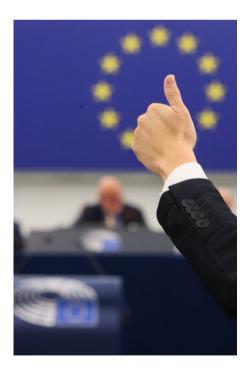


Examples of Parliament's impact: 2019 to 2024

Illustrating the powers of the European Parliament



IN-DEPTH ANALYSIS



This publication provides an overview of the powers of the European Parliament, giving examples of how and where it has made a difference during the ninth legislative term (July 2019 to June 2024).

It has been drawn up by the Members' Research Service of the Directorate-General for Parliamentary Research Services (EPRS) within the secretariat of the European Parliament. It was compiled and edited by Sally Gill, with contributions from the following policy analysts within the Members' Research Service: Antonio Albaladejo, Laurence Amand-Eeckhout, Pieter Baert, Anna Caprile, Polona Car, Micaela Del Monte, Clément Evroux, Liselotte Jensen, Monika Kiss, Silvia Kotanidis, Tarja Laaninen, Katrien Luyten, Rafal Manko, Hendrik Mildebrath, Maria Niestadt, Marketa Pape, Marianna Pari, Jakub Przetacznik, Magdalena Sapala, Rosamund Shreeves and Jaan Soone. The graphics were prepared by Samy Chahri.

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Overview

As the only European Union (EU) institution elected directly, the European Parliament is at the heart of representative democracy, the foundation upon which the EU is built. As the current – 2019 to 2024 – term wraps up, this paper from EPRS looks at a selection of the many achievements of the Parliament over the past five years in seeking to improve the European Union for its citizens. This term has not lacked for challenges, with an unprecedented pandemic closely followed by war on the EU's eastern border, after Russia's invasion of Ukraine. The Union, with Parliament frequently in the lead, has developed strong responses to these extraordinary challenges.

Parliament's power and influence have evolved significantly over the years, and it is now a fully fledged legislative body whose influence is felt in virtually all areas of EU activity. Parliament's powers fall broadly into six, often overlapping, domains: law-making, the budget, scrutiny of the executive, external relations, and, to a lesser extent, constitutional affairs and agenda-setting. In recent months, the European Parliament has engaged in a process of reform, seeking to enable it to use these various powers more effectively and efficiently.

Parliament has been influential in shaping a range of new laws this term, including the Digital Services Act and the IRIS² Regulation. Agricultural policy has seen reform, and major environmental legislation has been adopted, in the shape of the European Climate Law and the 'fit for 55' package. Responding to the pandemic, Parliament has focused on health. In the context of promoting democratic values, meanwhile, Parliament was able to shape key aspects of the Media Freedom Act and the directive addressing strategic lawsuits against public participation (SLAPPs).

Since Russia began its full-scale invasion of Ukraine, Parliament has played a key role in the EU's response, including: several rounds of macro-financial assistance, the Act in Support of Ammunition Production, and the Ukraine Facility. In external relations, however, Parliament's real power often lies more in the area of agenda-setting.

Another important set of European Parliament prerogatives concerns the scrutiny and control of the executive, in particular the European Commission. Prominent examples of scrutiny work over the last five years have been the committee of inquiry on the Pegasus spyware scandal, successive special committees on tax scandals, culminating in creation of the new subcommittee on tax matters (FISC), and the working group scrutinising the activities of Frontex, the Border and Coast Guard Agency.

Since Parliament gave its consent in 2020 to the EU's multiannual financial framework (MFF) for 2021 to 2027, the Union has had to respond to huge challenges, including the economic fall-out from the COVID-19 pandemic and Russia's war on Ukraine. Parliament has pushed for reforms, and has focused on the implementation of the Next Generation EU recovery instrument.

In the constitutional field, Parliament has sought to use its powers to uphold the EU's values, for instance triggering a preventive mechanism in respect of the serious breach of EU values with regard to Hungary. The 2020 Conference on the Future of Europe meanwhile offered citizens the opportunity to help Parliament fine-tune recommendations for Treaty change.

Lastly, the power to set the EU agenda is a thread that runs through all Parliament's work as a forum for debate and engagement. Stand-out examples during this term include the Parliament's work on the forthcoming artificial intelligence act, and in the area of a minimum wage and minimum income. Parliament's constitutional powers include appointments of people to certain senior positions in other EU institutions. Even when its opinions are not legally binding they allow it to exercise political leverage. This point was proved with the appointment in 2019 of the first European Chief Prosecutor.

Mapping the European Parliament's powers in different areas

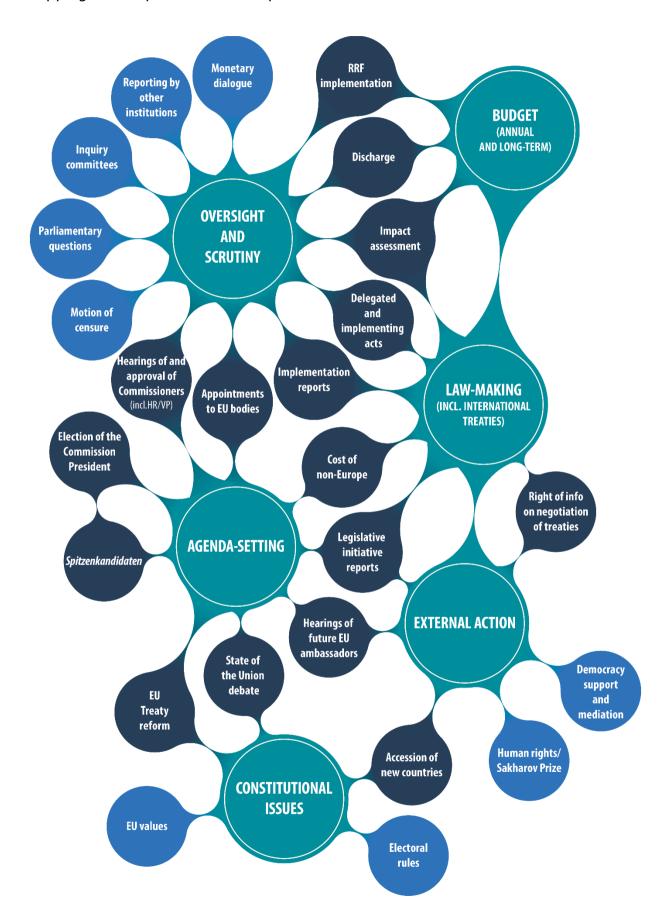


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Part 1: Categorising the European Parliament's powers

The Parliament exercises power in six areas, set out below. In many cases the division between these areas is not precise, and as can be seen in the cases in Part 2, much of the work of the European Parliament spills over into more than one of them.

Law-making



Together with the Council (representing the Member States' governments), the Parliament shapes EU laws in what may be seen as a bicameral legislature. The nature of Parliament's involvement depends on the area in question; this may mean Parliament being consulted (consultation procedure), giving its consent (consent procedure), or legislating on an equal footing with the Council (the

ordinary legislative procedure – or co-decision).

The latter procedure consists of the joint adoption of an act by the European Parliament and the Council on the basis of a proposal from the Commission. Here, both co-legislators need to agree on an identical text before it becomes law. This can take one or two (or even three) readings by each of the two institutions. On average, it takes about 22 months for the co-legislators to adopt a legislative file under co-decision, from the Commission proposal to the signature of the final act.

The number of areas in which Parliament co-legislates has expanded greatly over time, and now includes the EU internal market, the environment, consumer protection, food safety, regional development, agriculture, transport, and energy, among others. Indeed, most legislative acts are now adopted following the ordinary legislative procedure.

The consent procedure effectively gives the European Parliament a veto over certain acts. In these cases, Parliament may either accept or reject the proposal; in the latter case, the act cannot be adopted. Parliament's consent is required in many other instances not related to legislative acts in the strict sense, for example before concluding agreements with third countries, such as trade agreements.

Under the consultation procedure, Parliament's role is limited to providing a non-binding opinion. Areas where this procedure applies include competition, taxation and State aid. In these cases, Council is obliged to seek Parliament's opinion, and if it fails to do so the act cannot pass.

Oversight and scrutiny



The European Parliament exercises scrutiny over the EU executive – the European Commission – but also other institutions and bodies. This scrutiny involves several important powers. According to the EU Treaties, the Commission as a body is responsible to the European Parliament and it has to resign if a motion of censure, also known as a vote of no confidence, is adopted by Parliament. While the latter

has never happened, the imminent likelihood of such a vote led to the collective resignation of the Santer Commission in 1999.

While the Treaties speak only of the collective responsibility of the Commission, given the importance of political accountability, the Parliament may request the President of the Commission to withdraw confidence in an individual Commissioner. The 2010 Framework Agreement between the Parliament and Commission commits the Commission President to 'seriously consider[ing]' such

a request by Parliament. However, these provisions have, to date, never been applied. Parliamentary scrutiny also involves the right to question the executive (the Commission) by means of parliamentary questions, and the corresponding duty of the Commission to provide an answer (Article 230 of the Treaty on the Functioning of the European Union – TFEU).

Parliament also plays a crucial role in the appointment of the Commission. After the election of the Commission President, and following parliamentary hearings with individual Commissioners-designate, the college of Commissioners as a whole must be approved by the Parliament before it can take office.

Parliament's powers of scrutiny include establishing committees of inquiry to investigate 'alleged contraventions or maladministration in the implementation of Union law' (Article 226 TFEU). A 'contravention' means a violation of EU law, while 'maladministration' includes administrative irregularities, omissions, abuse of power, unfairness, malfunction or incompetence, discrimination, avoidable delays, refusal to provide information, and negligence. The European Parliament's right of inquiry is governed by Decision 95/167/EC², although Parliament has a long-standing aim to update the framework for committees of inquiry. Since Parliament's right of inquiry was codified in the Treaties in 1993, only seven committees of inquiry have been established, including the two committees formed during the present parliamentary term: the inquiry committee on the protection of animals during transport (ANIT), and the inquiry committee to investigate the use of Pegasus and equivalent surveillance spyware (PEGA).

Another long-fought for prerogative of Parliament is the scrutiny of 'delegated' and 'implementing acts', adopted by the Commission, including a right to veto delegated acts or revoke the delegation of power.

These formal scrutiny powers are complemented by various tools used by the Parliament at the practical level when conducting its business, for example in the context of impact assessments of proposed legislation and evaluation of the implementation of existing laws.

Budget



Parliament shares its power over the EU budget with the Council, but the extent of this power varies. Its role is less developed on the revenue side of the budget (the own resources system), stronger in shaping the EU's long-term spending priorities included in the multiannual financial framework, and stronger still in the annual procedure for approving the implementation of the budget, known as the

discharge procedure. The Next Generation EU recovery instrument, set up to help Member States in their recovery from the pandemic, has required a new approach to budget scrutiny. While Parliament is not involved in the detailed spending decisions in each Member State, it has regular dialogue with the Commission on implementation of the instrument, and assesses the spending as part of the annual discharge procedure.

The multiannual financial framework (MFF), and any revision to it, is adopted in the form of a regulation. The Council must adopt the MFF unanimously, after obtaining the consent of Parliament, which must be given by a majority of its component members. However, in practice, the consent procedure is not limited to just acceptance or refusal by the European Parliament. It is now

¹ European Ombudsman, Annual Report for 1997, 1998, pp. 22-24.

Decision 95/167/EC on the detailed provisions governing the exercise of the European Parliament's right of inquiry, 19 April 1995.

established practice³ that interinstitutional negotiations take place between the Parliament, the Council and the Commission, so as to facilitate the adoption of the MFF regulation and secure Parliament's consent.⁴

For the annual budgetary procedure, however, the European Parliament acts on an equal footing with the Council. It is the President of the European Parliament who declares that the budget is adopted. Subsequently, Parliament gives discharge on the implementation of the annual budget after obtaining the recommendation of the Council.

