



European
Commission

STATE OF THE UNION 2023

ACHIEVEMENTS
by the **VON DER LEYEN**
COMMISSION

State of the Union 2023 — by the von der Leyen Commission

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Achievements

Europe: a future worth fighting for

One year ago, the European Union faced one of its greatest challenges yet, with war raging on our continent and, for the first time ever, a neighbouring country under attack because of its desire to join our Union. Russia tried to blackmail us with energy, and Europe was on the verge of a fossil-fuel crisis. We did not know whether our gas reserves would last the winter. But we did know, deep in our hearts, that we could not give up on our Ukrainian friends, who were fighting for their freedom. **We needed to break our dependence on Russian fossil fuels fast, by diversifying and accelerating the transition to clean energies. And we did it, together.** Not because it was easy, but because it was the right thing to do.

This is the spirit of President Ursula von der Leyen's European Commission. Since 2019, Europeans have withstood a global pandemic, weathered an energy crisis and welcomed into their homes the largest number of displaced people since the Second World War. Despite such adversity, we have never wavered in our pursuit of the European Green Deal, human-centric digital innovation and social fairness. **This is a Commission that stays true to its word and delivers.**

Not only have EU citizens regained their trust in our Union's resilience, agility and vision, we Europeans have also emerged stronger and more united. In response to Russia's invasion of Ukraine in February 2022, we continue to stand shoulder to shoulder with Ukraine and its people. We have deepened and widened the scope of

our sanctions, which are taking a heavy toll on the Russian war machine. We are championing the rules-based order, holding Russia accountable for its crimes and **working towards a just peace**. We helped closing Ukraine's budget gap for 2023 and have proposed to keep supporting its economy for years to come through a new facility within the EU budget. At the same time, we have been **preparing for Ukraine's integration into our European family**, focusing on reconstruction and reforms. And to foster the security of our enlarged Union, we are reinforcing European defence capabilities.

With **REPowerEU**, we won the energy war waged by Russia against our economy: we avoided blackouts; brought energy prices down to pre-war levels; and doubled down on clean, affordable and home-grown renewable energy. In May 2023, **for the first time in history, the EU produced more electricity from wind and solar than from fossil fuels**. And we are refocusing on what European industry needs to win the global race to net zero, from the net-zero industry act to the critical raw materials act and the hydrogen bank – all game-changing legislative initiatives.

At the heart of the EU's economic transformation is **NextGenerationEU**, our historic recovery and investment plan. As we mark the single market's 30th anniversary, the 27 Member States are collectively investing in infrastructure such as energy interconnectors and energy islands, and in electric mobility.

We are scaling up innovative industries such as batteries, chips and hydrogen. The EU's labour market is the strongest it has been in decades, but shortages of skills needed for the green and digital transitions could limit our capacity to achieve our goals. That is why we also named 2023 the European Year of Skills, to reprioritise lifelong upskilling and training.

To this Commission, the EU is ultimately about 'people standing together – for their liberty, for their values, simply for a better future'. As we approach the **2024 European elections**, we must do everything we can to empower people and ensure they exercise their democratic right to vote. We will protect the democratic space from interference and threats, including corruption, disinformation, attacks on journalists and attempts by foreign powers to divide us. **Our democratic traditions, aspirations and unity are our strength.**

From the founders of the European peace project, who dared to imagine a united Europe after the Second World War, to those tearing down the Iron Curtain in 1989 that divided our continent, and now to the heroes in Ukraine fighting for freedom and a European future for their children – **what unites us is that we fight for what is right.** Today, Europe once again stands for a future worth fighting for, and this future is ours to build.



Today, Europe once again stands for a future worth fighting for, and **this future is ours to build.**



1 Defending Europe's promise

For the first time in our history, a neighbouring country is under attack because of its desire to be part of the European family. Russia is waging war against Ukraine's sovereign decision – and the clearly expressed will of its people – to move closer to our Union. Our response has been clear, and it must be a lasting one. We must and will continue to work for a just peace. This means helping Ukraine defend itself, regain full sovereignty and advance towards EU membership.

To achieve these goals, we are providing humanitarian aid, economic assistance and military support to Ukraine; committing significant funds for the country's immediate needs, recovery and modernisation; keeping essential public services running, such as hospitals and schools; restoring critical infrastructure destroyed by Russia, such as energy systems, water systems, transport networks, roads and bridges; and helping provide required defence capabilities. We have also granted temporary protection rights to Ukrainians living in the EU, and we are offering protection and specialised rehabilitation services to distressed and unaccompanied children in both Ukraine and the EU and supporting Ukraine's comprehensive childcare reform.

Additionally, we are supporting Ukraine in holding Russia accountable for its

crime of aggression and war crimes, and facilitating the safe return of Ukrainian children deported to Russia. To weaken Russia's war capacity, **the European Union has imposed 11 sweeping sanctions packages** affecting key sectors of Russia's economy, freezing substantial assets and barring key Russian banks from the SWIFT system. On the defence front, the EU has strengthened cooperation with the North Atlantic Treaty Organization (NATO), while boosting its own joint defence capabilities through the European Defence Fund.

Standing with Ukraine for as long as it takes

From the moment Russia's war of aggression cast its dark shadow over Ukraine, the foremost duty that the European Union took upon itself was to safeguard Ukrainian civilians. In a historic first in the twenty years since the adoption of this instrument, on 4 March 2022, only days after the start of the Russian invasion, the EU unanimously brought the **temporary protection directive** into effect. This ensured that from the start, Ukrainian people fleeing the war were granted rights within the EU, including residence permits, housing, access to the labour market, medical care and, vitally, schooling and education for children.

The EU Member States have opened their homes and hearts to millions of Ukrainians, offering temporary protection to approximately 4 million individuals, nearly half of whom are women. **The EU has become a safe haven for almost one fifth of Ukraine's children.** This comprehensive societal response to the largest displacement of people in Europe since the Second World War has reverberated through the very fabric of our societies.

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Ukrainian citizens fleeing the war saved a rural primary school in Ireland that was at risk of closure. Lismoil National School in Roscommon has taken in 14 Ukrainian children, who make up more than half the school's student population.

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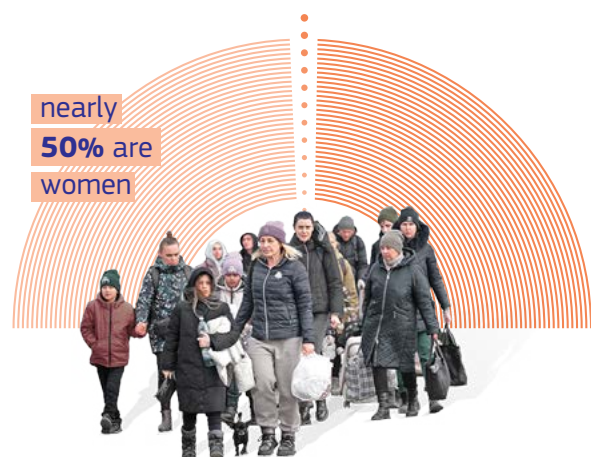
Currently, it is estimated that more than 5 million individuals are internally displaced within Ukraine. The dark clouds of war and deliberate attacks on civilians by Russia mean that an estimated 17.6 million individuals require humanitarian assistance in 2023.

Since the onset of the invasion, the Commission has committed EUR 733 million to humanitarian aid programmes. A total of EUR 685 million has been mobilised for humanitarian assistance in Ukraine and EUR 48 million has been provided for Ukrainian people fleeing the war and host communities in neighbouring Moldova. Between January and June 2023, **7.9 million Ukrainians**, including in hard-hit areas, have **received humanitarian support from the EU** and other generous contributors.

Since January 2023:

- over 4 million people have been provided with food assistance;
- health interventions or supplies have benefited 5.6 million people;
- cash assistance has reached 2.9 million people;

Temporary protection to around
4 million individuals



The Commission has committed **EUR 733 million** to humanitarian aid programmes



- critical protection services have been extended to 1.1 million people; and
- almost 3.3 million people have regained access to clean water and essential hygiene and sanitation services.

Moreover, the 2022 **CARE initiatives** (cohesion's action for refugees in Europe and flexible assistance to territories) introduced extensive flexibility in the cohesion policy, allowing for the reprogramming of up to EUR 17 billion of 2014–2020 unallocated cohesion funds, with some targeted flexibility for 2021–2027 to support people fleeing the Russian invasion.



Most Ukrainian people under temporary protection in the EU are well integrated. This is

especially true in Estonia, where almost half of the working-age Ukrainians are already in active employment.



Through the activation of the **EU Civil Protection Mechanism**, the EU has efficiently channelled aid to Ukraine from all 27 Member States, along with Iceland, North Macedonia, Norway, Serbia and Türkiye. Over 94 000 tonnes of in-kind assistance, estimated at over EUR 760 million, has been delivered to Ukraine. This includes the mobilisation of our own rescEU emergency stockpiles, providing EUR 121 million worth of shelter, energy, medical aid and specialised equipment to mitigate public health risks, such as chemical, biological, radiological and nuclear threats. **This is EU solidarity at its best.**

Since Russia is continuing to put civil nuclear installations at risk, the EU has provided Ukraine with more than EUR 54.8 million in material **nuclear-safety-related** assistance from the rescEU strategic reserve. Using funds from the European Instrument for International Nuclear Safety Cooperation, the restoration of laboratories and equipment damaged by the Russian occupiers in the Chernobyl exclusion zone has begun, and a modern automated radiation-monitoring system has been put in place.

In addition, the EU is spearheading **medical evacuations for Ukrainian patients** in urgent need of medical treatment. Through the **EU Civil Protection Mechanism**, more than 2 500 medical evacuations of Ukrainian patients have been successfully executed. To further help these patients, the EU opened a medevac hub in Rzeszów, Poland, in September 2022. Weekly medical

evacuation flights are operated using a specialised medical plane provided by Norway and financed by the EU. Moreover, the EU4Health funding programme has been supporting projects centred on **mental health and psychological support** for people in Ukraine as well as people arriving from Ukraine to the EU.

In response to Russia's brazen attacks on Ukraine's energy infrastructure, emergency measures were swiftly taken. The EU, together with humanitarian partners, has supplied Ukraine with approximately **5 760 power generators**. These generators range in size and capacity, from units capable of powering individual households to larger models sufficient for sustaining hospitals. In collaboration with the company Enel, the Commission has also donated **5 700 solar panels** to Ukraine. They are produced in Catania, Italy, with the support of the Innovation Fund. They will provide electricity to schools, hospitals and fire departments.

Early in the war, the EU made a decisive move to **stabilise the electricity systems of Ukraine and Moldova**, synchronising their electricity grids with the continental European grid. Since the new Poland–Ukraine power line came into operation on 7 May 2022, Ukraine and Moldova have had the capacity to import up to 1 050 megawatts from continental Europe.

In the midst of the turmoil of war, it is of paramount importance that Ukrainians can remain connected with their loved ones. Consequently, the Commission reached out

5 700

Solar panels donated by the European Commission to Ukraine



to EU and Ukrainian telecom operators, urging them to allow Ukrainians in the EU to use their mobile phones with minimal or no roaming charges for a period of 3 months. This agreement, which was signed by 38 such companies, has been successful in **facilitating cross-border roaming**. In addition to making roaming affordable, the EU has distributed 2.5 million SIM cards to Ukrainians seeking refuge and has established Wi-Fi hotspots at border points and shelters. On 24 April 2023, the EU incorporated the rules pertaining to roaming into the EU–Ukraine Association Agreement.

Making full use of the European Union's economic and financial strength

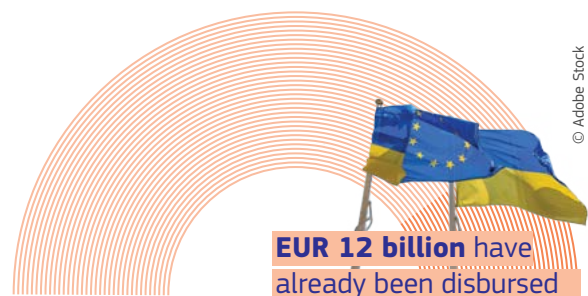
Since the moment the invasion started, the EU and its Member States have shown unprecedented solidarity with Ukraine, **mobilising EUR 59 billion in financial, humanitarian, emergency budget and military assistance**. A total of EUR 38.8 billion – EUR 31 billion enabled by the EU budget and EUR 7.8 billion from the Member States – has been earmarked to fortify Ukraine's overarching economic, societal and financial resilience. To support the Ukrainian armed forces in their defence of their nation, EU military assistance amounts to EUR 20 billion, with EUR 5.6 billion of this assistance being mobilised under the European Peace Facility. In addition, the EU and its Member States have mobilised at least EUR 17 billion to support people fleeing Ukraine. **This brings the total support to Ukraine and its people to EUR 76 billion.**

In 2022, the EU channelled **EUR 7.2 billion worth of macro financial assistance to Ukraine**, to ensure the continuous operation of the country's government and the provision of public services.

EUR 500 million of this budget support operation was pledged under the 'Stand up for Ukraine' global fundraising initiative and the High-level International Donors' Conference for Ukraine in May 2022, aiming to address urgent requirements in the country relating to housing, education and agriculture.

In 2023, the EU is providing an unprecedented support package for Ukraine of up to **EUR 18 billion**, in the form of highly concessional loans, **EUR 12 billion of which have already been disbursed**. Thanks to this, Ukraine is able to keep paying wages and pensions and to maintain essential public services, such as hospitals, schools, and housing for relocated people. It will also help ensure macroeconomic stability and restore critical infrastructure that has been destroyed.

The EU is providing a support package for Ukraine of up to EUR 18 billion



In June 2023, as part of its mid-term review of the multiannual financial framework (MFF), the European Commission proposed to create a new **Ukraine Facility within the budget of the European Union**. It will ensure coherent, predictable as well as flexible financial support to Ukraine from 2024 to 2027. The Ukraine Facility foresees up to EUR 50 billion in both grants from the EU budget and loans raised on capital markets. Moreover, the Government of Ukraine will prepare a Plan for investments and reforms in close consultation with the Commission.



The **EU–Ukraine solidarity lanes** have evolved as a lifeline for Ukraine’s economy, facilitating the export of a staggering 49 million tonnes of Ukrainian agricultural products. These vital corridors ensure not only the export of agricultural goods but also the import of necessary commodities. The total trade value realised through this corridor is estimated to be around EUR 99 billion. The substantial sum of EUR 1 billion – sourced from contributions from the Commission, the European Investment Bank, the European Bank for Reconstruction and Development and the World Bank Group – is being mobilised to augment the capacity and increase the efficiency of these solidarity lanes.

In February 2023, a landmark pact was inked between the Commission and Ukraine, associating **Ukraine with the single market programme**, an endeavour designed to facilitate market access, foster a conducive business environment and stimulate long-term sustainable growth. The EU’s autonomous trade measures, providing full tariff liberalisation for EU imports of all Ukraine’s goods, work in tandem with the solidarity lanes to ensure a smooth flow of key agricultural goods from Ukraine to and through the EU. On 5 June 2023, the measures were renewed for another year.

Ukraine’s association with Horizon Europe and the Euratom research and training programme is a key initiative aimed at preserving and

fostering its **research and innovation ecosystem**. Moreover, in early June 2023, the EU and Ukraine signed an agreement that will enable Ukrainian project promoters to apply for EU funding for projects of common interest in the transport, energy and digital realms, further improving the country’s connectivity with its EU neighbours. It will support Ukraine’s integration with the EU single market and will promote growth, jobs and competitiveness.

Helping Ukraine defend itself

Ukraine’s brave soldiers are safeguarding their land, their people and their democratic values, but they require more than just courage to do so. They need the resources to defend their nation. That is where the EU comes in – lending its strength and resources across a trio of strategic avenues: equipment, training and industrial production.

The EU’s unwavering support is making a decisive difference on the battlefield. The **European Peace Facility**, with its funding of EUR 5.6 billion, has enabled the delivery of tanks, helicopters, air defence systems, missiles and ammunition. This contribution, bolstered by bilateral military assistance from the Member States, means that a total of **EUR 20 billion in military support** has been provided to Ukraine.

The EU is committed to continue supporting Ukraine for as long as it takes and discussions are ongoing on a substantial long-term approach to military support through the European Peace Facility.

Our efforts do not stop at providing equipment. The **EU Military Assistance Mission**, with a budget of EUR 168 million managed by the Council, aims at enhancing the military capability of Ukraine's Armed Forces and has already trained 25 000 Ukrainian soldiers. We are on a steady path towards our target of fully **training 30 000 Ukrainian soldiers** by the end of the year.

On 20 March 2023, the Council of the European Union agreed to a significant proposal: the supply of much-needed ammunition to Ukraine. This initiative aims to speed up delivery and joint procurement to be able to provide 1 million rounds of artillery ammunition for Ukraine within 12 months. It is based on the following three-pronged strategy:

- firstly, aiding Member States in the immediate transfer of 155 mm artillery ammunition from national stockpiles;
- secondly, consolidating European demand by initiating joint purchases of 155mm ammunition by Member States, with the European Defence Agency playing a key role;
- lastly, augmenting the EU's ammunition-production capacity to meet Ukraine's growing demand.

On 3 May 2023, the Commission proposed the **Act in Support of Ammunition Production (ASAP)**, a EUR 500 million initiative. This includes specific, targeted measures to boost production and ensure a secure supply of ammunition within the EU. The ASAP Regulation was adopted on 20 July and entered into force later that month.

The Commission is sparing no efforts to implement ASAP rapidly so that Member States can supply and further help Ukraine as needed.

The physical battlefield is not the only place where Ukraine is facing aggression, with Russia employing hybrid warfare against Ukraine and the EU. In response, the EU has bolstered **Ukraine's cyber resilience** with EUR 10 million of investment in equipment, software and other related forms of support. An additional EUR 15 million from a EUR 330 million package has been dedicated to fostering a resilient digital transformation, helping Ukraine counter Russia's hybrid attacks.

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In February 2023, a citizen crowdfunding campaign in Lithuania called **Radarom!** raised funds for 16 air-defence radars to protect Ukraine's skies against Russian missiles, far exceeding the initial target of 5 radars.

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Holding Russia accountable

In the face of Russia's brutal invasion of Ukraine, countless lives have been tragically lost and innumerable individuals have endured unspeakable hardships. Bucha, once a peaceful suburb on the outskirts of Kyiv, now stands as a stark reminder of the horrific torture, rapes and killings of innocent civilians that unfolded in March 2022, and that continue to unfold throughout the occupied territory of Ukraine. The **EU honours the memory of all victims and reinforces its unwavering dedication to ensuring that justice prevails** and that these crimes do not go unpunished.

Currently, Ukraine's Prosecutor General's Office is investigating more than 100 000 instances of suspected war crimes and crimes against humanity, which are considered to be the gravest violations of international law. In light of the increasing amount of evidence, the EU's dedication to support the investigation and prosecution of these crimes is growing stronger with each passing day.



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Volunteer Konstantinas Gudauskas, the son of a Lithuanian father and a Kazakh mother, used his Kazakh passport to travel through Russian-occupied territories in Ukraine, and helped save over 200 people in the Kyiv region, particularly in Bucha. Ukrainians have called him the “**Angel of Bucha**”.

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Children are among the most vulnerable victims of the atrocities committed by Russia. It is estimated that 5.7 million school-age children in Ukraine have been impacted by Russia's unjustified aggression, and more than 2 800 schools and facilities have been damaged or destroyed. According to Ukraine, almost **20 000 Ukrainian children have been unlawfully and forcibly transferred to Russia.**

Since the start of Russia's illegal war against Ukraine, the EU has imposed sanctions against close to **40 individuals** responsible for the unlawful deportation and transfer of Ukrainian children to Russia and running of re-education programmes, and we continue to identify alleged perpetrators. On 17 March 2023, the International Criminal Court issued arrest warrants for Russian President Vladimir Putin and Maria Alekseyevna Lvova-Belova, Commissioner for Children's Rights in the Office of the President of Russia. These measures unequivocally underscore that no individual stands above the law, and that anyone may be brought to justice if they commit grave international crimes.

The EU has agreed to dedicate EUR 7.5 million to assist the International Criminal Court's investigations into the war crimes perpetrated by Russia.

In addition, the EU has:

- provided the Ukrainian Prosecutor General's Office with over EUR 6 million for IT advancement and crucial equipment;
- enabled the European Union Agency for Criminal Justice Cooperation (Eurojust) to securely preserve, store and analyse evidence in a new Core International Crimes Evidence Database;
- strengthened both Eurojust and the European Union Agency for Law Enforcement Cooperation (Europol) in their roles as national investigation coordinators for EU Member States; and
- liaised with global partners to ensure accountability and an international response.

While we support the efforts of the International Criminal Court, we have also continued discussions with our Member States and international partners on setting up a special tribunal dedicated to try the Russian leadership responsible for the crime of aggression against Ukraine. As a first practical step, on 2 February 2023, President of the European Commission Ursula von der Leyen announced the creation of an **International Centre for the Prosecution of the Crime of Aggression against Ukraine** to support the existing Joint Investigation Team at Eurojust, hosted in The Hague.

This centre, which began its operations in July 2023, supports the coordination of national investigations into the crime of aggression and the collection of evidence. It will be key for increasing capabilities to build crime of aggression cases and to preserve relevant evidence for prosecution and future trials. It will provide a structure to implement a common investigative and prosecution strategy and will contribute to the exchange and analysis of evidence gathered since the start of the Russian aggression. It will also ensure close coordination with the investigations of the International Criminal Court. The EU is participating in discussions on the establishment of a special tribunal within the framework of the Core Group together with international partners.



EUR 7.5 million

dedicated by the EU to assist the
International Criminal Court's investigations

Russia will have to bear the legal consequences of its internationally wrongful acts, including making reparations. The Commission is supporting discussions on the establishment of a **compensation mechanism for damage** caused by Russia's aggression against Ukraine. As a first step towards reparations, on 12 May 2023, the Committee of Ministers of the Council of Europe adopted a Resolution establishing an **International Register of Damage** in The Hague by means of an Enlarged Partial Agreement, which is open to third countries. The EU became Founding Associate Member of this agreement on 11 May 2023. The Register will serve as a record of evidence and information on claims for damages, losses or destruction for all interested individuals and legal entities, as well as the State of Ukraine, caused by Russia's internationally illegal actions in or against Ukraine.

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“Don’t give your voice to the Kremlin propaganda” is an award-winning campaign produced by the Commission’s Bratislava Representation in which Darina Chmúrová, who had been a voice actress for a Russian fairy tale as a child, warns her fellow citizens not to believe Russian state-sponsored ‘fairy tales’ today.

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Sanctions and weakening Russia's war machine

In the face of Russia's persistent illegal and unjustifiable military aggression against Ukraine, the EU stands unyielding in its commitment to the sovereignty, independence and territorial integrity of Ukraine, within its internationally recognised borders.

