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**AIACE MEETING LOUTRAKI 2022**

**ACHIEVEMENTS OF THE EU  
2020-2022**

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**Dr. Reinhard Schulte-Braucks**

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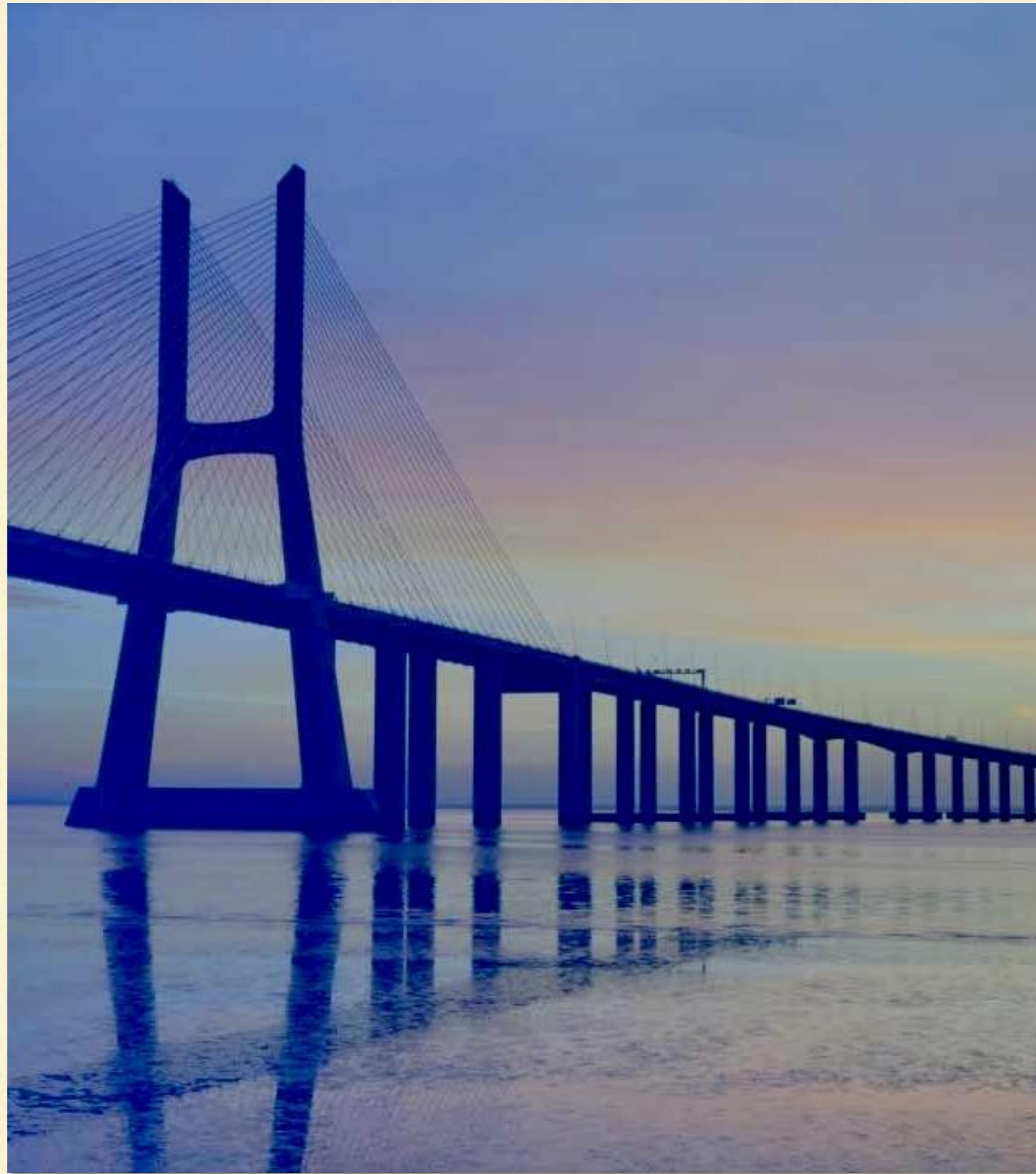
# WHAT TO EXPECT?