Regarding the EU's own resources system, the Parliament must give its opinion before the Council takes a decision requiring the unanimity of the Member States in the Council.

Finally, the European Parliament, together with the Council, and in accordance with the ordinary legislative procedure, decides on the principles and rules governing the establishment, implementation and control of the EU budget. These are set out in the Financial Regulation applicable to the general budget of the Union.

External action



Although the Parliament's formal powers in the area of foreign policy are limited, there are various ways in which Members of the European Parliament (MEPs) are able to exercise soft power in this domain. The Sakharov Prize for freedom of thought is one specific example of this: set up in 1988, it is awarded each year to honour individuals and organisations defending human rights and fundamental

freedoms.

The European Parliament takes a holistic view of democracy support, also as part of a 'soft-power' approach to international relations. This support includes election monitoring, mediation, and provision of training for staff and members of non-EU parliaments. In addition, Parliament is able to exercise diplomacy, conveying messages in ways and through channels that are different from those employed by the EU's traditional diplomatic players, for example, through its parliamentary networks.

Parliamentarians engage pro-actively in inter-parliamentary delegations and missions to third countries, and are members of various joint parliamentary assemblies. Parties in different countries often share strong links by virtue of the fact that they belong to the same political family.

Parliament also enjoys Treaty-based information and consultation rights, which allow its members to shape the EU's external policies. The High Representative is invited regularly to consult Parliament on the main aspects and basic choices relating to the common foreign and security policy (CFSP) and the common security and defence policy (CSDP). MEPs can also address questions and make recommendations to the Council and the High Representative.

A major innovation in Parliament's powers to shape and control EU foreign policy has been MEPs' exchanges of views with heads of EU delegations after their appointment by the High Representative, but prior to taking up their post in a third country. EU ambassadors inform Members about the country concerned and the EU priorities and objectives to be pursued in relations with

R. Crowe, 'The European Council and the Multiannual Financial Framework', Cambridge Yearbook of European Legal Studies, Vol. 18, Cambridge University Press, April 2016.

In accordance with <u>Article 312(5) TFEU</u> and the Interinstitutional Agreement (IIA) on Budgetary Matters (<u>point 15</u>).

the partner country. MEPs may use these opportunities to question the ambassadors, and provide advice and suggestions on the conduct of relations.

Constitutional issues



The European Parliament has powers relating to the very nature of the EU and its institutional and constitutional foundations. These have evolved over time with the ratification of successive EU Treaties. Parliament's consent is required before any new country joins the EU (Article 49 of the Treaty on European Union – TEU. Association agreements also require Parliament's consent, as do all international

agreements with major budgetary implications for the Union.

Since the entry into force of the Treaty of Amsterdam in 1999, Parliament's consent has also been required if the Council wants to address recommendations to or impose penalties on a Member State where there is a clear danger of that Member State committing a serious breach of EU values (Article 7 TEU).

Since the Lisbon Treaty entered into force, Parliament has had the right of initiative for Treaty revision and the right to request a convention to prepare a future Treaty amendment. Under Article 48 TEU, proposals to amend the Treaties are submitted to the Council. The Council must then submit them to the European Council, which decides by a simple majority whether or not to consider the amendments and convene a convention on Treaty reform. The European Council needs Parliament's consent if it decides not to hold a convention.

Also since the 1993 Treaty of Maastricht, Parliament elects the European Ombudsman at the beginning of each parliamentary term (Article 228 TFEU). Parliament's involvement in the appointment of other key figures in the EU leadership has sometimes evolved in an informal way, however, without any explicit legal or Treaty provisions.

Parliament has the right of initiative in matters related to electoral rules, which must be adopted by the Council, and the statute for its Members, for which it requires the Council's consent.

Agenda-setting



Unlike many national parliaments, the European Parliament does not have a full right of initiative. With the exception of a handful of cases provided for in the EU Treaties, it cannot independently propose new laws but must rely on the Commission to do so. In cases where Parliament can 'request' the European Commission to submit proposals, the Commission maintains broad discretion as

to how to respond. However, the interinstitutional agreement currently in force commits the Commission to give 'prompt and detailed consideration' to Parliament's requests, to reply within three months and give 'detailed reasons' when it decides not to submit a proposal in response.

Where Parliament does not have a direct right of initiative, it may nonetheless use other avenues to express its views on any issue, demand action and influence the EU agenda. Examples of this include its legislative and non-legislative own-initiative resolutions and parliamentary questions to the Council, the Commission and the High Representative. In 2020, a study for Parliament's Committee on Constitutional Affairs (AFCO) concluded that Parliament's legislative and non-legislative own initiative reports 'form a widely underestimated and unrecognised tool to informally shape the EU's policy agenda'.

Parliament's written and oral questions and the 'question time' sessions held in plenary sessions, (Rules of Procedure, Title V, Chapter 3) are another way for it to advocate for its proposals.

Another prime example of where Parliament can influence the EU's political agenda is in the appointment of the president of the European Commission and the college of commissioners, through the hearings it hosts in the early months of a new parliamentary term. Furthermore, the 2016 Interinstitutional Agreement on Better Law-Making further provides for a continuous process of interinstitutional consultation and cooperation between the Commission, the Parliament and the Council with regard to multiannual and annual programming of the EU. Upon the appointment of a new Commission, the three institutions are to 'exchange views on the principal policy objectives and priorities of the three institutions for the new term', and to conduct dialogue both before and after the adoption of the Commission work programme (CWP).

Part II: Examples of how Parliament has used its powers during the 2019-2024 legislative term

Putting an end to the digital Wild West



While in many ways digital services make life easier for people and companies, they also entail risks, such as the spread of illegal goods, services and content online, especially where larger online platforms are concerned. Parliament has played a key role in making the internets after and putting an end to the digital Wild

West. For years, it called repeatedly for action to secure a level playing field between online platforms and to update the internal market rules for digital services. Parliament put pressure on the European Commission to present its digital services act without delay – which it did in December 20207 – and made practical recommendations for the act's content.

The resulting Digital Services Act (DSA)⁹ – signed into law in October 2022 – is one of the most important digital regulations of recent years and is directly applicable in the Member States. Together with the Digital Markets Act, ¹⁰ the DSA seeks to create a safer digital environment where users' fundamental rights are protected and companies can compete on equal terms. Both acts entered into force in November 2022.

The DSA places obligations and limits on digital services, including rules for marketplaces (e.g. social media platforms, search engines and app stores) that connect consumers with goods, services and content. The obligations and limits on intermediaries are proportionate to the nature of the services provided and the number of users. Larger online platforms and search engines (those with at least 45 million monthly active service users in the EU) are subject to stiffer requirements. ¹¹

Parliament shaped key areas of the DSA. For example, it successfully amended the text to provide for **stronger protection for minors**. It ensured that online platforms are not allowed to use minors' personal data to target advertising. ¹² It also made sure that intermediary service providers are obliged to explain user restrictions in a way that minors can understand. ¹³

Parliament secured **better protection for victims of cyber-violence**, obliging online platforms to take down illegal content (such as revenge porn) without undue delay. It was also instrumental in prohibiting the use of manipulative techniques to influence users' behaviour through 'dark patterns'. Parliament insisted that users must have the **right to seek compensation** from

⁵ For example, European Parliament <u>resolution</u> of 15 June 2017 on online platforms and the digital single market.

⁶ European Parliament <u>resolution</u> of 20 October 2020 on the Digital Services Act: Improving the functioning of the single market.

⁷ Proposal for a regulation on a digital services act, amending Directive 2000/31/EC.

⁸ European Parliament <u>resolution</u> of 20 October on a Digital Services Act: adapting commercial and civil law rules for commercial entities operating online.

⁹ Regulation (EU) 2022/2065 (Digital Services Act).

¹⁰ Regulation (EU) 2022/1925 (Digital Markets Act).

¹¹ Very large online platforms (VLOPs) and very large online search engines (VLOSEs).

European Parliament, <u>Digital Services Act: regulating platforms for a safer online space for users</u>, press release, 20 January 2022.

¹³ If the services are primarily directed to minors or used predominantly by them.

intermediary service providers for damage or loss suffered through infringement of obligations established under the DSA.

Amending the content of the **annual risk assessments** that larger platforms have to carry out, Parliament ensured that these assessments take account of actual or foreseeable adverse effects on fundamental rights, gender-based violence or the protection of public health or a person's physical and mental wellbeing. Parliament also ensured that annual risk assessments take into account specific regional or linguistic aspects, including when specific to a Member State.

Ensuring journalists can do their jobs properly



An independent media is key to a healthy democracy, holding those in power to account and helping people make informed choices. Worrying trends across the EU, however, reveal growing media politicisation and a lack of transparency around media ownership. ¹⁴ Threats, harassment, public shaming and even assassinations of journalists are on the rise. Bogus lawsuits aimed

at silencing journalists (strategic lawsuits against public participation – SLAPPs) are part of the problem. Two innovative pieces of legislation in the area of media freedom and pluralism will be formally adopted in spring 2024: the European media freedom act (EMFA) ¹⁵ and the anti-SLAPP directive. ¹⁶ In the run-up to the 2024 European Parliament elections, the new rules tie in with the EU's efforts to promote democratic participation, fight disinformation and support media freedom and pluralism, and are in line with the European Commission's 2020 European democracy action plan. ¹⁷

The two new laws match demands made by Parliament in recent years as it has advocated for press freedom and media pluralism in the EU and beyond. In a November 2020 resolution, ¹⁸ Parliament pointed to attempts by some EU Member States' governments to silence critical media and undermine media freedom and pluralism. It warned of attempts to subdue the media by means of financial patronage and expressed concerned that public broadcasters were becoming mouthpieces for pro-government propaganda in some EU countries.

Parliament has also stressed the need to guarantee the financial sustainability of public service media channels and ensure the independence of private and public service media outlets from any internal or external political or economic interference, whether from governments, powerful interest groups, third countries or other external actors. ¹⁹

Designed to address hidden funding, lack of transparent ownership, spyware, financial distress, and market concentration, the EMFA marks a historic step as it is the first ever EU-level regulation on **media freedom**, **pluralism** and **protecting journalists**. Under the act, journalists will be able to defend their rights in court. Member States will be forbidden from obliging journalists to identify their sources, and from deploying intrusive surveillance software ('spyware') on journalists' devices.

¹⁴ European Commission website on the Rule of law mechanism.

¹⁵ European Commission <u>press release</u>, 15 December 2023.

European Commission <u>press release</u>, 30 November 2023.

¹⁷ European Commission, <u>Communication on a European Democracy Action Plan</u>, 2020.

European Parliament <u>resolution</u> of 25 November 2020.

¹⁹ European Parliament <u>resolution</u> of 20 October 2021.

In the negotiations on the act, Parliament succeeded in removing a reference to 'protecting national security', given concerns this would give state authorities a 'blank cheque' to spy on journalists.

Member States will have to respect the **editorial freedom** of media service providers from political interests, and ensure adequate resources for them. In line with Parliament's request, all public authorities will have to publish annual accounts of their public advertising expenditure. This requirement will also apply to advertising on online platforms, another Parliament demand.

The anti-SLAPP directive meanwhile will oblige Member States to change their civil procedures to enable courts to dismiss as unfounded cross-border civil cases brought in bad faith to silence journalists, human rights activists or other people engaged in public participation. Under the compromise reached between Parliament and the Council, national rules implementing the anti-SLAPP directive will apply unless it is shown that a case is entirely limited to a single Member State and lacks any cross-border element.²⁰

The mechanism for **early dismissal of abusive cases** is the central feature of the future directive; it will allow courts to reject unfounded or abusive claims without forcing the defendant journalist or activist to go through what could otherwise prove a lengthy and cumbersome civil procedure. There will also be rules in place to ensure that the legal costs incurred by SLAPP victims can be recovered.

