EUROPEAN COMMISSION ADOPTS A ROADMAP FOR ITS INITIATIVES IN 2020

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Policy and Regulatory Alert

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On 29 January, the European Commission ("the Commission") <u>adopted</u> its 2020 Work Programme, which sets out the most important initiatives the new Commission intends to undertake in its first year of office.

The first Work Programme of President von der Leyen includes 43 new policy objectives, 34 proposals for withdrawal or repeal of existing legislative measures, and 44 initiatives for regulatory simplification. It also keeps track of 126 ongoing files.

The Work Programme is composed of a Communication accompanied by five Annexes:

- The Communication clarifies the underlying rationale and ambitions;
- Annex I outlines new policy and legislative initiatives, along with their timeline;
- Annex II lists initiatives to review existing legislation;
- Annex III highlights the priority legislative files currently pending, and on which the Commission wants the co-legislators (Council of the EU and European Parliament) to take swift action;
- Annex IV provides an overview of intended withdrawals of pending proposals; and
- Annex V maps existing legislation that the Commission proposes to repeal.

When it comes to new policy and legislative initiatives, the Commission aims to turn the six key policy areas of President von der Leyen into concrete initiatives:

1. A European Green Deal

The European Green Deal represents a flagship initiative of the new Commission. It aims to provide a roadmap with policies and measures to deliver transformative change and a new growth strategy for Europe. While the Commission already unveiled some of its reform proposals, as we reported in a previous alert, the 2020 Work Program sheds further light on the envisaged proposals and their timing.

The Commission will put forward a European climate law in the first quarter of 2020, to enshrine the 2050 carbon neutrality objective into legislation. The Commission also aims to address climate issues from a geopolitical perspective, as it will lead international negotiations ahead of the COP26 in Glasgow. It will also propose an overarching Strategy for Sustainable and Smart Mobility (Q4 2020) to modernise and make the transport sector greener, along with the new Circular Economy Action Plan (Q1 2020), which

aims to transform the EU's production and consumption system with a view to reducing its environmental and carbon footprint.

2. A Europe Fit for the Digital Age

The digital transition is another key Commission priority. A new European Data Strategy (Q1 2020) and a White Paper on Artificial Intelligence (Q1 2020) should provide the foundational framework for addressing the development of the digital economy while ensuring the full respect of European values and fundamental rights.

A new Digital Services Act (Q4 2020) promises to improve legal clarity and ensure a level playing field in digital services. This legislative initiative will have to reconcile measures aimed at protecting citizens and their rights with the freedom of expression.

The Commission will also propose a comprehensive new Industrial Strategy for Europe, along with a dedicated SME Strategy (both in Q1 2020). The measures shall support the ecological and digital transition, while upholding fair competition. Specific attention will be paid to the media and audio-visual sectors.

Moreover, the Commission aims to ensure fair competition and a level playing field in the EU single market and beyond. A White Paper on an Instrument on Foreign Subsidies (Q2 2020) will reflect on possible new tools to address the distortive effects of foreign subsidies in the EU single market and will set the ground for a legislative proposal in 2021.

3. An Economy that Works for People

To enable the digital and climate transition, the Commission plans to present an Action Plan on the Capital Markets Union (Q3 2020), with the aim to advance the integration of national capital markets and ensure equal access to investments and funding opportunities. The Action Plan will be complemented by an initiative to strengthen intra-EU investment protection.

The Commission will also present a Communication on Business Taxation for the 21st century (Q2 2020) focusing on EU single market taxation aspects, along with an Action Plan to Fight Tax Evasion (Q2 2020).

4. A Stronger Europe in the World

The Commission intends to launch a broad initiative to reform the World Trade Organization following the next WTO Ministerial Conference in June 2020. The declared aim is to reach a comprehensive agreement on international trade rules that are fair, effective, and enforceable for all trading parties (Q4 2020).

5. Promoting our European Way of Life

Besides proposing a New Pact on Migration and Asylum (Q1 2020), the Commission will also present a new EU Security Union Strategy (Q2 2020), which will outline areas where EU can support Member States (e.g. combatting terrorism, preventing and detecting hybrid threats or enhancing cybersecurity).

6. A New Push for European Democracy

The Commission will present a European Democracy Action Plan (Q4 2020) that will address the threats of external interference in European elections and disinformation, particularly in the digital sphere. The initiative will also aim to support free and independent media.

Overall, the Commission's 2020 Work Programme starts developing the high political ambitions set in the <u>Political Guidelines</u> of President von der Leyen. It remains to be seen whether the optimistic timetable can be respected and how far-reaching the initiatives will be.

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