourth round of sanctions against the Lukashenko regime over enduring repression of opposition and the forced landing of a Ryanair flight. Most recently, the Belarusian authorities asked the Head of the EU Delegation in Minsk to return to Brussels for consultations, closing further diplomatic channels of communication. In July 2021, economic sanctions on the Russian Federation over the destabilisation of Ukraine were prolonged by a further six months, until 31 January 2022.
5. Promoting the European way of life

The ‘Promoting our European way of life’ priority covers a wide range of issues, encompassing not only migration, asylum and internal security policies, but also education, social integration and health. Policy action in these areas has been highly influenced by the multiple crises that Europe has faced, from migration and terrorism to the coronavirus pandemic. The latter has strongly accelerated progress on health policy – an area of rather limited EU action until now. The European Commission also has the ambition to overcome the current deadlock and reform the EU asylum and migration policy through a new set of proposals. As to security policy, it seems to be evolving from a mainly terrorism-focused approach to a more comprehensive one, taking into account the increasing digitalisation of crime.

Towards a European health union

As the coronavirus pandemic was spreading, the Commission developed the ambition to build a European health union. From the very start of the current public health crisis, the Commission undertook to coordinate Member States’ responses while also launching long-term initiatives to make the EU more resilient and better prepared in the future. These coordination efforts translated into the adoption (in record time) of the EU digital Covid certificate to facilitate the free movement of people in the EU during the pandemic, which started to apply from 1 July 2021, as well as a recent EU strategy on Covid-19 therapeutics complementing the EU vaccines strategy.

In a more long-term perspective, in November 2020, the European Commission presented its first package of measures to strengthen the EU’s health security framework, including three legislative proposals: a proposal for a regulation on serious cross-border threats to health, repealing Decision No 1082/2013/EU (often referred to as the ‘Cross-border Health Threats Decision’), and two proposals to broaden the mandates of the European Medicines Agency (EMA) and the European Centre for Disease Prevention and Control (ECDC). The Commission launched in parallel its pharmaceutical strategy for Europe, aimed at creating a future-proof regulatory framework, enhancing crisis-preparedness and ensuring affordability of medicines for patients. In February 2021, it finally unveiled the EU public health initiative that had already been announced in its 2019 political guidelines (slightly delayed by the pandemic): Europe’s Beating Cancer Plan. Other initiatives, set out in the Commission’s 2021 work programme (CWP 2021), include establishing a new agency for biomedical advanced research and development (later renamed health emergency preparedness and response authority – HERA) and developing a European health data space.

A European education area fit for the digital age

In her political guidelines, Ursula von der Leyen committed to making a European education area a reality by 2025, emphasising the need to improve access to quality education and learning mobility. Following the adoption of the European skills agenda in July 2020, the Commission adopted on 30 September 2020, a communication on achieving a European education area. The area would rest on a renewed and reinforced Erasmus+ 2021-2027 programme, which was formally adopted on 8 June 2021. At the same time, to make education and training systems fit for the digital age – a clear need during the coronavirus crisis, with technology used at an unprecedented scale in education and training, the Commission launched its updated Digital education action plan 2021-2027. It also brought forward an action plan on integration and inclusion proposing targeted and tailored support to people with a migrant background.
A new pact on migration and asylum

In September 2020, the European Commission adopted the long-awaited new pact on migration and asylum. The new pact sets out a comprehensive approach, bringing together various EU policies on migration, asylum and borders, as well as external cooperation on migration. According to the communication, the pact envisages robust management of external borders, including identity, health and security checks; fair and efficient asylum rules, streamlining procedures on asylum and return; a new solidarity mechanism for situations of search and rescue; stronger foresight, crisis preparedness and response; and an effective return policy and an EU-coordinated approach to returns. The first package includes five legislative proposals: three new regulations, on asylum and migration management, screening and crisis and force majeure, and two amended proposals revising the Asylum Procedures Regulation and the Eurodac Regulation. The pact also sets out a way forward to conclude negotiations on pending asylum and return reforms. In line with the political guidelines, the pact envisages developing sustainable legal pathways not only for those in need of protection but also to attract talent to the EU. While the first set of proposals does not cover legal migration, CWP 2021 announced a number of measures to address current shortcomings, such as revision of the Long-term Residents Directive and the Single Permit Directive. Moreover, in order to protect free movement within the EU, put under pressure by recent crises, the Commission presented in June 2021 a strategy on the future of Schengen and a proposal to amend the Schengen evaluation mechanism, while the revision of the Schengen borders code has been postponed. In July 2021, the Parliament adopted two financial instruments for managing migration and borders in the new Multiannual Financial Framework (2021-2027): the Asylum, Migration and Integration Fund (AMIF) and the Integrated Border Management Fund (IBMF).