The directive is due to be formally adopted in spring 2024, and Member States will have until 2026 to implement it. The directive will not apply to criminal proceedings, i.e. unfounded investigations, charges or criminal trials brought abusively against journalists and other activists. In this regard, the Commission issued a non-binding recommendation to the Member States²¹ but no binding law is being adopted for the time being.

In two resolutions adopted in March 2022²² and June 2023²³ following inquiries, MEPs urged the EU to design a common strategy to deal with foreign interference and disinformation campaigns, calling for more support for independent media channels, fact checkers and researchers.

In October 2023, Parliament awarded the third annual Daphne Caruana Galizia Prize for Journalism, in memory of the Maltese journalist assassinated in a bomb attack in 2017. ²⁴

Raising the level of climate action ambition



The von der Leyen Commission presented the European Green Deal in December 2019, within its first 100 days, as one of its six priorities. ²⁵ The deal included the promise of a European Climate Law, seeking to achieve climate neutrality by 2050. ²⁶ The following September, estimating that the existing policy framework would deliver only a 60 % emissions reduction by 2050, the Commission issueda

2030 EU climate target plan, proposing to change the 2030 greenhouse gas (GHG) emissions

²⁰ Council Document No <u>17026/23</u>.

²¹ Commission Recommendation (EU) 2022/758 of 27 April 2022 on strategic lawsuits against public participation.

²² European Parliament, press release, 9 March 2022.

²³ European Parliament, <u>press release</u>, 1 June 2023.

²⁴ European Parliament, <u>press release</u>, 17 October 2023.

²⁵ European Commission, Communication on the European Green Deal, COM(2019)640.

²⁶ Climate-neutrality means that emissions and removals are balanced, delivering net zero greenhouse gas emissions.

reduction target from 40 % to net 55 % compared with 1990 levels, ²⁷ to be reached by a combination of reductions and removals.

As co-legislator for the European Climate Law, during the trilogue negotiations, Parliament wanted to increase the 2030 target to a 60 % emissions reduction. The Council supported the Commission's proposed target of a net 55 % reduction and the lawmakers reached a compromise of reducing the EU's net GHG emissions by at least 55 % below 1990 levels by 2030, with a limit to the contribution of removals of 225 million tonnes of carbon dioxide equivalent (Mt CO_2e). As part of the compromise, the Commission proposed to raise EU carbon sinks to levels above 300 Mt CO_2e by 2030. Parliament also wanted to include the ambition of delivering negative emissions after 2050 and establishing an independent, inter-disciplinary scientific advisory panel, to which Council agreed. The Parliament and Council reached an agreement on the European Climate Law, legally binding for EU Member States, at the end of June 2021.

Presented later in 2021, the 'fit for 55' package was designed to align existing climate rules with the European Climate Law objectives for 2030 and 2050. It consisted of 19 interlinked proposals: 13 to revise existing EU climate and energy laws, and 6 for new legislation. Included was the promised revision of the Land Use, Land-use Change and Forestry (LULUCF) Regulation, with the Commission proposing binding targets to deliver an EU carbon sink of 310 Mt CO₂e by 2030.

The co-legislators' adoption of this target raised the EU's 2030 net emissions reduction target to 57 %. Parliament also managed to shape other 'fit for 55' package files. In the area of transport policy, MEPs successfully pushed for earlier roll-out of electric charging and hydrogen refuelling infrastructure on EU roads, as well as more ambitious targets for emissions cuts in shipping. They also pushed for more ambition in the timeline for providing sustainable aviation fuels at EU airports.

Concerns about energy security following Russia's invasion of Ukraineled the Commission to focus on reducing energy import dependency. The Commission's May 2022 REPowerEU initiative sought to raise key 'fit for 55' targets set in the Energy Efficiency Directive (EED) and the Renewable Energy Directive (RED). ²⁸ On the EED, Parliament called for ambitious caps on primary and final energy consumption that would translate to a 14.5 % reduction in final energy consumption by 2030, compared with 2020 reference scenario projections. The Commission had initially proposed a 9% reduction target, but amended this to 13 % through its REPowerEU amendments. Council came to trilogue negotiations with a 9% reduction target, but the final EED compromise set the target at 11.7 %.

On renewables, the 'fit for 55' package proposed an EU-wide target of a 40% share of renewable energy in gross final energy consumption by 2030. Parliament sought to secure an increase in this target to 45%. The Council's general approach supported the initial 40% target and a compromise was reached at 42.5%, with a non-binding ambition to strive for a 45% share.

On the reform of EU gas and hydrogen markets, Parliament referred to its April 2022 resolution calling for 'an immediate full embargo on Russian imports of oil, coal, nuclear fuel and gas'. In the agreed text, Parliament succeeded in adding provisions allowing Member States to adopt restrictions to the supply of natural gas, including liquefied natural gas from Russia or Belarus, so as

²⁷ European Commission, <u>Stepping up Europe's 2030 climate ambition – Investing in a climate-neutral future for the benefit of our people</u>, COM(2020)562.

European Commission, <u>REPowerEU: A plan to rapidly reduce dependence on Russian fossil fuels and fast forward the green transition</u>, press release, 18 May 2022.

to protect the Member States' and EU's essential security interests, while taking account of security of supply and diversification objectives.²⁹

Equipping the EU for tomorrow's satellite connectivity needs: IRIS²



In the context of the twin digital and ecological transition, connectivity has become key to competitiveness and societal resilience. Satellite communication strengthens the continuity and quality of connectivity, optimising society's preparedness and response to crisis situations, such as environmental disasters. These systems are composed of ground infrastructure and in-orbit assets –

satellites – operating in coordination and orbiting at several possible altitudes: low earth orbit (LEO – up to 1500 km); medium earth orbit (MEO – from 2000 km to 35700 km); and geostationary orbit (GEO – around 35700 km). Around 5000 satellites are currently active in orbit, including such constellations, but only a limited number of orbits are available to operate further constellations.

The EU and its Member States currently rely on a limited number of geostationary satellites for governmental communication services. On 15 February 2022, the European Commission submitted a legislative proposal to develop and deploy a new EU-owned multi-orbital satellite constellation (alongside Galileo and Copernicus). ³⁰ The proposal sought to ensure the long-term availability of worldwide and uninterrupted access to secure and cost-effective satellite communication services, primarily for government services, but also providing for private sector commercial services at a later stage. The infrastructure would be composed of a ground segment and a space segment, potentially including the construction and launch of up to 170 LEO satellites between 2025 and 2027. Services would be delivered through a public-private partnership based on a concession model for provision of both governmental and commercial services. The concession-holder would be tasked with system operations, maintenance and upgrades (with the exception of security assets such as the quantum encryption part, or security monitoring services operated directly by the EU).

In its role as co-legislator, the European Parliament was determined to secure the proposal's alignment with the EU's ecological ambitions, while also ensuring its swift adoption. In terms of the digital transition, the Parliament demanded that the development of high-speed broadband and seamless connectivity throughout the EU should also 'enable affordable access', and increase cohesion across the Union and over geographical areas of strategic interest outside the EU. On the green transition, Parliament negotiated two amendments to ensure the initiative complied with space sustainability principles. This implied provisions to minimise the greenhouse gas emissions generated by the development, production and deployment of the infrastructure, but also a comprehensive space debris mitigation plan, and mitigation of the potentially adverse effects of the infrastructure on astronomical observations from Earth.

The regulation passed into law on 15 March 2023.³¹ The constellation, named IRIS² – EU Infrastructure for Resilience, Interconnectivity and Security by Satellite, is expected to deliver its first services in 2024 and will be fully operational by 2027. The Commission must report annually on

²⁹ European Parliament, <u>Green Deal: agreement on reform of EU gas and hydrogen market governance</u>, press release, 8 December 2023.

³⁰ European Commission, Proposal for a regulation establishing the Union Secure Connectivity Programme for the period 2023-2027, COM/2022/57 final.

Regulation (EU) 2023/588 of 15 March 2023 establishing the Union Secure Connectivity Programme for the period 2023-2027.

implementation of the secure connectivity programme. Its first report is due by 21 March 2024 and should feed into discussions on the next EU space programme.

In a 2023 resolution on critical technologies for security and defence, Parliament meanwhile urged the Commission to include its findings on EU strategic dependencies in space in its upcoming classified report to Member States on critical technologies and risks.³²

Pooling resources for a healthier European Union



The COVID-19 pandemic heightened the pressure on national health systems in terms of staffing, and of supply and affordability of medicinal products and innovative treatments. It also laid bare the inequalities between countries and the need for a common EU response to health crises. To address these challenges, the European Commission is shaping a European

health union to protect public health, equip the EU and its Member States to prevent and address future pandemics, and to improve national health systems' resilience. ³³ The health union's four main focus areas are: crisis preparedness; reform of EU pharmaceutical legislation; a European plan to fight cancer; and a comprehensive approach to mental health.

The European Parliament has been consistent in promoting a coherent EU public health policy. Moving into a more active agenda-setting role it has set up a temporary Special Committee on the COVID-19 pandemic (COVI), ³⁴ a temporary Special Committee on beating cancer (BECA)³⁵ and, in early 2023, a new permanent Subcommittee on Public Health (SANT). ³⁶

During the **pandemic** Parliament championed the coordinated EU response and measures to tackle misinformation. It subsequently called for the EU institutions and the Member States to draw the right lessons from the crisis and engage in far stronger cooperation in the area of health. The EU4Health programme was the European Commission's response to the pandemic and was designed to support the European health union. During the trilogue negotiations on the EU's long-term budget, Parliament secured an extra €3.4 billion for EU4Health. With its €5.3 billion budget for the 2021-2027 period, the scale of the EU4Health programme is unprecedented in this policy field.³⁷

On **pharmaceuticals**, Parliament has long advocated for a coherent EU policy, taking both public health and industrial interests into account. Several Parliament resolutions have denounced the inequities between Member States in access to medicines and healthcare services and expressed concern over medicine shortages. During its last mandate, Parliament also referred several times to the serious public health risks posed by antimicrobial resistance (AMR), the need for a 'One Health' approach (addressing human, animal and plant health and environmental factors), the importance of prevention and awareness campaigns to promote prudent use of therapeutics, and the need for the European Health Emergency Preparedness and Response Authority (HERA) to be entrusted with sufficient resources to support the development of new therapeutics for bacterial pathogens.

³² European Parliament <u>resolution</u> of 9 May 2023.

³³ European Commission website on European Health Union.

³⁴ European Parliament <u>decision</u> of 10 March 2022 on setting up a special committee on COVID-19 pandemic: lessons learned and recommendations for the future.

³⁵ European Parliament <u>decision</u> of 18 June 2020 on setting up a special committee on beating cancer.

³⁶ European Parliament decision of 14 February 2023 on setting up a subcommittee on public health.

European Commission website on the **EU4Health programme**.

Following up on its 2020 pharmaceutical strategy for Europe,³⁸ in Avril 2023 the Commission put forward a 'pharmaceutical package' to revise EU pharmaceutical legislation and make medicines more accessible and affordable, while supporting the competitiveness and attractiveness of the EU pharmaceutical industry, and securing higher environmental standards. The package included a Council recommendation on tackling antimicrobial resistance (AMR).

