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COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

Commission work programme 2023

A Union standing firm and united

1. <u>A Union standing firm and united</u>

"A whole continent has risen in solidarity... Europeans neither hid nor hesitated." European Commission President Ursula von der Leyen, State of the Union speech, 14 September 2022.

Over the last year, Europe and the world have been confronted by a collision of crises. The barbaric Russian invasion of Ukraine has brought the horrific reality of war back to Europe. As the tragic toll in human lives and devastation continues to mount, so do the reverberations of the conflict across Europe and the rest of the world. The ensuing energy crises have compounded an already escalating cost of living squeeze which has dented Europe's strong post-pandemic recovery. In parallel, the global rules-based order is being challenged in new ways, underlining the need for unity and cooperation with our partners and investment and diplomatic outreach with countries around the world.

This unique set of circumstances serves as the backdrop for this year's Commission work programme. It is framed by three complementary realities. The first is that **challenges of such scale can only truly be tackled collectively, as one Union**. And Europe has shown time and again that it will rise to the occasion, whether on vaccines, economic recovery, sanctions or support for Ukraine. In every instance, Europe has shown how much it can achieve, how ambitiously it can respond, and how swiftly it can act when there is a shared sense of purpose and a united approach. This must continue to be the driving force for our work in the year ahead.

The second reality is that these crises only underline the need for Europe to continue to **accelerate the radical transformation set out at the beginning of this mandate**, whether to tackle the climate and nature crises, make our economies and democracies more resilient, our industries more competitive, our societies fairer or to make our geopolitical stature stronger. The rationale for this programme, first set out in the Political Guidelines, was about building a better future for the next generation and making ourselves better equipped and more prepared to face the challenges to come. This remains as true now as it was then.

The third reality is that this unique set of crises, which is being felt so acutely in the everyday lives of Europeans, **cannot be met with a business-as-usual approach**. There will be a need for continued fast reactions, both to anticipate future challenges and to respond to the most pressing needs. In this spirit, our work will be focused on supporting Europeans through these testing times. This will be the Commission's first priority in the year ahead – whether by reducing energy prices, securing the crucial supplies needed for our industrial competitiveness and food security, strengthening our social market economy or not letting up in our response to the COVID-19 pandemic that is still present across our Union.

These three realities shape the work listed in the annexes of this work programme across all six headline ambitions. It builds on the work and progress we have already made to tackle the most pressing challenges while staying the course for the longer-term. RepowerEU, the plan to rid Europe of its dependence on Russian energy imports, has seen the steady drop in supplies from Russia compensated by an increase in alternatives thanks to successful efforts to reach out to our international partners. We are still facing a difficult winter, but thanks to

the **Gas Storage Regulation** almost 91% of EU storage capacity has been filled and Member States are putting in place gas savings plans in line with the **European Gas Demand Reduction Plan.** The Commission has also set out **emergency energy market intervention measures** to tackle recent dramatic price rises and reduce energy bills for Europeans and European businesses. And we will continue to accelerate the energy transition – both as a means to tackle the climate crisis but also to reduce our dependencies and boost our competitiveness. Key to this work will also be the stepping up the resilience and response capacities of critical infrastructure, which will be at the heart of a five-step plan announced by President von der Leyen.

In order to support people and businesses across Europe, we must now continue the work on investment and reforms through NextGenerationEU. Similarly, we must continue to use the power of the EU budget. To address the energy crisis we need to protect the fundamentals of our economy, and in particular safeguarding our single market and a high level of employment. In addition to preserving the level playing field in the single market through clear guidance on State Aid, guided by the overarching principles of proportionality and necessity, a united and common European solution is of paramount importance to address the serious risk of fragmentation of the Union. With REPowerEU, the Commission has taken important first steps of solidarity but more is needed. Thus, we need to boost REPowerEU with additional financing based on a needs assessment and considering investment absorption capacity. We will look into complementary sources of funding for REPowerEU and stand ready to propose further steps, drawing also on the lessons learnt from EU financial solidarity mechanisms under NextGenerationEU and other successful instruments.