Towards a security union 2.0

In July 2020, the European Commission adopted its EU security union strategy, building on the achievements of the 2015-2020 European agenda on security and articulated around four main priorities: achieving a future-proof security environment, tackling evolving threats, protecting Europeans from terrorism and organised crime, and building a strong European security ecosystem. The strategy adopts an integrated approach, aimed at ensuring security in both the physical and digital environments and takes into account the interconnection between internal and external security. The Commission has put forward several legislative and non-legislative initiatives under this strategy in an effort to tackle the main threats, amplified by the pandemic, including increased digitalisation of crime going hand in hand with the digitalisation of our lives. In this vein, the Commission has intensified its work on combating child sexual abuse online, with the adoption of a dedicated strategy in July 2020 and subsequent legislative proposals. While more comprehensive legislation is postponed to the end of 2021, the Parliament voted in July a temporary derogation to the e-Privacy Directive to allow tech companies to continue tracking child sexual abuse material online. Combating terrorism also remains a priority, as illustrated by the adoption of the new EU counter-terrorism agenda in December 2020 (well ahead of the initial schedule), together with legislative proposals on enhancing the resilience of critical entities and on strengthening Europol's mandate. In this context, it is worth mentioning the adoption by the co-legislators of the Regulation on Preventing the Dissemination of Terrorist Content Online (proposed by the previous Commission), providing for prompt removal of such content by the platforms. Furthermore, the Commission presented several important non-legislative instruments, including two new strategies for 2021-2025 adopted in April 2021: on combating trafficking in human beings and on tackling organised crime. A new (and reinforced) Internal Security Fund (ISF), adopted by the Parliament in July 2021, will underpin the EU's action in this area.
6. A new push for European democracy

The organisation of the Conference on the Future of Europe, on the one hand, and issues related to respect for the rule of law, on the other hand, have been at the forefront of the priority 'a new push for democracy'. Furthermore, in April 2021, the European Commission adopted its communication on Better Regulation proposing several improvements to the EU law-making process, inter alia removing obstacles and red tape slowing down investments, simplifying public consultations and introducing a 'one in, one out' approach to burdens derived from legislation.

Organising the Conference on the Future of Europe

Ursula von der Leyen announced in her political guidelines a Conference on the future of Europe as a way to push for greater democratic participation of EU citizens in ways to improve how the Union works. The Parliament, Commission and Council expressed their respective views on the scope, structure and follow-up to be given to the Conference: Parliament in a resolution, and the Commission in a communication, both in January 2020, and then the Council, first in June 2020 then in February 2021. Despite delays due to the Covid-19 pandemic, divergent views and expectations, notably on the chair and outcome of the Conference, the three institutions reached an agreement in a joint declaration of 10 March 2021, marking the beginning of the Conference.

The joint declaration solemnly commits the three institutions' presidents to follow up on the recommendations deriving from the Conference in full respect of the principles of subsidiarity and proportionality, and the institutions' respective competences. The joint declaration establishes the main pillars of the Conference: citizens’ panels, the conference plenary, a multilingual platform and decentralised/national events. European citizens’ panels should be representative of the EU's population and debate with a view to feeding the Conference plenary with recommendations for the Union's institutions to follow up. The Conference plenary will debate recommendations from national and European panels and be composed of representatives of Parliament, Council, the Commission, national parliaments on an equal footing, and citizens. An executive board representative of the three institutions (each having three representatives and up to four observers) deciding by consensus, is organising the work of the Conference and prepares its plenary meetings, including citizens' input, and their follow-up. Some bodies will have observer status in the board, inter alia the presidential troika of the Conference of Parliamentary Committees for Union Affairs of Parliaments of the European Union (COSAC), the European Committee of the Regions (CoR) and the European Economic and Social Committee (EESC), as well as social partners. The Conference has a tripartite Presidency, made up by the presidents of Parliament, Council and Commission, which should aim at delivering conclusions by spring 2022.

Co-chairs have been appointed for the executive board: Guy Verhofstadt (Renew, Belgium), also Chair of Parliament’s delegation to the Conference, for Parliament, Dubravka Šuica, for the European Commission, and Gašper Dovžan (Slovenian Presidency – Ana Paula Zacarias for the previous Portuguese Presidency). Early on, Parliament also appointed its two other members of the executive board: Manfred Weber (EPP, Germany) and Iratxe García Perez (S&D, Spain), plus four observers: Daniel Freund (Greens/EFA, Germany), Gerolf Annemans (ID, Belgium), Zdzisław Krasnodębski (ECR, Poland) and Helmut Scholz (The Left, Germany).