On **Europe's Beating Cancer Plan**, Parliament's February 2022 resolution was the fruit of a lengthy consultation process involving public hearings and exchanges between MEPs, experts, national parliaments and international organisations, and made a number of key recommendations.³⁹

Last but not least, on the need to put **good mental health** at the heart of EU policymaking, numerous Parliament opinions, studies, debates, written questions and own-initiative resolutions have focused on the importance of prevention, accessibility of mental health services, early diagnosis, treatment, and the social integration of people with mental health conditions.⁴⁰

Shielding farmers, stabilising markets and protecting consumers



Although the EU is one of the world's most food-secure regions, in recent years, a series of crises has hit the EU's agri-food sector, threatening food security. The pandemic and Russia's invasion of Ukraine disrupted feed, fertiliser and energy imports, while extreme weather events have led to crop failures. As a result, food prices have skyrocketed, hitting lower-income households most harshly. To

protect EU citizens from similar shocks in the future, Parliament has consistently advocated reducing EU import dependencies and increasing agricultural resilience and adaptation to the effects of climate change.⁴¹

When it comes to addressing these challenges and ensuring food security into the future, the EU's most powerful tool, comprising around a third of the Union's budget, is the common agricultural policy (CAP), which has been supporting the EU's primary food producers – farmers – for over 60 years. In 2017, the EU institutions embarked on one of the most extensive agricultural policy reforms of the past 30 years. The European Parliament played a central role in shaping the new CAP, which was adopted in 2021. 42

Thanks to Parliament's input, the new CAP rules incentivise a farming system that is greener, fairer, more efficient and better at preventing and mitigating future threats to food security. ⁴³ MEPs argued that the future of agriculture and food production depends on supporting farmers, preserving biodiversity and maintaining healthy soils. Consequently, during the long and intense negotiations, Parliament pushed for **greater social and environmental commitments**. As a result, the new CAP devotes 35 % of its €95.5 billion budget to rural development funds, and 25 % of the €270 billion in direct payments to encourage **sustainable farming** and better **animal welfare** practices.

³⁸ European Commission website on <u>pharmaceutical legislation</u>.

³⁹ European Parliament <u>resolution</u> of 16 February 2022.

⁴⁰ European Parliament <u>resolution</u> of 12 December 2023.

⁴¹ European Parliament <u>resolution</u> of 14 June 2023 on ensuring food security and long-term resilience of the EU agriculture.

The new CAP consists of three regulations: on <u>national strategic plans</u>, on <u>financing</u>, <u>management and monitoring</u>; and on the <u>single common organisation of the markets</u>.

⁴³ European Parliament, <u>Common Agricultural Policy reform gets final approval from MEPs</u>, press release, November 2021.

Most of the EU's 9.1 million farms are small and medium-sized farms that are crucial to preserving natural resources and the economic and social cohesion of rural areas. Consequently, MEPs advocated strongly for small and **family farms**, ensuring that at least 10% of the direct payments budget reinforces the support allocated to them. Future food security will also depend on new generations taking over farming and food production, and bringing fresh ideas. Young farmers face many challenges when starting out in business. Thanks to the European Parliament, at least 3% of the CAP budget must benefit **young farmers**. Fairness and efficiency are also important to keep farms running, that is why MEPs pushed for the introduction of social conditionality – making payments dependent on **respect for labour standards** – and tougher measures to combat fraud entailing **better monitoring of funds**.

As geopolitical crises and extreme weather events continue to threaten EU food security, Parliament insisted on the creation within the new CAP of an **annual €450 million crisis reserve** to shield farmers, stabilise markets and protect consumers from future shocks. This mechanism was used for the first time following Russia's invasion of Ukraine, ⁴⁴ helping to mitigate energy and agricultural supply disruptions, and averting a wider food security crisis in the EU.

Scrutinising Frontex's respect for migrants' rights



In 2019, the Frontex Regulation expanded the tasks, powers, responsibilities and budget of the European Border and Coast Guard Agency (Frontex) to improve the protection of the EU's external borders as part of a comprehensive EU approach to migration. The extended tasks and competences were balanced with stronger fundamental rights safeguards and increased accountability and liability, in

particular in terms of the exercise of executive powers by Frontex staff.

Yet Frontex has been accused in recent years of failing to comply with some of its transparency and accountability obligations and its own rules on the use of force. The agency has allegedly delayed implementing obligations arising from the revised mandate, for instance on recruiting fundamental rights monitors. The role of former executive director Fabrice Leggeri was called repeatedly into question and there have been several data protection concerns, including accusations of intrusive personal data collection from migrants, refugees and staff of non-governmental organisations. The accusations that generated most public disapproval were those regarding fundamental rights violations by EU Member States' authorities at the EU's external borders, and possible Frontex involvement, relating for instance to collective expulsions – 'pushbacks'.

The Frontex Regulation states clearly that the agency must uphold the fundamental rights and values established in Articles 2 and 6 of the Treaty on European Union and in the Charter of Fundamental Rights of the EU, and it is also accountable to the European Parliament and the Council under Article 6 of the regulation. Parliament is the key player in terms of democratic oversight of the agency and has a range of tools at its disposal. In addition to endorsing the agency's budget, Parliament can ask Frontex for information, it plays a key role in appointing the executive director, and it can send an expert to attend Frontex management board meetings, on invitation.

Parliament and its Committee on Civil Liberties, Justice and Home Affairs (LIBE) have monitored the alleged violations of fundamental rights at the EU's external borders and the possible involvement of Frontex closely. Parliament addressed several questions to the Commission, called on the

⁴⁴ European Commission, <u>Safequarding food security and reinforcing the resilience of food systems</u>, COM/2022/133.

⁴⁵ The <u>fundamental rights monitors</u> monitor and assess Frontex activities in the light of their compliance with fundamental rights and provide advice and assistance in this regard.

executive director to appear before the LIBE committee to answer Members' questions, and postponed discharge of Frontex's accounts for the financial years 2019 and 2020. It eventually granted discharge in October 2021 and February 2023, respectively.

In January 2021, Parliament formed the Frontex Scrutiny Working Group (FSWG) to monitor all aspects of the agency's functioning, including compliance with fundamental rights, and transparency and accountability. The FSWG presented its final report in July 2021. Although the scrutiny group 'did not find evidence on the direct performance of pushbacks and/or collective expulsions by Frontex in the serious incident cases that could be examined', the report pointed clearly to serious shortcomings. In April 2022, Frontex Executive Director Fabrice Leggeri resigned with immediate effect. Hans Leijtens, Parliament's preferred candidate was then appointed in December 2022, promising to restoreconfidence in the agency and provide full transparency.

Parliament's actions and pressure led to Frontex taking a series of actions to address the inefficiencies identified and the allegations of fundamental rights violations. Most of the FSWG's recommendations have now been implemented. These included: improved budgetary and financial management; a stronger Fundamental Rights Office and a revised serious incident reporting mechanism to improve reporting on events at the external borders; greater transparency; a change of management culture; and prioritisation of staff wellbeing.

In a recent resolution, Parliament acknowledged the efforts made, but insisted on full implementation of the outstanding recommendations. MEPs stressed that the increased responsibility and budget allotted to Frontex must be accompanied by a corresponding increase in accountability and transparency, and increased scrutiny of the agency's respect for Union law. 46

Investigating spyware abuse



In 2021, media organisations broke the story that various EU and non-EU governments had used Pegasus commercial spyware against journalists, politicians, diplomats, law enforcement officials, lawyers, business people and civil society actors, for political and even criminal purposes. Pegasus was designed to breach mobile phones and extract vast amounts of data processed by the target system, including text messages, call interceptions, passwords, locations,

microphone and camera recordings, and information from installed apps. While other institutions shied away from action, the European Parliament spearheaded public efforts to investigate and curb spyware abuse.

In response to what quickly became known as 'Europe's Watergate', Parliament set up a Committee of Inquiry to investigate the use of Pegasus and equivalent surveillance spyware (the PEGA committee). In its first session, PEGA chair Jeroen Lenaers (EPP, the Netherlands) stated that the Parliament was fighting alongside the victims of spyware abuse 'with strength and vigour'. During its mandate the PEGA committee interviewed over 215 interlocutors, commissioned studies, held hearings with experts and people who had been targeted, and organised fact-finding visits to Israel,

⁴⁶ European Parliament <u>resolution</u> of 14 December 2023.

European Parliament, <u>Decision on setting up the PEGA Committee</u>, 10 March 2022; Three new committees, <u>press</u> release, 10 March 2022.

PEGA committee, Committee proceedings, 19 April 2022, 15:53:46-15:55:10.

Poland, Greece, Cyprus, Hungary and Spain. ⁴⁹ In March 2023, PEGA adopted a 145-page report with the results of its investigation; Parliament adopted its final recommendation in June 2023. ⁵⁰

Parliament found that both EU Member States and non-EU countries had used Pegasus and similar spyware for political and even criminal purposes. Parliament was concerned that some Member States had spied on targets under the pretext of 'national security', in order to escape EU oversight. It concluded that Greek and, in particular, Polish and Hungarian legal frameworks and practices violated Union law and did not offer citizens sufficient protection. Parliament also made specific recommendations for Spain and Cyprus. To improve the situation, Parliament envisaged stronger institutional and legal safeguards to ensure fundamental rights-compliant use of spyware, such as conditions for ordering, authorising, executing, and overseeing spyware operations.⁵¹ It also advocated a clear definition of 'national security'. Parliament called on the Commission to enforce existing Union laws more stringently and to follow up possible abuses and other rule of law deficiencies. It also tasked the Commission with drafting new laws, such as common EU standards for the use of spyware ⁵² and a regulation to limit circulation of commercial spyware on the EU market to spyware that is designed in line with rule of law principles ('rule-of-law-by-design').

At the press conference reporting on the PEGA recommendations, Lenaers and the rapporteur – Sophia In't Veld (Renew, the Netherlands) – stressed that Member States' spyware abuses were a matter of rule of law and democracy, i.e. fundamental EU values that must be defended.⁵³

Although the PEGA committee ceased to exist when its extended mandate expired on 9 June 2023, the chair and rapporteur announced that Parliament would continue working on the topic, for instance, in the Committee on Civil Liberties, Justice and Home Affairs. According to In't Veld, Parliament would 'continue to monitor, to pierce, to ask questions, to dig, to put pressure on the governments, to give support to those journalists, lawyers, independent bodies, anybody who is investigating and bringing to light the practices of our governments'.

Establishing a forum for EU tax matters



In the intricate and interconnected web of today's world, the significance of taxation cannot be emphasised enough. It is the lifeblood of governments, enabling them to provide essential infrastructure and services that contribute to a country's wellbeing and progress. In the current context of demographic change, climate change and Russia's invasion of Ukraine, many EU countries are struggling to ensure that their tax systems are fair, efficient and able to tackle the challenges

ahead. All EU countries struggle, meanwhile, with issues such as international corporate tax avoidance, with losses of around €35 to €70 billion annually in the EU and €60 billion in lost value added tax (VAT) revenue, partly due to elaborate fraud networks set up by criminal gangs. ⁵⁴ On top of this, taxation itself is very complex, in particular for companies needing to comply with all the

⁴⁹ European Parliament briefing, <u>Pegasus spyware inquiry: MEPs outline necessary reforms</u>, 8 June 2023.

PEGA committee, <u>Report following the spyware investigations</u>, 8 May 2023; European Parliament, <u>Recommendation following the spyware investigations</u>, 15 June 2023.

For a summary of other recommendations, see <u>briefing</u> and <u>press release</u> accompanying the (draft) <u>recommendation</u>.

Parliament recommends adopting common EU standards based on provisions governing the <u>judicial cooperation in</u> <u>criminal matters</u> and limiting the authorisation of spyware operations to cases with national security implications.

Press conference accompanying the tabling of the draft recommendations, 20230614-1100-SPECIAL-PRESSER, PEGA Committee, 14 June 2023.

⁵⁴ European Commission, <u>Communication on Business Taxation for the 21st Century</u>, 2021; and <u>VAT Gap in the EU – 2023 report</u>, October 2023.

different national tax rules when they operate across the EU. This creates barriers for EU companies, and prevents them from enjoying the full benefits of the single market, to the detriment of economic growth, job creation and consumer choice.

Taxation is a national competence according to the EU Treaties, with EU countries having exclusive power to set and collect taxes. As such, the European Parliament has no legislative role in the setting of tax measures, and can only produce non-binding opinions on tax-related matters. However, in June 2020, determined to influence and shape the tax debate at EU level and spurred by the fiscal repercussions of the pandemic, the European Parliament decided to set up a parliamentary tax committee. While committees dedicated to taxation had been set up in the European Parliament before (TAXE, TAXE2, TAXE3 and PANA), these were only temporary and investigated particular aspects of taxation (such as Luxleaks). The new Subcommittee on Tax Matters (FISC) became the European Parliament's first ever permanent committee on tax affairs, focusing on all matters tax-related, in particular the fight against tax fraud, tax evasion and tax avoidance, as well as tax transparency. Paul Tang (S&D, the Netherlands) was elected as FISC chair.

