

State of the EU address by European Commission President Ursula von der Leyen at the European Parliament

This Wednesday 16 September 2020, European Commission President Ursula von der Leyen presented her first State of the European Union (SOTEU) address to the European Parliament plenary. On this occasion, Mrs von der Leyen presented her vision and ambitions for the EU moving forward, in the context of the COVID-19 pandemic and economic recovery instruments. In her 90-minute long address, Mrs von der Leyen presented a vision for an EU which emerges stronger from the COVID-19 crisis and leads the way also at global level. In this vision, the recovery instrument NextGenerationEU is at the heart of the European Commission's agenda, providing a unique opportunity to make change happen.

You can find the full speech <u>here</u>. Accompanying this speech and debate with the European Parliament (which can be watched back <u>here</u>), Commission President von der Leyen and Maroš Šefčovič, Vice-President for Interinstitutional Relations, presented in their letter of intent the key initiatives for 2021. You can find those <u>here</u>.

Following the address and the debate with the European Parliament, CEEP issued <u>the</u> <u>following reaction</u>. Together with the relevant boards and task forces, we will now follow and try to influence the detailed shape and implementation of several of those initiatives.

SOCIAL AFFAIRS BOARD

Publication by the European Commission of the Annual Sustainable Growth Strategy and the guidance for the Recovery and Resilience Facility fundings Yesterday, the Commission published its Annual Sustainable Growth Strategy (ASGS) which kickstarts the 2021 European Semester process. In the context of the COVID-19, the ASGS also includes this year the next steps for the €672.5 billion Recovery and Resilience Facility to be deployed at the national level. In order to benefit from the Recovery and Resilience Facility funding, individual Member States will have to submit their draft recovery and resilience plans outlining national investment and reform agendas in line with different EU policy criteria. The Commission also presented additional guidance to Member States on how to present their recovery and resilience plans together with a standard template for their plans. Member States are requested to present their Recovery and Resilience plans between 15 October 2020 and 30 April 2021. They are encouraged to submit preliminary drafts early in order to start talks with the European Commission, and in particular, the dedicated Task Force within the General Secretariat, which will act under the supervision of a Steering Committee chaired by President von der Leyen and composed of the Executive Vice-Presidents Timmermans, Vestager and Dombrovskis, as well as Commissioner for Economy Gentiloni. The Commission also encourages Member States to engage as soon as possible in a broad policy dialogue including all relevant stakeholders to prepare their recovery and resilience plans.

This is a new and unique window for funding projects and plans for public services and SGIs. Public services are key in fostering the resilience of our social and economic systems and will be the supporting force for our recovery. That is why we need to be proactive. We call on CEEP members with investment needs fitting the flagship areas, to engage with their governments, along the lines of the conditions specified in the Guidance and template provided by the Commission. We also invite you to keep CEEP General Secretariat informed of your efforts so that we can support you with the European institutions, and ensure proper consultation of social partners where this is lacking.

SUSTAINABILITY BOARD

European Commission calls for a reduction of 55 percent of CO2 emissions by 2030

During the SOTEU, European Commission President Ursula von der Leyen called for the European Union's greenhouse gases to be reduced by at least 55 percent below the 1990 level by 2030. Von der Leyen explained that this goal is "ambitious but feasible". The new climate goal was justified by the results of the Commission's <u>impact assessment</u> showing that business and industry could cope with reducing higher levels of CO2 emissions. In the Commission's view, and as highlighting in the impact assessment, the 55% target is ambitious, feasible and good for Europe. On Thursday, the European Commission translated those ambitions into proposals, such as,

amongst others, an amendment to the proposed European Climate Law, to include the 2030 emissions reduction target of at least 55% as a stepping stone to the 2050 climate neutrality goal; setting out the legislative proposals to implement the new target, including the revision and expansion of the EU Emissions Trading System; or reinforcing energy efficiency and renewable energy policies; and strengthening CO2 standards for road vehicles.

This decision of the Commission now has to be discussed with and agreed upon by the European Parliament and the European Council, with the European Commission calling for an agreement to be found by the end of the year.

Looking beyond the EU Green Deal objectives on cutting emissions, President von der Leyen also highlighted the importance of the protection of nature and biodiversity and tackling hazardous chemicals and pollutions. For this reason, 37% of the Next Generation EU will be spend directly on Green Deal projects and already promised that 30% of the NGEU's 750 billion Euros will be raised in Green Bonds.

With its task forces, the Sustainability Board will monitor the progress on those files. If you have any questions, do not hesitate to contact <u>Henriette Gleau</u>, CEEP Policy Officer Sustainability.