- **Functioning of the EU**
- **Ukraine**
- **Environment**
- **Digital Single Market**
- **„Citizens First“**



# FUNCTIONING OF THE EU



- **Framework for the Future**
- **Rule of Law**
- **EU Public Prosecutor**



# FRAMEWORK FOR THE FUTURE I



- European Council meeting 17-21 July 2020
- Difficult conditions during 1st half 2020:
  - Covid-19 pandemic
  - EU economy forecast to shrink by 8.3%
  - Brexit: shortfall of some €10 billion per year
  - Italy threatened to leave the EU because of a lack of solidarity - **'Italexit'**?
  - Spain and Portugal also turned against the EU
  - finally, Angela Merkel made the biggest political **U-turn** in her life and supported EU bonds



# FRAMEWORK FOR THE FUTURE II



- The Council meeting was **close to collapse** because
  - of the four ‘frugal’ Member States and
  - the need to resolve the rule of law issue
- Agreement on
  - €750 billion joint borrowing (‘NextGeneration EU - recovery package’)\* split in
    - **€360 billion** in repayable **loans** and
    - **€390 billion** in **grants**
  - €1.075 trillion long term budget (‘Multi-annual Financial Framework - MFF’ 2021-2027)
  - new own resource: tax on plastic waste



# RULE OF LAW



- The **Conditionality Regulation\*** aims at protecting the Union budget against breaches of the rule of law
- the budget must be protected against fraud, corruption and conflict of interest
- the Commission was asked not to apply the instrument before the Court of Justice had examined it
- the Court approved the Regulation
- the Commission is now starting the procedure



# EU PUBLIC PROSECUTOR - EPPO I



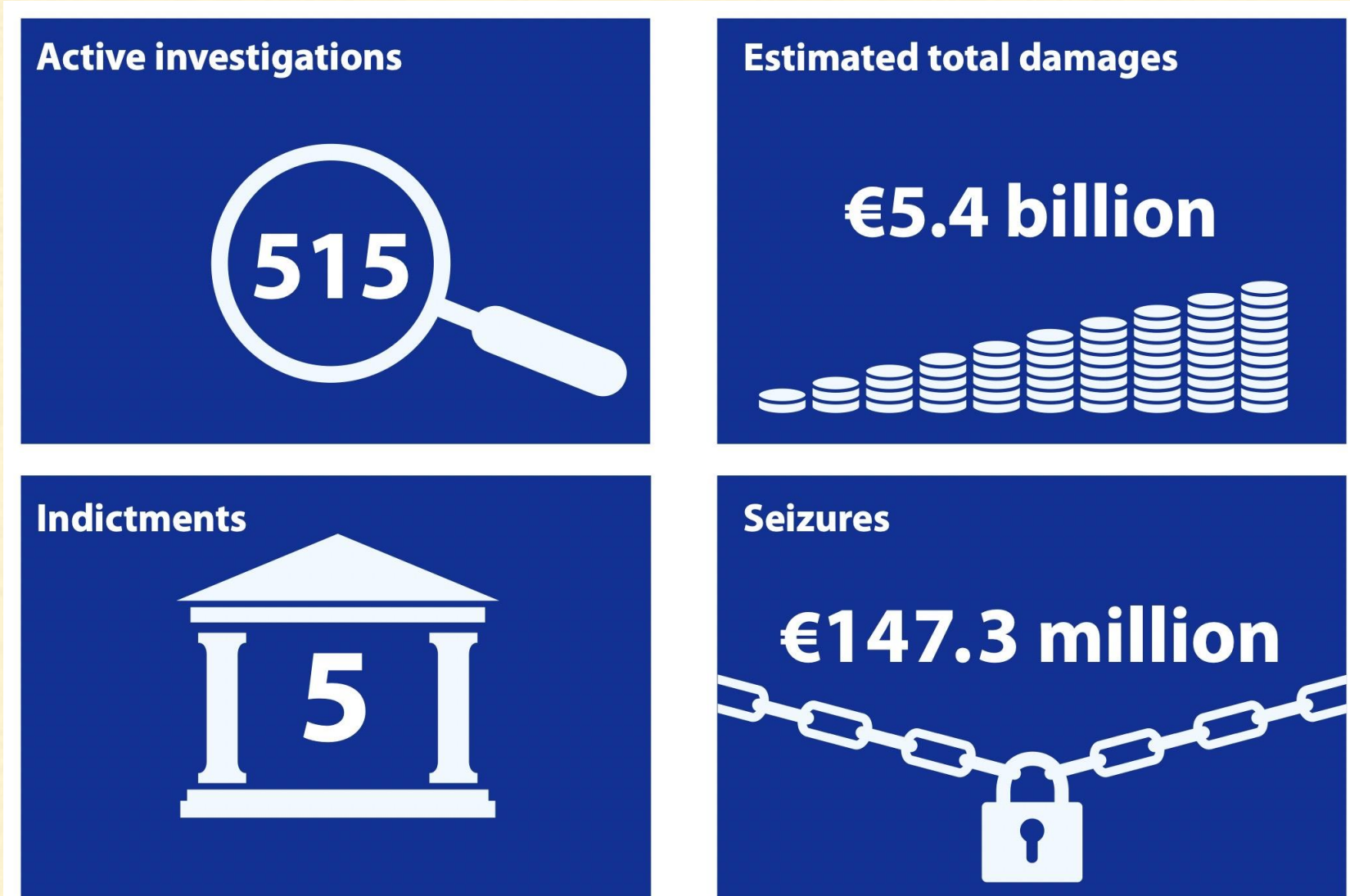
- The EU's chief prosecutor is a woman: **Laura Codruta Kövesi**
- nominated against the wish of Romania, its country of origin, where she had indicted **14 cabinet members, 53 lawmakers and one Romanian MEP**
- called the 'Romanian Graft Buster'
- Council proposed to nominate a man from a different country
- EU Parliament insisted on nominating her and prevailed