As we face up to the consequences of the Russian invasion here in the EU, our support to Ukraine will remain as steadfast, as determined and as united as it has been since 24 February. What is at stake in the year ahead is about Ukraine and the future of Ukraine. But it is also about the future of the European Union and all it stands for: freedom, democracy, fundamental rights, the rule of law and all the values on which the EU is founded.

With true solidarity between the EU and its Member States, the more than 180 measures already adopted by the European Union in response to the invasion are hitting Russia where it hurts while offering strong support to Ukraine and its people. Between the start of the war and September, the EU and its Member States mobilised over EUR 19 billion to strengthen Ukraine's economic, social and financial resilience and an additional EUR 3.1 billion of military support under the **European Peace Facility**. Citizens and Member States have shown overwhelming kindness and solidarity in welcoming the millions of Ukrainians fleeing the violence, with the EU helping to ensure that they have access to jobs, housing, education and healthcare by activating the **Temporary Protection Directive**.

Thanks to the **EU Civil Protection Mechanism**, over 70,000 tonnes of aid have been provided to Ukraine, including food, water, shelter, energy and healthcare. We have mobilised medical and specialised equipment for public health risks such as chemical, biological, radiological and nuclear threats via the Health Emergency and Preparedness authority (HERA) and **rescEU emergency stockpiles**. Through the **Cohesion's Action for Refugees**

in Europe (CARE) and the proposal on FAST-CARE we have made it easier for Member States and regions to mobilise cohesion funds to help people fleeing the war.

We will continue to offer strong political, financial and humanitarian assistance to Ukraine and we stand ready to support the future reconstruction of the country. A first step is providing EUR **100 million for the rehabilitation of damaged Ukrainian schools**. As the future of Ukraine and its people lies within the Union, we will also work **to facilitate its access to the single market**. At the same time, we will continue to coordinate, including with our allies, to ensure the **effective enforcement of sanctions** to maintain strong economic pressure on Russia and undermine its ability to wage war on Ukraine.

The ongoing food crisis caused by sharply increasing prices, severe droughts and aggravated by the Russian invasion on Ukraine jeopardises food security around the world and represents another significant challenge. To address this, and to facilitate Ukraine's access to the single market and global supply chains through alternative routes, the Commission continues to work closely with its international partners, the Member States, Ukrainian authorities and business operators to ensure access to fertilisers, food production and open trade to prevent food supply distortions. Our 'Solidarity Lanes' allow Ukraine to export its grain and other products and import the goods it needs, from humanitarian aid to fertilisers. We have also mobilised EUR 600 million from the European Development Fund to increase support to food security to African, Caribbean and Pacific countries.

There is still much to do at home and abroad, starting with implementing what has already been agreed and adopting what is still left to agree upon. We have tabled initiatives to cut greenhouse gas emissions, invest in green technologies and protect the natural environment. We have proposed rules to empower people and businesses with a new generation of digital technologies. We have put forward measures to reinforce our competitiveness and strengthen the resilience of the single market, while fostering social justice in the labour market. This Commission has taken action to further strengthen the EU's capacity to defend democracy and the rule of law. We have acted to ensure media freedom and pluralism and to strengthen a pluralistic, equal and inclusive society.

It is essential we also put increased focus on **supporting interinstitutional negotiations** to turn our political commitments into law. Thanks to the unity of the institutions – whether on a COVID-19 certificate, digital rules or the minimum wage – much has already been done. We must speed up this approach, notably on files key to the twin transitions such as the Fit for 55 package, the proposals on tackling global deforestation or batteries and the Artificial Intelligence Act. The Commission's work will continue to be guided by the implementation of the United Nations **Sustainable Development Goals** in all policy areas. The Sustainable Development Goals have been integrated into the European Semester and mainstreamed in our better regulation tools. In 2023, the Commission will put forward the EU's first voluntary review of SDG implementation in the framework of the UN's High-Level Political Forum.