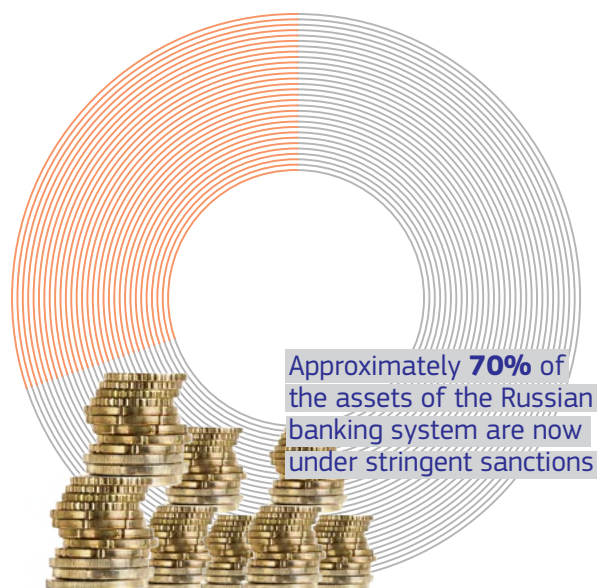
The EU has thus far enacted **11 powerful sanctions packages against Russia**. These sanctions strike at the heart of Russia's economy, depriving it of key technologies and markets. Conceived to **severely hinder the Kremlin's ability to finance and conduct the war**, these sanctions impose clear economic and political costs on the members of Russia's ruling elite who are responsible for the invasion. These measures build upon existing sanctions imposed on Russia since 2014, following its illegal annexation of the Crimean peninsula and the destabilisation of Eastern Ukraine.

Individuals on the sanctions list are barred from entering or transiting through EU territory, and all their EU bank accounts are frozen. **EUR 24 billion in assets owned by Russian individuals have been reported frozen** in the EU, in addition to the immobilisation of more than EUR 200 billion of assets of the Russian Central Bank.

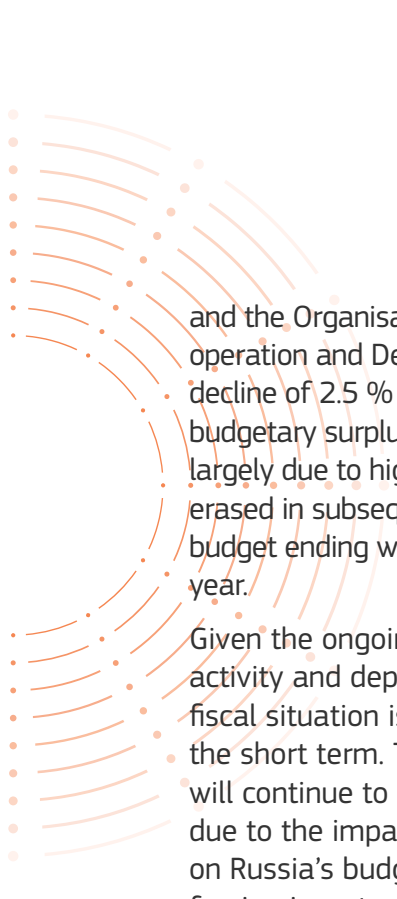
In the immediate aftermath of the invasion, the EU agreed to exclude key Russian banks from the SWIFT system, the world's leading financial messaging system. This action inhibited these banks from executing their financial transactions globally in a swift and efficient manner. Approximately **70 % of the assets of the Russian banking system are now under stringent sanctions**.

Despite Russia's significant oil and gas revenues serving as a buffer during the first year of the invasion, the sanctions have dealt a **severe blow to Russia's economy** and revenues from oil sales have fallen thanks to the price cap put in place by the EU, the G7 and Australia. Russian gross domestic product (GDP) declined by more than 2 % in 2022,

The EU agreed to **exclude key Russian banks** from the SWIFT system



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and the Organisation for Economic Co-operation and Development expects a further decline of 2.5 % by the end of 2023. The high budgetary surplus of the first half of 2022 – largely due to high oil and gas prices – was erased in subsequent months, with the federal budget ending with a deficit of 2.3 % for the year.

Given the ongoing slump in economic activity and depressed energy prices, the fiscal situation is not expected to improve in the short term. The effects of the sanctions will continue to be exacerbated over time due to the impact of this long-term scarring on Russia's budget, financial markets, foreign investment and industrial and technological bases.

As with all EU sanctions, those enacted in response to Russia's illegal invasion of Ukraine include special provisions for humanitarian and medical purposes. Furthermore, the EU has taken measures to ensure that its sanctions do not impact trade in critical sectors to third countries worldwide, such as **food and energy security**.

Beyond the economic action it has taken, the EU has imposed targeted sanctions against those individuals accountable for supporting, financing or implementing measures that jeopardise the territorial integrity, sovereignty and independence of Ukraine. In total, including earlier individual sanctions imposed after the illegal annexation of the Crimean peninsula in 2014, **the EU has sanctioned around 1 800 individuals and entities**.

While the majority of the EU's sanctions are aimed at Russia, some have also been adopted against **Belarus** in response to its involvement in the invasion of Ukraine and to prevent the circumvention of sanctions against Russia. **Iran** has also been sanctioned in relation to the manufacture and supply of drones used to attack Ukraine.

The EU has also enacted a stringent '**anti-circumvention clause**' that prohibits EU citizens or businesses from knowingly and intentionally circumventing sanctions. Furthermore, the EU has decided to add the violation of restrictive measures to the list of EU crimes included in the Treaty on the Functioning of the European Union, marking a **significant advancement in sanctions enforcement**. The Commission's proposal for a directive containing minimum rules concerning the definition of criminal offences and penalties for the violation of EU restrictive measures will further bolster these efforts.

Moreover, the appointment of an **EU Special Envoy for the implementation of EU sanctions** serves to enhance coordination with partner countries and to ensure that exports that have been banned by the EU do not reach Russia through third countries.

Reconstruction and reform on Ukraine's European path

The war against Ukraine is a pivotal moment for the European project. Putin's aggression is aimed first at Ukraine. It is an unacceptable assault on the Charter of the United Nations and international law, and it also targets our values and our Union. **For the first time in our history, a neighbouring country is under attack because of its desire to be part of the European family.** Russia is waging war against Ukraine's sovereign decision – and the clearly expressed will of its people – to move closer to the EU. Our response has been clear, it has been strong, and it must be lasting. We will continue to provide the means for Ukraine to defend itself, and help Ukraine push the Russian invader out of its territory and regain full sovereignty.

Support for Ukraine's reforms, recovery and reconstruction has already begun. Ukraine's future lies within the EU, as confirmed during significant events like **the first-ever meeting between the College of Commissioners and the Ukrainian government** held on 2-3 February 2023. Since June 2022, Ukraine has been recognized as an EU candidate country, conditional on undertaking key reforms to align to EU standards and norms. Despite battling an existential war, Ukraine has shown rapid progress in the required reform steps, outlined in the Commission's opinion on its application for EU membership.

International efforts to assist Ukraine have been multifaceted. In October 2022, the Commission and Germany, as the then G7 chair, co-hosted the International Expert Conference on Ukraine's recovery in Berlin. Furthermore, the multi-agency **Donor Coordination Platform** was initiated on 26 January 2023 to synchronise global support. The platform is a first in the history of international aid. Never before has there been a single focal point for the main international donors, to guarantee that support goes exactly where Ukraine needs it most. Supporting Ukraine's recovery, reconstruction and modernisation requires a massive international effort.

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In March 2023, the Commission, in association with Ukrainian organisations, launched a **New European Bauhaus** capacity-building programme for the reconstruction of Ukraine.

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A significant part of this effort is the proposed **Ukraine Facility, worth up to EUR 50 billion** within the EU budget, planned for 2024-2027. Given the complexity of the challenges for reconstruction and reforms, Ukraine needs sustained EU support. The Facility aims to address both immediate recovery needs and medium-term modernisation efforts. Investments are thoughtfully paired with transformative reforms to guide Ukraine on its European journey.



Special attention has been given to Ukraine's children, the country's future. Russia's aggression has impacted 5.7 million school-age children, with over 2 800 educational facilities damaged or destroyed. The Commission has dedicated EUR 100 million towards the **rehabilitation of Ukrainian schools and further EUR 14 million for the donation of school buses**, with additional support through the 'School buses for Ukraine' campaign across 11 EU Member States, donating 300 buses and ensuring safe transportation for Ukrainian children.

To support the clearing of the large number of mines and unexploded ordnance on Ukrainian territory, the Commission provided **EUR 3.5 million in humanitarian funding for mine action** through international non-governmental organisations. Furthermore, the **Foreign Policy Instrument** supported humanitarian mine action with EUR 18 million and a **European Peace Facility** assistance measure of EUR 4 million supports the demining capabilities of the Ukrainian Armed Forces.

In addition, rapid response actions with a total budget of up to EUR 25 million are in advanced stages of preparation, which include the provision of further demining equipment on improving the efficiency of mine action governance.



Demining technicians from Croatia are already sharing their skills with experts from Ukraine. A remnant of the 1990s war, Croatia is the only EU Member State still demining its land, with EUR 120 million of EU support until 2027. Croatia's painful experience of war has given it an invaluable skillset to help Ukraine recover and rebuild.



The EU is also taking steps to **make sure Russia and its oligarchs compensate Ukraine for the destruction**. Options to utilise more than EUR 24 billion in frozen Russian assets were presented in November 2022, along with revenue from over EUR 200 billion in immobilized Russian Central Bank assets in the EU for Ukraine's recovery. The Commission and the High Representative of the Union for Foreign Affairs and Security Policy are working on a proposal that would compensate Ukraine for its losses. In that respect, any measures chosen will have to respect the principles of international and European law as well as EU values, especially the principle of proportionality, and also account for mitigating any potential financial consequences as well as any countermeasures from the Russian side.

Our cooperation with Ukraine is centred on the pursuit of a just peace. Our position neither rewards the aggressor nor compromises the rights of the Ukrainian people to control their destiny. Above all, the guiding principle remains that there must be **'nothing about Ukraine without Ukraine'**.

Opening a new phase in the unification of our continent

We Europeans now understand that there are forces outside our Union trying to tear our continent apart. They want to drive a wedge between the peoples of Europe. They want to end the dream of a united European family and divide Europe into spheres of influence instead. Today there is a new awareness inside the EU. **We must take responsibility for bringing the aspiring members of our Union much closer to us.**

The shockwaves sent by Putin's war of aggression have immediately reached our six **Western Balkans** partners, but this has only brought us closer together. We extended to the Western Balkans the very same solidarity measures that we have taken inside our Union. We have supported vulnerable households against high energy costs, and we are building new infrastructure to reduce the region's dependency on Russian fossil fuels through the EUR 1 billion Energy Support Package. This practical cooperation has run in parallel with progress on the region's EU path.

In December 2022, we saw a historic EU–Western Balkans Summit in Tirana, with the meeting being held in the region for the first time. In June 2023, President von der Leyen unveiled **a new growth plan for the Western Balkans**, built on four pillars: bringing the Western Balkans closer to the EU single market, deepening regional economic integration, accelerating fundamental reforms and increasing pre-accession funds. We are not only asking our partners to take new steps towards us; we are also taking a big step towards them. We stand ready to propose increased funding to support

speedier socio-economic convergence with the EU for the benefit of the people of the Western Balkans.

In June, at the second meeting of the European Political Community, President von der Leyen announced a new EUR 300 million support package to help **Moldova** face the challenge of a war on its doorstep and to speed up their EU integration.

Strengthening European defence

In the face of Russia's aggression towards Ukraine, the EU and NATO have united in resolute defiance. NATO is the globe's strongest defence alliance and serves as the cornerstone of Europe's security architecture. Given the continuous and palpable threat from Russia, **the EU–NATO strategic partnership** has reached new heights of cooperation following the signing of the Joint Declaration on EU–NATO Cooperation in January 2023. Cooperation has been extended into new areas such as emerging and disruptive technologies, climate and defence, and space.

The EU and NATO have also launched an EU–NATO Task Force on Resilience of Critical Infrastructure to reinforce our common security. Two EU Member States decided recently to join the alliance. Following the conclusion of accession discussions, Finland and Sweden signed the NATO accession protocols on 5 July 2022. **Finland officially joined as the 31st NATO Member State** on 4 April 2023. As such, 22 of the 27 Member States now hold membership of NATO.



Not only have more EU Member States joined NATO, but there has also been a boost in EU defence cooperation. In a referendum on 1 June 2022, Danish voters supported Denmark joining the EU's common security and defence policy, **ending Denmark's 30-year-long opt-out on EU defence cooperation**. As a result, Denmark joined the EU cooperation on security and defence on 1 July 2022, and started to contribute to EU missions and operations in that area. In May 2023, Denmark became the 26th member of PESCO (Permanent Structured Cooperation), the core of EU defence cooperation.

Since 2021, the Commission has successfully initiated and implemented the **European Defence Fund**. Thus far, projects have received more than EUR 3 billion in investment. In 2023, the fund will inject another EUR 1.2 billion into projects in crucial defence domains, such as space situational awareness, countering hypersonic missiles and the prototype development of a European patrol corvette.

The resurgence of war in Europe has significantly altered the market context in which the EU's defence industry functions. Based on a Commission proposal, the co-legislators, the European Parliament and the Council of the European Union, reached a political agreement in June 2023 **on the European defence industry reinforcement through common procurement act**, with a budget of EUR 300 million. This regulation will incentivise EU Member States to jointly procure weapons, thereby ensuring

interoperability, economies of scale and a strong European defence industry. This is in addition to the **Act in Support of Ammunition Production** (ASAP) which is intended to support the ramping-up of manufacturing capacities for the production of ground-to-ground and artillery ammunition, along with missiles.

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The Rail Baltica project is not only a symbolic return of the Baltic States to Europe, but also holds significant economic and geostrategic importance. By reconnecting the Baltic States to the European rail network, the socio-economic benefits are estimated at EUR 16.2 billion. It also enhances regional security by enabling the swift and efficient transportation of troops and equipment through the region.

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2 Investing in Europe's prosperity

● In the past year, the EU has shown how great a challenge we can overcome when we act together with ambition. The Commission successfully countered Russia's energy war against the EU economy with REPowerEU, guaranteeing our energy security via diversified supplies from reliable partners, well-filled gas reserves, energy savings, and an increase in and acceleration of renewables deployment. With the net-zero industry act and the critical raw materials act to implement the **Green Deal Industrial Plan**, we are strengthening the EU's pole position in the race to net zero. We are prioritising skills and jobs, updating our social market economy and shaping a human-centred digital transformation in Europe. In this context, we launched the **European Year of Skills** to give fresh impetus to lifelong learning, supporting people and companies to help them fully contribute to the green and digital transitions.

We have introduced measures to boost innovation and competitiveness, supported by **NextGenerationEU**'s EUR 800 billion in financing for investment and reforms. The Commission has also adopted the 2023–2024 work programme of **Horizon Europe** – the world's largest funding programme for research and innovation. With a budget of around EUR 13.5 billion, this work programme will enable researchers and innovators to pursue solutions for the significant environmental, energy, digital and geopolitical challenges facing our economies and societies today. The EU's **cohesion policy funds**, amounting to EUR 392 billion for 2021–2027, continue to help strengthening economic, social and territorial cohesion in the European Union, including by correcting imbalances between countries and between regions. Globally, we champion European values and interests through **Global Gateway** investment, prioritising strategic partnerships with trusted democracies.

The **EU budget** is central to deliver on the Union's priorities. Since the adoption of the current multiannual financial framework (MFF), several new priorities have emerged while flexibilities within the MFF are being depleted. Therefore, the Commission has proposed a targeted revision of the MFF so that the EU budget can deliver until the end of the 7-year period.

The main elements of the revision are support to Ukraine, managing migration, strengthening partnerships with key third countries and addressing emergencies, a Strategic Technologies for Europe Platform (STEP) to promote the EU's long-term competitiveness on critical technologies, as well efficient means to cater for the increase in NextGenerationEU borrowing costs and to fulfil its legal obligations. Additionally, the Commission has proposed new own resources to protect EU budget expenditure.



REPowerEU

Affordable, secure and sustainable energy for Europe

SAVING ENERGY

By coordinating our gas demand reduction



17.7 %

Drop in demand between August '22 and March '23

52.8 bcm(*)

of gas **saved**

90 %

of **gas storages capacity was full** by August 2023

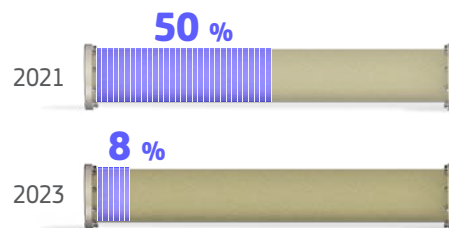
EU ENERGY PLATFORM

By July 2023, the first two EU tenders for joint gas purchase attracted **40** international suppliers able to supply a combined volume of more than **33.9 bcm** of gas. This surpasses the EU's combined aggregated demand (**27.5 bcm**) by more than 23 %.

DIVERSIFYING OUR SUPPLY

Through common purchase of gas and new reliable suppliers

PERCENTAGE OF RUSSIAN PIPELINE GAS IMPORTS OF TOTAL EU GAS



Current main supplier to the EU: **Norway**

LNG

LNG imports from non-Russian suppliers



Current main LNG supplier to the EU: **USA**

INVESTING IN RENEWABLES

Accelerating the transition to a more sustainable and cheaper energy

RENEWABLES DEPLOYMENT (2022)

Solar energy
41GW
added

Wind energy
15GW
added

ELECTRICITY GENERATED (2022)

39 %

of electricity generated from **renewables**

(*) bcm = billion cubic metres

REPowerEU and regaining our energy independence

Russia did not wage war only against Ukraine by weaponising energy supplies, but also against Europe's economy. With REPowerEU, we aim to end our dependency on Russian fossil fuels as soon as possible.

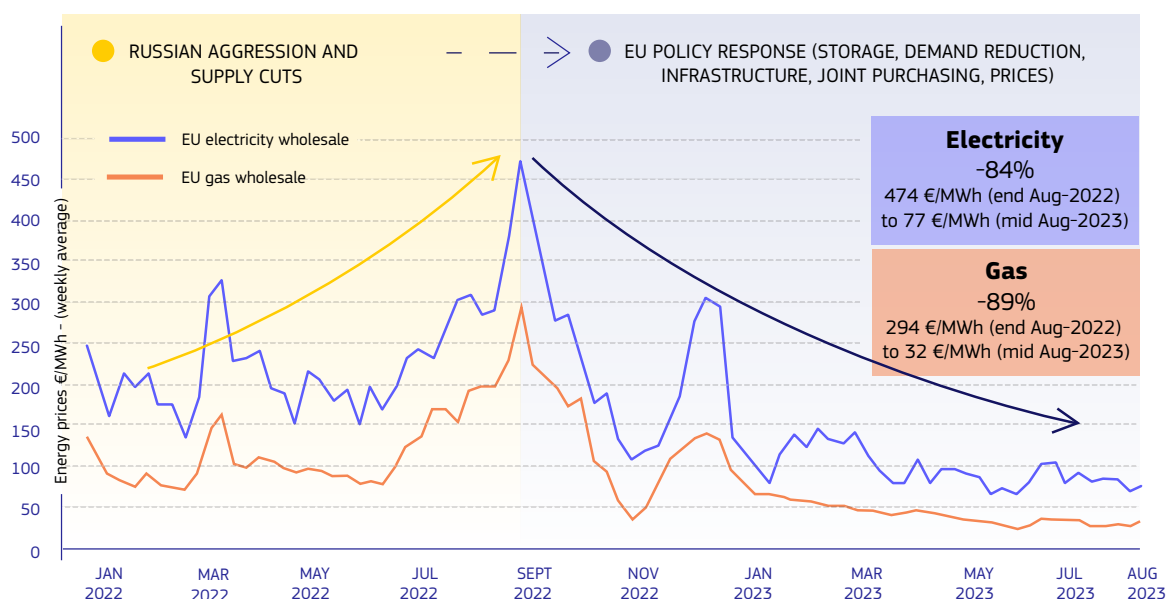
We replaced over 70 bcm of Russian pipeline gas in the first 8 months of the war. In 2023, less than 10 % of our total gas imports come from Russian pipelines. We filled European gas reserves to record levels, reaching over 95 %, and exceeding our target of 80 % by 1 November 2022. We exited the heating season with 55 % of storage capacity filled, and our gas storage capacity was 90 % full by August 2023. We saved energy and reduced our gas consumption by 18 % between August 2022 and March 2023, exceeding the voluntary target of a 15 % reduction.

Through our sanctions regime, we stopped imports of Russian coal and slashed imports of Russian oil.

The principle of **solidarity** has been central to our response to the energy crisis, and remains a crucial factor. We have established default solidarity arrangements for the supply of gas between Member States and have introduced a legal framework allowing them to repurpose the windfall profits of energy-producing companies to protect consumers from high energy prices.

In the same spirit of solidarity and cooperation, the Commission has also established the **EU Energy Platform** to organise the first-ever joint purchase of gas for Member States, along with Georgia, Moldova, Ukraine and countries in the Western Balkans. This joint purchase allowed us, for the first time, to use our collective political and market weight to amplify our bargaining clout and secure gas and LNG supply by pooling demand and attracting suppliers.

Evolution of gas & electricity prices



Source: ©European Commission (Based on S&P Global Commodity Insights)

Note: Gas prices are weekly average of TTF day-ahead, Electricity prices are weekly weighted average of largest EU markets

Demand aggregation and the joint purchasing mechanism avoids EU companies outbidding each other on the global market. It also contributes to the refilling of gas reserves, with a minimum of 15 % of the Member States' storage capacity being subject to demand aggregation (approximately 13.5 billion cubic metres of gas). The two first rounds of tendering in 2023 resulted in a combined volume of 22.9 billion cubic metres of gas matched with customer demands. Building on this success, two more tenders will be organised in 2023.

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Located off the coast of Viana do Castelo, Portugal, WindFloat Atlantic is **the first floating wind farm in continental Europe.**

With an installed capacity of 25MW and an electricity production of 78GWh, it is supplying more than 25 000 households with clean energy.

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Working with reliable international partners has allowed us to replace much of the gas we used to import from Russia. **Norway** is now our main gas supplier, and **the United States** have become our main supplier of liquefied natural gas, following the establishment of our Joint Energy Security Taskforce last year. We have concluded memoranda of understanding with steadfast energy partners including Egypt, Israel, Azerbaijan among others to strengthen our energy security and move towards cooperation on clean energy.

At the same time, we have improved our energy infrastructure by strengthening interconnections and import facilities and optimising their utilisation. Four key gas **interconnectors** came into operation this year: the Baltic Pipe, the Poland–Lithuania interconnector, the interconnector between Bulgaria and Greece and the interconnector between Poland and Slovakia.

While drastically reducing our dependency on Russian energy imports, we have doubled down on the promise of leaving a better Europe for the next generation. Renewable energy has seen significant progress during the fossil-fuel crisis. In 2022, **we doubled the additional deployment of renewables across the EU.** A record 41 gigawatts of new solar energy capacity was installed and wind capacity increased by 15 gigawatts, displacing approximately 12 billion cubic metres of Russian gas. In a historic first, **more electricity was produced from wind and solar in 2022 than from gas.** Through this, we have not only managed to halt the rise in CO₂ emissions but have succeeded in reducing them by 2.5 %. Even in times of crisis, the EU stood firmly by its climate targets. Almost nine in ten Europeans support the EU's efforts to decarbonise.