Nearly four years later, the subcommittee has established itself as a key forum to discuss EU tax matters. Through extensive engagement with various tax experts from academia, non-governmental organisations and businesses, MEPs have gained a better insight into the intricacies of tax laws, and the various ways in which taxes work in the various Member States. Building on this technical expertise, FISC has organised meetings with national parliaments to enhance cooperation and gain a better understanding of national positions on taxation. ⁵⁷ More specifically, FISC has held hearings on the status and efficacy of the tax reforms countries committed to as part of their post-pandemic recovery programmes to access the EU's Next Generation EU recovery funds. ⁵⁸

The FISC subcommittee has engaged actively with countries beyond the EU too. Taking a resolutely collaborative approach to fostering international cooperation and promoting robust tax governance practices worldwide, FISC has used fact-finding missions, for instance to Singapore and the United States, to promote good tax governance standards, encouraging countries to join the landmark global agreement on international corporate tax reform.⁵⁹

In addition, despite the European Parliament's non-legislative role in tax matters, the FISC committee has adopted a series of recommendations to shape the EU's tax agenda and keep up the pressure on both the Commission and the Council to take steps towards a fairer and growth-friendly tax system. ⁶⁰ For example, FISC has called for measures to further harmonise electronic invoicing, to simplify the withholding tax framework and to counteract the misuse of shell companies. ⁶¹ Several legislative initiatives in this area are now being debated by the Member States.

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⁵⁵ See webpages of the committees: <u>TAXE</u>, <u>TAXE2</u>, <u>TAXE3</u> and <u>PANA</u>.

⁵⁶ European Parliament decision of 18 June 2020 on setting up a subcommittee on tax matters, 18 June 2020.

⁵⁷ European Parliament, FISC subcommittee <u>meetings with national parliaments</u>.

⁵⁸ European Parliament, FISC subcommittee, <u>Hearings</u>.

⁵⁹ European Parliament, FISC subcommittee <u>Missions</u>. Organisation for Economic Cooperation and Development (OECD), <u>Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy</u>, 2021.

⁶⁰ European Parliament, FISC subcommittee, <u>Subject files</u>.

European Parliament, Resolution on the implementation of the Sixth VAT Directive: what is the missing part to reduce the EU VAT gap?, 16 February 2022; Resolution on a European Withholding Tax framework, 10 March 2022; and Resolution on lessons learnt from the Pandora Papers and other revelations, 15 June 2023.

Reforming the EU's financing in the interests of its citizens



The European Union's spending is based on a seven-year plan, the multiannual financial framework (MFF), and reflects the Union's political priorities. The current long-term budget, covering the period from 2021 to 2027, was agreed at the end of 2020, when the EU was addressing the dire economic and social

consequences of the pandemic. With the Member States' economies in bad shape, EU budgetary policy focused on stimulus and investment for recovery, in particular through the establishment of a temporary instrument, Next Generation EU (NGEU). The 2021-2027 MFF and NGEU together form the largest budget ever financed in the EU.

With its power to decide on the EU budget, the European Parliament has always defended effective financing of the EU's commitments and priorities and of the interests of EU citizens. 62 In this respect, four achievements stand out in the latest legislative term.

Parliament secured **budgetary reinforcements** to the 2021-2027 long-term EU budget totalling €15 billion for 10 of the EU's flagship programmes, including research, health, Erasmus+ and border protection. Parliament also enhanced the budget's flexibility with €1 billion to cope with urgent needs, and established respect for the rule of law as a necessary condition for receiving EU financing.

As co-legislator, Parliament helped frame a legally binding plan to **reform the EU's financing system**. This reform was one of the conditions set by Parliament for giving its consent to the 2021-2027 MFF. Parliament successfully insisted on a roadmap for the introduction of new own resources to finance additional expenditure for NGEU.

Developments in certain Member States revealed systemic threats to the rule of law. In response, Parliament called on the Commission to establish an effective mechanism to ensure compliance with rule of law principles. The EU Conditionality Regulation, ⁶³ adopted by the Parliament and Council in December 2022, allows the EU to take measures – for example the suspension of payments or financial corrections – to protect the EU budget, if breaches of the rule of law principle affect or risk affecting the EU's financial interests. The effects of the **strengthened rule of law mechanism** are beginning to show. Both Member States and candidate countries have made significant improvements according to the most recent 'Rule of Law Index'. ⁶⁴

From the beginning of Russia's full-scale invasion of Ukraine in February 2022, Parliament has insisted on **credible**, **predictable and adequate EU funding for Ukraine** in line with the country's needs. Parliament repeatedly demanded a revision of the EU's long-term budget to enable the continued provision of support for Ukraine and to allow for an effective response to other emerging needs. That **first-ever revision of the EU's long-term budget** was agreed in February 2024. The revision secured crucial financial resources for **Ukraine**, with €17 billion from the EU budget and €33 billion in loans, and further enhanced funding of €4 billion for migration-related challenges and budget flexibility.

⁶² European Parliament <u>resolution</u> of 23 July 2020 on the conclusions of the extraordinary European Council meeting of 17-21 July 2020.

Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget (OJ L 433I 22.12.2020, p. 1).

The <u>Rule of Law Index</u> monitors significant developments relating to the rule of law in all States.

Overseeing the Next Generation EU recovery instrument



Following the outbreak of the COVID-19 pandemic, the European Parliament was a major advocate for creating the EU Recovery Instrument – Next Generation EU (NGEU). This unique instrument supports Member States in their efforts to address the severe economic downturn and social problems caused by the

pandemic, and has a strong focus on the twin green and digital transitions – key priorities backed by Parliament as well. The NGEU budget totals €806.9 billion, financed through EU borrowing on the markets; it has to be paid out by the end of 2026.

The Recovery and Resilience Facility (RRF) is the main building block of NGEU. It distributes to the Member States 90 % of the NGEU allocation (in grants and loans), financing reforms and investments specified in national recovery and resilience plans (NRRPs). While the decision to establish NGEU was made by the Member States gathered in the Council of the EU, the European Parliament was co-legislator for the rules on its implementation. Jointly with the Council, Parliament adopted the regulation on the Recovery and Resilience Facility (RRF) in February 2021, which was amended to cover the objectives of the REPowerEU⁶⁵ plan two years later. Parliament's goal was to make sure that the Facility is managed transparently, that it stimulates progress in the green, digital and energy sectors, that it supports children, young people and women, and that respect for the rule of law is among the key prerequisites for receiving funding.

Given the unprecedented sums involved, and the innovative, performance-based, way the payments are made only when countries complete agreed steps towards the reforms and investments set out in their NRRPs, Parliament has focused on the RRF's transparency, accountability and effectiveness. Parliament has not been directly involved in the assessment and adoption of the national plans or in the decisions authorising disbursements – these are the tasks of the European Commission and the Council – but it does play an important role to play in overseeing the work of the Commission, and in scrutinising the spending as part of the budgetary discharge procedure.

The Commission is obliged to keep Parliament abreast of progress on RRF implementation, and to present annual, mid-term and ex-post reports. To ensure that it receives timely and detailed information, and to enable an exchange of views with other institutions, Parliament insisted on the recovery and resilience dialogue, a bi-monthly meeting between Members of its Committees on Economic and Monetary Affairs and on Budgets, and the European Commission representatives in charge (namely Commission Executive Vice-President Valdis Dombrovskis and Commissioner Paolo Gentiloni). In addition, Parliament set up a special standing working group for RRF scrutiny, within which Members representing six parliamentary committees meet regularly to discuss the quality of NRRP measures and progress on their implementation.

These issues have also led Parliament to adopt a number of resolutions. Members have called, for example, for a thorough assessment of the plans and payment requests, stressed the importance of sound execution of the RRF objectives, and demanded that respect for the rule of law be a pre-condition for disbursements. Parliament insisted on ensuring transparency when it comes to the final beneficiaries and agreed with the Council that Member States should be required to publish the top 100 final recipients of RRF funds in their countries.

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REPowerEU was launched in the aftermath of Russia's invasion of Ukraine, to accelerate the green transition and the phasing-out of Russian fossil fuel imports. The European Parliament and the Council agreed to make available RRF loans and an additional €20 billion in grants for investments in the energy sector.

Since 2022, MEPs have been looking very closely at RRF expenditure in the annual budgetary discharge procedure. RRF-related issues are prominent in the work of Parliament's Committee on Budgetary Control (CONT), and were included in a dedicated chapter of the decision granting discharge to the European Commission. This procedure applies only to RRF grants, however; the RRF loans – guaranteed by the EU budget – are beyond Parliament's scrutiny. In 2024, RRF implementation, and therefore Parliament's work, enters a decisive stage, as the 2026 deadline approaches for payment execution, and therefore for all planned milestones and targets.

Standing by Ukraine



Russia's full-scale invasion of Ukraine, which began on 24 February 2022, was promptly condemned in the strongest possible terms by all

EU institutions, including the European Parliament, as well as by the overwhelming majority in the United Nations General Assembly.⁶⁶ Parliament labelled Russia's war 'the most outrageous act of aggression conducted by the political leadership of a given country in Europe since 1945'. The war has already claimed over 10 000 civilian lives, ⁶⁷ and generated 3.5 million internal refugees ⁶⁸ and 6.3 million exiles. ⁶⁹ The estimated cost of reconstruction and recovery in Ukraine is over €452 billion, as of 31 December 2023. ⁷⁰ The war has reverberated beyond Ukraine's borders, affecting food security, energy prices and inflation both in the EU and beyond. The EU's response has been structured along three axes: political, economic and military support for Ukraine; isolation and containment of Russia; and enhancement of EU and EU neighbourhood resilience. ⁷¹

From day one of the invasion, and at every step since, Parliament has employed its budgetary, agenda-setting and scrutiny powers to mobilise solid EU support for Ukraine's defence against Russia's aggression, and to ensure that the EU honours its pledges. By keeping Ukraine high on its agenda, Parliament frames the discussion for the other EU institutions. At its extraordinary meeting of 1 March 2022, one of the first international gatherings to be attended by Ukraine's President, Volodymyr Zelenskyy, Parliament adopted a resolution unequivocally condemning Russia's aggression and setting the direction for the EU response. ⁷² Parliament's President, Roberta Metsola, was the first EU leader to visit Kyiv, on 1 April 2022.

Since then, Parliament has adopted over 30 non-legislative resolutions on various aspects of EU support for Ukraine. It has also held several plenary debates, some attended by Zelenskyy and the Speaker of Ukraine's Verkhovna Rada. MEPs have used question time to question the High Representative Josep Borrell, and the Commissioner responsible for the defence industry, on the delivery of EU support. A number of Parliament committees – such as the Committee on Foreign Affairs, the Subcommittee on Security and Defence and the Committee on Agriculture and Rural

⁶⁶ United Nations General Assembly <u>resolution</u> ES-11/1, 2 March 2023, see <u>press-release</u>.

The real figures may be considerably higher, according to the Office of the United Nations High Commissioner for Human Rights (OHCHR), <u>Ukraine: protection of civilians in armed conflict, December 2023 update.</u>

International Organization for Migration, <u>Ukraine – Area Baseline Assessment (Raion Level) – Round 31 (December 2023)</u>.

⁶⁹ United Nations High Commissioner for Refugees, <u>Ukraine Refugee situation</u>, January 2024.

⁷⁰ European Commission, <u>Updated Ukraine Recovery and Reconstruction Needs Assessment</u>, 15 February 2024.

⁷¹ See Council, <u>EU solidarity with Ukraine</u>, and European Parliament, <u>2022 timeline</u>, <u>2023 timeline</u>.

European Parliament <u>resolution</u> of 1 March 2022.