In recent years Europeans have seen first-hand what a difference our EU budget can make. However, resources and flexibilities are limited. The **mid-term review of the multiannual financial framework (MFF) 2021-2027**, which we will carry out in 2023, will be an opportunity to re-assess if the current EU budget continues to provide the means for common responses to common challenges.

To that end, the Commission will also present a **proposal for a second basket of new own resources**, building inter alia on the proposal for a single set of tax rules for doing business in Europe (BEFIT). Together with a first set of proposals, these measures will ensure more diversified and resilient types of revenue and avoid undue cuts to Union programmes or excessive increases in Member State contributions, in view of repaying the grant component of the NextGenerationEU recovery plan.

2. <u>Putting citizens at the heart of European democracy</u>

This year's work programme is also the first since the end of the **Conference on the Future of Europe.** Reflecting the richness of the proposals and the importance of delivering on what citizens feel important, many of the key initiatives outlined in this work programme follow up on the ambitious proposals made during the Conference.

The Conference on the Future of Europe¹ was a unique exercise in participative and deliberative democracy on a European scale, and a way to improve our policymaking. The Conference succeeded in developing **an ambitious and inspiring vision for our Union**.

That vision is one of a Europe that makes its citizens' everyday lives easier whether in rural or urban areas; that tackles our generational challenges head on; that is more autonomous; and that delivers on what matters most to Europeans, from the food they eat, to the air they breathe. It is now up to the European Parliament, the Council, and the Commission to follow up. This work programme is another step in the Commission's efforts on 'Putting vision into concrete action'².

The long-term success of the Conference on the Future of Europe will hinge on the change it can deliver on how to better include citizens in priority and ambition setting, as well as in designing and making policies at European level.

Building on the success of the Conference on the Future of Europe, citizens' panels are now part of the Commission's policymaking in certain key areas. The **new generation of citizens' panels** will deliberate on next year's initiatives on food waste, learning mobility and virtual worlds.

3. <u>Delivery on the six headline ambitions</u>

3.1 The European Green Deal

The effects of climate change are increasingly severe, as evidenced by this year's extreme heatwaves, forest fires and unprecedented droughts. Accelerating our green transition is essential to tackle the climate crisis and to strengthen our economies and security. Moreover,

¹Conference on the Future of Europe – <u>Report on the final outcome</u>

² June 2022 Communication 'Putting vision into concrete action', COM(2022) 404 final

in the face of increasing global threats and the new geopolitical reality, accelerating the green transformation will enhance our long-term food security by building a sustainable and resilient food system. The climate crisis has also further highlighted the need to keep enhancing our EU civil protection and crisis management mechanisms.

Most of the proposals key to delivering the European Green Deal have already been tabled by the Commission and we will continue to provide full support to the co-legislators to ensure agreement can be reached before the end of this parliamentary term. For this year, swift agreement on the Fit for 55 package is key.

To complement these measures, earlier in 2022 we adopted a pioneering proposal to halve pesticide use by 2030, and to restore Europe's damaged ecosystems by 2050. In the coming months we will adopt ambitious packages of further climate and environment measures including with regards to transport emissions and carbon removal certification, proposals to improve ambient air and water quality, and key initiatives in circular economy, addressing in particular the sustainability of packaging and plastics, the growing challenge of microplastics pollution, the right to repair and end of life vehicles. We will also push for an ambitious global deal for nature at the UN Biodiversity Conference in Montreal (COP 15) later this year and will show our global leadership on tackling climate change at the Sharm El-Sheikh Climate Change Conference (COP 27).

At the same time, our Union must improve its preparedness to better withstand future price volatility, ensure affordable electricity bills and anticipate the deep industrial transformation required for a decarbonised and largely electrified continent by 2050. We will therefore propose a comprehensive **reform of the EU electricity market** in early 2023, including decoupling the effect of gas prices on electricity prices.