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The EU's biggest geothermal heating system was inaugurated earlier this year in Szeged, Hungary, providing affordable energy to over 28 000 households and over 400 public buildings. The project, co-funded by the EU, not only provides clean and affordable energy, but also helps Hungary diversify from Russian gas. More than 25 % of the EU population lives in areas with sufficient geothermal resources to replicate the 'Szeged model'.

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Our EU Solar Energy Strategy is poised to accelerate the deployment of photovoltaic energy even further. As a critical component of the REPowerEU initiative, this strategy is designed to bring into operation more than 320 gigawatts of new solar photovoltaic installations by 2025 – more than twice the present level – and close to 600 gigawatts by 2030.

We have also **structurally accelerated the permitting process for renewables**.

Numerous energy projects across the EU have been deployed so swiftly that permitting could not keep pace. Consequently, we have proposed measures to significantly expedite the process.

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Three **coal mining regions in Czechia are transforming into "hydrogen valleys"**.

Moravskoslezský, Ústecký, and Karlovarský, with the help of the Just Transition Fund, are building end-to-end value chains to produce, store, and utilise renewable hydrogen, especially in the transportation sector.

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Looking further into the future, hydrogen emerges as a key instrument for decarbonising our economy and industry. The EU is leading the development of a **global hydrogen economy**. The co-legislators are still working on the hydrogen and gas decarbonisation package, establishing a framework for the emerging hydrogen economy, but the EU now has rules that define renewable hydrogen. Furthermore, the Commission, the hydrogen industry, the scientific community and EU regions signed a joint declaration on 1 March 2023 with a commitment to stepping up and accelerating joint action on research into and the development, demonstration and deployment of hydrogen valleys.

REPowerEU is just the beginning. We are **accelerating the clean energy transition via the implementation of NextGenerationEU**, with close to EUR 270 billion available to Member States to implement their planned investment and reforms. This includes expanding renewable energy, rolling out greener vehicles and public transport and making our buildings and public spaces more energy efficient. Moreover, the Commission has created new exceptional measures, the Supporting Affordable Energy (SAFE) under cohesion policy and within the framework of REPowerEU, to **help vulnerable citizens and small and medium-sized enterprises deal with high energy bills** by repurposing up to EUR 40 billion in unallocated funds.

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The **investment programme for sustainable energy** (ISDE), funded by the Dutch recovery and resilience plan, provides subsidies of up to 30 % for installation of small-scale heat pumps, solar boilers, insulation measures, and heat network connections. The scheme has proven to be very popular with citizens and small companies, due to lower energy bills and its environmental benefits.

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Accelerating the European Green Deal

The von der Leyen Commission put forward the European Green Deal in 2019, and has remained steadfast since then in combating climate change, enhancing resource efficiency, reversing biodiversity losses and minimising pollution, while leaving no one behind. Now, more than 3 years into our journey, and despite two unprecedented global crises, **the majority of initiatives have been proposed and the co-legislators have turned into law or are making headway** on agreements in most of these areas, with major initiatives already taking shape. The Commission has also provided expertise to Member States to design and implement reforms helping to accelerate the green transition through the Technical Support Instrument. In the last 3 years, support has been provided to around 150 green-transition reforms in all Member States.

Climate and energy

From the outset, the European Green Deal has stressed that the transition must be just and inclusive, putting people first and **transforming the EU into a fair and prosperous society**. Particular attention is being paid to those regions most affected by the climate and energy transitions. Implementation of the cohesion policy's territory-based and dedicated decarbonisation instrument, the Just Transition Fund for regions phasing out fossil fuels, has also begun. Its EUR 19 billion in grants will support investment in fossil-fuel-dependent and carbon-intensive regions across all Member States. Together with the other two instruments of the Just Transition

Mechanism, investment worth more than EUR 55 billion will help these regions refocus and diversify their economies, and help workers gain skills that will give them access to the new jobs that will be created.

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In June 2023, the **first Just Transition Fund project broke ground in Narva, Estonia**. It consists of a new rare-earth-magnet refining facility for electric vehicles – the first such facility outside Asia. It is also connected to a new mine in Greenland, making it the first European mine-to-refinery supply chain.

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Early in its mandate, through the **European Climate Law**, the Commission laid the groundwork for the EU to become the first climate-neutral continent before 2050, in a manner that is socially equitable and economically competitive. We presented the **‘Fit for 55’ package**, an ambitious and extensive package of legislative proposals designed to align the EU’s climate, energy, land-use, transport and taxation policies with the objective of reducing net greenhouse gas emissions by at least 55 % by 2030.

‘Fit for 55’ includes a revised **EU emissions trading system**, which is a cornerstone of the EU’s climate policies. Revenues from the emissions trading system other than the ones suggested to become new own resources for the EU budget are reinvested in the energy transition. To achieve a fair transition, the **Social Climate Fund** will also provide financial support to vulnerable citizens and businesses. With a budget of up to EUR 86.7 billion (including an EU contribution of EUR 65 billion), the fund will support vulnerable households, small businesses and transport users in EU Member States between 2026 and 2032. This comprehensive package of agreed legislation also includes a revised effort-sharing regulation and the regulation on land use, land-use change and forestry, and revised legislation with increased targets on renewable energy and energy efficiency. It also encompasses targets for rolling out zero emission vehicles as well as the necessary charging infrastructure, and new rules on the use of sustainable fuels for ships and planes. The EU’s framework for emissions reductions is now aligned with the 2030 target in the **European Climate Law**.

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Decarbonising steel production is essential for the green transition.

In April 2023, Austria’s biggest emitter of CO₂ emissions, steelmaker Voestalpine, decided to invest EUR 1.5 billion to shift from the highly polluting blast furnace to the electric arc furnace, with EU support. Starting full production in 2027, this will help save up 4 million tons of CO₂ emissions per year, representing 5 % of Austria’s annual emissions.

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Simultaneously, the EU's **Carbon Border Adjustment Mechanism** will ensure the fair pricing of carbon emissions associated with the production of carbon-intensive goods imported into the EU, incentivising cleaner industrial production in non-EU countries. The mechanism will initially apply to specific products in some of the most carbon-intensive sectors: iron and steel, cement, fertilisers, aluminium, electricity and hydrogen. It will enter into force, beginning with a transitional phase, on 1 October 2023, with the permanent system applying from 2026.

The adoption of the revised **CO₂ standards for cars and vans, the alternative fuels infrastructure regulation** and the **fuel EU maritime and refuel EU aviation regulations**, represent key milestones in the decarbonisation of the EU's transport sector. The establishment of a fully interoperable and user-friendly network of recharging points and refuelling stations across the EU, coupled with binding targets for sustainable fuels for the aviation and maritime sectors, will reduce net greenhouse gas emissions and stimulate the uptake of zero-emission vehicles, vessels and aircraft. It is now vital to also swiftly reach agreement on the CO₂ standards for heavy-duty vehicles.

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The day after the State of the Union address, President von der Leyen will be in Copenhagen to be the Godmother of **the world's first ever container ship fuelled by green methanol**. This event demonstrates the power of the European Green Deal to incentivise industry to decarbonise and innovate. By 2030, one quarter of Maersk's fleet should be powered by green fuels, which is significant given that 90 % of world trade is transported on sea.

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Accelerating the energy transition is central to our energy policy, with the aim of accomplishing our ‘Fit for 55’ objectives. The agreement on the revision of the **renewable energy directive** sets an EU-wide renewable-energy target of 42.5 %, with an aspiration to reach 45 %.

It also sets sectoral targets to ensure that all areas of the economy embrace the clean-energy transition by switching to renewables when feasible. Still, the most economical energy is the energy we do not use. Recently, the EU reached a consensus on the **energy efficiency directive**, setting a goal of achieving savings of 11.7 % by 2030. This target will aid the gradual phasing out of fossil fuels, while simultaneously reducing energy bills for consumers.

Recognising that buildings account for approximately 40 % of the EU’s energy consumption, negotiations on the **energy performance of buildings directive** are now ongoing. The Commission’s proposal focuses on enhancing the performance of the least efficient buildings.

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The European Green Deal is more than legislation. At this year’s **Venice Architecture Biennale**, held under the theme **‘The Laboratory of the Future’**, the EU put in focus the New European Bauhaus, an initiative that connects the European Green Deal to our living spaces and experiences.

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Overall, additional investments of over EUR 620 billion annually will be needed to meet the objectives of the Green Deal and REPowerEU as well investments of EUR 92 billion until 2030 to meet the objectives of the net-zero industry act. The bulk of this investment will have to come from private funding. That is why, in June 2023, the Commission put forward a new package of measures to build on and strengthen the foundations of the EU sustainable finance framework.

The Commission added new activities to the **EU taxonomy** and proposed new rules for **environmental, social and governance rating providers**, which will increase transparency in the market for sustainable investment. The package also aims to ensure that the sustainable finance framework works for companies that want to invest in their transition to sustainability. In July 2023, the Commission adopted the **European Sustainable Reporting Standards** which aim to ensure high environmental, social and governance standards and transparency, while keeping the reporting burden of companies manageable. The standards are tailored to EU policies, while building on and contributing to international standardisation initiatives.

Industry and innovation

To keep up the pace in the race to net zero, and to bolster the competitiveness of the EU's industry, the Commission unveiled the **Green Deal Industrial Plan** on 1 February 2023. The Plan seeks to create an environment that is more conducive to strengthening the EU's manufacturing capacity for the net-zero technologies necessary to meet the EU's ambitious climate objectives.

On 9 March 2023, the Commission adopted a **new temporary crisis and transition framework** to foster support measures in sectors that are key in the transition to a net-zero economy. Together with the amendment to the general block exemption regulation, this framework enables Member States to use the flexibility provided for under State aid rules to support the economy in the context

of Russia's war against Ukraine, speeding up investment and financing for clean-tech production in the EU. The Commission has adopted more than 320 decisions on support for the economy in the current geopolitical crisis, for an estimated total approved aid amount of over EUR 740 billion.

Later in March, the **three fundamental proposals** for the regulatory environment articulated in the Green Deal Industrial Plan were introduced: the **critical raw materials act**, the **net-zero industry act** and the reform of the way the **electricity market** is designed, which will ensure that industry and consumers reap the benefits of the green transition.



During President von der Leyen's March visit to Washington, D.C., she and the US President Joe Biden agreed to strengthen **EU-US economic ties** to collaboratively tackle the climate crisis, boost the clean tech sector, and establish secure, resilient and diversified clean tech supply chains. Both agreed that enhanced transatlantic cooperation could generate well-paying jobs and foster innovation cycles that reduce clean energy technology costs globally, helping to advance a global just energy transition that will leave no community behind.

The **critical raw materials act** will help us to secure access to sustainable materials, including rare earths, that are essential for manufacturing key technologies. Critical raw materials are crucial for a broad array of strategic sectors, including the manufacturing of net-zero technologies such as batteries, the digital industry and the aerospace, health and defence sectors. Given that the demand for critical raw materials is expected to surge

drastically, and that the EU is currently highly dependent on certain non-EU countries, in particular China, the EU needs to mitigate the risks to supply chains in order to enhance economic resilience and strengthen open strategic autonomy. The EU will set clear priorities, facilitate efficient permitting for projects, secure resilient supply chains, mitigate risks, work with partners and invest in research, innovation and skills. Beyond that, the EU has proven its serious commitment to the battery sector, by growing it from almost no battery production in 2017, to a thriving industrial sector with 30 announced gigafactories and around 70 GWh installed capacity in 2022.

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France opened this summer its first **electric car battery factory** in Billy-Berclau, in the northern region of Hauts-de-France, thanks to EUR 850 million in public investment. As part of an important project of common European interest for battery production, it will strengthen our strategic autonomy by producing 2.5 million batteries per year and creating more than 2 000 new direct jobs by 2030.

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The **net-zero industry act** aims to scale up the domestic manufacturing of net-zero technologies, enhance the competitiveness of the net-zero-tech industrial base and improve the EU's energy resilience. We are resolved to play a leading role in the clean-tech transition and to deliver green growth and jobs to our citizens. The act outlines objectives for net-zero industrial capacity and provides a regulatory framework suitable for its rapid deployment, ensuring simplified and fast-track permitting while promoting a variety of tools, such as one-stop shops; net-zero strategic projects; public-support conditions that favour diversification and high environmental standards; net-zero academies for skills; and regulatory sandboxes for innovative net-zero technologies.

The design of the electricity market, which has served European consumers well for years, is no longer fit for purpose. The fossil-fuel crisis has shown us the excessive influence of gas on electricity prices. At the request of the EU Heads of State or Government, the Commission has adopted a long-term **reform of the electricity market design** to boost renewables, to better protect consumers and enhance industrial competitiveness. This reform will aim at making consumer bills more independent from the volatility of short-term markets, promote investment in renewable energy, enhance consumer rights and better protect markets against potential manipulation.

In June 2023, the Commission proposed to set up a **Strategic Technologies for Europe Platform** in the context of the revision of the multiannual financial framework to boost the EU's long-term competitiveness on critical technologies, in the fields of digital and deep, clean and bio technologies.

For quick and effective deployment on the ground, this platform would build on and top up existing instruments, including InvestEU, the Innovation Fund, the European Innovation Council and the European Defence Fund, while also introducing new flexibility and incentives for cohesion funding in less developed and transition regions, and the Recovery and Resilience Facility. It also introduces the Sovereignty seal – the EU quality label for sovereignty projects.

Nature and the environment

The wildfires, floods and storms across Europe over the past months show the importance to restore nature across the European Union and enable our natural environment to help in the fight against climate change. The negotiations to finalise the **Nature Restoration Law** are underway after the Council and the Parliament adopted their respective positions in June and July 2023. It represents a key step in preventing and addressing the worst impacts of climate change and biodiversity loss, such as droughts and floods, and is in line with the historic agreement reached in December 2022 on the **Kunming–Montreal Global Biodiversity Framework**.

These measures are complemented by the 5 July 2023 package on the sustainable use of natural resources, including in particular the proposal on **soil monitoring, the proposals on new genomic techniques, plant and forest reproductive material** and on **reducing food waste**, which have huge potential to contribute to sustainable agri-food systems.

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In one of Europe's largest environmental projects, **Ireland is restoring 33,000 hectares of bogland**. Bogs are rich in biodiversity and can naturally store twice as much carbon as forests.

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With the introduction of the **Zero Pollution Action Plan**, the Commission has established an ambitious vision for 2050: to reduce air, water and soil pollution to levels that are no longer harmful to health and the environment. This was succeeded by key proposals such as the Sustainable Use of Pesticides Regulation, the Revision of the Ambient Air Quality Directives, the introduction of stricter emission limits for motor vehicles (Euro 7), the Revision of the Groundwater Directive and the Urban Wastewater Treatment Directive, and the Revision of the Industrial Emissions Directive.

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Fionn Ferreira, a 22-year-old from Cork, Ireland, won a Young Inventor Prize, from the European Patent Office, for his **novel method for removing micro-plastics from water**.

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The EU successfully concluded discussions on the 2023–2027 common agricultural policy (CAP), and by December 2022 the Commission had approved all 28 CAP strategic plans. The newly enacted legislation, effective from 1 January 2023, contributes to the objectives of the **farm-to-fork and biodiversity strategies** by supporting farmers in the EU in continuing to produce safe, quality food while making progress in the transition towards a more sustainable and resilient agricultural sector. The new CAP also underpins the EU's **long-term vision for rural areas** by helping to preserve the vitality and diversity of rural communities.

Overall, 32 % of total CAP funding is devoted to delivering benefits relating to the climate, natural resources, biodiversity and animal welfare, while greater emphasis is placed on fairness for small family farms, young farmers and farm workers.

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João Coimbra's farm in central Portugal, Quinta da Cholda, was founded in the early 20th century, and today **uses precision agriculture and biodiversity techniques to produce more with less**. In the year of 2022, marked by severe droughts, he was able to irrigate the land according to the exact needs of the soil without decreasing crop yields. When it comes to energy, the farm is self-sufficient.

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The circular economy

The Commission has adopted several proposals to fulfil the commitments of the circular economy action plan, including proposals for a **regulation on packaging and waste** and an **eco-design for sustainable products regulation**, ensuring that all products that come to the EU market are sustainable – reusable, repairable and recyclable. A remarkable 94 % of people living in the EU assert that environmental protection is of personal importance to them, while 68 % acknowledge that their consumption patterns negatively impact the environment, both within Europe and worldwide.

To reduce the negative impact of EU demand for commodities such as soy, palm oil, coffee, cocoa, timber and rubber, the co-legislators agreed a new **EU deforestation law**, which entered into force in June 2023. We have entered into a close dialogue with partner countries on its implementation, as illustrated by the creation, in June, of the Joint Task Force of the European Commission, Indonesia and Malaysia to implement the EU deforestation regulation.

In March 2023, the Commission proposed unified criteria to counteract greenwashing on the EU market. This will **ensure that products marketed as ‘green’ are genuinely eco-friendly**, equipping consumers with better-quality information and allowing businesses with truly sustainable products to be easily identified and rewarded. The proposal focuses on explicit claims, such as ‘T-shirt made of recycled plastic bottles’, ‘CO₂-compensated delivery’, ‘packaging made of 30 % recycled plastic’ or ‘ocean-friendly sunscreen’.

The Commission further adopted a new proposal advocating for the **repair of goods**. The Commission aims to simplify

and promote the repair of goods (such as vacuum cleaners, tablets and smartphones), invigorating the repair sector and encouraging producers and sellers to develop more sustainable business models.

Green diplomacy

At the **27th UN Climate Change Conference (COP27)**, the Commission showed ambition and flexibility to keep the goal of limiting global warming to 1.5 °C within reach. A strong and united European effort helped secure a hard-fought deal to keep the targets of the Paris Agreement alive. The EU's bridge-building also helped to advance discussions on balanced new funding arrangements, to help vulnerable communities to face loss and damage caused by climate change.

In December 2022, at the UN Biodiversity Conference (COP15) in Montreal, Canada, the EU joined 195 countries in the historic **Kunming–Montreal Global Biodiversity Framework**. This framework contains global goals and targets aiming to protect and restore nature for current and future generations, ensure its sustainable use and spur investment for a green global economy. Together with the Paris Agreement on the climate, it paves the way towards a climate-neutral, nature-positive and resilient world by 2050. The EU unity and leadership were essential throughout the 4-year negotiations in reaching this international agreement. President von der Leyen had already announced, as part of the Global Gateway, that the Commission is **doubling funding for global biodiversity** to reach a total of EUR 7 billion invested in protecting biodiversity around the world.

In line with this historic agreement, in March 2023, the international community also concluded negotiations on the **landmark**



Treaty of the High Seas to protect the ocean, tackle environmental degradation, fight climate change and prevent biodiversity loss in the oceans. The Biodiversity Beyond National Jurisdiction treaty will allow **large-scale marine protected areas to be established on the high seas**. The EU and the Member States that are part of the related High Ambition Coalition, launched by President von der Leyen, played a key role in reaching the agreement.

To better integrate the climate, peace and security nexus into the EU's external policies, in June 2023 the Commission and the High Representative presented **the EU's plan to become more resilient and secure as the climate crisis intensifies**.

At the Paris Summit for a New Global Financing Pact, in June 2023, **President von der Leyen proposed that global carbon pricing be used to generate the funding for climate finance** that the developing world so badly needs. Carbon pricing is one of the most effective tools that can be used to cut emissions in a way that nudges the polluters to pay for the pollution or that guides participants towards innovation. Since 2005, when the EU started to introduce carbon pricing, the revenues from carbon pricing have reached EUR 142 billion, and CO₂ emissions have decreased by 35 %. The EU is now extending the emissions trading system to buildings and the road transport sector.

Besides the EU emissions trading system, national or sub-national systems are already operating or under development in Canada, China, Japan, New Zealand, South Korea, Switzerland, and the United States. The EU is cooperating with these partners and helping others implement carbon pricing.

In July 2023, the Commission published its inaugural *Voluntary review on the*

implementation of the United Nations 2030 Agenda for Sustainable Development. Since the adoption of the 2030 Agenda in 2015, the EU has made moderate or strong progress across a majority of the sustainable development goals. The EU plans to make further strides towards the goals by speeding up the implementation of the European Green Deal and Europe's Digital Decade.

Realising Europe's Digital Decade

Digital innovation is reshaping our economy at breathtaking pace. This year we have witnessed the extremely rapid take-up of generative artificial intelligence (AI), including large language models and picture generation. The advent of the **AI revolution is no longer a future prospect, but a present reality**. The potential of trustworthy AI is vast, encompassing superior healthcare and medicine development, safer and more eco-friendly transportation, more efficient industries, climate-change forecasting models and more cost-effective, sustainable energy solutions.

The Commission's approach to ensuring an innovation-friendly but human-centric regulatory environment for AI was prescient. As early as April 2021, the Commission put forward the **Artificial Intelligence Act** designed to ensure that AI systems utilised in the EU are safe, transparent, ethical, unbiased and under human control. To ensure a comprehensive strategy that is favourable to innovation, the Commission has proposed a **risk-based approach**. Trilogues on the AI act have commenced successfully, and will hopefully conclude this year. In parallel, with the **coordinated plan on AI**, the EU aims to gradually increase public and private investment in AI to a total of EUR 20 billion per year over the course of this decade.

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The newly opened Laboratory for Machine Learning Driven Precision Imaging in Vienna will improve prediction models for lung cancer, whereby **personalised lung cancer treatment will be developed with the help of artificial intelligence.**

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In December 2022, a significant consensus was reached on **the European Declaration on Digital Rights and Principles for the Digital Decade**. This declaration stands as a guiding light for people, businesses and policymakers in the midst of the EU's digital transition, placing our citizens at the heart of the transformation and championing innovation in our commercial sectors.

December 2022 also saw the adoption of the **Digital Decade policy programme**, an initiative aimed at guaranteeing a digital transformation centred around the EU citizen, grounded in the principles of European digital sovereignty and our shared values. The programme set up a monitoring and cooperation mechanism to achieve the common objectives and targets of Europe's digital transformation, as set out in the 2030 digital compass. It is through this cooperative approach that multi-country projects – endeavours of a scale no single Member State could undertake alone – will bring about our digital evolution.

It is an undeniable truth that without semiconductors, or 'chips', there can be no digital or green transition, nor any EU technological leadership. Hence, in March 2023, a pivotal agreement was reached between the European Parliament and the Member States on the **European chips act**, first proposed by the Commission a year prior. The overall amount of policy-driven investment in support of the act is estimated at over EUR 43 billion. This investment will bolster first-of-a-kind manufacturing activities within the EU, stimulate the European design ecosystem and provide support for scale-up and innovation throughout the entire semiconductor value chain.

In parallel, in October 2022 and April 2023, under EU State-aid rules, the Commission approved French and Italian aid to support more than EUR 8 billion worth of investment in first-of-a-kind semiconductor mass-production facilities in the EU.



The region of Saxony, in Eastern Germany, has successfully mastered a transition to become one of the **preeminent technology hubs in Europe**, with a special focus on electronics. The EU funding played a key role and has helped attract additional investments. The most prominent project is an investment of EUR 5 billion by Infineon in a new chip production facility, which should create around 1 000 new highly skilled jobs. Infineon is expecting EUR 1 billion in public funding, granted under the EU chips act.