Development – have introduced a standing Ukraine point on their agendas, in order to exercise Parliament's scrutiny powers more effectively.

To support Ukraine's military efforts, Parliament has advocated continuously both for proper funding, and for timely delivery of the military equipment promised. On the legislative front, Parliament has dealt with more than 40 legislative files of paramount importance for Ukraine, including: several rounds of macro-financial assistance; the Act in Support of Ammunition Production (ASAP); and the Ukraine Facility, earmarking €50 billion for the reconstruction of Ukraine until 2027. Now that Parliament has given its final approval to the Ukraine Facility, it will exercise budgetary and scrutiny powers over the facility's implementation.

Parliament has shown unwavering support for Ukraine's EU membership aspirations, advocating successfully in June 2022 for Ukraine to be granted candidate country status, and on 13 December 2023 for Member States to start accession negotiations; the European Council took the decision the next day. Parliament can smooth the way for Ukraine's accession by keeping the issue on the agenda and scrutinising progress made. Once the negotiations end, a majority of Parliament's component members will have to vote to give consent to the accession treaty.

In the context of parliamentary diplomacy, MEPs have been meeting their Ukrainian counterparts in the EU-Ukraine Parliamentary Association Committee, created under the EU-Ukraine Association Agreement and co-chaired by representatives of both parliaments. This committee offers a platform for political dialogue on all relevant topics, including parliamentary follow-up on Ukraine's official accession request, EU military and humanitarian support, sanctions, accountability for violations of international humanitarian law and war crimes, and preparations for the reconstruction of Ukraine.

The European Parliament is also conducting a mediation process, a Jean Monnet Dialogue (JMD), which brings together the Speaker of the Verkhovna Rada and leaders of Ukraine's various political factions. The JMD is a platform that complements capacity-building support, offering a space for different political parties to seek consensus on national priority policies.

As part of its democracy support activities in Ukraine, Parliament is implementing a far-reaching capacity-building programme for the Verkhovna Rada. These efforts build on recommendations made during the needs assessment mission led by Pat Cox, former President of the European Parliament. The legal framework for Parliament's support and capacity-building efforts is provided by a memorandum of understanding, the latest version of which was signed by Metsola and the Speaker of the Verkhovna Rada, Ruslan Stefanchuk, on 28 November 2023.

The European Parliament has also used its powers to advocate a tougher policy of containment towards Russia. It has been a vocal supporter of economic sanctions, 73 often calling for specific measures months ahead of their adoption by Member States. In a November 2023 resolution Parliament made specific recommendations on sanctions enforcement, monitoring and circumvention, and urged the EU to explore legal avenues to allow the confiscation of frozen Russian assets and their use for the reconstruction of Ukraine. 74 It has also supported the establishment of a tribunal on the crime of aggression against Ukraine. 75

Sanctions are adopted by the Council of the EU (Member States) as part of its common foreign and security policy (CFSP), in accordance with Article 29 of the Treaty on European Union (TEU) and Article 215 of the Treaty on the Functioning of the EU (TFEU). Parliament has no formal legislative role in the adoption of sanctions.

⁷⁴ European Parliament <u>resolution</u> of 9 November 2023.

⁷⁵ European Parliament <u>resolution</u> of 19 January 2023.

Other initiatives championed by Parliament have included the 'Generators of Hope' campaign to supply Ukraine with energy equipment for the winter. Lastly, in December 2022, the European Parliament awarded the 2022 Sakharov Prize to the brave people of Ukraine.

Keeping human rights sanctions at the top of the EU agenda



Sanctions are an important instrument for protecting human rights around the world, ensuring that perpetrators face consequences, and deterring future abuses. Over the past decade – spurred by the case of the Russian whistleblower Sergei Magnitsky, who died in prison in 2009 after being severely beaten

and denied access to medical treatment – a number of countries have extended their sanctions regimes to enable individuals and entities to be targeted for violating human rights anywhere in the world. In December 2020, the EU adopted its own global human rights sanctions regime (EU GHRSR), under which asset freezes and travel bans can be applied to persons and organisations responsible for serious human rights violations and abuses, irrespective of where they occur. ⁷⁶ This is a more flexible process than using the existing EU geographical sanctions regimes, which require the adoption of a separate legal framework for each country. ⁷⁷ The EU applied its first human rights sanctions in March 2021. By the time the latest sanctions were applied, in January 2024, ⁷⁸ it had imposed restrictive measures on 71 individuals and 21 entities. ⁷⁹

The adoption of the EU GHRSR illustrates how the European Parliament can influence the political agenda. The Parliament has no formal role in the procedure for adopting new sanctions regimes. Under the Treaties (Article 29 TEU and Article 215 TFEU), the Council adopts decisions that define the EU's approach to restrictive measures, while the High Representative of the Union for Foreign Affairs and Security Policy and the European Commission have a remit to put forward proposals.⁸⁰ Accordingly, the basis for the EU GHRSR is a Council decision, proposed by the High Representative, and a Council regulation, jointly proposed by the High Representative and the Commission.⁸¹ Nonetheless, research finds that Parliament 'succeeded in keeping the issue of a human rights sanctions regime on the EU's agenda and used all the tools at its disposal to push the EU foreign policy-making machinery in the direction of adopting a new sanctions regime'.⁸²

Between 2010 – when the European Parliament first raised the case of Sergei Magnitsky in its annual report on human rights ⁸³ – and 2020 – when the EU GHRSR was adopted – Parliament worked across three parliamentary terms, using hearings, parliamentary questions, motions and own-initiative resolutions to call for EU-wide measures. After a 2018 position paper ⁸⁴ from the Dutch government led to discussions among EU Member States, Parliament stepped up its action, devoting a plenary

⁷⁶ Eurlex, Restrictive measures against serious human rights violations and abuses, last updated 8 September 2023.

⁷⁷ For an explanation of EU sanctions regimes see: European Commission, <u>EU Restrictive Measures</u>, DG ECHO website.

⁷⁸ Council of the EU, <u>press release</u>, 29 January 2024.

⁷⁹ European Commission, EU sanctions map, updated on 29 January 2024.

⁸⁰ See Council, <u>Adoption and review procedure for EU sanctions</u>, website.

EurLex, <u>Decision (CFSP) 2020/1999</u> and <u>Regulation (EU) 2020/1998</u>.

V. Szép, '<u>Transnational Parliamentary Activities in EU Foreign Policy: The Role of Parliamentarians in the Establishment of the EU's Global Human Rights Sanctions Regime</u>', *Journal of Common Market Studies*, 25 May 2022.

⁸³ European Parliament <u>resolution</u>, 16 December 2010.

R. Jozwiak, Netherlands Proposes New EU Human Rights Sanctions Regime, RFE/RL, 19 November 2019.

debate to EU human rights sanctions in March 2019, and adopting a resolution setting out recommendations.⁸⁵ It adopted further resolution in June 2020, calling for the work to be finalised.⁸⁶

The European Commission and the Council have acknowledged Parliament's agenda-setting role in the adoption of the EU's global human rights sanctions regime. There has also been progress on Parliament recommendations that were not incorporated in the regime initially, in particular for sanctions to be applied for corruption.⁸⁷ In May 2023, the High Representative, supported by the Commission, proposed to establish a dedicated common foreign and security policy sanctions regime to target serious acts of corruption worldwide.⁸⁸ There is also support from the Commission and some Member States for Parliament's call for Council decisions on sanctions to be adopted by qualified majority voting.⁸⁹

With attention now turning to the impact and effectiveness of the EU's human rights sanctions, ⁹⁰ Parliament is pushing for a greater institutional role for itself, including parliamentary oversight of the EU GHRSR and an enhanced role in proposing cases of serious human rights violations. ⁹¹ In 2023, a Parliament study recommended ways to expand its involvement in monitoring and scrutinising implementation and enforcement of EU sanctions, for example, through a dedicated parliamentary working group, development of in-house monitoring capability, and more structured dialogue with other EU institutions on specific sanctions measures.

Shaping EU leadership



Among the prerogatives of the European Parliament that have developed over time, its appointing powers – procedures to nominate, vet and appoint people to senior positions in other EU institutions, agencies and bodies – deserve particular attention. Parliament's role varies from case to case depending on the legal

basis, and has mostly resulted from a set of Parliamentary processes that have evolved to become established practice over the years. Even in instances where Parliament's opinions are not legally binding, by means of informed scrutiny of the candidates, Parliament can ensure they are qualified for the job. Publicity surrounding hearings and questionnaires answered by candidates provide Parliament with a further opportunity to exercise political leverage.

During the ninth legislative term, Parliament has not been shy in using its powers to nominate and appoint holders of senior positions in EU institutions and other EU bodies. Prime examples of this are the hearing process for the appointment of the von der Leyen Commission and replacements of Commissioners mid-mandate, and the appointment of the first ever European Chief Prosecutor.

European Parliament <u>resolution</u>, 14 March 2019.

European Parliament <u>resolution</u> of 19 June 2020.

⁸⁷ European Parliament <u>resolution</u>, 8 July 2021.

See European Parliament, <u>Adding corruption to the crimes covered by the EU human rights sanctions mechanism</u>, <u>Legislative Train Schedule</u> (updated monthly). As of January 2024, the Council is in the preliminary stage of its work on the file.

⁸⁹ European Parliament <u>resolution</u> of 8 July 2021; European Parliament <u>resolution</u> of 22 November 2023.

⁹⁰ See Redress, Evaluating Targeted Sanctions: A Flexible Framework for Impact Analyses, November 2023.

See European Parliament <u>resolution</u> of 8 July 2021; <u>Priority question for written answer to the Council - P-006907/2020</u> and <u>Question for oral answer O-000047/2021</u>. Additions to the list of sanctioned individuals or entities are proposed by Member States and/or the High Representative and adopted by the Council, but Parliament has often called for specific individuals or bodies to be listed, notably in its <u>urgency resolutions</u> on human rights.

The appointment process for the college of Commissioners has evolved over the years and influenced the relationships and power games between the institutions concerned. Parliament committees do not hesitate to express doubt as to candidates' specific expertise or to probe more deeply. In 2019, Parliament's Committee on Legal Affairs examined the declarations of financial interests of all the candidate commissioners to assess possible conflicts of interest prior to the hearings. Two candidates, László Trócsányi and Rovana Plumb, withdrew their candidacies after the committee hearings 92 and Parliament addressed additional written questions to four other candidates (Ylva Johansson, Janusz Wojciechowski, Syvlie Goulard and Olivér Várhelyi). In 26 cases, the subsequent evaluation meetings resulted in a positive assessment of the candidates. 93 The hearings for Wojciechowski and Goulard resumed (for an additional 90 minutes) with Parliament's respective committees responsible. The coordinators were unable to reach a consensus on Goulard and a full committee meeting was convened. Voting by secret ballot, the committee decided that Goulard was unqualified to be a member of the college and her candidacy was withdrawn and replaced by that of Thierry Breton. Parliament has also been actively involved in the replacement of individual commissioners who needed to be replaced during their mandates, including Phil Hogan, Mariya Gabriel and Vice-President Frans Timmermans. Parliament voted in favour of Wopke Hoekstra, Timmermans' successor, after he had responded to written follow-up questions.

Another striking example of Parliament's enhanced role was the process that led to the appointment of the first European Chief Prosecutor. According to the regulation establishing the European Public Prosecutor's Office, Parliament and the Council must appoint the European Chief Prosecutor by common accord. In 2019, the selection process saw a long power struggle between the two institutions. The deadlock was finally broken following a public hearing organised by Parliament's Committees on Civil Liberties, Justice and Home Affairs and on Budgetary Control. Hhereas the Council had previously favoured a French candidate, Jean-François Bohnert, the post finally went to the Parliament-backed candidate, Romanian Laura Codruţa Kövesi.