# EU PUBLIC PROSECUTOR - EPPO II



- Protects the financial interests of the EU, together with OLAF
- start of work: 1st June 2021
- already considerable amount of funds seized and perpetrators indicted
- systemic component of the **rule of law** in the EU
- lack of a Member State's cooperation with EPPO would be a factor in **withholding funds** from the EU budget\*



\* Art. 4(2)g, Regulation (EU, Euratom) 2020/2092 of 16 December 2020 on a general regime of conditionality for the protection of the Union budget



# UKRAINE



- **Sanctions**
- **Trade Measures**
- **Handling of Refugees**



# UKRAINE I: SANCTIONS



- Five packages of sanctions adopted within two months\*
- **Sixth package** more difficult
  - Removal of Sberbank and two other banks from SWIFT;
  - but **Gazprombank** spared;
  - ban on 3 Russian broadcasters;
  - Russia's most senior cleric, Patriarch Kirill, to be blacklisted
  - **import ban on all Russian oil**
- transitory periods for HU and ??



# UKRAINE II: TRADE MEASURES



- **EU-Ukraine Association Agreement\***
- **EU-Ukraine Deep and Comprehensive Free Trade Agreement\*\***
- **Commission proposed**
  - a one-year **suspension of import duties** on Ukrainian goods
  - to exempt Ukraine from **safeguard measures** and **anti-dumping tariffs** for steel products



# UKRAINE III: HANDLING OF REFUGEES



- Since 2017, Ukrainian citizens benefitted from **visa-free travel** to the EU
- in March 2022, the Council activated the Mass Influx Directive\*. Result:
  - for two years, refugees benefit from **temporary protection**
  - they don't need to apply for asylum
  - they will receive a residence permit
  - they can access the labour market or social welfare
  - they will receive medical assistance
  - children and teenagers will get education



# ENVIRONMENT



- **EU Climate Law**
- **Recovery Fund**
- **‘Fit for 55’-Package**



# ENVIRONMENT - EU CLIMATE LAW



- Objective of the European Climate Law:\* to implement the **‘European Green Deal’**
- Europe’s ‘sustainable growth strategy’
- decouple economic growth from greenhouse gas emissions
- Targets:
  - global warming no more than 1.5° C
  - emissions reduced to **net zero by 2050**
  - **net negative** emissions after 2050
  - emissions reduced by **55% by 2030**



# ENVIRONMENT - RECOVERY FUND



- This is the fund\* that provides the €750 billion
- it has three objectives:
  - mitigate the impact of Covid-19
  - prepare for the digital
  - and green transitions
- **37% of the facility's funds will be spent**
  - on the **green transition** or
  - on the challenges resulting therefrom