To help scale up our green hydrogen economy, we will create a new **European Hydrogen Bank** to invest EUR 3 billion into kick-starting a hydrogen market in EU, including through matching supply with demand.

In 2023, we will take action to **reduce waste and the environmental impact of waste**, with a focus on **food and textile waste**, a topic identified during the Conference on the Future of Europe. Some 20% of all food produced in the EU is wasted, depleting natural resources, undermining ecosystems and contributing to greenhouse gas emissions. To tackle this, we will take measures including food waste reduction targets. With around 11 kilograms of textiles per person per year being discarded in the EU, we will also act to improve textile recycling and ensure that producers bear greater responsibility for waste treatment.

We will set up a **comprehensive framework for sustainable food systems** in the EU, to make sustainability central to all food-related policies. We will **overhaul the EU's animal welfare laws** to broaden their scope and ensure a higher level of animal welfare. This responds to the recommendations of the Conference on the Future of Europe and the European Citizens' Initiative, 'End the Cage Age'.

We will bring forward legislation for **new genomic techniques** such as targeted mutagenesis or cisgenesis. It will maintain a high level of protection for human and animal health and the environment, and contribute to a more resilient and sustainable food system through innovative plant products. The initiative responds to a proposal by the Conference on the Future of Europe.

We will also work on further **greening freight transport** to reduce emissions and pollution from transport as we move to smarter and more sustainable mobility.

After consultations with key stakeholders, we will propose a targeted revision of the legislation on the registration, evaluation and authorisation of chemicals (REACH) with the aim of securing European competitive advantages and innovation by promoting sustainable chemicals, simplifying and streamlining the regulatory process, reducing burden and protecting human health and the environment.

3.2 A Europe fit for the digital age

The final report of the Conference on the Future of Europe underlined the need to make digital solutions accessible and available to all Europeans and ensure Europe becomes the leading force for an ethical, transparent and safe digital transformation.

Further, the Commission's 2022 Strategic Foresight report underlined the need to accelerate the green and digital transitions in tandem. Digital solutions will make our economy more efficient and less resource intensive, while helping to minimise the environmental, resource and climate footprint of digitalisation itself. To that end, we will propose an **EU critical raw materials act**, to ensure an adequate and diversified supply for Europe's digital economy as well as for the green transition – and prioritise re-use and recycling.

Apart from our continued joint efforts with Member States to deliver on targets under the Digital Decade, we will propose tools on **developing open human-centric virtual worlds**, such as metaverses. These provide a myriad of possibilities for industries and service sectors, the creative arts and citizens, as well as opportunities to address broader social challenges such as health and smart cities.

Following up on the European Parliament resolution under article 225 of the Treaty on the Functioning of the European Union, the Commission will propose a **Recommendation on piracy of live content** offering a toolbox to fight the illegal streaming of live events, in particular sport events.

When it comes to mobility, digitalisation can be a catalyst for seamless multimodality and improved sustainability. We will propose a **common European mobility data space** to boost the digitalisation of the mobility sector and encourage innovative solutions. To prepare for emerging mobility solutions, we will also propose an **EU regulatory framework for hyperloop** to be ready to accommodate this high-speed, low-carbon transport solution.

Our initiative on **further expanding and upgrading the use of digital tools and processes in company law** will enhance transparency around companies in the single market, simplify administrative and judicial procedures and facilitate the cross-border expansion of companies.

The uncertain geopolitical climate as well as the recent disruptions to supply chains during the COVID-19 crisis showed the enormous importance of our unique single market for strengthening Europe's economic base. A dynamic and well-functioning internal market is our Union's bedrock for wealth and stability. On the occasion of its 30th anniversary, we will issue a **Single Market Communication** showcasing the significant benefits while identifying implementation gaps and future priorities for the single market to continue to play a key role in our Union's open strategic autonomy.