The Commission has other instruments in its State aid toolbox to support the microelectronics industry, such as **important projects of common European interest**. In June 2023, the Commission approved such a project to support research, innovation and the first industrial deployment of microelectronics and communication technologies throughout the value chain. The EUR 8.1 billion in public funding provided by Member States is expected to unlock an additional EUR 13.7 billion in private investment.

Data, the driving force behind Europe's digital economy, must be in the hands of Europeans. The **European data strategy** aims to position the EU at the forefront of a data-driven society. The creation of a single market for data will allow for its free circulation within the EU and across industries, to the advantage of businesses, researchers and public administrations.

In June 2023, an agreement was reached on the **data act**, a key piece of legislation aiming to make a larger volume of data accessible and to establish rules on data use and access across all economic sectors within the EU. The new regulations are projected to contribute an additional EUR 270 billion to the GDP of EU Member States by 2028, by tackling the legal, economic and technical challenges that currently lead to data underutilisation. With the act, consumers and businesses producing data by using products and services will benefit from more affordable aftermarket services, new opportunities to utilise services relying on data access, and better access to data collected or generated by a device.

The **Digital Services Act**, in force since November 2022, sets forth an extensive new set of obligations for all online platforms to mitigate harm and protect the rights of users in the digital realm.

On 25 April 2023, the Commission identified 17 very large online platforms and two very large online search engines. Following their designation, these services are, since the end of August 2023, obliged to comply with the full set of new obligations designed to empower and protect online users, including minors. This includes the requirement for the designated services to evaluate and mitigate their systemic risks and to offer robust content moderation tools.

To enforce the act, the Commission is also bolstering its expertise with in-house and external multidisciplinary knowledge. The **European Centre for Algorithmic Transparency**, hosted by the Commission's Joint Research Centre, was launched on 17 April 2023.

The **Digital Markets Act**, also in force since November 2022, is designed to enhance fairness and contestability in digital markets, setting out clearly defined, objective criteria to identify 'gatekeepers'. On 6 September 2023, the Commission designated six 'gatekeepers', which will now have six months to ensure full compliance with the DMA obligations for each of their designated core platform services.

In July 2023, the Commission adopted a new strategy on **Web 4.0 and virtual worlds** to steer the next technological transition and ensure an open, secure, trustworthy, fair and inclusive digital environment for EU citizens, businesses and public administrations.

As it stands today, only approximately 60 % of the EU population in 14 Member States have the ability to use their national electronic ID across borders. **The European digital identity**, agreed upon in June 2023, will

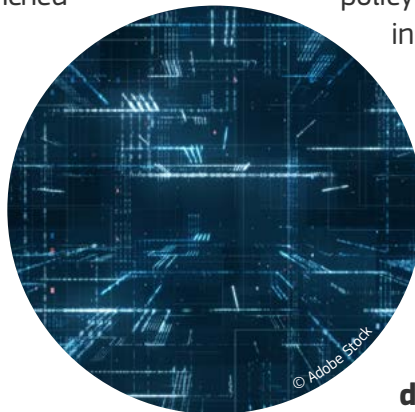
be available to EU citizens, residents and businesses wishing to identify themselves or to verify certain personal information. Applicable to both online and offline public and private services across the EU, EU citizens and residents will be entitled to a personal digital wallet.

This is accompanied by investment in infrastructure and skills aiming at **bridging the digital divide** and ensuring that no one anywhere in the EU is left behind in the digital transformation of our societies and our economies. About 26 % of the Recovery and Resilience Facility is meant for measures contributing to digital objectives. This is topped up by EUR 36.6 billion in cohesion policy during the 2021–2027 period, in addition to the EUR 16 billion invested between 2014 and 2020, the Connecting Europe Facility and the Digital Europe programme.

In June 2023, the Commission introduced a proposal to lay the groundwork for a **potential digital euro to complement cash**. With the rise in electronic and

digital payments in the EU, a digital euro could offer a widely accepted, economical, secure, and resilient form of public money. In parallel, the Commission presented a legislative proposal aimed at ensuring that euro cash remains a widely accepted and accessible payment method throughout the euro area.

Alongside this, the Commission has put forth two proposals to digitise payments and the broader financial sector, prioritising consumers' interests, competition, safety, and trust. The first proposal seeks to revise the payment services directive, strengthening fraud prevention, consumer rights, and open-banking systems.



The second is a legislative proposal for a framework regulating third-party access to customers' financial data across various financial services.

These initiatives follow up on a proposal from October 2022, aiming to make instant payments in euros available to all citizens and businesses within the EU and European Economic Area. The goal is to provide affordable and secure **euro transfers on any day within 10 seconds**, enhancing convenience and efficiency in the financial sector.

The year 2023 also saw **Croatia joining the euro area**. Twenty EU Member States and 347 million EU citizens now share the EU's common currency.

Strengthening our single and social market

This year we celebrated the **30-year anniversary of the single market** – the foundation of the EU's enduring competitiveness. As the world's largest market, comprising 440 million citizens and 23 million businesses, and amounting to 15 % of global GDP, it is estimated to have increased the EU's GDP by an additional 9 % since its creation three decades ago. With the help of the single market, Member States can find common solutions to challenges such as the war in Ukraine, the energy crisis and the cost-of-living crisis. It gives consumers more choice, with higher standards and lower prices, and it gives entrepreneurs the opportunity to become globally competitive.



On 16 March 2023, in conjunction with the anniversary of the single market, the Commission outlined its approach to **long-term competitiveness**. It acknowledges the single market's potential to boost productivity and outlines how the EU can build on its strengths and achieve more than merely bridging the growth and innovation gap. A forward-looking, well-defined and coordinated EU framework will foster thriving businesses, able to compete on the global market, with attractive jobs and setting global standards.

The EU economy continues to show remarkable resilience amid the successive economic shocks of recent years. In 2022, the **rebound in growth was an impressive 3.4 %**. The expansion

was supported by a robust labour market, **with unemployment rates hitting record lows and increasing employment**.

This outcome owes much to the decisive action taken by the EU and its Member States.

The strong performance has, however, also delayed the slowdown of inflation. High inflation, and the ensuing monetary policy response of interest rate hikes, have contributed to the significant slowdown of growth which is now underway.

Still, the very modest economic growth recorded in the first half of 2023 has dispelled earlier fears of a winter recession. Going forward, while we continue to deal with a large degree of uncertainty, especially with regard to Russia's ongoing invasion of Ukraine, we still expect growth to continue. At the same time, inflation is expected to loosen its grip on households' purchasing power and the labour market is set to continue to be robust.

The EU's economic resilience and competitiveness is thanks to its unique economic model. For three decades, we have crafted a powerful single market, with a strong social dimension. This is also why, in 2020, we put in place the SURE (Support to Mitigate Unemployment Risks in an Emergency) instrument to protect jobs and incomes threatened by the COVID-19 pandemic. The **final report on the implementation and impact of SURE** showed that, during that year, the instrument supported more than 2.5 million businesses and helped around 31.5 million people keep their jobs. By 2022, there was a clear phasing out of national support measures, with continued support under SURE for 40 000 firms and 350 000 people.

Overall, between 2020 and 2022, **SURE was crucial in facilitating the swift economic rebound from the pandemic**, with EUR 98.4 billion disbursed in 19 Member States. Almost half of the total expenditure was allocated to short-term work schemes, and almost one third to similar measures for the self-employed. Wage subsidy schemes and other similar measures accounted for 12 %, while the remaining 5 % was spent on health-related measures, which included preventive measures against COVID-19, additional labour costs to recruit and support healthcare workers and the purchase of healthcare equipment and medication, including vaccines.

Despite the unprecedented shocks of the pandemic and the war, the Commission has continued to enforce the proper functioning of the single market. The **Foreign Subsidies Regulation**, in force

since January 2023, aims to address distortions in the single market caused by foreign subsidies. These new rules will allow the EU to remain open to trade and investment, while ensuring a level playing field for all companies operating in the EU. The regulation started to apply on 12 July. As of 12 October, companies will have to notify the Commission of concentrations and of participation in public procurement procedures involving financial contributions granted by non-EU countries to companies engaging in an economic activity in the EU and meeting the relevant notification thresholds.

The reform of the EU's customs union, which we proposed in May 2023, will replace traditional customs declarations with a smart, data-driven approach to import supervision. This proposal represents **the most comprehensive and ambitious reform of the customs union since its establishment in 1968**.

In the face of stark increases in trade volumes, the rise of e-commerce and a rapid increase in the number of EU standards to be upheld by customs controls, the new system, aided by a new EU customs authority, will cut down on the current cumbersome customs procedures and make the single market more competitive, safer and more fit for the future.

On 8 December 2022, the Commission proposed a series of measures to **modernise the EU's value added tax system and make it work better for businesses** and more resilient to fraud by embracing and promoting digitalisation. The key measures proposed will help Member States collect up to EUR 18 billion





more in value added tax revenues annually, while helping businesses – including small and medium-sized enterprises – to grow. In the same month, the Commission adopted a proposal on **new tax transparency rules** requiring crypto-asset providers based in the EU to report all transactions of clients living in the Union. This will improve the ability of Member States to detect and counter tax fraud, tax evasion and tax avoidance, as there has too often been a lack of transparency in this field. The EU finance ministers reached a political agreement on this proposal in May 2023.

European businesses benefit not only from an integrated market, a highly skilled workforce and reduced red tape, but also from a rich innovation framework. Intellectual-property-intensive industries account for almost half of all GDP and more than 90 % of all EU exports. With this in mind, the Commission proposed **new rules on patents** on 27 April 2023. The proposed regulations on standard essential patents, compulsory licensing of patents in crisis situations, and the revision of the legislation on supplementary protection certificates will create a more transparent, effective and future-proof intellectual property rights framework. They aim to make the patents system more effective by further eliminating single market fragmentation, reducing red tape, and enhancing efficiency. This will empower economic operators and competent authorities to better protect innovation while ensuring fair access, including during emergency situations.

Moreover, the single market profits from a resilient banking sector, fortified by a robust crisis management framework. On 18 April 2023, the Commission adopted a proposal to adjust and further **strengthen the EU's existing bank crisis management and deposit insurance framework**,

focusing in particular on medium-sized and smaller banks. The proposal draws on the lessons learned from the first years of application of the framework, giving resolution authorities more effective tools to ensure that, when a crisis occurs and when financial stability is at stake, depositors – for instance individuals, businesses and public entities – can continue to access their bank accounts. In particular, it seeks to facilitate the use of resolution and deposit guarantee funds, funded by the banking industry, to enable authorities to better shield depositors during bank crises, such as through transfers from an ailing bank to a healthy one.

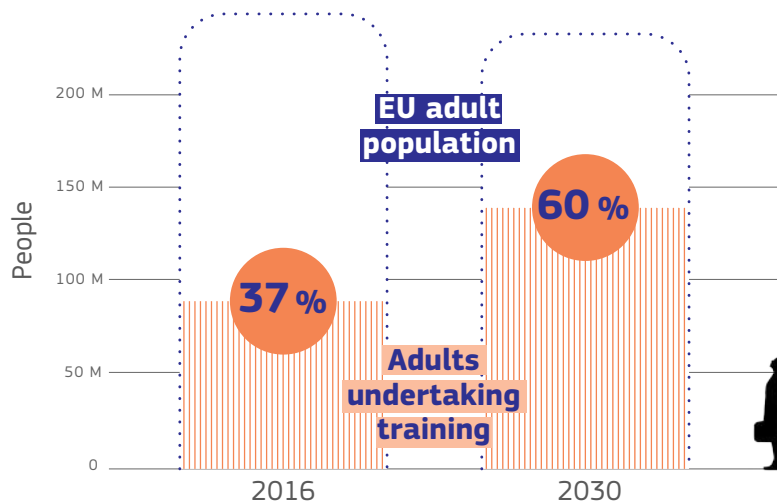
In addition, the EU is boosting the resilience of banks operating within its borders and strengthening their supervision and risk management by **finalising the implementation of the globally agreed regulatory reforms known as Basel III**. The new banking rules will ensure that EU banks become more resilient to potential future economic shocks, while contributing to the transition to climate neutrality.

Reaping the opportunities of our social market economy: a focus on social dialogue and skills

Our unique social market economy prioritises both commercial opportunities and societal welfare, placing people and their well-being at the heart of our Social Europe. In a context of increased inflation and heightened cost of living in the past year, policies at all levels are key for mitigating the loss in purchasing power, as highlighted in the 2023 European Semester cycle.

With skills come opportunities

EU goal of 60 % of adults undertaking training each year



To this end, we continue to implement the **European Pillar of Social Rights action plan**. Member States have endorsed the EU 2030 social targets of employing at least 78 % of people aged 20–64, ensuring the participation of at least 60 % of all adults to annual training and reducing the number of people at risk of poverty or social exclusion by at least 15 million (compared to 2019).

We have to make sure that all people working in the EU can live a dignified life. The historic agreement on the Directive on **adequate minimum wage** will be transposed into national law by November 2024. By setting a procedure for adequate statutory minimum wages and making Member States promote collective bargaining on wage-setting, the Directive will help lift citizens out of in-work poverty across the EU.

Europe's social market economy thrives on the dialogue between trade unions, employers and governments, with collective bargaining being a key feature.

We steadfastly believe in the power of social dialogue as a tool to develop joint solutions to the challenges we face in today's ever evolving world of work. Following our Communication of January 2023, the Member States adopted a **Council recommendation with concrete measures for the greater involvement of social partners at the national and EU levels**. This means consulting them when designing and implementing economic, employment and social policies; promoting collective bargaining; and enabling an increase in their capacities.

In September 2022 the Commission adopted guidelines to provide legal certainty to solo self-employed people, notably those working in the digital economy and through digital labour platforms, by clarifying situations in which competition law does not stand in the way of their efforts to negotiate collectively for a better deal.

In the meantime, the co-legislators have entered into final negotiations on the

Commission's **proposed directive on improving the working conditions in platform work**. The proposal aims to ensure that people working through digital labour platforms are granted the legal employment status that corresponds to their actual work arrangements and can enjoy the labour rights and social benefits they are entitled to. Within its focus on digital labour platforms, it also tackles the complex issue of algorithmic management on platforms to ensure there is human oversight and transparency.

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The Austrian recovery and resilience plan helps **build social resilience by paying contracts for 275 community nurses**. The programme also invested in a fleet of 94 electric cars and 37 electric bikes, so that the nurses can provide quality care for mostly elderly people in need also in remote areas.

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To make a success of the green, digital and demographic transitions, the EU needs to invest heavily in lifelong learning, to adapt people's skills to the ever changing labour market. Our objective during this **European Year of Skills** is for everyone – governments, companies and individuals – to recognise how important training is, and to become active. As part of the 2021-2027 budget, around **EUR 65 billion of EU funds** are available for Member States to invest in skills programmes, mostly via the Recovery and Resilience Facility and the European Social Fund Plus. In April 2023, the Commission adopted two new proposals for Council recommendations on **digital skills and digital education and training**.

They aim to support Member States and the education and training sector in providing high-quality, inclusive and accessible digital education and training to develop the digital skills of people living in the EU.

In 2023, the Commission has increased the **Erasmus+** budget to a new total of EUR 4.43 billion, the highest annual financial envelope ever reached, providing a valuable contribution to the European Year of Skills. Among many other projects, the Erasmus+ now supports 50 European Universities alliances involving more than 430 higher education institutions in the European Union and beyond, including in Ukraine.

In addition to its broader initiatives to encourage skills development across the board, the Commission has also put in place specific sectoral initiatives to take into account the realities of the different industrial eco-systems. For instance, the **Pact for Skills** brings together public and private organisations to identify what skills gaps exist in each sector, anticipate which skills will be needed in the future and make commitments to provide training opportunities to upskill and reskill people of working age.

To date, 1 500 organisations across the Member States have joined the Pact for Skills as members since its launch in 2020, either individually or as part of skills partnerships, in the 14 industrial sectors and in all of the EU Member States and candidate countries. Members include all sorts of public- and private-sector organisations, including national, regional and local authorities; companies; social partners; cross-industry and sectoral organisations; chambers of commerce; education and training providers; and employment services. So far **2 million people have benefited from up and reskilling** activities under the pact. Some 15 500 training programmes have been updated or developed, and pact members have invested EUR 160 million in skills initiatives.

As part of the European Year of Skills, in July the Commission also launched the first-stage consultation of European social partners on reinforcing the **EU Quality Framework for Traineeships**. The framework aims to help young people transition from education and unemployment into employment through quality traineeships. According to a recent Eurobarometer survey, 76 % of young Europeans learnt things that are useful professionally during their traineeship, and 68 % found a job after completing a traineeship.

This initiative will further the EU's actions to combat youth unemployment in the EU. The Youth Employment Support package of July 2020 has already resulted in a reinforced Youth Guarantee, a modernised European framework for vocational education and training, and a renewed impetus for apprenticeships.

Our 2023 report 'The impact of demographic change – in a changing environment' revisits the demographic trends shaping our economies and societies. Recognising the challenges brought about by demographic transition, the Commission has continued **to incorporate demographic considerations into the development of relevant EU policies**. To assist EU regions affected by the accelerated decline of their working-age population, we launched the Talent Booster Mechanism in January 2023 as part of our encompassing strategy for harnessing talent in Europe's regions. We launched a call for pilot projects in May 2023 and put in place a flagship project under the technical support initiative on overcoming barriers to regional development.



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In 2022, **Nazaret Mateos Álvarez, a young rural entrepreneur** from Paredes de Nava, Palencia, Spain, won the title of best female organic farmer at the EU's organic awards. By developing a ground-breaking way of cultivating mushrooms with natural fertilizers and less water, she is improving her local economy.

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NextGenerationEU and boosting European investment

NextGenerationEU represents more than just a response to the challenges posed by the COVID-19 pandemic; it is a **historic opportunity to build an economy that works for every citizen of the EU**. We are resolutely committed to transforming our vision of a greener, more digital and more socially just Europe into reality. In 2022 and 2023, our common European investment of EUR 800 billion in NextGenerationEU got underway, with tangible on-the-ground projects, to build a Europe that is sustainable, resilient and competitive, to guarantee prosperity for everyone in the EU.

At the core of NextGenerationEU lies the **Recovery and Resilience Facility**, which makes unprecedented financial resources available to all Member States. They are using these funds to implement transformative reforms and investment that will change European economies and societies for generations to come. The facility is worth EUR 723 billion. With a dedicated focus on sustainability, innovation and job creation, it is swiftly becoming a cornerstone of our economic policy. The implementation of the facility is continuing at full speed. Altogether, **a total of EUR 153.4 billion has already been disbursed**, including EUR 56.6 billion in pre-financing. Member States continue to deliver on their reform and investment commitments. The Commission estimates that the investment funded by NextGenerationEU alone could boost the EU's GDP by approximately 1.5 % in 2024.

The pillars of the **Recovery and Resilience Facility**



Green transition



Digital transformation



Economic cohesion, productivity and competitiveness



Social and territorial cohesion



Health, economic, social and institutional resilience



Policies for the next generation

The facility is proving to be an extremely agile instrument, effectively dealing with different crises as they emerge. As Russia started waging its brutal war of aggression against Ukraine, we put forward REPowerEU to end our dependence on Russian fossil fuels by accelerating the clean energy transition and joining forces to achieve a more resilient energy system and a true energy union. Member States have access to nearly EUR 270 billion REPowerEU funds, with EUR 225 billion in recovery and resilience loans, EUR 20 billion in additional grants and the potential to receive up to EUR 23 billion in grant transfers from other EU funds.

An analysis of the Member States' national recovery and resilience plans reveals that:

- EUR 203 billion of the total allocation has been assigned to measures aimed at **reducing greenhouse gas emissions** by at least 55 % by 2030;

- EUR 131 billion is dedicated to initiatives that will drive the **digital transformation** of European economies and societies.

The reforms and investments proposed by the Member States have exceeded the objective to dedicate at least 37 % of the expenditure to measures contributing to climate objectives and at least 20 % of the expenditure to digital objectives. For the facility as a whole, the estimated climate expenditure amounts to about 40 % and the digital expenditure to 26 %.

The Recovery and Resilience Facility has triggered the implementation of major reforms across a wide range of policy areas.

More than one third of all measures in the 27 recovery and resilience plans are reforms (around 2 187 reforms compared to 3 780 investment initiatives). These reforms not only make Member States more resilient in the long term, but also improve conditions for the successful

delivery of the related investment under the facility, along with cohesion policy funds. This is done, for instance, by modernising regulatory frameworks in key sectors (digital, renewables, transport); improving permitting and public procurement procedures; and strengthening the rule of law and anti-corruption safeguards. The **flagship reforms** already adopted include:

- reforms to ensure cybersecurity (Romania) and digitalise public administration (Slovakia);
- reforms of justice systems to make them more efficient by reducing the length of proceedings and by improving the organisation of courts (Spain, Italy);
- the modernisation of active labour-market and skills policies (Germany, Spain);
- reforms to enhance the predictability and stability of public research funding (Portugal) and to foster scientific excellence and improve the performance of universities and public research organisations (Slovakia);
- reforms to tackle corruption and ensure the protection of whistle-blowers (Cyprus);
- licensing simplification reforms to boost investment in offshore renewables or reforms to create the conditions for introducing renewable hydrogen (Greece, Spain, Portugal);

- reforms to support the roll-out of renewable energy and sustainable transport (Croatia, Romania);
- reforms improving the quality of the legislative process (Bulgaria);
- reforms to improve affordable housing (Latvia, Netherlands).

The **major investment initiatives** for which key steps have already been completed include:

- investment to support the decarbonisation and increase the energy efficiency of industry (France, EUR 1.4 billion; Croatia, EUR 91 million);
- the purchase of 600 000 new laptops to lend to teachers and pupils and the selection of digital innovation hubs to support companies in their digitisation efforts (Portugal, EUR 600 million);
- funds to increase the competitiveness of firms operating in the tourism sector, including 4 000 small and medium-sized enterprises (Italy, EUR 1.9 billion);
- the digitisation of public administration towards digital, simple, inclusive and secure public services for citizens and businesses (Portugal, EUR 170 million);
- broadband infrastructure development (Latvia, EUR 4 million).



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One of the biggest recipients of the Finnish recovery and resilience plan is Solar Foods, **a startup that produces protein through a bioprocess using green hydrogen.** The patented “Solein” can be used to produce any food, literally out of thin air. This is not science fiction – the startup is receiving EUR 33.6 million for a demonstration factory in Vantaa, Finland. The project is also part of the Commission's hydrogen value chain IPCEI.

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The Commission, **serving as the issuer of EU bonds on behalf of the European Union**, has successfully achieved its funding target for the first half of the year of EUR 80 billion and is targeting to mobilise an additional EUR 40 billion until the end of the year.

Out of these amounts, over EUR 100 billion will be channelled into the NextGenerationEU recovery programme, while up to EUR 18 billion will support the Macro-Financial Assistance ‘plus’ programme for Ukraine. Through this, the Commission is making important progress in supporting the economic recovery in Member States and showing solidarity with Ukraine, while strengthening the role of the Union as an issuer in the financial markets.

Concerning **green bonds**, the Commission remains the global leader, having issued EUR 7.7 billion worth of bonds so far in 2023 and EUR 44.2 billion overall – building up further towards its target of EUR 250 billion.