# ENVIRONMENT III - 'FIT FOR 55' PACKAGE



- Objective: reduction of net CO<sub>2</sub>-emissions by **55% by 2030**
- Package of 17 documents with more than 4000 pages
- presented on 14 July 2021:
  - Emission Trading System (ETS): **61% reduction** by 2030
  - Car CO<sub>2</sub>-emissions\*:
    - **55%** reduction from 2030
    - **100% (!)** reduction from 2035



# DIGITAL SINGLE MARKET

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- **Digital Markets Act**
- **Digital Services Act**



# DIGITAL MARKETS ACT - DMA I



- Objective: limit the market power of dominant undertakings, the so-called ‘gatekeepers’
- in the past, the EU had a piecemeal approach that could only intervene **ex-post**
- now, the DMA\* will provide a rulebook with **ex-ante obligations** for dominant undertakings
- objective: fair competition, more innovation and more choice for users
- 90% of Internet platforms are operated by SMEs
- these will now be better able to compete with the dominant corporations



# DIGITAL MARKETS ACT - DMA II



- the DMA applies only to the biggest ‘gatekeepers’:
- in practice: Google, Meta (Facebook), Apple, Amazon, [booking.com](https://www.booking.com) and the Chinese Alibaba, **but not Twitter**



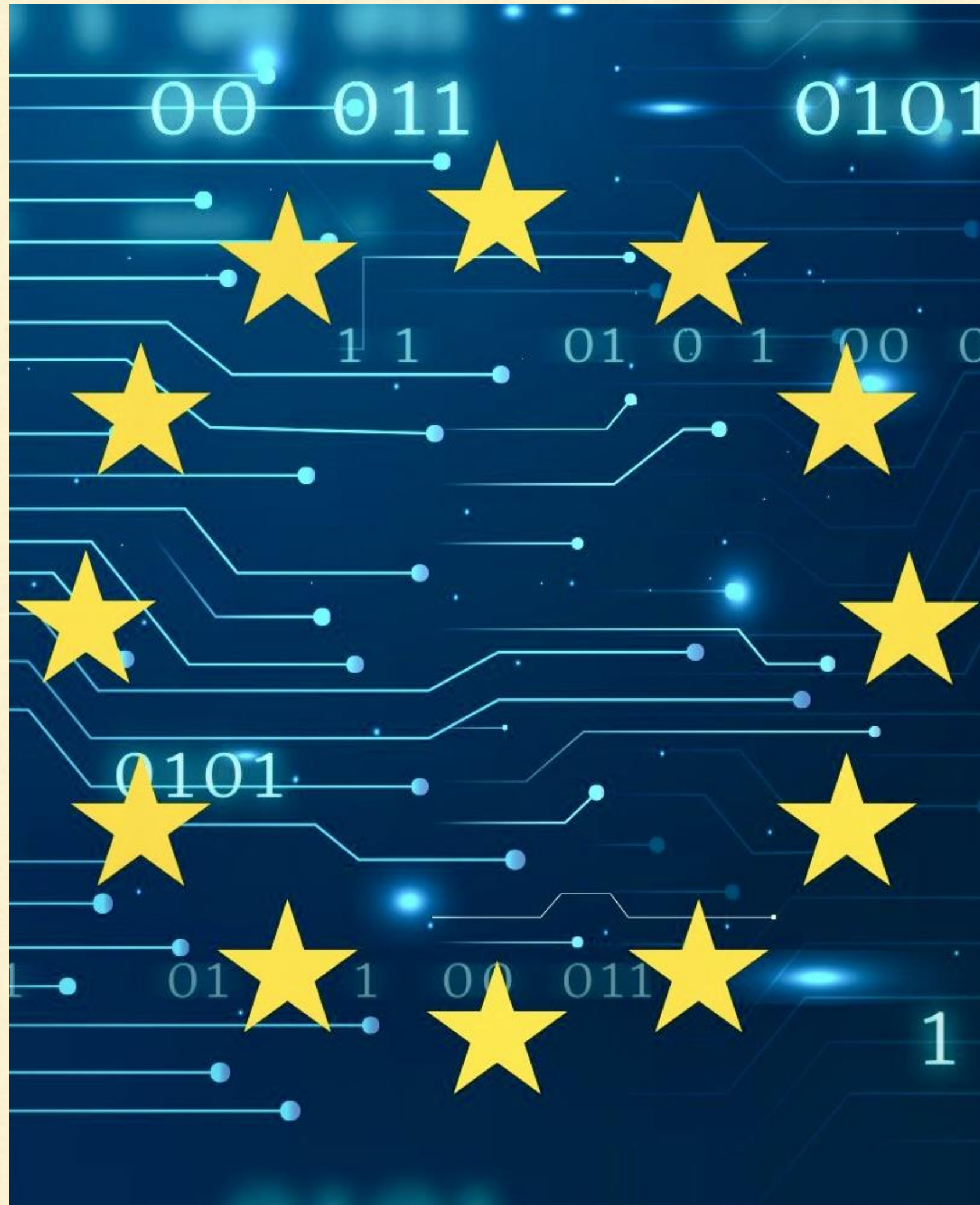
# DIGITAL MARKETS ACT - DMA III



- **Obligations for gatekeepers:**
  - **make WhatsApp, Facebook Messenger and iMessage interoperable with smaller platforms**
  - **let users freely choose their browser, virtual assistants and search engines**
  - **avoid giving preferential treatment to their own services ('self-referencing')**
  - **allow commercial users to offer their products or services on a third-party platform (Apple's problem)**



# DIGITAL SERVICES ACT - DSA I



- The Trilogue on the DSA\* between EP and Council lasted 16 hours and was several times on the brink of failure
- the result is likely to become a **global standard**
  - because the EU is first among regulators and
  - companies will not find it cost efficient to establish different versions of their services for different regions in the world