To help ensure a stable regulatory environment for our businesses, we will propose a **patent licensing package**. We will work towards an efficient framework for **standard essential patent** licensing to best reflect the interests of their holders and implementers, and will establish clear rules for the **compulsory licensing of patents**.

Our single market is a key tool to ensure that the health and safety of people across the Union comes first. So we will follow up on the European Parliament's legislative resolution with a proposal on **asbestos screening, registering and monitoring**. This will help ensure that all Member States increase their ambition to monitor, screen and tackle this dangerous substance.

We need an enabling business environment and a workforce with the right skills. Our future competitiveness depends on it. We must remove the obstacles that still hold our small companies back as they are the backbone of Europe's long history of industrial prowess. This is why we will put forward an SME Relief Package. The Commission will revise the late payments Directive to **reduce burdens for SMEs**.

In order to boost a workforce with the demanded skills and foster the competitiveness of European companies, in particular SMEs, and to realise the full potential of the digital and green transitions in a socially fair manner, 2023 will be the **European Year of Skills**, to deliver the necessary reskilling and upskilling of our workforce and attract the right skills to our continent.

3.3 An economy that works for people

We decide on this work programme in a time of high economic uncertainty. Therefore, we stand ready to re-evaluate after the winter, especially those measures that can affect competitiveness.

Russia's war of aggression against Ukraine is testing Europe's economic and social resilience at a moment when it is undergoing profound transformations. We need to develop a strong set of strategic trade and investment controls to strengthen our economic security, while also working to diversify value chains.

The Commission is prepared to revise the EU's FDI screening regulation in light of two years experience, with a view to identifying, in line with Better Regulation principles,

necessary amendments that would strengthen its functioning and effectiveness. We will also draw on experience of the current EU export control regime, and of the implementation of sanctions in the context of Russia's aggression against Ukraine, to strengthen our strategic export controls, working closely with Member States and our international partners. Moreover we will examine whether additional tools are necessary in respect of **outbound strategic investments controls**.

We also need to reinforce our European social market economy model. We will continue delivering on the social agenda as defined by the Porto Social Summit in May 2021 to ensure a socially fair twin transition. We have put forward important initiatives to **implement the European Pillar of Social Rights action plan.** We will present an initiative for the digitalisation of social security systems and social safety nets in support of labour mobility, in connection with the ongoing work on **ESSPASS** (European Social Security Pass).

In the context of the European Year of Skills, we will also update our **quality framework for traineeships** to address issues including fair remuneration and access to social protection.

Following up on the European Parliament resolution under article 225 of the Treaty on the Functioning of the European Union, we will table a legislative initiative on a **statute for European cross-border associations**, to enable them to benefit fully from the freedoms offered by the single market. These associations play a key role in providing goods and services in many areas of the EU's economy, and in contributing to citizens' active engagement in civil society and democracy.

We will propose a Council Recommendation on **developing social economy framework conditions**, to help Member States better adapt their policies and laws to the specific needs of social economy entities.

In view of repaying the grant component of the NextGenerationEU recovery plan and ensuring financing for the Social Climate Fund, the Commission has tabled a first set of proposals for new own resources that are now under discussion with the co-legislators. However, as underlined in the Conference on the Future of Europe, the Union needs to further strengthen its own budget. To that end, the Commission will present a **proposal for a second basket of new own resources**, building on the proposal for a single set of tax rules for doing business in Europe (BEFIT).

Together, these measures will ensure more diversified and resilient types of revenue and avoid undue cuts to Union programmes or excessive increases in Member State contributions. We will also carry out a **mid-term review of the multiannual financial framework 2021-2027**. We will also push to create a new European Sovereignty Fund, to ensure that the future of industry is made in Europe.

In addition, we will present the Commission's orientations following the **review of our economic governance** to ensure it is still fit for the challenges of this decade, taking into account the valuable input from the Conference on the Future of Europe.