Upholding fundamental rights and EU values



Article 2 of the Treaty on European Union (TEU) lists six fundamental EU values that are common to the EU Member States: (i) human dignity, (ii) freedom, (iii) democracy, (iv) equality, (v) rule of law; and (vi) human rights (including rights of persons belonging to minorities). The same article notes that these values 'are common to the Member States', and describes EU society as one in which

pluralism, non-discrimination, tolerance, justice, solidarity and equality between women and men prevail. The European Court of Justice (ECJ) has underlined that these values 'define the very identity of the European Union as a common legal order'. 96

The EU institutions have a number of mechanisms at their disposal to ensure that all EU countries uphold EU values. These include monitoring, preventive and sanctioning mechanisms. Not all of these mechanisms can be triggered directly by the European Parliament. For instance, only the European Commission or another Member State can bring a court action to the ECJ against a

⁹² Euroactiv Legal Affairs committee confirms Trócsányi and Plumb rejection, Press Release, 30 September, 2019.

In 5 cases by unanimity and in 21 cases by a large majority of coordinators representing at least two thirds of the committee membership.

⁹⁴ European Parliament, MEPs to quiz candidates for position of EU Chief Prosecutor, press release, 25 February 2019.

⁹⁵ European Parliament, Kövesi to become EU Chief Prosecutor, press release, 24 September 2019.

⁹⁶ ECJ judgment of 16 February 2022, Case C-156/21, ECLI:EU:C:2022:97, paragraph 127.

Member State. ⁹⁷ The Conditionality Regulation, allowing funding to be suspended or cut in the events of rule of law breaches affecting the financial interests of the Union, may only be triggered by the Council upon a substantiated request by the Commission. ⁹⁸ The European Parliament has called repeatedly on the Commission to activate this mechanism, ⁹⁹ and has even taken the Commission to the ECJ over its inactivity. ¹⁰⁰ Parliament is now considering taking the Commission to court again, this time over the unfreezing of funds for Hungary despite persistent concerns over respect for EU values in that Member State. ¹⁰¹

Parliament has a specific role in the preventive mechanism enshrined in Article 7(1) TEU. Back in 2018, Parliament activated the mechanism to call formally on the Council to establish a clear risk of a serious breach of EU values by Hungary. ¹⁰² Parliament's concerns covered a broad array of issues: the functioning of the constitutional and electoral system; the independence of the judiciary and other institutions; corruption and conflicts of interest; privacy and data protection; freedom of expression; academic freedom; freedom of religion; freedom of association; the right to equal treatment; minority rights; fundamental rights of migrants, asylum seekers and refugees; and economic and social rights. The proceedings have been blocked in the Council since 2018, with Parliament urging the Member States to take a decision. ¹⁰³

In order to make its voice better heard in matters of fundamental rights and EU values, Parliament has called repeatedly for the establishment of a comprehensive mechanism on democracy, rule of law and fundamental rights to serve as a platform for structured cooperation between the Parliament, Council and Commission, and to take the legal form of an interinstitutional agreement.¹⁰⁴

Parliament regularly adopts topical resolutions on issues relating to the rule of law, fundamental rights ¹⁰⁵ and EU values more generally, in particular in reaction to the Commission's annual rule of law reports. In response to Parliament's calls, ¹⁰⁶ as of the 2022 edition of the report, the Commission has included country-specific recommendations for each of the 27 EU Member States and, as of the 2023 edition, it takes stock of progress in addressing those recommendations. In its resolution on the 2022 report, ¹⁰⁷ Parliament reiterated its call on the Commission to establish a panel of independent experts to evaluate the rule of law situation in each Member State. In this respect, the Rule of Law and Fundamental Rights Monitoring Group (DFRMG), active since 2019 ¹⁰⁸ within Parliament's Committee on Civil Liberties, Justice and Home Affairs (LIBE), monitors issues relating to judicial independence, media freedom, and the fight against corruption in all the EU countries. ¹⁰⁹

⁹⁷ See Article 258 TFEU and Article 259 TFEU.

⁹⁸ Regulation (EU, Euratom) 2020/2092 of 16 December 2020.

⁹⁹ See European Parliament <u>resolution</u> of 10 June 2021, and <u>resolution</u> of 8 July 2021.

¹⁰⁰ Case C-657/21, withdrawn after the Commission began applying the regulation.

¹⁰¹ European Parliament <u>resolution</u> of 18 January 2024.

¹⁰² European Parliament <u>resolution</u> of 12 September 2018.

See, for instance, European Parliament <u>resolution</u> of 15 September 2022.

¹⁰⁴ See European Parliament <u>resolution</u> of 14 November 2018 and <u>resolution</u> of 7 October 2020.

¹⁰⁵ See European Parliament <u>resolution</u> of 1 June 2023.

European Parliament <u>resolution</u> of 24 June 2021.

¹⁰⁷ European Parliament <u>resolution</u> of 30 March 2023.

¹⁰⁸ See DFRMG mandate adopted by LIBE coordinators on 5 September 2019 and extended on 27 January 2022.

See for instance LIBE committee, <u>Working document</u> on activity report of the DRFMG, (rapporteur: Sophia in't Veld, Renew, Netherlands), 27 June 2023.)

Framing the public debate about Europe's future



Over the past decade, the need for a broad discussion on the future of Europe and on the reforms needed to equip the EU to face current and future challenges, has grown clearer. The multiple crises that the EU has faced in recent years (financial, migratory, sovereign debt) have exposed the vulnerabilities of

the current institutional and policy set-up. The United Kingdom's decision to withdraw from the EU made the need for an open debate even more apparent. The European Parliament has been central to efforts to frame a public debate on the future direction that the EU should take. In this context, between 2018 and 2019, ahead of the 2019 European elections, Parliament hosted debates with Heads of State or Government on the future of Europe, and made concrete reform proposals in a number of resolutions.¹¹⁰

From the outset, Parliament engaged actively with the idea of a conference on the future of Europe, ¹¹¹ an idea originally attributed to French President Emmanuel Macron and then taken up by Commission President Ursula von der Leyen. In January 2020, Parliament was the first EU institution to set out its position on the purpose, structure and governance of the conference. ¹¹² Its resolution envisaged a conference with very strong public involvement through 'citizens agoras' – panels – composed of ordinary citizens, with young people strongly represented. Parliament proposed that the conference should discuss a wide range of policy areas and, at the end of a deliberative process, formulate recommendations for the EU institutions.

In the event, the conference was a genuine experience of participatory democracy, in which citizens were protagonists of the debate in a way never experienced in existing EU consultation processes. The citizens' panels were designed to allow citizens from all Member States to debate together on predefined issues, making the transnational nature of these panels the true innovation of the conference. Approximately 800 members of the public took part in the four citizens' panels. ¹¹³ They were selected at random, but were representative of the EU population in terms of geographic origin, education, socio-economic condition, gender and age, although one third of the citizens were aged between 16 and 25, meaning that young people were over-represented.

After a period of preparation and the launch of a multilingual digital platform as the hub for all contributions and ideas from the general public, the Conference on the Future of Europe was launched on 9 May 2021 and ran for an entire year until the final event on 9 May 2022. The conference debates were organised according to a bottom-up approach. The four citizens' panels met three times to discuss topics relating to broad policy areas and formed recommendations that were presented during the conference's plenary sessions. In parallel, public debates took place within the nine thematic working groups, 114 with the participation of representatives of the citizens'

See European Parliament <u>resolution</u> of 16 February 2017 and <u>resolution</u> of 16 February 2017.

See Conference website. A collection of publications on the Conference can be found on the Council website.

European Parliament <u>resolution</u> of 15 January 2020.

The panels dealt with the following topics: Panel 1 – stronger economy, social justice, jobs/ education, youth, culture, sport/ digital transformation; Panel 2 – European democracy/values, rights, rule of law, security; Panel 3 – climate change, environment/health; and Panel 4:EU in the world/migration.

The nine thematic working groups were:i) climate change and the environment; ii) health; iii) a stronger economy, social justice and jobs; iv) EU in the world; v) values and rights, rule of law, security; vi) digital transformation; vii) European democracy; viii) migration; ix) education, culture, youth and sport.

panels, MEPs, civil society, national parliaments, the Council, the Commission, the European Committee of the Regions and the European Economic and Social Committee.

The conference produced 49 proposals for future action, made up of 326 implementing measures that the institutions must now follow up. ¹¹⁵ Before the conference began, the three institutions – Parliament, Council and Commission – agreed in a joint declaration ¹¹⁶ that the proposals that the conference produced would need to be followed up. With this in mind, very soon after the end of the conference, each of the three institutions made its own assessment of the measures needed to implement the conference proposals. ¹¹⁷ Parliament was in favour of a broad set of reforms.

Parliament has called for Treaty reform in a number of resolutions. In May 2022, Parliament called for a convention on the revision of the Treaties in accordance with Article 48 TEU. In another resolution, adopted in June 2022, ¹¹⁸ Parliament formulated concrete proposals to that end. Later with a resolution adopted on 22 November 2023, ¹¹⁹ Parliament proposed a comprehensive reform consisting of 245 Treaty amendments, stressing that Treaty change should not be construed as an end in itself, but as a means to improve the Union, enhance its capacity to act and shore up its democratic legitimacy and accountability. This proposal is now under discussion in the Council.

Striking the right balance with artificial intelligence



While artificial intelligence (AI) technologies are full of potential to benefit society, create jobs and increase productivity, there is also a risk that their application could compromise fundamental rights and jeopardise users' safety. The European Parliament has worked intensively throughout this legislative term to define

rules for AI systems that strike the right balance between fostering investment in this new technology and protecting fundamental rights.

Starting with a recommendation on regulating robotics, adopted back in 2017, ¹²⁰ Parliament has set the tone for the EU debate. Since 2020, it has adopted several resolutions on how best the EU can regulate AI to support innovation, ethical standards and trust in AI technology. ¹²¹ Parliament dedicated 18 months of focused work in a Special Committee on AI in a Digital Age, resulting in the adoption, in May 2022, of a roadmap to AI, ¹²² taking a long-term, holistic approach. Recognising the impact and benefits of AI in various sectors, Parliament advocated a horizontal, innovation-friendly regulation framework, proportionate to the type of risk incurred by a particular AI system. Parliament also called for urgent EU action to set the global standards for AI regulation.

¹¹⁵ Report on the final outcome, May 2022.

Joint Declaration on the Conference on the Future of Europe engaging with citizens for democracy – Building a more resilient Europe, 10 March 2021.

Proposals and related specific measures contained in the report on the final outcome of the Conference on the Future of Europe: Preliminary technical assessment, Council of the European Union, 30 November 2022, see also updated version of 7 December 2023; European Commission, updated version into concrete action (COM(2022) 404), 17 June 2022.

¹¹⁸ European Parliament <u>resolution</u> of 9 June 2022.

¹¹⁹ European Parliament <u>resolution</u> of 22 November 2023.

¹²⁰ European Parliament <u>resolution</u> of 16 February 2017.

See European Parliament resolutions of 20 October 2020 on <u>a civil liability regime for artificial intelligence</u>, a <u>framework of ethical aspects of artificial intelligence, robotics and related technologies</u>, and on <u>intellectual property</u> rights for artificial intelligence technologies.

¹²² European Parliament <u>resolution</u> of 3 May 2022.

The European Commission's Al act proposal, ¹²³ the first of its kind in the world, took Parliament's recommendations into account. Designed as a horizontal instrument, it applies to all Al systems sold or used in the EU, to ensure that only safe products are placed on the market. This should ensure that users can trust the technology, and businesses are encouraged to develop it. As advocated by Parliament, the proposal introduced a risk-based approach: the higher the risk, the stricter the rules. In this way, certain Al practices with unacceptable, harmful risks would be prohibited (e.g. social scoring), high-risk Al systems would be regulated (e.g. biometric identification or management of critical infrastructure), and there would be transparency obligations for systems with limited or minimal risk (e.g. chatbots).