  - this is how the EU develops its **'soft power'**



# DIGITAL SERVICES ACT - DSA II



## Online content

- strict requirements for removing illegal content
- platforms should moderate harmful but legal content
- **‘Trusted Flagger’ regime:** a group of experts nominated by national authorities requiring platforms to react promptly



# DIGITAL SERVICES ACT - DSA III



## User protection

- High level of privacy and safety for minors including a ban on targeted advertising\*
- traceability of traders: platforms must collect information on traders to enable end users to pursue claims in case of counterfeits or fraud
- harmonisation of the notice and takedown procedures: rights holders can rely on a **single procedure across the EU**
- in case of non-compliance, the user has the right to **claim compensation** from the platform



# CITIZENS FIRST



- **Whistleblowers**
- **Gender Equality**
- **Covid-19 Green Pass**



# WHISTLEBLOWER DIRECTIVE I



- **Whistleblower: a person reporting a breach of the law**
- **double objective:**
  - **protect the rule of law and**
  - **protect the whistleblowers**
- **identity of the whistleblower to be protected in internal and external reporting channels**
- **EU Sanctions Whistleblower Tool offers protection of identity and anonymity:**  
<https://eusanctions.integrityline.com/frontpage>



# WHISTLEBLOWER DIRECTIVE II



- **Prohibition of retaliation**, e.g. dismissal or early termination of temporary employment
- legal aid to be offered to whistleblower
- presumption of innocence
- **burden of proof reversed**, i.e. placed on the person or authority that retaliated
- **full compensation** for damage suffered by the whistleblower in case of retaliation
- rights of whistleblowers cannot be abrogated by contract



# WHISTLEBLOWER DIRECTIVE III



## Comparison with US law\*:

- US accepts anonymous reporting
- reversal of the burden of proof not in the Act, but created by the Courts
- whistleblowers can get **financial awards amounting to 10 to 30%** of the sanctions collected by the SEC\*\*
- the SEC has paid more than **\$1.2 billion (!)** to whistleblowers