We will also make a proposal on how to **deepen and enhance administrative cooperation**. This will allow for better synergies between the EU tools designed to strengthen capacities, especially at local and regional levels. It will also enable better management of investments and transformations, while ensuring full and effective implementation of EU policies.

Efficient and integrated financial markets and the free movement of capital are essential for economic growth and recovery as well as the twin green and digital transition. They also contribute to the EU maintaining its leading global economic and geopolitical role. The Commission has put forward a series of regulatory reforms in the area of investment, disclosure of information, banking and insurance. Now, we will seek further progress in building the Capital Markets Union. The Commission will also propose a package of measures to facilitate retail investment, while data access in financial services will be further improved with an initiative for a framework on open finance. We will also revise the payment services and better protecting users against fraud and abuse.

To ensure the Union's common currency is fit for the digit al age, we will table a proposal to lay down the principles of a **digital euro** before its potential issuance by the European Central Bank.

3.4 A stronger Europe in the world

While multilateralism and the rules-based international order will remain our underlying guiding principles, we must prepare for an age of systemic rivalry in a multipolar world.

As a leading development and humanitarian assistance donor, the EU will continue to respond to the global consequences of Russia's war against Ukraine, especially with regard to the global food and energy crises.

The sanctions against Russia will remain in force for as long as the aggression against Ukraine and unlawful occupation/annexation of Ukrainian territory continues. We will also **update our sanctions toolbox** to include corruption.

The cruel reality of war confirms the need to ramp up EU efforts in the area of security and defence. Following up on the EU Strategic Compass, in 2023 we will present the EU **space strategy for security and defence** as well as the updated EU **maritime security strategy**. We will also launch a dialogue with the European Defence Industries on how to bring about production increases to fill existing gaps in European armament stocks.

We will continue our cooperation with candidate countries in the Western Balkans, along with Ukraine, Moldova and Georgia, in view of their future accession to the Union. We will maintain our support for the Eastern Partnership and Southern Neighbourhood. In addition, we will actively contribute and feed into the work of the future European Political Community to reach out to the countries of Europe beyond the accession process.

To strengthen the EU's resilience and diversify our supply chains, we will push for full ratification of trade agreements including for example with Chile, Mexico and New Zealand

and continue negotiations with other important partners, such as Australia, India and Indonesia. We will also put forward a **new Agenda for Latin America and the Caribbean**.

The EU remains committed to addressing crises in other parts of the world and promoting meaningful multilateral solutions to global challenges, in particular through the review of the 2030 agenda for sustainable development, and by strengthening our relations with International Financial Institutions.

With conflict and natural disasters on the rise, humanitarian needs are increasing while the funding gap is widening. Improving efficiency and effectiveness in aid delivery remains critical, including through scaling up the EU's own capacities to respond to crisis situations. Amongst other actions, we will double our firefighting capacities ahead of the 2023 forest fire season and add 10 light amphibious aircrafts and 3 helicopters to our fleet.

3.5 Promoting our European way of life

The 2022 European Year of Youth has offered an array of opportunities, for young Europeans to strengthen their skills and competences, and to foster the civic engagement of young people. The strong focus on youth will continue through the European Year of Skills.

With only 15% of young people having undertaken studies, training or apprenticeships in another EU country, the Commission will propose to update the current **EU learning mobility framework** to enable learners to move more easily between education systems: a key step towards a European Education Area for 2025.

In the field of health, the Commission will continue the implementation of the ambitious Beating Cancer Plan, one of the pillars of a strong European Health Union. We will put forward a Recommendation on **vaccine-preventable cancers** and an update of the **smoke-free environments** Recommendation.