Parliament secured important changes to the initial proposal during legislative negotiations. To start with, the definition of AI systems, is now aligned with the text 124 of the Organisation for Economic Co-operation and Development (OECD). The list 125 of prohibited AI systems has been considerably extended, upon Parliament's insistence. It now includes: untargeted scraping of facial images from the internet or video surveillance footage; emotion recognition in the workplace or educational institutions; biometric categorisation that uses sensitive characteristics, such as sexual orientation or religious beliefs; individual predictive policing systems; social scoring based on social behaviour or personal characteristics; and AI systems that exploit people's vulnerabilities or manipulate human behaviour to circumvent their free will. Although remote biometric identification (both real-time and post-remote) by law enforcement authorities was not banned completely, as Parliament wished, Parliament did manage to narrow its use for law enforcement purposes to very specific cases, with additional safeguards. Parliament also secured obligations to run a fundamental rights impact assessment for certain high-risk systems before they are brought to market, and to label systems that influence voter behaviour as high-risk. Thanks to Parliament, citizens will be able to file complaints about AI systems to national supervisory authorities, and receive explanations about decisions made using high-risk systems that affect their rights.

Parliament also succeeded in shaping the response to the rapid development of general-purpose AI (GPAI) models powering AI tools like ChatGPT. These models are characterised by their large size, their opacity and the fact that they can be used and adapted beyond the purpose for which they were designed. As such, they present ethical and social risks of discrimination, misinformation and privacy violations. The act introduces horizontal obligations for all GPAI models, such as transparency obligations and obligations to respect copyright law, and to disclose content used for training their models. More stringent obligations will apply for more powerful, high-impact capabilities GPAI models with systemic risk. Following Parliament's amendments, the European Artificial Intelligence Board was renamed, and its powers reinforced. This new structure, the European AI Office, established within the European Commission, will have investigatory and enforcement powers over GPAI models, and a link to the scientific community to support its work.

Proposal for a regulation laying down harmonised rules on artificial intelligence (Artificial Intelligence Act) and amending certain union legislative acts, COM(2021) 206 final.

¹²⁴ Recommendation on Artificial Intelligence, OECD, 22 May 2019.

European Parliament, <u>Artificial Intelligence Act: deal on comprehensive rules for trustworthy Al</u>, press release, December 2023.

Pushing the envelope on a minimum wage and minimum income



Although the European Parliament has few formal legislative powers in social policy, it works hard to set the agenda and to persuade the Council and the Commission to act. Two areas where Parliament has had some success in this respect are the debates around the minimum wage and the minimum income.

In recent years, in many EU countries, low wages have not kept pace with other wages, resulting in growing wage inequality and a rising share of employed people at risk of poverty. In 2017, the EU institutions proclaimed a European Pillar of Social Rights: non-binding guidelines for policy action. It affirmed, not least, the right of workers to fair wages providing for a decent standard of living. This, however, must be achieved with full respect for national traditions and social partners' autonomy, as Member States set wages individually and the EU can only support and complement their action.

The European Parliament has long advocated EU guidelines on minimum wages, to prevent poverty. ¹²⁶ Although it has no formal powers to propose rules itself, in 2019 it called successfully on the Commission to put forward a legal instrument to ensure fair minimum wages for workers across the EU. ¹²⁷ In response, the Commission President Ursula von der Leyen in her 2020 State of the Union speech spoke out against 'social dumping' and announced a first EU legislative initiative. ¹²⁸ A month later, the Commission put forward the proposal for a directive on adequate minimum wages. ¹²⁹ The rules proposed sought, first, to ensure that workers have access to minimum wage protection set at adequate levels – either through a statutory minimum wage or collective agreements – and, second, to strengthen collective bargaining as the main instrument for ensuring fair wages.

Parliament's negotiating position for trilogue raised the level of ambition for collective bargaining coverage of workers, calling for an obligation on Member States to develop action plans with concrete measures and timelines. It also added provisions to ensure full respect for workers' rights to join a union and to bargain collectively. ¹³⁰ In the Council, however, several Member States opposed the proposal, arguing that it lacked a valid legal basis, and three national parliaments saw the proposed rules as overstepping the principle of subsidiarity.

Eventually, in June 2022, the Council and Parliament reached agreement on the new rules, which was greeted by the media as 'historic'. The directive sets out a framework to promote collective bargaining on wage setting, as well as adequate statutory minimum wage levels, while also improving effective access to minimum wage protection for all workers. EU countries have until 15 November 2024 to implement the new rules. ¹³¹ Denmark has already challenged the adopted directive before the Court of Justice of the EU, however. ¹³²

While minimum wages seek to protect those who work, minimum income schemes reach beyond, targeting people who do not have sufficient income from work. Both policy measures are the

Relevant resolutions: <u>2008</u> on promoting social inclusion and combating poverty; <u>2011</u> on European platform against poverty and social exclusion; <u>2017</u> on minimum income policies as a tool for fighting poverty; <u>March 2019</u> on Employment and social policies of the euro area.

¹²⁷ European Parliament, Resolution on Employment and social policies of the euro area, 10 October 2019.

¹²⁸ European Commission, <u>State of the Union 2020</u>.

¹²⁹ European Commission <u>Proposal for a Directive on adequate minimum wages in the European Union</u>, 28 October 2020.

Report on the proposal for a directive on the adequate minimum wages (rapporteurs: Dennis Radtke, EPP, Germany; Agnes Jongerius, S&D, the Netherlands). Adequate minimum wages in the EU, procedure file.

Eurlex Directive (EU) 2022/2041 on adequate minimum wages in the European Union.

^{132 &}lt;u>Case C-19/23</u>, Kingdom of Denmark v European Parliament and Council of the European Union.

responsibility of national governments. In September 2022, the Commission tabled a proposal for a Council recommendation on adequate minimum income, ¹³³ inviting Member States to update their minimum income schemes. While all EU Member States have introduced minimum income schemes, these play varying roles in national social protection systems, and their design, generosity and accessibility vary significantly.

While the Council adopted the slightly modified recommendation in January 2023, Parliament two months later raised the stakes, calling on the Commission to consider a stronger legal instrument – a directive – to address the cost of living crisis. ¹³⁴ In its response, the Commission stated that the legal basis available did not allow it to propose a directive. ¹³⁵ While the Commission will be monitoring developments and reporting on progress made since the 2023 Council recommendation everythree years, it remains to be seen whether the next Parliament will assert its agenda-setting power firmly enough to keep the issue of an adequate minimum income high on the EU agenda.

Taking urban mobility up a gear



As transport is responsible for around 25 % of greenhouse gas emissions, it was the focus of several 'fit for 55' proposals. Under the Green Deal, transport-related emissions must be cut by 90 % by 2050, by replacing fossil fuels with alternative fuels (such as electricity or biofuels), ¹³⁶ and also by changing habits and switching to greener ways of getting around. Pollution is mostly

a problem in urban areas, with their higher populations and transport infrastructure densities, and greater levels of economic activity. Measures to develop public transport and promote active mobility are therefore key to reaching the climate target. The European Parliament was co-legislator for the European Climate Law and the fit for 55 initiatives, including the alternative fuels infrastructure (AFIR). 137 It has also adopted a number of resolutions encouraging the Commission to take further action in this field.

In its 2020 resolution on the Green Deal, ¹³⁸ Parliament called for a more comprehensive urban mobility plan to reduce congestion and improve liveability in towns and cities, through support for zero-emission public transport and cycling and walking infrastructure. A year later, the Commission announced its urban mobility framework. ¹³⁹ The Commission also proposed to revise the Trans-European Transport Network (TEN-T) to include an obligation on all 430 major cities in the network to develop sustainable urban mobility plans (SUMPs) to promote zero and low emission mobility.

In May 2023, Parliament's own-initiative resolution¹⁴⁰ on urban mobility called on Member States to develop urban transport systems that are safe, accessible, affordable, smart, resilient and sustainable; and to offer financial, fiscal and regulatory support to encourage transport providers

European Commission, Minimum income: more effective support needed to fight poverty and promote employment, website.

¹³⁴ European Parliament <u>resolution</u> of 15 March 2023.

¹³⁵ Legal basis: TFEU Article 153(1)(j), limited by TFEU Article 153(2)(a). See Commission's response in procedure file.

European Council, Infographic – Fit for 55: why the EU is toughening CO2 emission standards for cars and vans, 2023.

European Council, <u>Infographic – Fit for 55: towards more sustainable transport</u>, 2023.

European Parliament <u>resolution</u> of 15 January 2020.

European Commission, The New EU Urban Mobility Framework, 2021.

European Parliament <u>resolution</u> of 9 May 2023.

and users to switch to these systems. In addition to developing public transport networks, Member States should also develop collective transport services, such as car sharing, ride-hailing, e-bikes and scooters. The use of individually owned bicycles and other micro-mobility vehicles should also be encouraged, in part by developing parking and charging infrastructure. The resolution highlights the important role of artificial intelligence (AI) and digital solutions and calls for action on multimodal ticketing. As Member States' regulations on micro-mobility vary in many respects, the EU should shape common recommendations.

The Commission responded in October 2023, confirming that public funds (such as the Social Climate Fund, the European Innovation Fund and the Connecting Europe Facility) could be dedicated to supporting the shift from more polluting transport modes to greener alternatives and to help vulnerable households and users. On cycling, the Commission agreed to Parliament's request to analyse the feasibility of support for local and regional authorities to provide secure bicycle parking spaces and storage facilities.

Parliament has repeatedly highlighted and supported cyclists' interests, and cycling as a transport mode. Cycling is one of the greenest modes of transport there is. It contributes to the EU's green transition by reducing road congestion and greenhouse gas emissions and has a favourable impact on other domains, such as health tourism, the cycling industry and local employment. Yet the EU's cycling infrastructure is incomplete: there is a lack of dedicated cycling lanes, secure bicycle parks, and e-bike charging stations. This is inhibiting the expansion of cycling in urban environments. While cycling policies are the preserve of Member States, there is room for EU-level intervention in terms of promoting cycling, providing financial support and sharing best practices.

On cycling, in a 2021 resolution on the 2021–2030 EU road safety policy framework, ¹⁴¹ Parliament welcomed the deployment of cycling infrastructure by some Member States during the COVID-19 pandemic, and argued that it should not only remain in place but also be further expanded and promoted. In February 2023, Parliament adopted its first resolution dedicated exclusively to cycling. ¹⁴² It called on the Commission to develop a dedicated European cycling strategy, and to recognise cycling as a fully fledged transport mode on an equal footing with other modes. It argued that cycling should be built into urban mobility – with cycle highways between suburban areas and city centres, secure bike parking facilities close to urban transport nodes, and affordable e-bike and bike-sharing schemes, for instance. Cycling should also be tied into inter-urban transport systems and better connected to the trans-European transport network (TEN-T).

For cycling to achieve its full potential, Parliament would like to see it appropriately addressed in urban mobility policies at all levels of governance and funding, transport planning, awareness raising, safety regulations and infrastructure, including needs of people with disabilities and reduced mobility. In response to Parliament's initiatives, the Commission proposed a European Declaration on Cycling in October 2023, 143 recognising cycling as one of the most sustainable, accessible and inclusive, low-cost and healthy forms of transport, of key importance for society and the economy. If embraced by the Member States, this declaration may serve as a starting point for future more ambitious EU cycling policies and initiatives.

¹⁴¹ European Parliament <u>resolution</u> of 6 October 2021.

¹⁴² European Parliament <u>resolution</u> of 16 February 2023.

¹⁴³ European Commission, Communication proposing a European Declaration on Cycling, 2023.

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As the European Union's only directly elected institution, the European Parliament stands at the heart of European representative democracy, the foundation upon which the EU is built.

Since its creation, the Parliament's powers have evolved significantly, and it is now a fully fledged legislative body and forum for discussion and engagement, whose influence is felt in virtually all areas of EU activity.

This paper offers an overview of the European Parliament's main powers, demonstrating how they interact, and illustrating through practical examples from the ninth parliamentary term (2019-2024) the various ways in which Parliament uses those powers in its daily work.

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