**Next
Gen
EU** 

EUR 806.9 billion*
through NextGenerationEU

* This figure is in current prices. It amounts to EUR 750 billion in 2018 prices.

To adapt the EU's fiscal rules for the future, the Commission proposed new rules on 26 April 2023 to put in place the **most comprehensive reform of the EU's economic governance rules since the aftermath of the financial crisis of 2008**.

The central objective of these proposals is to strengthen public debt sustainability and promote sustainable and inclusive growth in all Member States through reforms and investment. The reform will simplify economic governance, enhance national ownership, put a greater emphasis on the medium term and strengthen enforcement, within a transparent and common EU framework.

Boosting the capital markets union

is also an essential means of channelling private funding into our economy and funding the green and digital transitions. In this context, the Commission put forward several initiatives in 2022 and 2023 and delivered on the commitments spelled out in the 2020 action plan on the capital markets union:

- making **EU clearing services** more attractive and resilient, supporting the EU's open strategic autonomy and preserving financial stability;
- making certain corporate **insolvency rules** more efficient across the EU with the view to promote cross-border investment;

- alleviating, through a **new listing act**, the administrative burden for companies of all sizes, in particular small and medium-sized enterprises, so that they can better access public funding by listing on stock exchanges;
- **enhancing retail investors' trust and confidence to be able to invest safely** in their future and empowering them to make investment decisions that are aligned with their needs and preferences;
- making withholding-tax procedures in the EU more efficient and secure for investors, financial intermediaries and Member States' tax administrations to boost investment and help fight tax abuse.

Investments also continue to be supported through **EU cohesion funds** that ensure balanced growth, economic convergence, social opportunities and a level playing field across the internal market. In the period 2021–2027, 379 programmes adopted by the Commission in 2022 mobilising EUR 378 billion of EU support are expected to result in EUR 545 billion worth of investment. 70 % of this investment will be concentrated in the least developed regions. However, all countries and regions stand to benefit from the spill-over effects of cohesion funding: the EU's GDP will increase by at least 0.5 % by the end of this period and an additional 1.3 million jobs will be created thanks to cohesion policy.



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The **Brăila Bridge** was inaugurated this year thanks to over EUR 363 million in EU cohesion funds. At 2km in length, it is the biggest bridge over the Danube, the biggest in Romania, and the third longest suspension bridge in the EU.

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Finally, boosting European investment to build a greener, more digital and social Union demands properly functioning public administrations. All public investment and reforms go through civil servants. The Commission has thus stepped up its efforts to **help Member States upgrade their public administrations** and keep up with current and future challenges. In 2022, we launched the first public administrations cooperation exchange, which will allow 300 civil servants from 19 Member States to spend time in an equivalent administration in another Member State, exchanging expertise and good practices.

In 2022, we fully implemented the **‘one in, one out’ approach to EU law-making**. One year in, we proposed initiatives expected to lighten the overall administrative burden and compensate to the greatest extent possible other costs. In 2023, we have committed to make a fresh push to rationalise reporting requirements, and put forward first proposals for each of the green, digital and economic areas before the autumn, with the ultimate aim to reduce such burdens by 25%, without undermining the policy objectives. We have also added a competitiveness check to our decision-making process.

In other words, thanks to smarter policymaking and cutting red tape, the Commission is making it easier, faster and cheaper for citizens, businesses, and administrations to implement EU law and reap its benefits, and to deliver on the green and digital transitions.

An economy that works for people

ECONOMIC SITUATION

The EU economy continues to show **remarkable resilience** amid the successive economic shocks of recent years.

Growth

In 2022, growth was an impressive **3.4 %**

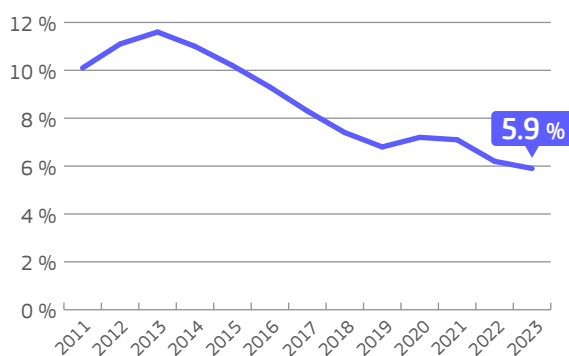
While we continue to deal with a large degree of uncertainty, we still expect **growth to continue**.

Expansion

The expansion was supported by a **robust labour market**, with unemployment rates hitting record lows and increasing employment.

Unemployment

Total unemployment rate in the EU, seasonally adjusted



Source: Eurostat.

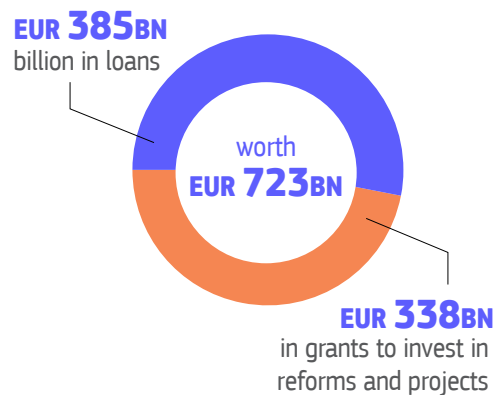
NEXTGENERATIONEU

NextGenerationEU is more than just a response to the challenges posed by the COVID-19 pandemic: **It is a historic opportunity to build an economy that works for every citizen of the EU.**

Investment

A common European investment of **EUR 806.9BN(*)** to make Europe healthier, greener, and more digital.

Recovery and Resilience Facility



Disbursement

Altogether, a total of **EUR 153.4BN** has already been disbursed, including

EUR 56.6BN in pre-financing.

GDP

Investment funded by NextGenerationEU alone could boost the EU's GDP by

approximately **1.5 %** in 2024.

(*) This figure is in current prices. It amounts to EUR 750 billion in 2018 prices.

EUROPEAN YEAR OF **SKILLS**

The EU is investing heavily in **lifelong learning**, to adapt people's skills to the ever-changing labour market.

Funds

Member States have allocated around **EUR 65BN** in EU funds to invest in skills programmes, mostly via the Recovery and Resilience Facility and the European Social Fund Plus.

Impact

2M people have benefited from up and reskilling activities under the Pact for Skills.

Trainings

15,500 training programmes have been updated or developed.



SINGLE MARKET

For three decades, we have crafted a powerful single market, **the world's largest market**, with a strong social dimension.

GDP

It amounts to



15 % of global GDP

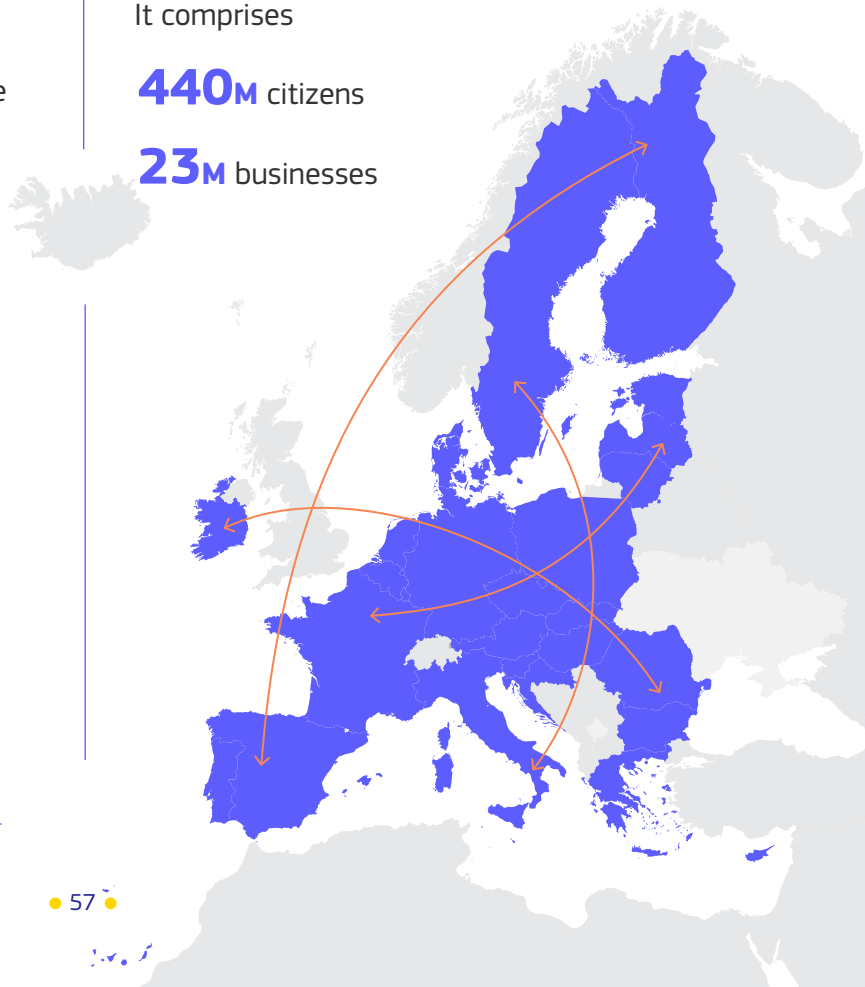
It is estimated to have increased the EU's GDP by an additional **9 %** since its creation three decades ago.

Size

It comprises

440M citizens

23M businesses



The Global Gateway and boosting global investment

The European Union is leading the push for democracy, human rights and multilateralism on the world stage. In these times of unparalleled global challenges – from climate change to global health crises and increased geopolitical tension – the EU plays a pivotal role in constructing a global economy that is resilient, sustainable and growing for everyone. We want an eye-level partnership with partner countries, to find solutions to the real challenges low- and middle-income nations are facing today.

With the **Global Gateway, a EUR 300 billion plan for sustainable investment across the world**, the

Commission is supporting top-quality infrastructure projects that bring jobs, promote lasting growth and create value locally. We are moving forward with **90 major projects worldwide this year**. They are tailored to local realities, but share the same features.

- The first feature is **sustainability**. We do not only want to guarantee high social and environmental standards; we can also help our partners put in place the technology and skills they will need for the fastest-growing sectors of the global economy.
- The second feature is **mutual benefit**. The Global Gateway can be the boost that low- and middle-income countries need to climb the industrial development value chain.

Key guiding principles for investments

 Sustainability	 Mutual benefit	 Partnerships
We do not only want to guarantee high social and environmental standards; we can also help our partners put in place the technology and skills they will need for the fastest-growing sectors of the global economy.	The Global Gateway can be the boost that low-and middle-income countries need to climb the industrial development value chain.	Partnering with private sector investors could increase investment from billions of euros to trillions.

- The third feature is **partnering with investors from the private sector**.

This could increase investment from billions to trillions of euros.

In **Namibia**, for example, the Global Gateway is providing guarantees for private investment in **green hydrogen**. The goal here is twofold: to generate clean energy and to provide new revenue for the country so that it is able, for example, to export green hydrogen to the European Union. In **Rwanda**, we are working with a vaccine producer to bring **mRNA technology** to the country so that it is able to produce life-saving vaccines for the region. In **the Philippines**, we are connecting our Copernicus satellites to build the first **Earth-observation** system in South-East Asia, and a European telecoms company is investing in 4G and 5G infrastructure. Cooperation in these areas will support national and regional capacities in tackling the impact of climate change and improve disaster risk management.



The inaugural milestone achieved under the Global Gateway initiative materialised in the **Africa–Europe investment package**. Half of initial Global Gateway investment, amounting to approximately EUR 150 billion, is dedicated to projects with African partners. These projects revolve around cultivating sustainable investment in vital infrastructure, encompassing the digital, energy and transport realms, along with health, education, skills, climate change and the environment. The projects include:

- a Team Europe initiative on manufacturing and access to vaccines and health technology in Africa, working with Ghana, Rwanda, Senegal and South Africa, and regionally;

- the Medusa submarine optical fibre cable in the Mediterranean, which will connect northern Africa with EU countries to increase internet speeds;
- digital infrastructure investment in Kenya, Mauritania and Tunisia;
- in terms of renewables, the planned construction of the Ruzizi III hydropower plant for Burundi, the Democratic Republic of the Congo and Rwanda;
- hydro, hydrogen, solar and hybrid power plants and facilities that will be built in Benin, Côte d'Ivoire, Madagascar, Morocco, Namibia, Nigeria and Tanzania;
- the provision by the EU and its Member States, under the Just Energy Transition Partnership, of more than EUR 280 million in grants to South Africa to support policy reforms on green recovery and unlock green investment.

Projects in the **EU neighbourhood and the Western Balkans** are implemented under the economic and investment plans agreed with the countries, for example:

- the Trans-Balkan Electricity Corridor in Bosnia and Herzegovina, Montenegro and Serbia – a 400 kilovolt interconnection linking the countries' electricity transmission systems to those of Italy, Croatia, Hungary and Romania;
- the Black Sea Digital Connectivity submarine digital cable, which will support digital transformation and increase the digital resilience of the region;

- an electricity cable that will be constructed under the Black Sea to help countries like Armenia, Azerbaijan and Georgia diversify their energy mix and tap into the huge potential for renewable energy – hydro, solar and wind power.

In **Asia and the Pacific**, we are implementing the Global Gateway through regional and bilateral initiatives that will have results with a transformative impact, for example:

- the regional Team Europe initiative on the Green-Blue Alliance for the Pacific, which includes the construction of the Qaliwana hydropower plant in Fiji, along with maintenance work on five airstrips and the construction and improvement of two jetties in Papua New Guinea;
- a project in 2023 for investment in solar and wind power to boost the green energy transition in Bangladesh;
- the Just Energy Transition partnership with Vietnam and Indonesia, to roll out renewables;
- working with Kazakhstan on implementing the partnership on raw materials, batteries and renewable hydrogen.
- at the EU-ASEAN Summit in 2022, the EU and its Member States have announced to leverage EUR 10 billion in investments to realise these and more Global Gateway projects in the region.

At the EU-CELAC Summit in Brussels in July 2023, President von der Leyen announced that the EU and its Member States would invest over EUR 45 billion in the Global Gateway investment agenda for **Latin America and the Caribbean** which includes a list of more than 130 potential investment projects:

- we have signed a Digital Alliance with most countries of the region to collaborate on standardising our digital policies, for example on data protection, sharing and privacy – the alliance also includes plans for a regional Copernicus centre for space-based services, which will be fundamental for aviation, drones and autonomous driving;
- in 2023, the Amazon basin Team Europe initiative to prevent deforestation will be launched, along with the ‘Five great forests of Mesoamerica’ project, which will protect 10 million hectares of forest by 2030;
- the EU has signed (or will shortly sign) partnerships with Argentina, Brazil, Chile, Colombia, Costa Rica, Paraguay and Uruguay for the production of green hydrogen and raw materials;
- we will help roll out broadband network access across Jamaica by 2030;
- we are improving Caribbean maritime intraregional transport with a multimodal ferry connecting Guyana and Suriname to Barbados, Trinidad and Tobago, the members of the Organisation of Eastern Caribbean States and the French overseas territories.

The Global Gateway represents half of the total commitment of the **G7’s Partnership for Global Infrastructure and Investment**. The G7 states are teaming up to be part of the solution to the infrastructure investment gap. After the successful G7 Summit in Hiroshima, we will continue to work closely with the next G7 presidencies: Italy in 2024 and Canada in 2025.

Relaunching the EU's trade agenda

In February 2021, the Commission unveiled a comprehensive **review of the EU trade policy strategy**, reflecting our steadfast commitment to a trade policy that promotes openness, sustainability and assertiveness on the global stage. It is imperative that our trade framework equip us with the necessary tools to safeguard against unfair trade practices. Since then, the Commission has dedicated tireless efforts to implementing and advancing this strategy, solidifying the EU's leading position in international trade.

Trade and Technology Councils

In the spirit of international collaboration, the EU and partner democracies have established Trade and Technology Councils to foster productive partnerships and address common challenges. During the third Ministerial Meeting of the **EU–US Trade and Technology Council** on 5 December 2022, and the fourth on 30 and 31 May 2023, the EU and the United States agreed to launch the Transatlantic Initiative on Sustainable Trade and a Clean Energy Incentives Dialogue. Part of the council, the **EU–US Talent for Growth Task Force**, met for the first time on 17 May 2023. Its mandate includes sharing best practices, promoting innovative approaches to skills development and inspiring training programmes for EU and US companies.



At the first meeting of the **EU–India Trade and Technology Council** on 16 May 2023, both parties increased their engagement and agreed to cooperate on emerging technologies and research into clean and green technologies, and to address trade issues. This council aims to enhance EU–India bilateral trade, which reached record levels in 2022 with EUR 120 billion worth of goods traded.

The United Kingdom

In February 2023, President von der Leyen and UK Prime Minister Rishi Sunak announced the **Windsor Framework**, a comprehensive set of joint solutions aimed at addressing, in a definitive way, the practical challenges in the operation of the Protocol on Ireland/Northern Ireland, thereby providing citizens and businesses in Northern Ireland with **lasting certainty and predictability**. The framework has allowed the EU and the United Kingdom to turn the page towards

a more positive and stable relationship. The full, timely and faithful implementation of the Windsor Framework and of the Withdrawal Agreement more generally, as well as of the Trade and Cooperation Agreement, is now the top priority in the bilateral EU–UK relationship.

Making full use of the potential of these agreements can lead to benefits on both sides of the Channel. The Trade and Cooperation Agreement covers a number of areas, such as trade in goods and in services, energy, security and the United Kingdom's association with certain EU programmes. On 27 June 2023, the EU and the United Kingdom also signed a memorandum of understanding on regulatory cooperation in financial services.

China

On 30 March 2023, President von der Leyen delivered a landmark speech on EU–China relations ahead of her visit to Beijing. Over the past 3 years, China’s decreasing willingness to engage substantively with the EU and its increasing assertiveness and challenge to the rules-based international order have made our bilateral relations more distant and difficult. However, our relationship with China is far too important to be put at risk by failing to clearly set the terms of a healthy engagement. In her speech, the President stressed the **need to de-risk and rebalance the EU–China relationship**. This means continuing to develop bilateral economic relations and cooperate on global challenges, while also addressing distortions emanating from China’s state-driven economic model and subsidisation, reducing the EU’s critical dependencies and tackling specific risks related to its civil–military fusion strategy and its use of coercive practices.

On 6 April 2023, President von der Leyen visited China. The President stressed the need to pursue peace based on Ukraine’s 10-point peace formula. Concerning Taiwan, she reiterated the need for stability and de-escalation, and that the status quo cannot be changed unilaterally or by force. The President also raised human rights issues, with a particular reference to Xinjiang, and global issues, such as debt relief, World Trade Organization reform and pandemic preparedness. The following month, in Hiroshima, Japan, President von der Leyen’s de-risking strategy received the support of the G7, informing the communiqué.



Openness

Despite the shocks to supply chains caused by the pandemic and then Russia’s war of aggression against Ukraine, we remained the world’s largest trading bloc, accounting for over 16 % of global trade, and we have made strides in promoting trade openness through tangible achievements. Notably, negotiations on free trade agreements were successfully concluded with **Chile** and **New Zealand**, while negotiations continued with **Australia, Mercosur, Mexico, India** and **Indonesia**.

The European Commission has also concluded negotiations with **Angola** on a Sustainable Investment Facilitation Agreement (SIFA) – the first EU agreement of this kind.

The EU is pursuing such agreements to promote sustainable investments in its engagement with African partners. The EU–Angola SIFA will make it easier to attract and expand investments while integrating environment and labour rights commitments in the EU–Angola relationship.

Sustainability

To reflect the increasing significance of sustainability in our trade relationships, on 22 June 2022, the Commission introduced a pioneering approach mandating that all EU trade agreements incorporate **comprehensive chapters on trade and sustainable development**. These chapters entail a broad spectrum of mutually agreed commitments, including upholding crucial international agreements such as the Paris Agreement and International Labour Organization conventions on workers’ rights.

On 24 April 2023, the **EU** and **Norway** **forged a Green Alliance**, representing the pinnacle of bilateral engagement under the European Green Deal. This ground-breaking partnership serves as a robust platform to intensify joint efforts on climate action, environmental protection, and collaboration on clean energy and industrial transition. Both parties reiterated their unwavering commitment to their respective 2030 targets, aiming for a minimum reduction of 55 % in greenhouse gas emissions compared to 1990 levels and achieving climate neutrality no later than 2050.

Assertiveness

To reinforce EU assertiveness on the global stage, the co-legislators agreed in June to establish the **Anti-Coercion Instrument (ACI)**. This new tool will enable the EU to respond to economic coercion, and therefore to better defend its interests and those of its Member States on the global stage. The ACI is first and foremost designed to act as a deterrent against any potential economic coercion. If economic coercion nevertheless takes place, the ACI provides a structure to get the third country to stop the coercive measures, through dialogue and engagement.

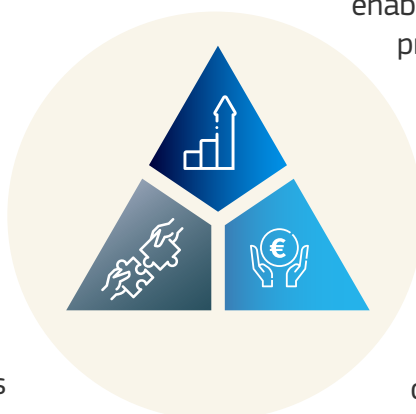
However, if engagement fails, it also gives the EU access to a wide range of possible countermeasures against a coercing country. These include the imposition of tariffs, restrictions on trade in services, and restrictions on access to foreign direct investment or public procurement.

Economic Security

On 20 June, the Commission and the High Representative presented a new **European Economic Security Strategy**. The strategy focuses on minimising risks arising from certain economic flows in the context of increased geopolitical tensions and accelerated technological shifts, while preserving maximum levels of economic openness and dynamism.

The Strategy sets out a framework to be implemented together with EU Member States, to safeguard the EU economic security by promoting the strengthening of the EU's economic base particularly in key enabling technologies and sectors,

protecting EU businesses, citizens and governments against risks to economic security such as coercion and the weaponisation of trade relations and partnering with the broadest possible range of countries to address shared concerns and interests.