Another key pillar of the European Health Union, recommended by the Conference on the Future of Europe, is the creation of a **European Health Data Space**. The swift adoption and implementation of this initiative will strengthen the quality and continuity of healthcare and ensure citizens' rights in relation to their health data. The Commission will respond to another proposal from the Conference on the Future of Europe with a **comprehensive approach to mental health**, a major societal issue brought into extra focus during the pandemic. The Commission will also continue to promote sport and the mental and physical benefits of a healthy lifestyle across society and across generations, building on the HealthyLifestyle4All initiative and its Youth Ideas Labs.

Events on our doorstep continue to underline why a clear and robust framework for our migration and asylum system is so vital. Important progress has also been made in the past year on a European approach to migration – as set out in the **Pact on Migration and Asylum**. The Commission will continue lending its full support to the European Parliament and the Council to implement the Joint Roadmap on the Pact, adopting all proposals on the table before the end of this mandate. To complement this, we will seek to make progress on the **Skills and talent package** to step up effective and mutually-beneficial legal migration,

reinforced by a new initiative to facilitate the **recognition of qualifications of third country nationals** attracting the right skills to our continent, which will be an important theme of the European Year of Skills 2023. A targeted initiative will promote one of the most strategically important skills, through a **Cybersecurity Skills Academy**.

As part of our efforts to build a genuine Security Union, and delivering on the EU Strategy to fight child sexual abuse, the Commission will propose a **revision of the Directive on combatting child sexual abuse**. This will target new challenges brought about by technological change, and the need to step up the prevention, investigation and prosecution of child sexual abuse crimes, as well as supporting and protecting child victims, in both the online and the offline space, in line with the EU comprehensive strategy on the rights of the child. The initiative will complement the recent proposal for a **Regulation laying down rules to prevent and combat child sexual abuse**. The Security Union will also be reinforced by strengthened **cross-border police cooperation** to address new and complex security threats, once the Commission's proposals are adopted.

The Commission will continue to take all necessary steps to ensure a strong and resilient Schengen area without internal border controls. Efficient border checks, fluid international travel and security considerations will be brought together through technological advances by progressing with implementation of the new interoperable systems and a new proposal on the **digitalisation of travel documents**. The Commission will also continue to lend its support to the co-legislators for a swift adoption of the revised **Schengen Borders Code**.

3.6 A new push for European democracy

Our democracy, the bedrock of our Union, is under greater pressure than ever before. Our Union's stability, security and prosperity rely firmly on upholding our **democratic values and institutions**. We must therefore not relent in defending our fundamental rights and shared values such as equality and the rule of law, or in acting to protect the foundations of our free and democratic societies, such as media pluralism and freedom.

Systematically upholding the **rule of law** across all Member States was an objective formulated by the Conference on the Future of Europe, and the third edition of the annual rule of law report in July 2022 contained for the first time recommendations addressed to all Member States. The European Democracy Action Plan has made the protection of key democratic pillars a top political priority. Building on this, the Commission proposed the European Media Freedom Act to provide legislative safeguards for media freedom and pluralism.

In 2023, the Commission will put forward a **defence of democracy package** to deepen the action under the European Democracy Action Plan to promote free and fair elections, to step up the fight against disinformation and to support media freedom and pluralism, including by developing civic space and citizen participation to bolster democratic resilience from within. In particular, it will include proposals to protect our democracies and strengthen trust by defending our democratic system from outside interests. We will also propose measures to update our legislative framework for **fighting corruption**.

The Commission has put forward proposals to strengthen the European Parliament elections by supporting their integrity and promoting greater participation through rules on the **transparency and targeting of political advertising**, on the **statute and funding of European political parties and European political foundations** and on the **electoral rights of mobile Europeans**. We stand ready to support co-legislators also in their work on the proposal of the European Parliament for a new **Electoral law**. It would be important to have all these new rules related to elections in place in time for the next European Parliament elections in 2024.