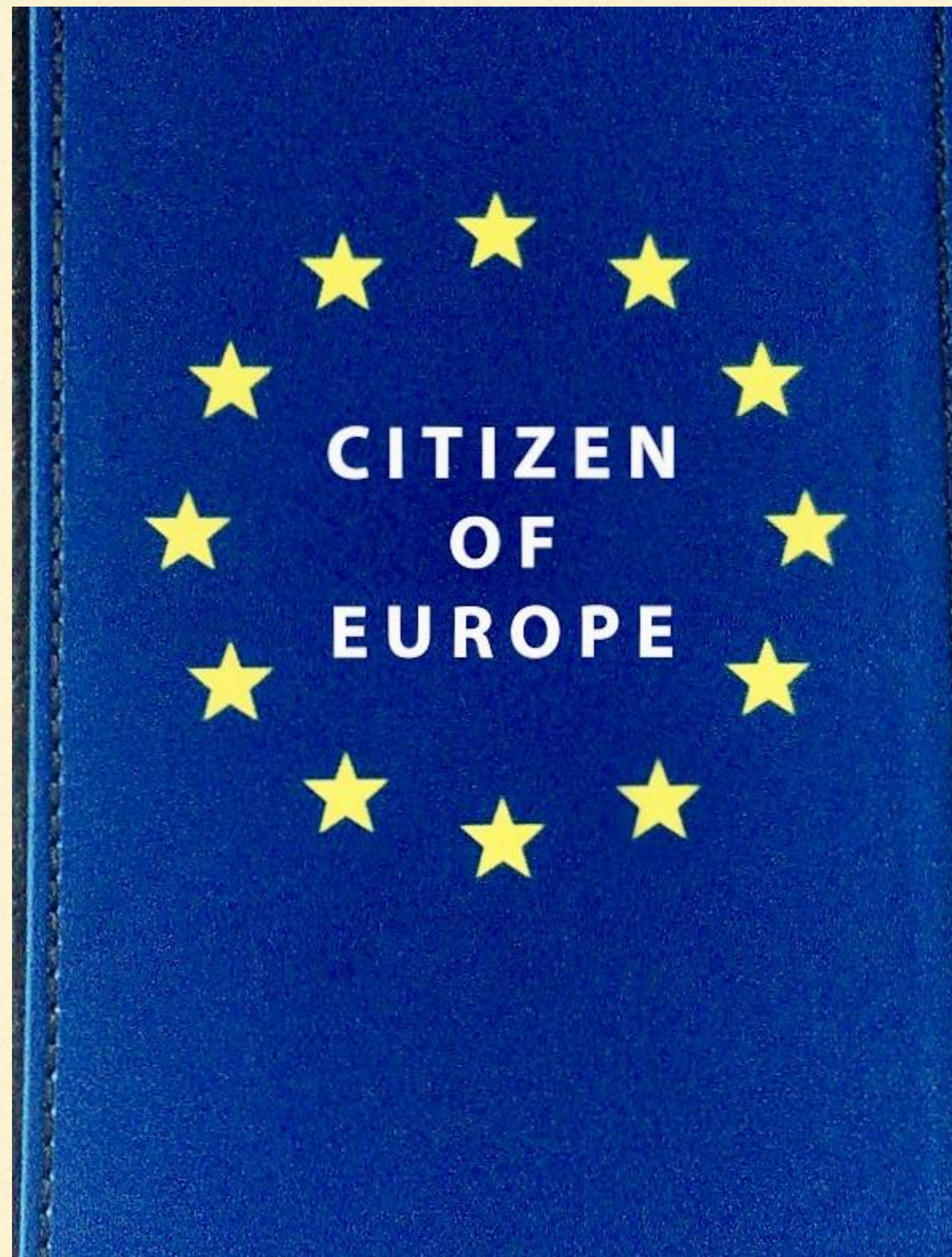
# GENDER EQUALITY



- “Defrenne” judgment of the ECJ of 1976: Art. 157 directly applicable
- Commission proposal on Women in Supervisory Boards in 2012\*
- Council adopted its position in March 2022: **40% of non-executive director positions**
- Trilogue with EP now starting



# CITIZENS FIRST



- **EU Digital COVID Certificate - Green Pass\***
- **Regulation adopted within 3 months in co-decision: a record!**
- **Objective: to facilitate free movement during the pandemic**
- **valid in 67 countries, i.e. UK, CH, Indonesia, Seychelles and Vietnam**
- **1.7 billion certificates issued by EU Member States**



# THE EU ASTRONAUT ON THE ISS



- Italian astronaut **Samantha Cristoforetti**
- graduated from the **Technical University of Munich**
- also studied in **Toulouse and Moscow**
- first woman to be a lieutenant and fighter pilot in the **Italian Air Force**
- **Erasmus alumna**



# SUMMARY



- Today's EU: focussed on**
- **the functioning of the EU**
  - **the environment and**
  - **the citizen**

**What is the most important message?**

**“Peace is at the heart of the European Union”**



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**THANK YOU  
FOR  
YOUR ATTENTION**

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