A Stronger Europe in the world

In these times of unparalleled global challenges – from climate change to global health crises and increased geopolitical tension – the EU plays a pivotal role in constructing a global economy that is resilient, sustainable and growing for everyone. This is a selection of our achievements in the past year:

AMERICAS

United States of America

- Two Ministerial Meetings of the EU–US Trade and Technology Council
- Transatlantic Initiative on Sustainable Trade and a Clean Energy Incentives Dialogue
- EU-US Health Task Force
- EU-US Data Privacy Framework

LATIN AMERICA

- EU-LAC Digital Alliance
- New Agenda for relations between the EU and LAC
- EUR 45 billion investment by Team Europe in Latin America and the Caribbean through Global Gateway
- 3rd EU-CELAC Summit
- Amazon basin Team Europe Initiative to prevent deforestation
- 'Five great forests of Mesoamerica' project to protect 10 million hectares of forest by 2030

Brazil

- EUR 2 billion in support of Brazil's production of green hydrogen and to promote energy efficiency
- Team Europe Initiative 'Brazil Tropical Forests'

Chile

- Negotiations on the Advanced Framework Agreement concluded
- Team Europe Initiative on Green Hydrogen
- Memorandum of Understanding on sustainable raw materials value chains

Argentina

- Memorandum of Understanding on sustainable raw materials value chains
- Memorandum of Understanding on energy cooperation

Venezuela

- International Conference in Solidarity with Venezuelan Refugees and Migrants and their Host Countries and Communities

AFRICA

EUR 150 billion worth of grants and investment supported by the EU budget as part of the Global Gateway Africa-Europe Investment Package

- EUR 1 billion Team Europe Initiative on Climate Change Adaptation and Resilience

NORTH AFRICA

- Two Team Europe Initiatives focused on the Atlantic/Western Mediterranean and the Central Mediterranean migratory routes
- Medusa submarine optical fibre cable in the Mediterranean

Tunisia

- Comprehensive partnership package

Morocco

- New cooperation programmes on green transition, migration and reforms

Egypt

- Strategic partnership on renewable hydrogen

SUB-SAHARAN AFRICA

- EUR 100 million for a Regional Teachers' Initiative

Sudan

- EUR 126.4 million in humanitarian funding in 2023; almost EUR 700 million since 2013

EUROPE**United Kingdom**

- Agreement on the Windsor Framework
- Memorandum of understanding on regulatory cooperation in financial services

Norway

- EU-Norway Green Alliance

Ukraine

- EUR 76 billion of total support to Ukraine and its people
- First-ever College-to-Government meeting in Kyiv
- EU-Ukraine Summit

Moldova

- New EUR 300 million support package

Türkiye and Syria

- International donors' conference in solidarity with the earthquake victims in Türkiye and Syria
- 7th Brussels conference on the future of Syria and the region

WEST AND CENTRAL**AFRICA**

EUR 181.5 million in humanitarian aid

Senegal

- Just Energy Transition Partnership

SOUTHERN AFRICA**South Africa**

- EUR 280 million of Global Gateway investment as part of the International Just Energy Transition Partnership

Angola

- Negotiations concluded on a Sustainable Investment Facilitation Agreement

WESTERN BALKANS

- EUR 1 billion energy support package
- Additional EUR 2.1 billion investment package under the Economic and Investment Plan
- A new growth plan for the region
- EU-Western Balkans Summit in Tirana, Albania

CAUCASUS REGION

Black Sea Digital Connectivity submarine digital cable

Kazakhstan

- Strategic partnership on raw materials, batteries and renewable hydrogen

GREATER HORN**OF AFRICA**

EUR 331 million in humanitarian aid

Kenya

- Negotiations concluded on an ambitious Economic Partnership Agreement

Namibia

- Strategic partnership on sustainable raw materials and renewable hydrogen

Zambia

- EUR 110 million to advance education, health and green energy

ASIA

EUR 10 billion as part of Global Gateway for South-East Asia

Japan

- 29th EU-Japan summit
- Strategic cooperation on digital, on critical raw materials supply chains, and on developing an international hydrogen market
- First Japan-EU Digital Partnership Council

South Korea

- EU-South Korea Summit
- EU-South Korea green and digital partnerships launched

China

- In a landmark speech ahead of her visit, President von der Leyen outlines a policy of de-risking, not de-coupling from China

Vietnam

- Just Energy Transition Partnership to roll out renewables

India

- First meeting of the EU-India Trade and Technology Council

Singapore

- Digital partnership

Indonesia

- Just Energy Transition Partnership

OCEANIA**PACIFIC REGION**

Green-Blue Alliance for the Pacific

New Zealand

- Free Trade Agreement signed

Australia

- Framework Agreement enters into force

GLOBAL

- Kunming– Montreal Global Biodiversity Framework
- New EU agenda on International Ocean Governance
- G7 Summit in Hiroshima, Japan
- G20 Summits in Bali, Indonesia and India
- Forest and Climate Partnerships with Congo, Guyana, Mongolia, Zambia, Uganda



3 Building Europe's societal resilience

European democracy is strong and healthy, but it needs constant work to protect it. From upholding the rule of law to safeguarding the independence of judicial systems, fighting corruption and promoting civic engagement, the Commission has remained true to its role as guardian of the treaties in 2022 and 2023. We will continue to **defend democracy** in the run-up to the 2024 European elections. Equality also remains at the heart of the EU policy, with important legislative initiatives having been passed such as a directive to strengthen the principle of **equal pay for equal work**. Since the COVID-19 crisis, guaranteeing the security, safety and health of people living in the EU against cross-border threats has also become a priority of our Union. To strengthen our Health Union, a **comprehensive mental health approach** has also been unveiled. When it comes to migration and asylum, the Commission has introduced crucial reforms and is supporting a swift agreement between the European Parliament and the Council. Moreover, during the past year, the Commission has continued to support humanitarian efforts within and beyond the EU.

Upholding the rule of law and fighting corruption

The European Union is unique in its history and in its vision for the future. It is a continental democracy made up of various nations united in their purpose for freedom, democracy, equality and the rule of law. The EU emerged from the destruction of the Second World War, with the promise that war between Member States would be impossible. Since then, we Europeans have grown united in our diversity. Our unity gives us the power to defend and project democratic values and principles at home and beyond our borders. Russia's war against Ukraine has reminded us of the need to defend our hard-won democracy and the freedoms that it guarantees. In the spirit of 1989, and the Ukrainians who fight for freedom today, each generation of Europeans must help **build the resilience of European democracy** and renew the promise of the European peace project.

The **rule of law and respect for EU law** form the bedrock of our European Union – championing freedom, fairness and equality. The Commission continues to unwaveringly advocate and safeguard EU law. In 2022, we took decisive action on 1 410 instances of

infringement procedures, ensuring the enforcement of EU law. Our annual rule-of-law report, the cornerstone of the **EU rule-of-law cycle** established in 2020, serves as the basis for a rich dialogue and the exchange of best practices among Member States, and allows for debates in the European Parliament and in national parliaments. This is also illustrated by the efforts made by Member States to implement the recommendations issued for the first time in the 2022 report. As we can see from the 2023 report, 65 % of the recommendations from 2022 were addressed by Member States, reflecting a positive trend while acknowledging that some reforms need more time to be completed.

The **general regime of conditionality**, introduced in 2021, aims at protecting the Union budget from breaches of the principle of the rule of law in the Member States. This instrument contributes to promote and protect the rule of law, insofar as budgetary measures can be imposed on the Member States where breaches of the principles of the rule of law affect or seriously risk affecting the sound financial management of the Union budget or the financial interests of the Union.

In 2022, following a proposal from the Commission, the Council adopted measures on a Member State. Measures adopted under the general regime of conditionality can be lifted if the Member State concerned proves that it has remedied the situation that had led to their adoption.



Effective anti-corruption policies are an essential part of the enabling environment required for the rule of law, alongside respect for judicial independence, a free and pluralistic media, transparent and high-quality public administration and a free and active civil society. In May 2023, the Commission took decisive action and put forward two targeted anti-corruption proposals to fight corruption in the EU. The proposals harmonise EU rules on the definitions of and penalties for corruption offences so as to ensure high standards against the full range of corruption offences, and to improve enforcement. The proposals also seek to put structures in place in Member States that would better prevent corruption in the first place. The Commission, jointly with the High Representative, has also proposed a dedicated sanctions regime to target serious acts of corruption worldwide.

In June 2023, the Commission proposed to establish a first interinstitutional **Ethics Body**, which will be in charge of developing common standards covering members of EU institutions and bodies. With the establishment of the Ethics Body there will be, for the first time, common standards for the ethical conduct of members, and a formal mechanism for the coordination and exchange of views on ethical requirements among institutions. Following these changes, members of the EU institutions and bodies will be subject to common, clear, transparent and comprehensible standards.

Promoting new forms of democratic engagement

In 2023, the Commission upheld its pledge to follow up on the outcomes of the **Conference on the Future of Europe**, an unprecedented exercise in participatory democracy – the largest of its kind ever. The Commission continued to act on the recommendations from the Conference, with 35 of the 43 new initiatives in the 2023 Commission work programme following up, directly or indirectly, on these proposals.

With a view to embedding citizens' participation in our policy-making toolbox, the Commission established a new **generation of citizens' panels**, each bringing together around 150 randomly selected citizens to make recommendations ahead of certain key Commission proposals. Three panels took place in 2023 – discussing the topics of food waste, virtual worlds and learning mobility – hereby underscoring the importance of citizens' involvement in our democratic process. Particular emphasis was placed on the younger generation, with one third of the panellists being between the ages of 16 and 25, acknowledging their crucial role in shaping the future.

The Commission continues to increase transparency and improve the quality of EU policymaking by also revamping the 'Have your say' platform, making it an online hub for pan-European debates on selected European issues.

A milestone was reached on 18 April 2023, when the **100th European citizens' initiative**, titled 'Connecting all European capitals and people through a high-speed train network', was registered. This initiative is part of a powerful tool of participatory democracy that has gathered over 17 million signatures for various initiatives since its inception in 2012.

We are developing tools to support Member States that want to deepen their engagement with citizens on European issues. The pilot project '**Building Europe with local councillors**' is producing promising results, and could be in the future one of the tools available to build greater democratic resilience, from the grassroots up.



The Commission fully recognises children and young people as active citizens and agents of change in our European democracy. For this reason, we are setting up a permanent on- and offline **EU Child Participation Platform** to enable children across the EU to participate in EU decision-making in a systematic and meaningful way. This platform is being built together with children, civil society organisations and the European Parliament.

Building a Union of equality

In the EU, we remain committed to building a more perfect society in which everyone enjoys an equal opportunity to flourish. Our Union depends on all of us. Everyone must be free to express their individuality, speak their mind, worship freely and love who they choose. The safeguarding of these **fundamental freedoms** by EU law is a testament to our enduring commitment. Nonetheless, we recognise that our work is never finished, and that numerous obstacles still need to be overcome to ensure the equal freedom and safety of all individuals in the EU.

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Football prodigy, **Haley Bugeja**, is a true believer in equality in sport and actively promotes football for girls in Malta and beyond. The 19-year-old, who has recently joined Inter Milan following a season with the US National Women's Soccer League, continues to promote equality by actively encouraging girls to take up sport and to excel in it.

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Our 2020–2025 **Gender Equality Strategy** emphasises the importance of fostering a thriving, gender-equal society and economy. November 2022 marked a historic moment when, a decade after the Commission's proposal relating to women on boards, we adopted landmark rules to enhance **gender balance on corporate boards**, mandating that at least 40% of non-executive director positions in listed companies be occupied by the under-represented sex by 2026.

In December 2022, the Commission proposed to harmonise, at the EU level, the rules relating to the recognition of parenthood to strengthen the **rights of families in cross-border situations**. This proposal ensures that parenthood established in one Member State is recognised in all other Member States without necessitating any special procedures.

In May 2023, we made another leap forward by adopting new rules strengthening the application of the principle of **equal pay for equal work** between men and women, to finally throw the gender pay gap in the dustbin of history.

On 1 June 2023, the EU finally acceded to the **Istanbul Convention on preventing and combating violence against women and domestic violence**, seven years after the Commission put forward its proposal to do so. In addition, we are in the process of negotiating the proposal for a directive on combating violence against women and domestic violence, presented in March 2022, which aims to set minimum standards in EU law to criminalise certain forms of gender-based violence; enhance access to justice, protection and support for victims; ensure coordination between relevant services; and prevent these types of crimes.

The EU is also committed to being in the vanguard of efforts to safeguard lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ) people's rights. The Commission's first **LGBTIQ equality strategy** for 2020–2025, outlined measures to integrate LGBTIQ equality into all policy areas and to amplify the voices of LGBTIQ people. This strategy seeks to unite Member States in a common mission to tackle LGBTIQ discrimination more effectively by 2025. The Commission also presented a proposal in December 2022 to **strengthen equality bodies** in the fight against discrimination, by setting minimum standards as regards their mandate, independence, resources, tasks and powers.

The 2020–2025 EU anti-racism action plan mainstreams the battle against racism across all EU policies. In February, we appointed a new coordinator to counter anti-Muslim hatred. We encouraged Member States to adopt **national action plans against racism** by the end of 2022. In January 2023, we also evaluated national strategic frameworks for Roma equality, inclusion and participation, and we will continue to urge Member States to increase their efforts to put a stop to all forms of racial discrimination in our diverse Union.

With the **EU strategy on combating antisemitism**, we have also urged Member States to devise national strategies in this area.

People with disabilities, like everyone else, are entitled to participate fully in all aspects of life. Currently, only half of the 42.8 million working-age individuals with disabilities

in the EU are employed. Our **disability employment package**, presented in September 2022, supports Member States in promoting social inclusion, fighting poverty and boosting the skills and competences of people with disabilities. We have provided for the introduction of the **European disability card**, which is set to ensure cross-border recognition of disability status, to facilitate short stays in other Member States by granting across the EU the same access to special conditions or preferential treatment in relation to services as nationals of that Member State.



Increasing our resilience and protecting EU citizens

Under the **European Security Union**, the EU is dedicated to protecting all its citizens and businesses, both online and offline. Since the unveiling of the EU Security Union Strategy in July 2020, substantial strides have been made, fortifying the four pillars of the strategy: addressing vulnerabilities, augmenting cybersecurity, fostering law enforcement cooperation, and supporting resilience against hybrid threats. In addition, there are now in place modern rules securing the physical and digital aspects of critical infrastructure sectors, including energy, transport, health, space, telecommunications and digital.

The **Critical Entities Resilience Directive** entered into force in January 2023, providing a strong framework to build up our collective resilience. This essential piece of legislation is

being further reinforced through accelerated efforts at all levels to strengthen the resilience of EU critical infrastructure.

The increasing magnitude, frequency and impact of cybersecurity incidents represent a major threat to the functioning of network and information systems and to the European single market. Russia's military aggression against Ukraine has further exacerbated this threat, along with the multiplicity of state-aligned, criminal and hacktivist actors involved in current geopolitical tensions. Building on a strong strategic, policy and legislative framework that is already in place, the proposed **EU Cyber Solidarity Act**, put forward in April 2023 by the Commission, will further contribute to enhancing detection of cyber threats, resilience and preparedness at all levels of the EU's cybersecurity ecosystem.

It aims to fortify cooperation within the EU to counter cyber threats by enhancing threat detection and awareness; bolster the preparedness of critical entities; and reinforce concerted crisis management and response capabilities across Member States.

Moreover, in order to ensure that consumers and businesses can make use of secure digital products in their private and professional life, the Commission proposed in September 2022 the **cyber resilience act**, the first EU-wide legislation of its kind, with the aim to introduce mandatory and horizontal cybersecurity requirements for products with digital elements, throughout their whole life cycle. With the introduction of new legislation aimed at **removing terrorist content online**, and increasing cooperation between national law enforcement authorities, the EU is combating the illicit trafficking of firearms and hazardous substances and strengthening the European crisis response to terrorism.

The Commission's commitment to protecting EU citizens from threats also includes work in the maritime and space realms. In March 2023, the Commission unveiled an updated **EU maritime security strategy**, aimed at safeguarding maritime areas against emerging threats and ensuring the peaceful use of the seas. The strategy proposes measures to improve maritime security, including EU-level naval exercises, improved coastguard operations and enhanced security inspections in EU ports, with the aim of fostering deeper cooperation with partners such as NATO, to uphold the rules-based order at sea.

In the realm of space, which is becoming increasingly important for consumer, scientific and military purposes, the Commission has put forward a **European Space Strategy for Security and Defence**. The strategy, reflecting the EU's recognition of space as a contested strategic domain, aims to protect its space assets, such as satellites; deter hostile activities in space, such as spying; and strengthen its strategic autonomy.

In November 2022, the European Parliament and the Council reached an agreement on a regulation establishing the EU's secure connectivity programme for 2023–2027, including the goal for the EU to **deploy an EU satellite constellation called IRIS²** (Infrastructure for Resilience, Interconnectivity and Security by Satellite). IRIS² will constitute a new space-based pillar for a digital, resilient and safer EU, and will foster European competitiveness and societal progress.

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In January 2023, **President von der Leyen inaugurated the Esrange Spaceport in Northern Sweden**, which is not only the first spaceport on EU mainland but can also launch constellations of small satellites that enhance the EU's earth observation capabilities, which are crucial to counter climate disasters or military threats in real time.

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Increasing resilience to natural and manmade disasters

With a view to enhancing prevention and preparedness across Europe, in February 2023, the Commission adopted a recommendation and a communication to establish common goals **boosting European disaster resilience in the field of civil protection**.

This includes ways to better prepare European countries for natural hazards, including earthquakes, floods and wildfires, to name only a few. In view of the rapidly changing risk landscape, the European disaster resilience goals aim to improve the capacity of the **EU Civil Protection Mechanism** to anticipate and withstand the effects of future major disasters and emergencies. In this respect, five European disaster resilience goals and flagships were adopted, to better anticipate, prepare, alert, respond and secure.

In the face of the increased threat to people and the environment from ever stronger wildfires, the EU improved its capacity to fight wildfires by **doubling the size of its aerial firefighting fleet for the summer of 2023**, in line with President von der Leyen's commitment in the State of the Union address in September 2022. The rescEU firefighting aircraft reserve now includes 24 aeroplanes and four helicopters from 10 Member States. In 2023, the EU mobilised via the EU Civil Protection Mechanism hundreds of firefighters, vehicles and planes for massive fires in Europe and to show solidarity with our international partners such as Canada. Following calls from Member States and the European Parliament, in 2022 the Commission also developed a wildfire prevention action plan.

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Faced with consequences of devastating floods, **Slovenia has witnessed incredible solidarity** from the EU Member States and abroad, including from the war-torn Ukraine. A convoy of heavy machinery, accompanied by a Ukrainian civil protection team, has helped clear the debris and clean up the aftermath of the floods that affected two thirds of the country.

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The simultaneous disasters of wildfires, floods and storms that hit the European continent in recent months require, apart from a strong response, also more prevention and preparedness such as soil monitoring, forest monitoring, and natural restoration to avoid the worst side of climate change.

The EU is also helping to increase resilience against disasters outside our borders. In February 2023, the EU coordinated the deployment of more than 250 EU firefighters to **Chile** via the EU Civil Protection Mechanism, along with coordination experts and medical personnel. To tackle the worst wildfires in the last decade, **Canada** has also received immediate firefighting assistance with 350 firefighters deployed via the EU Civil Protection Mechanism.



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President von der Leyen visited flooded areas of Emilia-

Romagna, in Italy, to see for herself the strong sense of altruism and solidarity shown by the hundreds of volunteers. Many took days off work to assist in the massive clean-up necessary and to help those who lost their homes and businesses to return to rebuild.

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Overcoming the pandemic and building a Health Union

On 5 May 2023, after more than 3 long years, **COVID-19's status as a public health emergency of international concern was officially removed**. The pandemic left an indelible mark on our citizens, our society and our economy. Our strong spirit of resilience and coordination and our deep trust and significant investment in science and innovation enabled us to overcome this unprecedented crisis. Our shared sense of European solidarity – whether in the distribution of medical supplies, the treatment of patients, the repatriation of citizens stranded abroad or the collective rebuilding of our economies – also made this possible. The journey through the pandemic has reinforced our Union's core belief – that we are stronger together.

The Commission's proactive stance from early 2020, as part of the EU vaccines strategy, yielded impressive results. **More than 70 % of the EU population is fully vaccinated against COVID-19**, and the Commission is continuing to ensure access to the latest available version of vaccines should variants of concern appear in the future. The EU FAB, a network of vaccine producers, will ensure that there is the continuous capacity to produce between 500 million and 700 million vaccine doses annually in case of need. This ensures that vaccines will swiftly be available to counter any future crises. Earlier in 2023, we signed contracts with suppliers to ensure this readiness.

The Commission remains steadfast in its commitment to ensuring that safe and effective vaccines are accessible across the globe.

As of now, approximately 65.5 % of the global population is inoculated against COVID-19. The EU has played a pivotal role in facilitating these vaccinations, by exporting or sharing a significant proportion of the required doses. Since December 2020, **nearly 2.5 billion doses of COVID-19 vaccines**, around two-thirds of all vaccine doses produced in the EU, **have been exported to 168 countries**.

The Commission and the Member States have pledged more than EUR 5 billion to COVAX, the global initiative designed to guarantee equitable access to COVID-19 vaccines. We are also actively supporting vaccination campaigns in partner countries. The EU is also the single largest donor of COVID-19 vaccine doses shared with partner countries through COVAX, hosted by Gavi, the Vaccine Alliance. COVAX has thus far dispatched more than 1 billion vaccine doses to 144 participating nations.

The COVID-19 pandemic has the distinction of being the first to be confronted in the era of digitisation. The **EU Digital COVID Certificate** became an invaluable tool in the fight against the pandemic, with more than 2.3 billion certificates issued in the EU since its launch in 2021. The certificate facilitated safe and free movement for citizens across the European Union when travel restrictions were deemed necessary due to the pandemic. In addition, it allowed these restrictions to be lifted in a coordinated way, and effectively enabled safe international travel. The certificate – embodying key EU principles such as privacy, data protection, open access, cybersecurity, flexibility and equity – became a global standard, with



78 countries and territories being connected to the system: the 27 Member States, along with 51 non-EU countries and territories.

Building on this success, in June 2023, the World Health Organization took up the EU system of digital COVID-19 certification, including its fundamental principles of safeguarding privacy and data minimisation, to establish a global system that will help protect citizens across the world from ongoing and future health threats. This is the first building block of the **WHO Global Digital Health Certification Network**, which may also facilitate the future digitalisation of other health documents and deliver important health outcomes on an international scale.

In summer 2022, when the mpox (monkeypox) disease broke out worldwide and led to a public health emergency, the Commission stepped in to support Member States with emergency and joint procurements of treatments and vaccines. Together with community engagement, this decisive action helped to **prevent mpox from becoming endemic in Europe**. By the end of 2022, joint procurement using EU funds had secured access to more than 2.3 million vaccine doses for the Member States for 2022–2024.

Work has continued on building a strong **European Health Union**, a major achievement of the von der Leyen Commission that aims to protect the health of EU citizens; equips the EU and its Member States with the tools to prevent and address future pandemics; and improves the resilience of Europe's health systems.



In 2022, the cornerstones of the European Health Union were established with the strengthening of the **European Centre for Disease Prevention and Control** and the **European Medicines Agency**, together with stronger rules on serious cross-border threats to health and the Emergency Framework Regulation. This regulation provided extra powers to the Health Emergency Preparedness and Response Authority to prevent and manage cross-border health threats more effectively. Our progress in preparedness and response was shared in the inaugural State of Health Preparedness Report in November 2022.

In May 2022, in order to unleash the full potential of health data and enable the EU to achieve a quantum leap forward in the way healthcare is provided to people across Europe, the Commission proposed the **European health data space**. This initiative empowers individuals to control their health data and offers a consistent framework to harness the power of health data for innovation, new medicines, better healthcare and policymaking, all while complying with the EU's gold-standard data protection norms.

April 2023 saw the addition of a key pillar to the European Health Union – **the most significant revision of pharmaceutical legislation in two decades**. This proposed revision aims to create a single market for medicines by promoting better availability, accessibility and affordability of medicines while also strengthening innovation and the competitiveness of the EU pharmaceutical industry. In July 2022, new rules to further increase the safety and quality of substances of human origin were also proposed, to improve the protection of anyone who donates or is treated with those critical health products.