The Commission will continue to build a Union of Equality through a flagship initiative for the rights of persons with disabilities, proposing a **European disability card** ensuring the mutual recognition of disability status across all Member States. The Union of Equality would be further reinforced by co-legislators finding agreement on the proposed initiatives on **combating violence against women and domestic violence** and on **pay transparency.** In the context of the implementation of the EU anti-racism action plan 2020-2025, the Commission will continue its work to ensure **effective protection against discrimination** on grounds of racial or ethnic origin, including in the area of law enforcement.

To ensure consumers' rights continue to be protected and enforced in both online and offline markets, the Commission will propose amendments to the rules governing **cooperation between consumer protection authorities** to help deter unfair business practices and support more effective investigations into breaches of consumer law.

The Commission will look into tools to **strengthen its transparency framework**, in particular as regards access to documents.

To improve the **cooperation between national data protection authorities** in enforcing the General Data Protection Regulation, the Commission will propose to harmonise some national procedural aspects of their work.

4. <u>Better Regulation, implementation and enforcement of EU law</u>

4.1 Better regulation

The challenges facing Europe today have highlighted the need for informed policymaking based on evidence and better regulation principles.

The Commission now has regulatory tools that meet the highest standards, as recognised by the Organisation for Economic Cooperation and Development. Better regulation is about ensuring that legislation is necessary and provides the maximum possible benefit for citizens and stakeholders. The **'one in, one out' approach, now fully deployed,** focuses on the impacts of costs of Commission proposals on citizens and business. This complements the systematic effort to identify and remove red tape and unnecessary costs under the regulatory fitness and performance (REFIT) programme. The 'Fit for Future' platform, a high-level expert group further supports the Commission in identifying simplification and burden reduction potential. A high-level group of stakeholders, can further contribute to targeted streamlining of the acquis affecting citizens and businesses. A **reinforced small- and**

medium-sized enterprise (SME) test will ensure that European companies profit from the single market without paying a disproportionate price. In 2023, the Commission will continue to implement the 'one in, one out' approach while starting to take stock of its delivery and effectiveness.

The better regulation agenda is a key element in supporting sustainability. It integrates Sustainable Development Goals in impact analyses, by considering significant impacts on equality for all. The inclusion of strategic foresight in better regulation and the future proofing of legislation will equip the Commission with the necessary tools to tackle any future uncertainties.

4.2 Implementation and enforcement of EU law

Once the Union has reached agreement on proposed initiatives, it is vital they are implemented fully and in good time in order to create the change on the ground that we have promised. The **Communication on application of EU law** presented last week elaborates how the Commission has deepened and developed its work on enforcement, combining efforts hand with Member States, specialised authorities and other stakeholders. The full and consistent application of EU rules enhances legal certainty and the trust placed by people and businesses in national institutions and the EU at large, notably when it comes to our shared values, fundamental rights, the rule of law, the EU's four fundamental freedoms, and the functioning of the single market. Proper enforcement of EU rules maximises the concrete benefits that EU policies bring to the everyday lives of people, wherever they live in the EU. The Commission will continue to engage with Member States to support them in correctly applying EU law, to remedy any problems swiftly when they occur and to **act decisively on infringements** which obstruct the implementation of important EU policy objectives, or which risk undermining the EU's values and fundamental freedoms.

5. <u>Conclusion</u>

Since the beginning of this mandate, the European Union has shown its ability to deliver for citizens on the things that matter the most. It has responded collectively when faced with unique crises, while doubling down on the radical transformation on which it had already embarked. This must continue to be the driving force for our work in the year ahead.

Our key actions for next year are listed in the annexes to this Communication. They include a list of priority pending proposals on the basis of which we will continue our dialogue with the European Parliament and Council with the aim to agree on the Joint Declaration on legislative priorities by the end of this year.

Together we will shape a Union that is able to pool its strengths to tackle the biggest challenges, from climate change and nature loss to pandemics and regional security. A vigorous Union that upholds its values and rule of law. A thriving Union founded on a strong economy, solidarity among generations and unique single market and delivering unprecedented social protections. An undivided Union that has a strong voice in the world and acts as a global leader to tackle our generational challenges.