CEEP response to the consultation on the new Pharmaceutical Strategy

On Tuesday 15 September, CEEP submitted its response to the public consultation on the <u>new</u> <u>Pharmaceutical Strategy</u> and strongly contributed to protecting the environmental aspects of this strategy for a sustainable use of water resources. CEEP made clear that the health of humans can only sustain in the long-term if the Commission can also commit to a Green Pharmacy Strategy to support research activities on biodegradable pharmaceuticals and environmental sustainability in general. CEEP has also called upon the Commission to take into account the Extended Producers Responsibility (EPR) scheme where producers remain responsible for their products even after the use phase, a restriction of high-risk over-the-counter pharmaceuticals (such as antibiotics) as well as raising more public awareness and introducing a new take-back scheme for pharmaceuticals. You can read the full CEEP response of the Questionnaire <u>here</u>, and the additional remarks paper <u>here</u>.

PROJECTS & EVENTS

CEEP at "Lights at work" – Montepulciano Festival

On 15-18 September 2020, CEEP attended the "Lights at work" Montepulciano Festival of the ETUC (held online). CEEP General Secretary Valeria Ronzitti took part in the event in the panel discussion on "Re-Thinking our social democratic models in an economy with high debt and low interest rates", with Marco Buti, Head of cabinet of Commissioner for Economy Paolo Gentiloni,

Francesca Puglisi, Under-Secretary of State at the Italian Ministry of Labour, and Luca Visentini, ETUC General Secretary.

The discussion focused on the Recovery Plan in Europe and in Italy, in the context of high debts and artificially low interest rates. As the recovery phase is a long run effort to preserve social cohesion, the speakers stressed the fact that the economic adversity of the pandemic crisis may condemn groups of people to live in poverty or drastically reduce their expectations of well-being, putting at risk sustainability.

The issues of high debt and low interest rate trends were also highlighted, calling for the reinforcement of democratic institutions and an exercise of institutional engineering to reinforce institutions. The injection of abnormal quantity of liquidity from relaxed monetary policies needs an additional effort for democracy and for rule-of-law, and the accent was put on the importance of the cross-border dimension. The green transition and the digital transformation were also evocated, especially in terms of the need to invest in those objectives in the years to come. If you wish to receive further information on the four-days of discussions that took place in Montepulciano, do not hesitate to contact CEEP Project Manager, Carlotta Astori.

PUBLIC SERVICES BOARD

CEEP's contribution to the European Commission's event on high-

value datasets

CEEP presented its position at an online event on the first results of the evaluation of the study on the high-value datasets (HVD) to be made available for re-use following the adoption of an implementing act of the Open Data Directive (PSI Directive) organised by the European Commission.

At this occasion, the European Commission presented some insights of the high-value datasets. The study divided the results between lower and higher policy intervention, showing an assumption of bigger or smaller changes and interventions and its related costs when publishing data. Overall, the study showed that most of the costs would occur through the process of publishing the machine-readable data through an API system and making them ready for bulk downloads. In this event, CEEP underlined amongst others the need to ensure a level playing field for public services, explaining that the concept of the public sector used in the Open Data Directive is not sufficiently defined and therefore not appropriate. The Commission is planning to finalise the study in early 2021.

CEEP's contribution to the Digital Services Act and the New

Competition Tool

During the summer, the European Commission launched two public consultations on the Digital Services Act (DSA) and to the New Competition Tool (NCT). The DSA includes a fundamental revision of the 2000 e-commerce Directive with the aim of limiting the market power of platform companies. The main objectives with the DSA are to create a single digital market, to establish a control framework for platforms and to ensure fair competition. With the NCT, the Commission intends to close gaps in the system of competition protection in order to better respond to current developments, and to contribute significantly to strengthening functioning competition. CEEP submitted its responses to both consultations - <u>Digital Services Act</u> and <u>New Competition</u>

<u>Tool</u> - building up on the feedback and discussions of the its cross-board working group dealing with these issues of digitalisation.

European Commission seeks feedback on its long-term vision for rural areas

The European Commission launched a <u>public consultation on its new initiative for a long-term</u> <u>vision for rural areas</u> which is open for feedback until 30 November 2020. This consultation aims to collect views on current opportunities and challenges in rural areas, aspirations for rural areas in 2040 and the actions needed to achieve these aspirations. This public consultation is a first step towards a Commission Communication on the topic, to be published mid-2021. For questions or your input on this topic do not hesitate to contact <u>katinka.kraus@ceep.eu</u>.