Europe's beating cancer plan, a central pillar of the European Health Union, is our response to an enduring threat with which most people in the EU have had, or will have, personal contact. With more than 2.7 million cancer diagnoses and 1.3 million fatalities recorded in the EU in 2020, our resolve to one day beat cancer is steadfast. The plan is the most comprehensive EU initiative ever on cancer, and is robustly funded with a budget of EUR 4 billion. In September 2022, a new science-based approach to cancer screening was introduced, adding prostate, lung and gastric cancers to screening recommendations, which now cover six cancers accounting for 55 % of all new cases and more than 50 % of cancer-related deaths in the EU. At the beginning of 2023, a new European cancer imaging initiative was launched to make better use of the power of data and of digital technologies such as AI to better detect and address cancer.

In June 2023, we unveiled the EU's **first comprehensive approach to mental health**, reflecting recommendations from citizens at the Conference on the Future of Europe and answering the European Parliament's calls for greater mental health action. This comprehensive approach looks at mental health across all policies and puts forward initiatives to promote good mental health, with a special focus on children and young people. With 20 flagship initiatives and EUR 1.2 billion in EU funding, the Commission will support Member States in putting people and their mental health first.

Public health is a universal concern. Since the outbreak of the pandemic, Team Europe – comprising the EU, the Member States and European financial institutions – has disbursed EUR 47.7 billion to support public health in our partner countries. On 30 November 2022, the Commission

amplified its global health leadership with a new **EU Global Health Strategy**. This strategy, the external dimension of the European Health Union, is guiding the EU in enhancing health and well-being, fortifying health systems and promoting universal health coverage. On 17 May 2023, delivering on an important priority of the strategy, the EU–US Health Task Force was launched to expand the partnership between the two in the area of health, focusing on cooperation under three strands: priorities in the area of cancer; global health threats; and strengthening the global health architecture.

Moreover, as we attach importance to strengthening pandemic prevention, preparedness and response at international level, the EU has been actively committed to ongoing negotiations on a legally binding Pandemic Agreement and targeted revision of international health regulations.

A sustainable and fair migration system

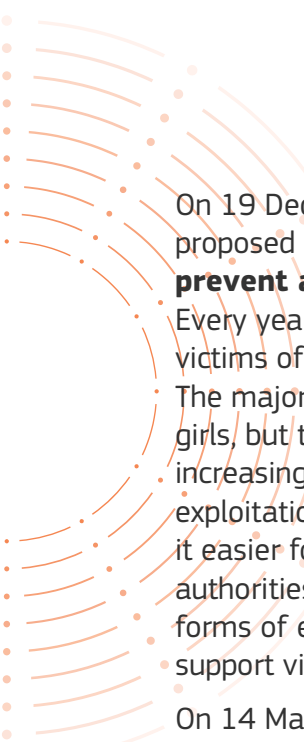
Migration within, to and from Europe has always been and always will be part of the European identity. However, following unprecedented numbers of refugees and irregular migrants entering the EU in 2015 and 2016, it became clear that reforms were needed. In September 2020, faced with a stalemate over a previously proposed reform, the Commission sought to revitalise the EU's migration and asylum system by putting forward the **New Pact on Migration and Asylum** – a comprehensive and whole-of-government approach aimed at strengthening and integrating key EU policies on migration, asylum and border management in a fair, humane, sustainable and efficient way. Interinstitutional negotiations have gained significant

momentum in 2023, as co-legislators have stepped up their efforts to advance on all legislative proposals under the New Pact, so that they can be agreed by the end of the legislature.

To support those Member States facing immediate challenges, the Commission also responded with operational measures. On 21 November 2022, the Commission presented an **EU action plan on the Central Mediterranean**. The action plan comprised 20 measures that are being implemented by the EU and its Member States. They are designed to reduce irregular and unsafe migration; address root causes; provide solutions to the emerging challenges in the area of search and rescue; and reinforce solidarity between Member States, balanced against responsibility.

Irregular movement along the Western Balkans routes increased significantly in 2022. In early December 2022, the Commission presented an **EU action plan on the Western Balkans**, which set out 20 operational measures to strengthen cooperation on migration and border management with partners in the Western Balkans. These measures have had a significant impact, with a reduction in irregular movement of around 25 % in 2023, compared to 2022.

In June 2023, the Commission presented an **EU action plan on the Western Mediterranean and Atlantic migration routes**. The EU has been strengthening its partnership with key countries of origin and transit along the route. Measures undertaken by the EU, Member States and international partners have contributed to the significant decrease in the number of irregular arrivals.



On 19 December 2022, the Commission proposed to strengthen the rules that **prevent and combat human trafficking**.

Every year, more than 7 000 people become victims of human trafficking in the EU.

The majority of victims are women and girls, but the proportion of male victims is increasing, particularly for reasons of labour exploitation. The updated rules will make it easier for law enforcement and judicial authorities to investigate and prosecute new forms of exploitation and help identify and support victims.

On 14 March 2023, the Commission set out the first-ever multiannual strategic policy cycle on **European integrated border management**, covering the next 5 years – a shared vision of external border management. It provides a coordinated framework for national authorities managing the border, and for the more than 120 000 national border authority and European Border and Coast Guard Agency employees who work together to protect the EU's borders.

Developing **legal pathways** contributes to reducing irregular migration and can help strengthen European economies. We must attract the skills and talent that our economies need, given an ageing population and urgent skills gaps. Earlier this year, the Commission launched a new call for proposals for EUR 40 million in action grants under the Asylum Migration Integration Fund to fund legal pathways to migration and integration. Work is also underway to put in place Talent Partnerships with Morocco, Tunisia, Egypt, Bangladesh and Pakistan, including through financial support from the Neighbourhood, Development and International Cooperation Instrument (NDICI)-Global Europe instrument. The Commission also launched a pilot EU Talent Pool in October 2022 to facilitate the

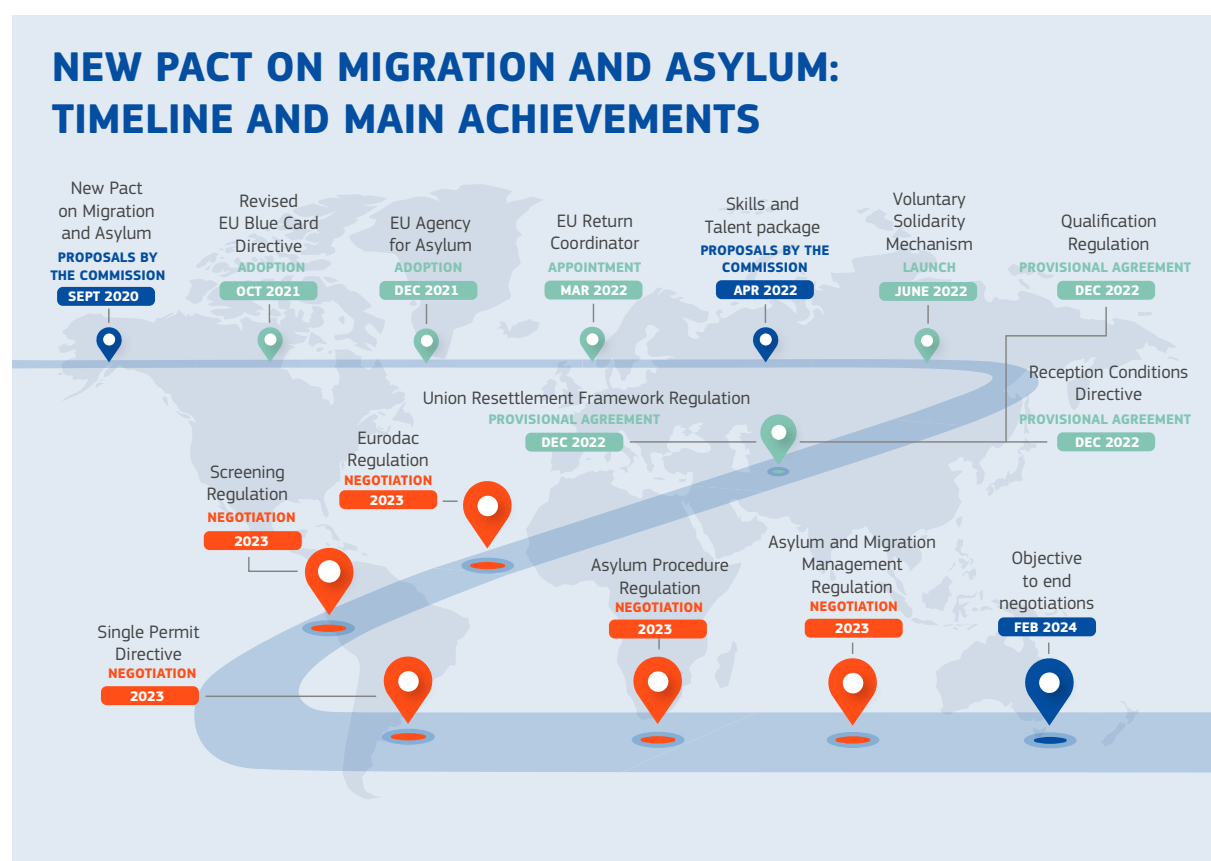
labour market integration of Ukrainians and will present a legislative proposal this autumn to establish a fully-fledged EU Talent Pool. This would be the first EU-wide platform aimed at making the EU more attractive for non-EU nationals looking for job opportunities in the EU. It will help EU employers find the talent they need and ensure decent working conditions.

In January 2023, the Commission launched the **Labour Migration Platform** to advance skilled labour migration from non-EU countries to the EU and to ensure that it is well managed and targeted at where the labour and skills needs are. The new platform brings together migration and employment specialists to foster close cooperation between the two sectors, and between Member States and the EU to support the effective operationalisation of EU-level initiatives on legal migration and employment.

The proper integration and inclusion of non-EU nationals helps the growth, resilience and prosperity of the EU. The Commission is taking forward implementation of the **Action Plan on Integration and Inclusion 2021-27**, which foresees actions on education, labour market access, accommodation and healthcare. In December 2022, the Commission reaffirmed the European Partnership on Integration with European Social and Economic Partners through a joint statement, which includes particular support for people fleeing Russia's war of aggression against Ukraine.

While proposing a series of operational measures to address the immediate and ongoing challenges along the migratory routes, structural solutions rely on having a **common EU migration and asylum policy**.

Hence, agreement on the full set of asylum and migration reforms currently being negotiated is key. The Commission welcomes the compromise agreements reached in interinstitutional negotiations in December 2022 on the resettlement framework, the qualification and the reception conditions proposals as well as the successful political agreement reached by the Council in June on two key pillars of the new pact on migration and asylum – the asylum and migration management regulation and the asylum procedure regulation – along with the work done on these proposals by the European Parliament in agreeing on its mandates for negotiations earlier this year. The Commission stands ready to work with the European Parliament and the Council to ensure the successful conclusion of the interinstitutional negotiations by the end of the current legislature, as provided for in the Joint Roadmap.



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Greece is pioneering an integration project, funded by NextGenerationEU, whereby refugees and migrants, including persons with disabilities, are trained in fire and earthquake protection. The project brings local residents and migrants closer together to confront common challenges.

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Answering the humanitarian call

If those in need of humanitarian assistance formed a country, it would be the third largest country in the world with 360 million citizens. And this suffering non-country is growing at an exponential rate – up 30 % since early 2022.

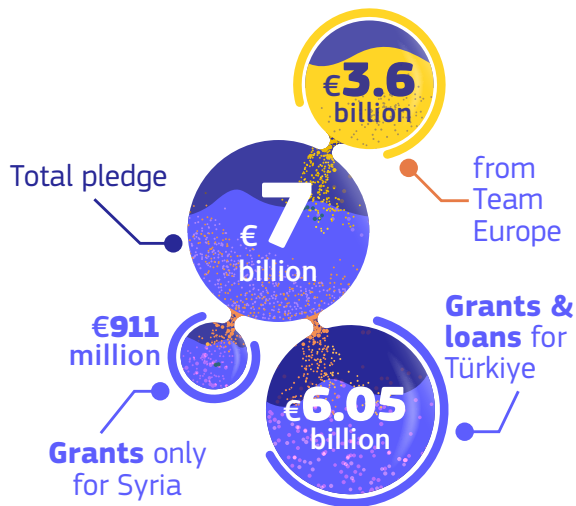
While providing unprecedented support to Ukraine, the Commission has also continued to provide humanitarian aid across the world to those who need it the most. Additional funding has been allocated as necessary to the initial EU humanitarian aid budget for 2023, which was EUR 1.7 billion. The Member States, together with the Commission, announced initial **humanitarian funding of EUR 8.4 billion for 2023**, as a concrete expression of global solidarity and of the EU's leading role in humanitarian action. To address the growing gap between humanitarian needs and the funding available globally, Member States approved groundbreaking Council conclusions in May 2023 establishing a voluntary target of devoting 10 % of official development assistance to humanitarian action.

On 6 February 2023, an earthquake with a magnitude of 7.8, followed by at least two other major earthquakes, hit Syria and Türkiye, causing widespread destruction and thousands of casualties.

Turning condolences and solidarity into action, the EU immediately launched the biggest search and rescue operation coordinated via the EU Civil Protection Mechanism. This showed EU solidarity at its best. 21 European countries sent first response and medical teams, and offered millions of items, such as shelter equipment, heaters, generators, medical equipment, food and warm clothing via the rescEU reserve.

International Donors' Conference

Together for the people
in Türkiye and Syria



The following month, European Commission President Ursula von der Leyen and the Swedish Presidency of the Council of the European Union co-hosted an **International Donors' Conference in solidarity with the earthquake victims in Türkiye and Syria**.

The total pledges from the conference amounted to almost EUR 7 billion, consisting of EUR 911 million in grants for Syria and EUR 6.05 billion in grants and loans for Türkiye.

On 16 and 17 March 2023, the EU and Canada co-hosted the **International Conference in Solidarity with Venezuelan Refugees and Migrants and their Host Countries and Communities**. The event focused on the importance of coordinated action across the humanitarian-development-stabilisation nexus.

On 14 and 15 June 2023, the EU hosted the **seventh Brussels Conference on the future of Syria and the region**, which pledged EUR 5.6 billion in aid.

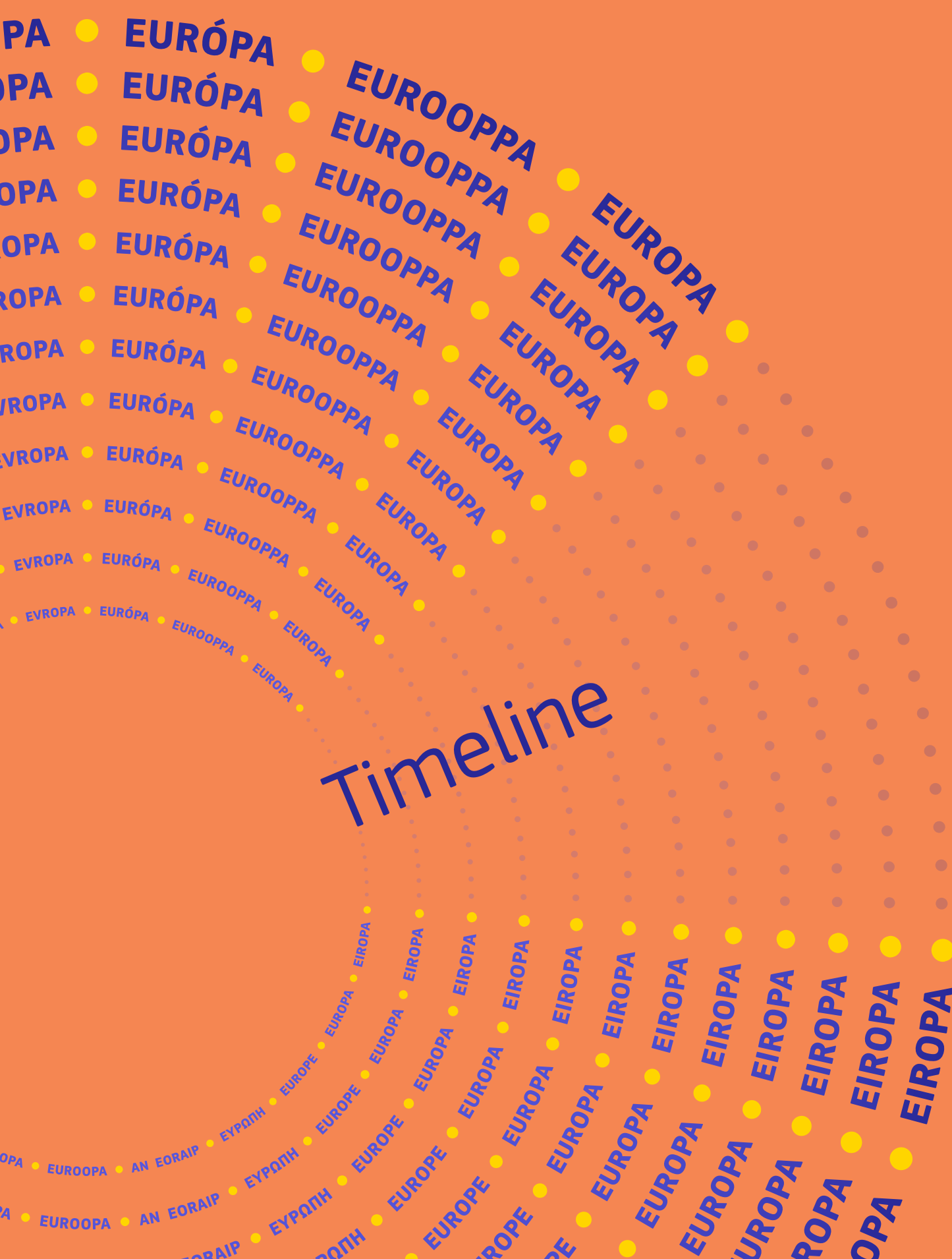
The conference reiterated the continued support of the EU and the international community for the Syrian people, Syrian refugees and their host communities in neighbouring countries, with the Syria crisis now in its 13th year.

The EU answers the humanitarian call also beyond our immediate neighbourhood. In March 2023, given the rapidly deteriorating situation in the east of **the Democratic Republic of the Congo**, the EU set up a humanitarian air bridge operation to Goma. Supported by France, it delivered medical and nutritional supplies, among other goods. To facilitate the delivery of life-saving aid, the EU has operated 29 humanitarian air bridge cargo flights to **Afghanistan** since August 2021, with the latest flight landing in Afghanistan on 24 May 2023.

Responding immediately to the war that broke out in April 2023 in **Sudan**, the EU topped up its initial humanitarian funding of EUR 73 million with an additional EUR 60 million in June 2023, while co-hosting an international pledging event. The EU also launched a humanitarian air bridge to Sudan and neighbouring **Chad** to bring life-saving items into the countries. In November 2022, a humanitarian air bridge was launched to **Burkina Faso**. It helped deliver food and essential supplies to hundreds of thousands of people at risk of starvation in areas under a blockade.

The EU will continue to work with our partners around the world to provide humanitarian relief to those in need and help address the structural issues that cause displacement, hunger, and conflict.





SEPTEMBER 2022

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6.9

Bosnia and Herzegovina joins the EU Civil Protection Mechanism.



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14.9

The Commission proposes to prohibit products made with forced labour from being available on the EU market.



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15.9

The Commission presents a proposal for a new Cyber Resilience Act to protect consumers and businesses from products with inadequate security features.



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7.9

The European Commission puts forward the European Care Strategy to ensure high-quality, affordable and accessible care services and improve the situation for both care receivers and the people caring for them.



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14.9

The Commission makes the proposal for an emergency intervention in Europe's energy markets to tackle dramatic price rises.



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16.9

European Media Freedom Act: The Commission outlines rules to protect media pluralism and independence in the EU.



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20.9

As part of the European Health Union, the Commission proposes a new EU approach to cancer detection – screening more and screening better.



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21.9

Under EU State aid rules, the Commission approves an important project of common European interest to support research and innovation, initial industrial deployment and the construction of relevant infrastructure in the hydrogen value chain.



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21.9

The EU announces EUR 715 million in financing for the Global Fund to save millions of lives from AIDS, tuberculosis and malaria.



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28.9

The Commission presents a comprehensive approach to better protect people and the environment from asbestos and ensure an asbestos-free future.



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28.9

The Commission calls on Member States to modernise their minimum-income schemes as part of the ongoing pledge to reduce poverty and social exclusion in the EU.



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29.9

The Commission adopts guidelines on the application of EU competition law to collective agreements regarding the working conditions of solo self-employed people.



OCTOBER 2022

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4.10

The EU adopts the first Youth Action Plan in EU External Action to strengthen engagement with young people worldwide.



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4.10

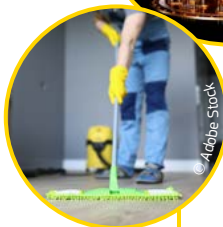
The EU deploys its first quantum technology at six sites across the EU.



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4.10

The European Parliament and the Council of the European Union adopt the Directive on adequate minimum wages to promote collective bargaining and enhance minimum-wage protection for workers in the EU.



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6.10

In relation to the unprovoked and unjustified military aggression against Ukraine, the EU agrees on the eighth package of sanctions against Russia.



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10.10

Ukraine: The Commission launches an EU Talent Pool pilot scheme to identify the skills of Ukrainian people fleeing the war, help match them with EU employers and help them find jobs.



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12.10

2022 enlargement package: The Commission assesses reforms in the Western Balkans and Türkiye and recommends EU candidate status for Bosnia and Herzegovina.



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14.10

At the World Bank–International Monetary Fund annual meetings, the EU contributes EUR 100 million to the Fund’s Poverty Reduction and Growth Trust to support vulnerable African, Caribbean and Pacific countries.



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17.10

Aviation: A landmark EU–Association of South-East Asian Nations (ASEAN) agreement on aviation is signed, which will connect 1.1 billion people.



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18.10

The Commission makes additional proposals to fight high energy prices and ensure security of supply.



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18.10

Green Deal: The Commission signs its first Green Partnership, with Morocco, as part of the European Green Deal.



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19.10

The Commission adopts a revised State aid framework for research, development and innovation.



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24.10

Health Union: The Council adopts the final building blocks of the European Health Union.



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25.10

The International Expert Conference hosted by the Commission and the G7 presidency reaffirms unwavering commitment to support Ukraine's recovery.



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26.10

European Green Deal: The Commission proposes rules for cleaner air and water.



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28.10

Zero emission vehicles: The first 'Fit for 55' deal will end the sale of new CO₂-emitting cars in the EU by 2035.

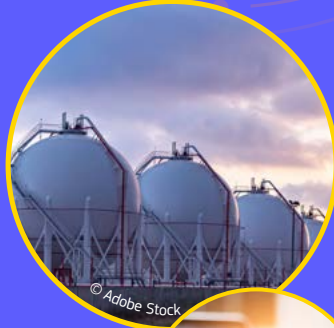


NOVEMBER 2022

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1.11

Under the REPowerEU plan, the EU Member States have filled their gas storage facilities to 95 % of capacity ahead of winter, surpassing the 80 % target.



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1.11

Digital Markets Act: Rules for digital gatekeepers to ensure open markets enter into force.