Preparation of the Conference started with the launch on 19 April 2021 of the multilingual platform, a hub meant to inform on events and gather ideas on future reforms in nine policy categories: i) climate change and the environment; ii) health; iii) a strong economy, social justice and jobs; iv) EU in the world; v) values and rights, rule of law; vi) digital transformation; vii) European democracy; viii) migration; and ix) education, culture, youth and sport. Organisers and participants of events in the framework of the Conference must respect the Conference charter. Proposals expressed on the platform should feed the discussion of the citizens' panels and the plenary of the Conference. On Europe Day (9 May) 2021, the Parliament hosted the Conference's inaugural event and the executive
board approved the Rules of Procedure of the Conference. The Parliament had previously decided on the composition of its delegation of 108 members to the Conference. A dedicated website tracks the activity of Parliament’s delegation and positions. On 17 June 2021, a European citizens’ event took place in Lisbon, followed two days later by the first Conference plenary, in Strasbourg, both with remote and physical participation, including presentations on the European citizens’ panels and on the multilingual digital platform. According to the Conference’s provisional programme, the plenary will meet almost monthly until spring 2022. Citizens’ panels will be created on four policy areas: (1) values, rights, rule of law, democracy, security; (2) climate change, environment/health; (3) stronger economy, social justice, jobs/education, youth, culture, sport/digital transformation; and (4) EU in the world/migration. Each will be composed of 200 citizens, randomly selected but representative of the EU’s population and meeting in sessions from end-September 2021 until January 2022. While the composition of the citizens’ panels is still under way, the remaining composition of the Conference has been finalised and the overall process is becoming clearer. With the Conference getting to the heart of its work, Members of the European Parliament are also more clearly voicing their different expectations of the Conference.

**Upholding the rule of law and other EU values**

EU values (enshrined in Article 2 TEU) have come under pressure in recent years in the EU, with Article 7 TEU procedures launched against Poland (2017) and Hungary (2018). A number of ECJ judgments have addressed judicial independence. In her political guidelines, President von der Leyen put great emphasis on upholding the EU values, including the rule of law, and committed to using all the EU tools available and strengthening existing ones to that end. She expressed her support for a comprehensive European rule of law mechanism, with annual reporting by the European Commission, based on objective criteria and applying to all Member States equally. She also committed to ensuring a greater role for Parliament in this mechanism. The Commission adopted its second annual rule of law report in July 2021. The annual reports address not only the justice system, but also the organisation of the prosecution service, fight against corruption, media pluralism and even relations between the branches of government (checks and balances) and the condition of civil society.

In December 2020, the General Conditionality Regulation was adopted as part of the 2021-2027 Multiannual Financial Framework. It allows the suspension or withdrawal of EU funding for those Member States that breach the principles of the rule of law with regard to the proper implementation of the EU budget, in areas such as public procurement, financial control, audit and financial management, as well as investigation and prosecution of fraud affecting EU financial interests. However, the Commission committed to the European Council to wait for the judgment of the European Court of Justice on the legality of the regulation before adopting guidelines for its application, and it will not impose sanctions on any Member State prior to that. Hungary (Case C-156/21) and Poland (Case C-157/21) brought actions for annulment of the regulation, which are now pending. In its resolution of 25 March 2021, Parliament stressed that the application of the regulation should not be subject to the adoption of guidelines and urged the Commission to start applying it as from 1 January 2021. If guidelines are indeed deemed necessary, the Commission should not wait for the ECJ judgment but adopt them by 1 June 2021 (which the Commission did not). In a subsequent resolution of 10 June 2021, Parliament requested its President to call upon the Commission to act, failing which to bring an application under Article 296 TFEU (action for failure to act) against the Commission. The President of the Parliament did so by letter of 23 June 2021.
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This EPRS paper analyses progress in attaining the policy agenda set out by Ursula von der Leyen, President of the European Commission, and her College of Commissioners when they took office in December 2019. It looks in particular at the state of play in respect of delivery on the six key priorities asserted at that time.

Concretely, EPRS finds that of the nearly 400 legislative and non-legislative initiatives foreshadowed by the von der Leyen Commission on taking office or since (406), just over half have already been submitted (212). Of these, almost half has already been adopted (101), while the great majority of the remainder are either proceeding normally in the legislative process (76) or are close to adoption (10). Conversely, a certain number of proposals are proceeding very slowly or are currently blocked (25).