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3.11

The Commission invests EUR 3 billion in innovative clean-technology projects to deliver on the REPowerEU plan and accelerate Europe's energy independence from Russian fossil fuels.



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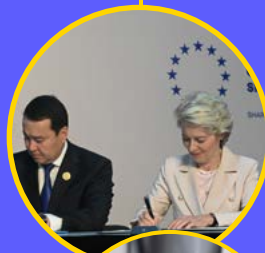
3.11

Berlin Process Summit: The EU announces a EUR 1 billion energy support package for the Western Balkans.

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7.11

At the 2022 United Nations Climate Change Conference (COP27), the EU concludes a strategic partnership with Kazakhstan on raw materials, batteries and renewable hydrogen.



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7.11

The Commission acts to promote transparency in the short-term rental sector to the benefit of all players.

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8.11

At COP27, the EU concludes a strategic partnership with Namibia on sustainable raw materials and renewable hydrogen. It also launches forest partnerships with five partner countries.



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8.11

The EU reaches agreement on national emission reductions from transport, buildings, waste and agriculture.



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9.11

REPowerEU: The Commission steps up the green transition away from Russian gas by accelerating the granting of permits for renewables.



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9.11

The Commission proposes a stable and predictable support package for Ukraine for 2023 of up to EUR 18 billion.



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10.11

The Commission proposes new Euro 7 standards to reduce pollutant emissions from vehicles and improve air quality.



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10.11

Cyberdefence:
The Commission presents an EU Cyber Defence policy and an Action Plan on Military Mobility 2.0 to boost the EU's capacity to protect its citizens and infrastructure.



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11.11

As part of the European Green Deal, the EU agrees to increase carbon removal through land use, forestry and agriculture.



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16.11

The EU and Egypt agree to step up cooperation on the clean energy transition.

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16.11

The Digital Services Act, a new set of EU rules for a safer and more accountable online environment, enters into force.

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18.11

Albania joins the EU Civil Protection Mechanism.



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15.11

The EU and international partners launch a groundbreaking Just Energy Transition Partnership with Indonesia.

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16.11

At COP27, as part of the Global Gateway strategy, Team Europe announces a EUR 1 billion package for climate-change adaptation and resilience in Africa.

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18.11

Global Gateway: Team Europe launches two initiatives in Central Asia on energy and on digital connectivity.

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18.11

The Commission adopts the proposal for the interoperable Europe act to strengthen cross-border interoperability and cooperation in the public sector across the EU.

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21.11

At COP27, the EU shows ambition to keep the goal of limiting global warming to 1.5 °C within reach and helps to put in place a balanced new funding arrangement.



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22.11

The Commission proposes a new EU instrument to limit excessive spikes in gas prices.



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28.11

The Commission presents revised rules that will make the protection of industrial designs across the EU cheaper, quicker and more predictable.



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30.11

Global Health:
The Commission adopts a new EU Global Health Strategy to improve global health security and deliver better health for all in a changing world.



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22.11

Economic policy coordination:
The Commission sets out guidance to help tackle the energy crisis and make Europe greener and more digital.



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28.11

The EU and South Korea launch a new digital partnership.



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30.11

European Green Deal:
The Commission proposes new EU-wide rules to reduce packaging and packaging waste, along with rules on the certification of carbon removals to help reach net-zero emissions.



DECEMBER 2022

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2.12

The EU and Japan sign a memorandum of cooperation to spur innovation and develop an international hydrogen market.



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2.12

Ukraine: The Commission proposes to criminalise the violation of EU sanctions relating to Russia's invasion of Ukraine.

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3.12

The G7 agrees an oil price cap, reducing Russia's revenues while keeping global energy markets stable.



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6.12

European Green Deal: The EU agrees a law to fight global deforestation and forest degradation driven by production and consumption in the EU.



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6.12

The EU–Western Balkans Summit in Tirana, Albania, reaffirms the region's focus on EU membership and its strategic partnership with the EU.



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7.12

Equality package:
The Commission proposes
new rules for the recognition
of parenthood between
Member States.



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8.12

The Commission proposes
a series of measures
to modernise the EU's
value added tax system,
make it work better for
businesses and improve
its resilience against
fraud by embracing and
promoting digitalisation.



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9.12

European Green Deal:
The EU agrees a new law
on more sustainable and
circular batteries to support
the energy transition and
competition in the industry.



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6.12

European Green Deal:
The Parliament and
the Council agree new
rules on applying the EU
emissions trading system
in the aviation sector.



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7.12

The Commission proposes
to strengthen equality
bodies – in particular their
independence, resources
and powers – so they can
combat discrimination
in the EU more effectively.

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9.12

The Commission and
its partners in the sector
launch a new industry
alliance to boost the EU's
solar power and energy
security.



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9.12

The EU and Chile conclude negotiations on the Advanced Framework Agreement.



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9.12

European Health Union: Following the Commission's proposal to strengthen cancer prevention through early detection, the Council adopts a new approach on cancer screening.



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11.12

The first meeting of the Global Gateway board takes place.



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12.12

The EU and its African partners launch two Team Europe initiatives on migration, focusing on the Atlantic and central Mediterranean migratory routes.



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13.12

Security Union: The Commission proposes new rules on advance passenger information to facilitate external border management and increase internal security.



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13.12

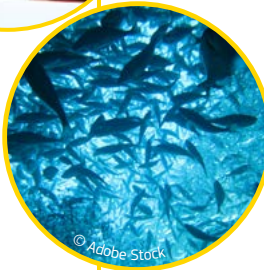
European Green Deal: The Parliament and the Council reach an agreement on the Carbon Border Adjustment Mechanism.



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14.12

The EU–ASEAN Summit takes place. The EU and its Member States announce the mobilisation of EUR 10 billion as part of the Global Gateway to accelerate infrastructure investment in ASEAN countries.



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14.12

The Commission adopts new State aid rules for the agriculture, forestry, and fishery and aquaculture sectors.

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15.12

The Parliament and the Council reach a political agreement on new rules on measures that will enable more transparency and effective enforcement of the principle of equal pay for women and men.



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16.12

Following up on the Conference on the Future of Europe, the Commission hosts the first European Citizens' Panel on Food Waste Reduction.

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16.12

Ukraine: The EU agrees the ninth package of sanctions against Russia in relation to its invasion of Ukraine.



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16.12

The EU and Ukraine sign a EUR 100 million support package for the rehabilitation of war-damaged schools.

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18.12

European Green Deal: The Parliament and the Council reach an agreement on strengthening the emissions trading system and creating a Social Climate Fund to support people in the transition to cleaner energy.



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19.12

At the UN Biodiversity Conference (COP15), the EU joins 195 countries in the historic Kunming–Montreal Global Biodiversity Framework, which contains global goals and targets aiming to protect and restore nature for current and future generations.

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19.12

The Commission proposes stronger rules to fight the evolving crime of trafficking in human beings.



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31.12

The SURE instrument, designed to protect jobs and incomes affected by the COVID-19 pandemic, comes to an end after playing a crucial role in mitigating the impact of the pandemic and supporting economic recovery. 9 million people and over 900,000 firms were covered by SURE in 2021 in 15 Member States, with a clear phasing out in 2022 when 350,000 people and 40,000 firms were covered in 4 Member States.



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21.12

The Modernisation Fund invests EUR 4.11 billion in energy-transition projects in eight Member States to reduce dependency on Russian fossil fuels and speed up the roll-out of renewable energy.

JANUARY 2023

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1.1

Croatia joins the euro and Schengen areas.



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10.1

The EU and NATO sign a new joint declaration on cooperation. They agree to intensify their work on countering hybrid and cyber threats and terrorism, step up cooperation on emerging and disruptive technologies and space, address the looming security implications of the climate crisis and strengthen the resilience of critical infrastructure.



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17.1

The Commission launches the Talent Booster Mechanism to support EU regions affected by the accelerated decline in their working-age population.



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1.1

In 2023, the EU celebrates the 30th anniversary of its single market – one of the major achievements of European integration.

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12.1

The foreign subsidies regulation enters into force. This new set of rules will allow the EU to remain open to trade and investment while ensuring a level playing field for all companies operating in the single market.

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23.1

European Health Union:
The Commission launches
the European Cancer
Imaging Initiative to support
healthcare providers,
research institutes and
innovators in making
the best use of innovative
data-driven solutions for
cancer treatment and care.



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17.1

The Commission creates
its first rescEU chemical,
biological, radiological and
nuclear strategic reserve,
hosted in Finland.

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24.1

The Commission presents
'A New Deal for Pollinators'
to tackle the alarming
decline in wild pollinating
insects in Europe.

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25.1

The Commission presents
an initiative to further
strengthen and promote
social dialogue with specific
measures at the national
and EU levels.



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26.1

The Commission launches
Team Europe's regional
teachers' initiative for sub-
Saharan Africa in Pretoria,
South Africa, as part
of the Global Gateway
and with a contribution
of EUR 100 million from
the EU.

FEBRUARY 2023

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1.2

The EU and Singapore launch a digital partnership.



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1.2

The Commission presents a Green Deal Industrial Plan to enhance the competitiveness of Europe's net-zero industry and support the fast transition to climate neutrality.



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2.2

President of the Commission Ursula von der Leyen and 15 Commissioners travel to Kyiv for the first ever College-to-government meeting, to deepen EU-Ukraine cooperation in a number of sectors.



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3.2

The EU-Ukraine summit takes place in Kyiv.



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4.2

Ukraine: The EU and G7 partners agree a price cap on Russian petroleum products.



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6.2

The EU and India set up a Trade and Technology Council to tackle the challenges at the nexus of trade, trusted technology and security.



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8.2

The Commission adopts EU disaster resilience goals, with recommendations for Member States to help them better anticipate, prepare, respond and secure in order to strengthen their resilience against future disasters across Europe.



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6.2

Immediately after the devastating earthquakes strike Türkiye and Syria, the Commission begins what would become its largest search-and-rescue operation through the EU Civil Protection Mechanism, helping save lives in Türkiye while supporting the delivery of humanitarian aid to the Syrian people across the country.

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10.2

Through the EU Civil Protection Mechanism, the EU deploys more than 250 emergency responders from Spain, France and Portugal to Chile to assist national responders in combating extreme wildfires.



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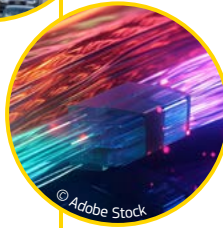
13.2

The Commission sets out rules on renewable hydrogen.

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14.2

The Commission proposes a 2030 zero-emissions target for new city buses, along with emissions reductions of 90 % for new trucks by 2040.



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23.2

The Commission presents a set of actions aiming to make gigabit connectivity available to all citizens and businesses across the EU by 2030.

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25.2

The EU agrees the 10th package of sanctions against Russia.



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27.2

The Commission and the government of the United Kingdom reach a political agreement in principle on the Windsor Framework, a comprehensive set of solutions aimed at addressing the practical challenges faced by citizens and businesses in Northern Ireland.

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28.2

Global Gateway: The Commission signs agreements with the European Investment Bank worth EUR 4 billion – consisting of a guarantee agreement that will mobilise up to EUR 3.5 billion in lending and a EUR 500 million Trust Fund contribution – to support businesses in African, Caribbean and Pacific countries until 2027.



MARCH 2023

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1.3

Road safety:

The Commission proposes updated requirements for driving licences and better cross-border enforcement of road traffic rules.



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7.3

Security Union:

The renewed Schengen Information System enters into operation.

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9.3

The Commission adopts a new State aid Temporary Crisis and Transition Framework to foster support measures in sectors that are key for the transition to a net-zero economy. It also endorses an amendment to the State aid general block exemption regulation to further facilitate, simplify and speed up support for the EU's green and digital transitions.



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10.3

The Commission presents the EU Space Strategy for Security and Defence, to ensure a stronger and more resilient EU.

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10.3

The EU updates its maritime security strategy to ensure the peaceful use of the seas and safeguard the maritime domain against new threats.



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10.3

European Green Deal:

The EU agrees stronger rules to boost energy efficiency.

14.3

The EU–Latin America and Caribbean Digital Alliance, a joint initiative to champion a human-centric approach to digital transformation, is launched in Bogotá, Colombia.



14.3

The Commission proposes a reform of the way the EU electricity market is designed, which is intended to boost renewables, better protect consumers and enhance industrial competitiveness.

16.3

The Commission proposes the net-zero industry act to scale up the manufacturing of clean technologies in the European Union and make sure the EU is well equipped for the clean-energy transition.



16.3

The Commission proposes a comprehensive set of measures to ensure the EU has access to a secure, diversified, affordable and sustainable supply of critical raw materials.

16.3

On the 30th anniversary of the single market, the Commission sets out how it will ensure the long-term competitiveness of the EU beyond 2030.



16.3

As part of the New European Bauhaus initiative, the Commission launches a capacity-building programme to begin the reconstruction of Ukraine.

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17.3

During the 2023 International Solidarity Conference on the Venezuelan crisis, the Commission releases EUR 75 million in humanitarian funding for the country.



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20.3

At the donors' conference in Brussels, the EU and international donors raise EUR 7 billion for the people of Türkiye and Syria following the devastating earthquakes in February 2023.



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22.3

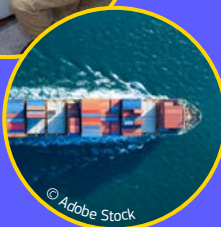
The Commission introduces new consumer rights that will make repairing goods easier and more attractive. It also proposes common criteria to combat greenwashing and misleading environmental claims.



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23.3

European Green Deal: The Parliament and the Council reach an agreement on cutting maritime transport emissions by promoting sustainable fuels for shipping.



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28.3

European Green Deal: The EU agrees an ambitious new law to deploy sufficient alternative fuels infrastructure.



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29.3

The Commission proposes more transparency and less red tape for companies to improve the business environment in the EU.



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30.3

European Green Deal:
 The EU agrees stronger
 legislation to accelerate
 the roll-out of renewable
 energy.



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30.3

President von der Leyen
 pronounces her speech
 on EU-China relations.

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31.3

NextGenerationEU:
 Disbursements under
 the Recovery and
 Resilience Facility pass
 the EUR 150 billion mark.



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31.3

REPowerEU: The EU
 meets its voluntary gas-
 demand-reduction target
 of 15 % compared to the
 previous five winters and
 comes out of winter with
 60 % of its gas storage
 capacity still full.

APRIL 2023

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3.4

The Commission marks
 the 30th anniversary of
 the cohesion fund. Since
 its establishment, the
 cohesion fund has invested
 nearly EUR 179 billion
 in the economic, social
 and territorial cohesion
 of the EU.



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4.4

The EU starts developing
 its own rescEU shelter
 reserves, which can be
 deployed during crises or
 disasters that overwhelm
 national response
 capacities, to be set up by
 Croatia, Poland, Slovenia,
 Spain, Sweden and Türkiye.

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5.4

In the field of judicial cooperation, the Commission proposes rules on the transfer of criminal proceedings between Member States.

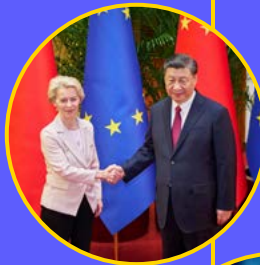


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5.4

The Commission responds to the seventh European citizens' initiative to pass the 1 million-signature mark: 'Save bees and farmers! Towards a bee-friendly agriculture for a healthy environment'.

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6.4

President von der Leyen visits China.



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17.4

The Commission launches the European Centre for Algorithmic Transparency to help enforce the Digital Services Act.



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18.4

Political agreement is reached on the European Chips Act, aiming to strengthen the competitiveness and resilience of the EU in this strategic sector.



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18.4

The Commission adopts a proposal for the EU Cyber Solidarity Act, to strengthen cybersecurity capacities in the EU, and presents the future Cybersecurity Skills Academy.



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18.4

Banking Union:
The Commission proposes a reform of bank crisis management and the deposit insurance framework.



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20.4

Ukraine joins the EU Civil Protection Mechanism.



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23.4

The Citizens' Panel on Virtual Worlds presents 23 recommendations for fair and people-centred virtual worlds in the EU.



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24.4

European Green Deal: The EU and Norway establish a Green Alliance to deepen cooperation on the climate, the environment, energy and clean industry.



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25.4

EU Energy Platform: The Commission launches the first call for companies to jointly buy gas.



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25.4

Digital Services Act: The Commission designates the first set of very large online platforms and search engines under the Digital Services Act.



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26.4

The Commission presents legislative proposals to implement the most comprehensive reform of the EU's economic governance rules since the aftermath of the economic and financial crisis.



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26.4

European Health Union: The Commission proposes a reform of pharmaceuticals legislation to make medicines more accessible, affordable and innovative.

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26.4

European Green Deal: The Parliament and the Council reach an agreement on a new law to cut aviation emissions by promoting sustainable aviation fuels.



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27.4

Global Gateway: The Commission and the European Investment Bank announce funds worth EUR 18 billion to boost investment in climate action and sustainable economies.



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27.4

The Commission proposes new rules to help companies make the most of their inventions, leverage new technologies and contribute to the EU's competitiveness and technological sovereignty.



MAY 2023

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3.5

The Commission adopts a proposal for an Act in Support of Ammunition Production, a EUR 500 million plan to urgently boost EU defence industry capacities to aid Ukraine.



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3.5

The Commission proposes stronger rules to fight corruption in the EU and worldwide.

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4.5

The Commission recommends measures to combat the online piracy of sports and other live events.



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9.5

The European Year of Skills kicks off with a skills festival.

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10.5

In view of the rising humanitarian needs due to the conflict in Sudan, the EU launches a humanitarian air bridge transporting critical supplies to its humanitarian partners in Port Sudan.



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16.5

The EU and India hold the first ministerial meeting of the Trade and Technology Council in Brussels. The meeting focuses on deepening strategic engagement on trade and technology.

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17.5

The EU-US Health Task Force is launched.



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17.5

The Commission puts forward proposals for the most ambitious and comprehensive reform of the EU's customs union since its establishment in 1968.



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18.5

The Commission presents the first 'European media industry outlook', a report exploring demand and supply trends in the audiovisual, video game and news media sectors.



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21.5

In response to Italy's request for assistance with the catastrophic floods that had hit the north of country, the Commission immediately mobilises emergency assistance provided by Belgium, France, Slovenia and Slovakia through the EU Civil Protection Mechanism.



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19-21.5

President von der Leyen participates in the G7 summit in Hiroshima, Japan.



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22.5

The EU-South Korea Summit takes place in Seoul, with a green partnership being announced to deepen cooperation on climate action, clean energy and environmental protection.



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22.5

In the face of an unprecedented level of humanitarian need around the world, the Council adopts a voluntary target of 10 % of official development aid to be devoted to humanitarian action.



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24.5

Capital Markets Union: The Commission proposes new rules to protect and empower retail investors in the EU.

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30.5

The Commission, in cooperation with the Member States, doubles the rescEU firefighting air fleet for the coming wildfire season in Europe.



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30.5

The Emergency Response and Coordination Centre, the backbone of the EU's emergency response capacities and the engine of the EU Civil Protection Mechanism, celebrates its 10th anniversary.

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31.5

The fourth ministerial meeting of the EU-US Trade and Technology Council takes place in Luleå, Sweden. The EU and the United States reach an agreement to mutually recognise the results of inspections on pharmaceutical good manufacturing practices for veterinary products.



JUNE 2023

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1.6

The Commission adopts revised rules to provide businesses with clearer and up-to-date guidance to help them assess the compatibility of their horizontal cooperation agreements with EU competition rules.



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1.6

President von der Leyen announces new package of support for Moldova.

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7.6

The EU sets out a new agenda to strengthen its partnership with Latin America and the Caribbean.



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7.6

European Health Union: The Commission puts forward a proposal for a comprehensive approach to mental health.

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8.6

EU Ethics Body: The Commission proposes the creation of common ethics standards for all EU institutions.



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8.6

The Commission approves, under EU State aid rules, an important project of common European interest to support research, innovation and the first industrial deployment of microelectronics and communication technologies.



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8.6

The EU deploys almost 300 firefighters from Spain, France and Portugal to help fight extreme wildfires in Canada.

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12-16.6

President von der Leyen travels to Brazil, Argentina, Chile and Mexico, and announces EUR 10 billion of EU investment in Latin America and the Caribbean through Global Gateway.



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13.6

Social economy: The Commission proposes ways to harness its full potential for jobs, innovation and social inclusion.

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14.6

The EU moves forward with Critical Minerals Agreement negotiations with the US.



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15.6

During the 7th Brussels Conference on 'Supporting the future of Syria and the Region', the international community pledges EUR 5.6 billion for 2023 and beyond.



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19.6

The EU and Kenya conclude negotiations for an ambitious Economic Partnership Agreement with strong sustainability provisions.



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20.6

EU budget: The Commission proposes to reinforce long-term EU budget to face most urgent challenges. It also puts forward an adjusted package for the next generation of own resources.



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20.6

The Commission and the High Representative present a European Economic Security Strategy. The strategy focuses on minimising risks arising from economic interdependencies, while preserving maximum levels of EU's economic openness and dynamism.



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20.6

Ukraine: The Commission proposes to set up a dedicated Facility to support Ukraine's recovery, reconstruction and modernisation.

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23.6

The EU adopts 11th package of sanctions against Russia for its continued illegal war against Ukraine.



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28.6

The EU proposes comprehensive new outlook on threats of climate change and environmental degradation to peace, security and defence.



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28.6

The Commission puts forward proposals to ensure that citizens and businesses can continue to access and pay with euro banknotes and coins across the euro area, and to set out a framework for a possible new digital form of the euro that the European Central Bank may issue in the future, as a complement to cash.

JULY 2023

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5.7

The Commission adopts measures for a sustainable use of key natural resources, which will also strengthen the resilience of EU food systems and farming.



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3.7

Ukraine: The International Centre for the prosecution of Russia's crime of aggression against Ukraine starts operations.

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5.7

The Commission publishes the fourth annual rule-of-law report, assessing last year's recommendations and providing specific recommendations to Member States.



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9.7

The EU and New Zealand sign ambitious free trade agreement.



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11.7

The Commission presents EU strategy to lead on Web 4.0 and virtual worlds.



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11.7

The Commission proposes measures to make freight transport more efficient and more sustainable, by improving rail infrastructure management, and better information on freight transport greenhouse gas emissions.



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12.7

The Commission proposes to strengthen the rights of victims of crime across the EU so that they receive support, access information, seek justice and obtain compensation.



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13.7

29th EU-Japan summit takes place in Brussels.



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16.7

Tunisia: Political agreement is reached on a comprehensive partnership package.



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17-18.7

The third EU-CELAC summit brings EU leaders and leaders from the Community of Latin American and Caribbean States (CELAC) together in Brussels. The Commission presents the EU-LAC Global Gateway Investment Agenda.



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19.7

The EU presents its first voluntary review of progress towards the sustainable development goals at the UN High-Level Political Forum on Sustainable Development.



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31.7

Global Gateway: President von der Leyen launches Team Europe initiative on green economy in the Philippines.



AUGUST 2023

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9.8

In the wake of devastating floods in Slovenia, the EU channels emergency assistance and mobilises mid- and long-term support.



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18.8

EU reaches 90% gas storage target more than 2 months ahead of the November 1 deadline.

